



中國新高教集團有限公司

China New Higher Education Group Limited

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with Limited Liability)

股份代號 Stock Code : 2001



2021

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THIS REPORT

Reporting Guideline

This Environmental, Social and Governance Report (the “**ESG report**” or “**this Report**”) aims to provide the environmental, social and governance (the “**ESG**”) performance of China New Higher Education Group Limited (the “**Company**”, and its seven schools, collectively, the “**Group**” or “**We**”, “**Our**”, “**us**”) in 2021 Financial Year. This report is prepared by the Company in accordance with the “Environmental, Social and Governance Reporting Guide” (the “**ESG Guide**”) under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Main Board Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**SEHK**”). This is the sixth ESG report published by the Company since its listing. The Group’s management policies, strategies and performance of ESG aspects are disclosed in this report. This report shall be read in conjunction with the section of “Corporate Governance Report” in the “2021 Annual Report” so that readers can have a more comprehensive understanding of related concepts, measures and performance of the Group in respect of its ESG.

Reporting Scope

Unless otherwise stated, the reporting scope of this report covered the Group’s headquarters in Beijing (“**Beijing headquarters**”) and its schools, including:

- Yunnan Technology and Business University (“**Yunnan School**”);
- Guizhou Vocational College of Industry & Commerce (“**Guizhou School**”);
- Luoyang Science and Technology Vocational College (“**Luoyang School**”);
- Harbin Huade University (“**Northeast School**”);
- Hubei Enshi College (“**Central China School**”);
- Guangxi Yinghua International Occupation College, Guangxi Qinzhou Yinghua International Occupation and Technology School and Guangxi Yinghua International Occupation Middle School (collectively, “**Guangxi Schools**”);
- Lanzhou College of Information Science and Technology (“**Gansu School**”).

Unless otherwise stated, the reporting period is from 1 September 2020 to 31 August 2021 (the “**Reporting Period**”). During the Reporting Period, Gansu School is newly added into the reporting scope due to its consolidation into the financial result of the Group.

Unless otherwise stated herein, all capitalized terms used in this Report shall have the same meanings as those defined in the 2021 Annual Report of the Company published on 30 December 2021.



Reporting Statement

This report is prepared in accordance with a systematic mechanism, including: identifying sustainable development issues, materiality assessment, information collection, data calculation, and compilation of report. The Board of Directors and senior management have tried their best endeavor to monitor and guarantee the completeness, reliability and authenticity of the information included in this Report, and make the relevant ESG disclosure in accordance to the changing standards and the Company's operation.

This report has disclosed the details of progress and effectiveness of the ESG work of the Group during the Reporting Period, which was confirmed by the Company's management and approved by the Board.

This report has complied with all provisions of "Mandatory Disclosure Requirements" and "comply or explain" in the ESG Guide, and has been prepared in accordance with the reporting principles in the ESG Guide. The following reporting principles have been adopted in the preparation of this Report:

Materiality

The Group identifies material issues related to the Group through materiality assessment, and highlights the material issues verified by the Board in this Report. Materiality assessment includes identifying the main stakeholders of the Group, inviting the Board and the stakeholders to prioritize the importance of sustainable development issues, and conducting analysis of material issues. Please refer to the "Materiality Assessment" section in this Report for details of the materiality assessment work.

Quantitative

In order to comprehensively evaluate the ESG performance of the Group during the Reporting Period, the Group disclosed the applicable quantitative key performance indicators in the ESG Guide, and stated the standards, methods, assumptions and calculation reference and basis used to quantify the key performance indicators, including the sources of major conversion factors.

Balance

This Report presents the Group's performance for the Reporting Period in an unbiased manner, avoiding selections, omissions or formats of presentation that might improperly influence reader's decisions or judgments.

Consistency

This Report adopts the same compilation method as that of the previous annual report, so that readers can make meaningful comparison of the ESG information during the Reporting Period.

Feedback on This Report

If you have any precious advice on the work of the Group's ESG Report, you are welcome to contact the Investor Relations Department of the Group by the email: ir@xingaojiao.com.



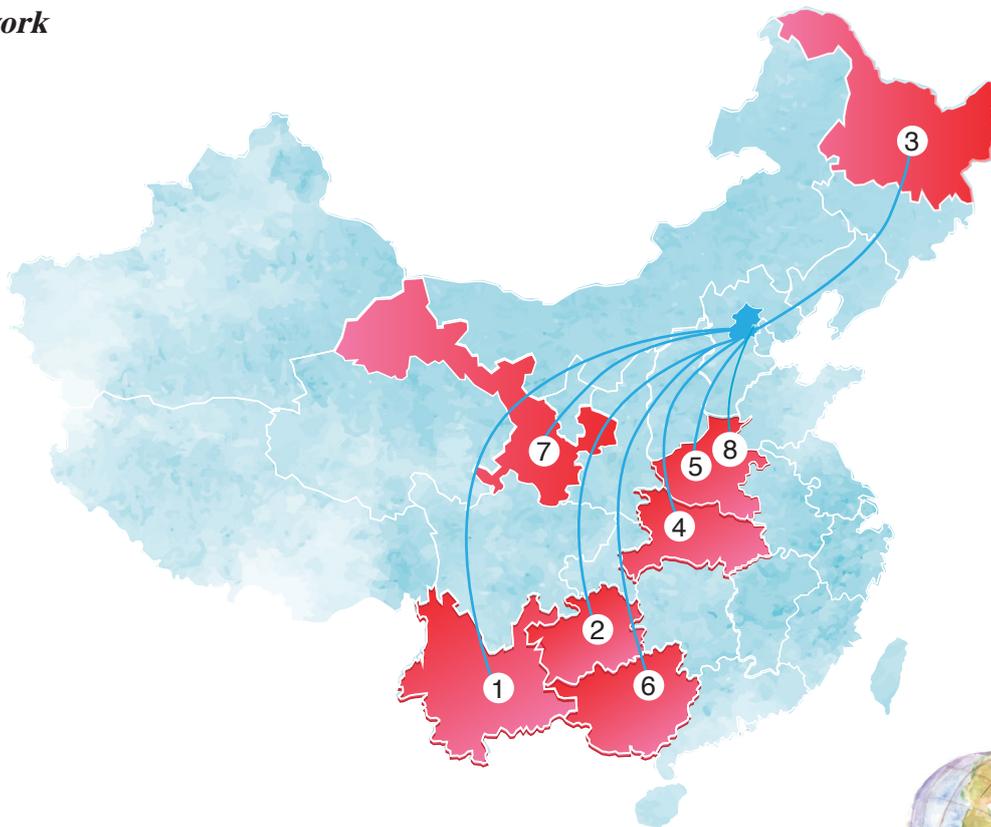
ABOUT US

Company Profile

Founded in 1999, the Group is a leading higher vocational education group and has been focusing on the higher vocational education for 22 years, which first put forward and propelled the school operation model of application-oriented universities for a long time. The Group was listed on the main board of Hong Kong Stock Exchange in April 2017 (stock code: HK.2001) and is headquartered in Beijing. The Group currently has founded and invested in 8 universities¹ (4 undergraduate universities and 4 junior colleges) in 7 provinces across China. The total student enrollment reaches approximately 144,000 and the Group has cultivated over 400,000 outstanding graduates in total.

Our Group keeps “Help Students Become The Best They Can Be” as our mission and practices the educational philosophy of “Strengthen Moral Education and Cultivate Talents, Teach Students in Accordance with Their Aptitude, Apply What One Has Learned”. We adhere to the goal of training first-class application-oriented talents and promote the industrial progress while integrating into the national strategic regional development. The schools of the Group are mainly career-oriented and focusing on application-oriented disciplines, so as to make students more competitive in the employment market. We hope to attract more excellent graduates of senior high schools through well-established reputation, and reproduce the centralized school model to different provinces. As a leader in high-quality employment, the schools of the Group have been awarded the “Top 50 National Employment” (全國就業工作50強) by the Ministry of Education of the People’s Republic of China (hereinafter referred to as the “**Ministry of Education**” and “**MOE**”), with an average employment rate of about 98%, and the employment rates of each school receiving top ranking from all provinces and regions.

School network



¹ During the Reporting Period, the financial statements of Zhengzhou City Vocational College (“**Zhengzhou School**”) had not been consolidated and therefore its disclosure had not been made in this Report.



1



Yunnan Technology and Business University
(Yunnan School)

2



Guizhou Vocational College
of Industry & Commerce
(Guizhou School)

3



Harbin Huade University
(Northeast School)

4



Hubei Enshi College
(Central China School)

5



Luoyang Science and
Technology Vocational College
(Luoyang School)

6



Guangxi Yinghua International Occupation College,
Guangxi Qinzhou Yinghua International
Occupation and Technology School and Guangxi
Yinghua International Occupation Middle School
(collectively, Guangxi Schools)

7



Lanzhou College of
Information Science and Technology
(Gansu School)

8



Zhengzhou City Vocational College
(Zhengzhou School)
Fully joined the Group in September 2021



SUSTAINABLE GOVERNANCE

The Board of the Company is committed to being involved in sustainability governance matters. During the Reporting Period, we further integrate ESG matters into corporate governance structure to lead the Group towards a sustainable development. At the same time, the Board of the Company strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Group.

ESG Matters Governance System

The Board of the Company is the highest decision-making institution for the Group's ESG matters and is responsible for the approval of ESG Report and making major decisions. The Board is responsible for monitoring the ESG matters of the Group, determining the overall ESG management objectives, management strategies and management approaches, and overseeing and approving management approaches of the Company, management strategies and ESG matters.

In order to further improve ESG matters governance system of the Company, the Board has established an ESG Working Group under the authority of the Board to assist the Board to guide and monitor the Company to finalize its governance function of ESG matters, including reporting to the Board on ESG management on a regular basis, assisting in setting up an appropriate and effective ESG risk management and internal control system, managing ESG objectives and assisting the Board in reviewing the progress of ESG objectives. Meanwhile, the ESG Working Group is responsible for the delivery of decision made by the Board and the report of work process and feedback from the functional departments.

The ESG Working Group is composed of functional departments which are responsible for the ESG allocation of the Company and the practice of ESG work, and finalizes ESG strategies of the Company into ordinary operation.



ESG Risk Management

The Board of the Company recognizes its overall responsibility for the Group’s risk management and internal control systems, and review the effectiveness of going concern basis. In order to ensure the effectiveness of our risk management and internal control system, the Company has established risk management and internal control procedures for identifying, evaluating, and managing the significant risks associated with the achievement of its operational objectives. During the Reporting period, the Company conducted an ESG risk assessment and analysed the prioritization of the Company’s ESG risks based on the assessment results to effectively identify the ESG risks that are important to the Group. According to the results of the ESG risk assessment, the ESG risks with the highest importance of the Company are brand risk and infectious disease. The Company will integrate significant ESG risks into its internal risk management mechanism to further monitor and manage the risks arising from ESG matters.

The Company has identified the following ESG risks that are critical to its operations and business during the Reporting Period and reviewed relevant management measures to ensure that these risks are effectively controlled:

Risk	Risk Implications	Management measures
Brand risk	Negative publicity about the Company may adversely affect reputation, business, potential prospects and the ability to recruit qualified teachers and staff.	The Group has formulated and implemented the Group’s Advertisement Management Approach, which provides specific guidelines and handling methods for news reporting, external publicity, internal publicity, reporting of public emergencies and control of public opinion.
Infectious diseases	Outbreaks of infectious diseases (e.g., COVID-19) can cause class suspension and delays in school resumption, negatively impacting daily school operations, such as a high risk of infection in student dormitories.	The Group has established a management system for the prevention and control of various public health emergencies, and a series of precautionary measures to improve the hygiene environment and conditions, such as monitoring the health status of students and providing health education to students in accordance with the School Health Work Regulations.

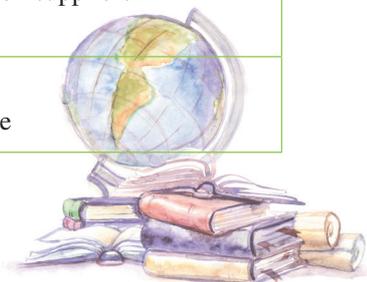
Stakeholder Engagement

The operation and development of Company are inextricably linked to its stakeholders. The Group actively communicates with stakeholders through various channels in order to understand their views and expectations, and to help determine the key disclosures contents in this Report through their level of interest in various sustainability issues. In addition, we hope this report can serve as a bridge for the communications among different stakeholders and we can respond to concerns of different people by providing clear and comprehensive ESG information. We have summarized the expectations of our stakeholders and the channels of communication between the Group and them on a daily basis in the table as below:



Communication Channels

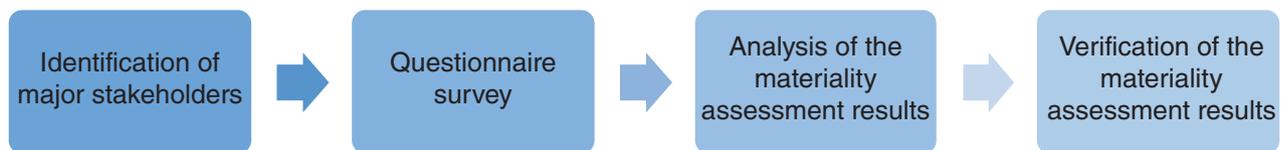
Stakeholders	Their Expectations	Routine Communication Channels
Government/Regulatory Authorities	High Quality Teaching Standards	<ul style="list-style-type: none"> Site visits to the Company and schools
Shareholders/Investors	Latest operation information of the Group Performance of the Group	<ul style="list-style-type: none"> Hold briefings of annual and interim results announcement regularly Organize the annual general meeting and update investors' understanding of the operation of the Group Regularly update the website to ensure that investors receive the latest company information
Industry Associations	Promoting the development of the industry	<ul style="list-style-type: none"> Actively participate in activities organized by industry associations, and the schools of the Group served as the President of the Private Education Professional Committee under the Chinese Society of Educational Development Strategy, the Chairman of the Group served as the Vice President of Chinese Society of Educational Development Strategy, the Vice President of the China Association for Non-Government Education and the Vice President of the Association of Universities (Colleges) of Applied Science
Employees/Teachers	A good career development platform A comfortable working environment	<ul style="list-style-type: none"> Organize employee training to allow new colleagues to communicate with the management of various departments The headquarters and the schools hold work annual meeting, Spring Festival annual meeting, etc. Evaluate the performance of employees regularly Organize different types of large-scale and small-scale training courses or workshops Conduct department meetings regularly
Students	The schools provide high-quality education	<ul style="list-style-type: none"> Students satisfaction survey Themed class meeting or lecture
Students' Parents	The schools provide high-quality education	<ul style="list-style-type: none"> Regularly organize parents' meeting to actively communication with them
Media	Understanding the development of the Group	<ul style="list-style-type: none"> Interview activities
Suppliers	Cooperation and win-win results	<ul style="list-style-type: none"> Evaluation processes on suppliers Supply process
Public	Cultivation of outstanding talents	<ul style="list-style-type: none"> Community activities Information disclosure



Materiality Assessment

During the Reporting Period, the Group conducted a materiality assessment by means of a questionnaire survey to collect the views of internal and external stakeholders about sustainability of the Group so as to learn about sustainable development issues that are important to the Group and assist the Group in planning its future sustainable development work.

The Group's material assessment process includes the following four steps:



1. *Identification of major stakeholders*

The Group identified major stakeholders closely related to the business operation based on two dimensions, namely “the Group’s influence on stakeholders” and the “stakeholders’ influence on the Group”, and invited them to participate in the materiality assessment of the year.

- The Board of Directors
- Senior management/Decision-making
- Government/Regulatory Authorities
- Shareholders/Investors
- Employees/Teachers
- Public
- Students
- Students’ Parents
- Media
- Business Partners/Suppliers

2. *Questionnaire survey*

With reference to the ESG Guide and based on the trends of the international community and the sustainable development of the education industry as well as the Group’s deep understandings of the education industry, the Group identified 24 potential material issues related to the Group and understood stakeholders’ concerns and other precious comments on all potential material issues through the questionnaire survey.



3. Analysis of the materiality assessment results

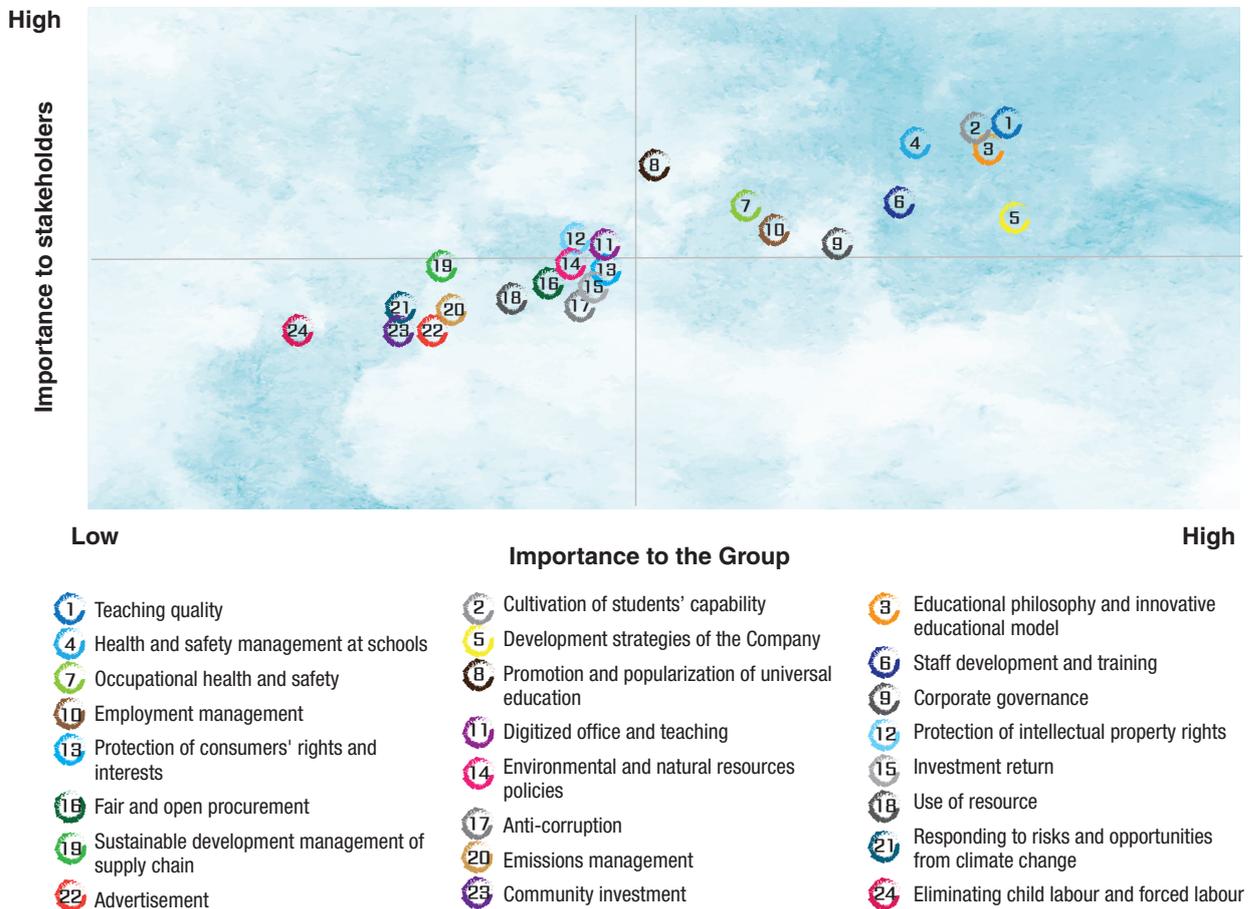
According to the questionnaire results, the Group established a materiality analysis matrix from the two dimensions, namely “importance to stakeholders” and “importance to the Group” to prioritize the materiality of various issues.

4. Verification of the materiality assessment results

The Board of the Company verified the ranking results of sustainable development issues by materiality, and determined the issues that scored more than half in the two dimensions of “importance to stakeholders” and “importance to the Group” as the material issues.

The following figure shows the Group’s Materiality Analysis Matrix of Sustainable Development Issues:

Materiality Assessment of Sustainable Development Issues



In this materiality assessment, the Group identified 10 material issues (which are listed in the upper right corner of the materiality analysis matrix chart), and these issues will be mainly disclosed in the subsequent chapters of this report. The following table shows the chapters of this Report that respond to such material issues.

Material issues (in the order of importance)		Response chapters in this report
1.	Teaching quality	High-quality Teaching
2.	Cultivation of students' capability	High-quality Teaching
3.	Educational philosophy and innovative educational model	High-quality Teaching
4.	Health and safety management of schools	High-quality Teaching
5.	Development strategies of the Company	High-quality Teaching
6.	Staff development and training	Employment and Development of Talents
7.	Occupational health and safety	Employment and Development of Talents
8.	Promotion and popularization of universal education	Promoting Social Welfare
9.	Corporate governance	Sustainable Governance
10.	Employment management	Employment and Development of the Talents



HIGH-QUALITY TEACHING

Development Strategy and Achievements

The Group has been focusing on higher vocational education for 22 years which first put forward and propelled the school operation model of application-oriented universities for a long time. The Group actively responds to the national policy and focuses on the strong demand for application-oriented and technical and skilled talents in national economic and social development during the “14th Five-year Plan” period. With the party building as the guide, enhancing morality and fostering talents as the fundamental task, serving development as the purpose and the high-quality employment as the orientation, the Group will constantly optimize the structure of majors and the model of talent cultivation.

At the same time, the Group actively cooperates with national development, focusing on the national development layout of the Three Major Industries, being emerging industries, leading industries and special industries. The Group has conducted in-depth studies on the changing trend of regional industrial structure adjustment, deployed in the sunrise industries in advance and constructed five major groups led by information technology, high-end equipment manufacturing, medical health care and big health, digital finance, and cultural media industries, continuously optimizing the discipline and professional structure to build the core competitiveness of the schools.

Application-oriented Education

OBE teaching model reform

The Group integrates the international Outcome-Based Education (**OBE**) teaching model to practice application-oriented talent training, promote teaching reform, and improve teaching quality. In this regard, the Group has built advantageous majors with top universities and leading famous enterprises, such as cooperating with Xi’an Jiaotong-Liverpool University to jointly build information technology and accounting majors, promote research-oriented teaching and the reform of talent cultivation guided by the OBE concept.

School-enterprise “dual” education

The Group vigorously promotes the involvement of double qualification teachers² in teaching practice. With a platform of industrial college jointly established by schools and enterprises, the Group vigorously advanced the integration of industry and teaching, school-enterprise cooperation and collaborative fostering of talents by schools and enterprises. And famous enterprises such as Huawei, JD, Geely Auto and Chinasoftware International delegated professionals to participate in teaching and practical guidance activities to deeply develop collaborative education, cultivate application-oriented talents who meet the development needs of industry and job position, with industry growth potential and career development capabilities.

² Represents that teachers are required to obtain other professional qualifications besides teachers’ professional qualifications



Implementation of “Customized Training Program for Famous Enterprises”

The Group has reached in-depth cooperation with more than 1,600 well-known enterprises in the industry. Based on national and industrial demands, the Group implemented the “Customized Training Program for Famous Enterprises” (名企定制培養計劃) and opened more than 100 employment classes, representing an increase of over 300% as compared to the corresponding period of the previous year. The number of industrial colleges has increased to 30, representing a year-on-year increase of 87.5%.

Cooperation with top universities and leading famous enterprises

In July 2021, the Group cooperated with the Snow Laboratory of Harvard Graduate School of Education to jointly develop the pre-school education major of our schools. In March 2021, the Group signed a comprehensive cooperation agreement with Huawei, taking the construction of Huawei Cloud School project as the beginning, to jointly construct majors, teachers, courses, experimental and practical training conditions, etc., and fully developed collaborative education and built an information and communication technology (ICT) talent ecology

High Level of Employment

At the end of 2020, constant breakthroughs have been made in the employment achievements of the Group. Even during the epidemic, the Group’s average employment rate climbed to 98%, exceeding the Group’s average employment rate for the same period in 2019, and much higher than the national average. The high-quality employment rate doubled as compared with that for the same period of 2019. The Group was awarded as the National Employment Competitiveness Group in the CCTV.COM Education Gala 2020, which was the only education group in China to win the award. The schools of the Group were awarded the “Top 50 National Employment (全國就業工作50強)” by the Ministry of Education. And the employment rate of each school made top ranking in all provinces and regions, in particular, Guangxi Schools and Gansu School ranked first in the respective region and province in terms of employment rate, and the employment rate of Gansu School exceeded the historical record of Gansu Province in undergraduate employment rate.



Attaching great importance to the high-quality employment of students, the Group has continuous remarkable employment achievements. As of the end of November 2021, the initial employment rate of 2021 graduates of the Group has reached 90%. The number of high-quality employment students has increased by 60% as compared with the same period of last year, and the number of internships in famous enterprises has doubled as compared with that of last year. Constant breakthroughs have been made in the employment achievements of each school, of which, the initial employment rate of Gansu School ranked first among undergraduate colleges in the province again, breaking the historical record of the employment rate of Gansu Province for two consecutive years. The initial employment rate of Guangxi Schools ranked first among similar schools in the region again in 2021. Yunnan School was identified as the employability training base for national college graduates by the Ministry of Education. Recently, Guizhou School was recognized as one of the “Top 100 National Typical College Graduates for Employment and Entrepreneurship (全國高校畢業生就業創業典型)” by the MOE, the only college in Guizhou Province and the only private school in China winning this honor. And it also received recognition from Huai Jinpeng (懷進鵬), Minister of the MOE, at the 2022 National Conference on Employment and Entrepreneurship for Graduates of Ordinary Colleges and Universities (2022屆全國普通高校畢業生就業創業工作會議) jointly held by the MOE and the Ministry of Human Resources and Social Security. The graduates of the schools of the Group are well received by world-class employers and the employment salaries of 2021 graduates have reached a new high, with the highest salary far exceeding that of similar schools in the province.

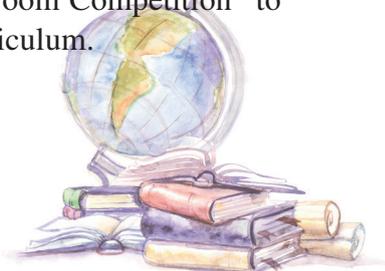
OBE Teaching Model

The Group adopts the OBE teaching model with result-oriented as the core that actively advocates student-centered teaching. This teaching model pays attention to the learning achievements that students obtain after finishing the learning course, rather than the students’ academic scores. This teaching model also emphasizes the student-centered education. We design teaching curriculum according to students’ personalized learning needs and take the learning goal as the starting point.

Four Key Points of Implementing OBE Teaching Model

Establish learning objectives	The level and ability to be achieved by students after graduation
Construct a learning system	Show students’ learning achievements and progress
Determine teaching activities	Define what students have to learn and what learning results they will achieve
Provide various strategies for teaching evaluation	Ensure the achievement of learning results and fulfil the needs of students

The Group actively promotes OBE curriculum construction and teaching reform. For the implementation of OBE, the Group has formulated the guiding document “Guidance on the Implementation and Motivation of the OBE-based Teacher Excellence Classroom Competition” to provide its schools with basic guidelines for the implementation of OBE curriculum.



During the Reporting Period, the Group implemented the OBE workshop training system and conducted different lectures and practical training sessions, such as the “Development and Connotation of OBE Concept” and “Engineering Education, Construction and Implementation of Applied Talent Cultivation Model Based on the Characteristics of Industry-Teaching Integration”, “Construction and Implementation of Applied Professional System under OBE Model” and “Construction of Process-oriented Learning Curriculum System”. According to the education and teaching philosophy of OBE, schools combine their respective professional characteristics and individual needs to develop the advantageous professional talent training program. In addition, the Group also held seven OBE training lectures on topics such as “Requirements and Practices of Applied Transformation in Colleges and Universities”, “Building a Coherent Teaching Process” and “Student-centered Curriculum Outline under OBE Concept”.

Strict Control of Teaching Quality

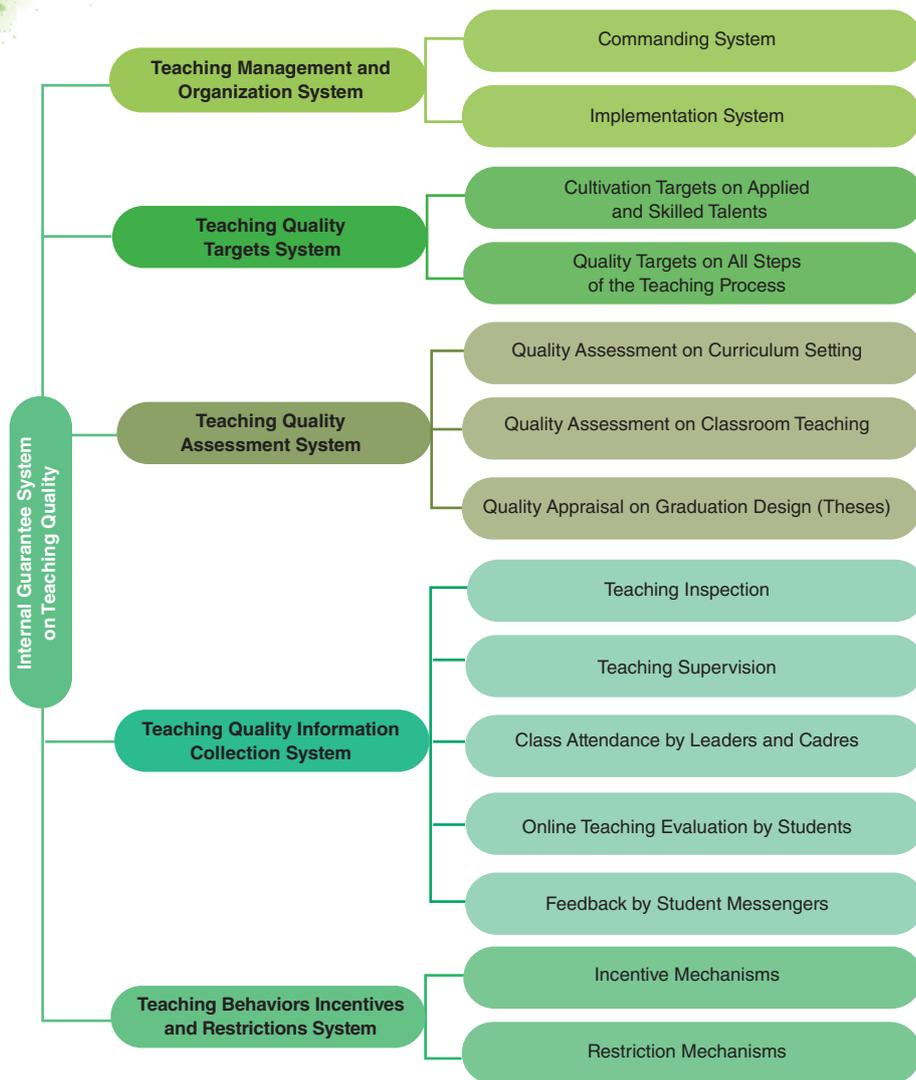
The Group has always been committed to providing comprehensive high-quality teaching, strictly controlling the teaching quality, building a high-quality education system, strengthening the positioning of vocational education types, adhering to the principle of “Student As The Center”, continuously deepening the reform of talent training, optimizing the discipline and majors structure, and unswervingly taking the road of high-quality development.

During the Reporting Period, the Group strictly abided by national and regional laws and regulations that had a significant impact on the Group, including *the Education Law of the People’s Republic of China*, *the Non-state Education Promotion Law of the People’s Republic of China*, *the Regulations on the Implementation of the Non-state Education Promotion Law of the People’s Republic of China*, *the Higher Education Law of the People’s Republic of China* and *the Vocation Education Law of the People’s Republic of China*, to offer students teaching services with quality assurance.

In order to maintain high-quality teaching standards, the schools of the Group regularly held schoolwide teaching work meetings to study the development trend of higher education, summarize the experience of teaching reform, and put forward teaching tasks and objectives. In order to systematically manage the quality of teaching, the Group has a systematic teaching quality assurance system, which consists of the cultivation targets on applied talents and quality targets on all steps of the teaching process, including five systems, namely teaching management and organization, teaching quality targets, teaching quality assessment, teaching quality information collection and teaching behaviours incentives and restrictions, so as to ensure the quality guarantee work from multiple perspectives.



The Group and its schools' internal guarantee system for teaching quality is as follows:



Teaching quality monitoring and operation

The School Teaching Quality Monitoring and Assessment Center of the Group is responsible for supervising the teaching quality management and all schools are responsible for the implementation of their teaching quality management. The school teaching quality assessment work comprises routine teaching inspections, special inspections, class attendance and tour inspections by supervisors, class attendance by school leaders and management members, and feedback on class teaching by student messengers with the purpose of conducting effective monitoring on teaching quality from multiple perspectives.

Teaching surveys	Teaching surveys are conducted in the beginning and middle of each semester. The survey at the beginning of each semester covers the inspections on the implementation of talent cultivation plans and the teaching plans of lecturers. The survey at the middle of each semester covers the inspections on problems in all teaching processes and the solving of the problems as well as symposiums with representatives of students and teachers in various forms to fully understand the teaching status.
Special inspections	According to the evaluation requirements of the Ministry of Education, check the teaching files on a case-by-case basis; spot check examination papers, graduation theses, teaching documents and other documents, and timely rectify any problems found.
Class attendance and tour inspections	The Teaching Quality Monitoring Center conducts class attendance and tour inspections on teaching by school leaders and relevant management members at the beginning and middle of each semester. The Teaching Quality Monitoring Center makes feedbacks on class attendances to the teaching institutions and the teaching institutions makes feedbacks to teachers in proper ways.
Feedbacks on teaching by student messengers	The feedback work of student messengers on teaching starts from the beginning of each semester to the end of the semester. Messengers are required to collect highlights, problems, shortcomings and suggestions on teaching in respect of the education and teaching of teachers and teaching infrastructure of schools once a month. The feedbacks improved teaching quality effectively as it provides the first-hand information to enhance the overall teaching management.

Apart from an effective monitoring mechanism for teaching quality, the school holds annual schoolwide teaching work meetings or practical teaching work meetings to update the educational concept of the teacher team and to study major issues in teaching and practice. At the same time, the school holds regular monthly meetings online and offline, as well as occasional coordination meetings to ensure that teaching work is carried out and completed in an orderly manner. The evaluation of teaching quality by all parties is also very important to improve the quality of our teaching services. Therefore, the School Quality Monitoring and Teacher Development Center organizes a full teaching evaluation activity every semester, inviting students, peers and teaching experts to evaluate the teaching quality of our schools. In addition, our teachers are also required to carry out special self-assessment such as classroom teaching evaluation. The results of teaching quality evaluation are used in the annual analysis report of teaching quality, which helps us to examine the teaching work in this academic year and formulate the teaching plan for the next academic year.



Teachers and teaching allocation

The Group believes that teachers are the core of quality teaching, and we have developed a sound teacher management system after years of experience. The Group has implemented “double-qualified” teacher team building plan, giving priority to the introduction of talents with relevant practical experience to build a high standard teaching team. Our “double-qualified” teaching team has begun to bear fruit, with about 30% of the teachers at undergraduate level having industrial and project backgrounds, and about 65% of the teachers at junior college level having industrial and project backgrounds. At the same time, we adhere to the principle of “introducing external teachers and training existing teachers”, and according to the needs of the construction of key disciplines, featured disciplines and specialties, we have continuously increased the training and introduction of high-quality talents in a targeted manner. In addition, we have also adopted a high-resilience special preferential policy to expand the size of the teacher team to ensure the quality of teaching for majors with large social demand, large enrollment and relatively weak teaching staff capacity.

The Group has an excellent teacher team, and our teachers have been recognized with numerous industry awards over the years. During the Reporting Period, the Group and its schools won a number of awards and honours, where its schools actively participated in 57 national university student competitions recognized by the Ministry of Education, and won 117 national awards and 895 provincial awards.

For example, in Yunnan School, its faculty team was awarded three provincial first-class courses, two second-class awards for provincial teaching achievements, and one first-class and one third-class award in the provincial teaching competition for teachers during the Reporting Period. Its student-teacher team won 45 national awards and 261 provincial awards in discipline competitions, including two special prizes, three first-class prizes, one second-class awards and three third-class awards in the “National University Student E-Commerce Innovation, Creativity and Entrepreneurship Challenge”; one special-class award in the “China Intelligent Manufacturing Challenge Competition”; one special-class award, two first-class awards and three second-class awards in the “National University Digital Art and Design Competition”.

With the continuous development and expansion of the Group’s school scale, we continuously increased our teaching funding input in basic teaching facilities. We continued to improve teaching conditions such as training rooms, network equipment, teaching and scientific research instruments and equipment, improve the hardware conditions for students’ practical teaching, and enhance the overall educational strength and level. In addition, the Group further improved the campus environment to enhance the learning experience of students.



Nurturing the Growth of Our Students

Adhering to the education tenet of “Nurture the Growth of Our Students, Help Students Become The Best They Can Be”, the Group has devoted itself to cultivating students and exploring their potential for many years. Except emphasis on the cultivation of students’ capability, we will pay more attention to students’ ideological and moral quality. The Group is committed to continue to guide students to establish good moral quality, and hopes that students will become talents with all-round development of “virtue, intellectual, physical, artistic and laboring”.

In order to stimulate students’ inner growth motivation, the Group creates a personalized applied talent training system with distinctive features by combining students’ individual development needs, professional training goals, career development plans, industry development trends and direction of employment needs, and national strategic guidance. The Group pays close attention to every important point in the student growth career system, and carries out special counselling, inspirational education and provides corresponding supports from multiple dimensions such as schools, teachers, corporate experts, counselors and school staff, while creating rich campus cultural activities, so as to enrich students’ growth experience at school and realize full education in three aspects.

In addition, we attach importance to students’ extracurricular learning and give full play to the complementary roles of various scientific research activities, academic exchanges, community activities, discipline competitions, expert lectures and campus cultural festivals in talent cultivation to build a good cultural atmosphere of our campus.

Case: Community Culture and Art Festival in Central China School

Central China School held the 5th Community Culture and Art Festival from November 2021 to December 2021. It aimed to enhance students' enthusiasm for participating in community, boost the association to hold more high-quality activities.



Case: Mid-Autumn Festival Activities in Yunnan School

Yunnan School hold a wonderful night activity during the Mid-Autumn Festival, and organized students to experience traditional culture, including guessing lantern riddles, enjoying lantern show, putting wishing lanterns and tasting moon cakes, etc.



Student-teacher Experience Management

Facing the new trend of building a high-quality education system, the Group always insists on “Student As The Center”, attaches great importance to the work of student-teacher experience, and integrates the improvement of student-teacher experience into the whole process of learning and living experience, such as the planning of campus environment, the construction of educational and teaching facilities, and the optimization of logistic services and facilities, etc. In this regard, the experience management center was specially established to reflect the distinctive position of the Group of putting students and teachers first. On the basis of in-depth consultation with students and teachers, each institution has explored the establishment of a one-stop student service center.

In response to the urgent needs of students and the expectations of teachers, a total of nearly RMB100 million has been invested to improve the experience. With the goal of creating a comfortable dining environment for students, we have implemented a project to upgrade the dining environment in the canteens of institutions, such as Yunnan School and Luoyang School, and built a large-scale single-storey student dining hall with fresh, bright and energetic colors, which is well received by students. The students’ concerns such as tumble dryers and air conditioners have been popularized, and the accommodation conditions have been fully optimized in Guizhou School and Hubei School through reforming and upgrading accommodation conditions for students; the “student-centered” education and teaching facilities upgrading project has been implemented, and a number of teaching facilities upgrading projects such as the lighting court of Yunnan School and the Mingde Teaching Building of Luoyang School have been put into use after the start of the fall semester , and the desks and chairs of the institutions have all been renewed, making learning more convenient. The theme of environmental education is to implement the campus environment beautification project and build a number of large parking lots. From economical and practical to intelligent services, and then improvement of student-teacher experience in all aspects, the institution’s education environment has been greatly improved, and the appearance of the campus has a new look.



One-stop Service Center of Luoyang School





Apple Practical Training Room at Yunnan School



Academic Lecture Theatre at Central China School

01/ Learning Space

02/ Logistic Space



Container Plaza at Central China School



Canteen at Guangxi Schools



Student Apartment at Guizhou School



Student Apartment at Gansu School

03/ Living Space

04/ Outdoor Space



Lighted Basketball Court at Yunnan School



East Gate of Luoyang School



Appearance of Student Apartment at Central China School



Appearance of Student Apartment at Yunnan School



Fascinating Flowers Sea at Guizhou School



Sports Ground at Luoyang School

Improvement of Campus Environment

Collection of comments from students and parents

The Group insists on an open attitude and accepts valuable opinions from students and parents with an open mind. We actively collect comments from students and parents on the work of the school in the hope of improving and enhancing the quality of teaching and learning. For every academic year, we conduct surveys on student satisfaction through questionnaires and on-site visits. The Group has also opened the “Information Platform of Students’ Opinions and Suggestions” on smart campus digital platform. A working mechanism has been established to collect opinions and suggestions through multiple channels and deal with them through multiple measures. In order to improve the efficiency of students’ demands, each institution has established “Principal’s Reception Day” based on the “Principal’s Mailbox” to solve the problems reflected by students face to face. If parents and students have any opinions on teaching services, campus environment, accommodation facilities, employment guidance, etc., they can express them through various channels such as telephone, visits, letters, complaint boxes, student service mobile applications, student seminars, etc., which will be followed up by the experience management center of the Group.





In response to complaints, we have established the “Measures for the Implementation of Students’ Complaints” to clearly regulate the complaint handling process and ensure that all complaints are handled properly. In addition, in order to further regulate the education and management of students and to protect their legal rights, we have established the “Measures for Handling Students’ Complaints (Trial)”. Students can submit their opinions and requests to the student complaint handling committee if they think their rights have been damaged. In addition, students can also submit information through the “Principal’s Mailbox” platform, and experience management center will transfer opinions and complains to corresponding department and will urge the relevant department to provide solutions to the problems.

When handling complaints from students and their parents, we adhere to the following three principles:

1. Timely principle: for different types of complaints, we set a time limit for handling complaints and give timely feedback;
2. Principle of fairness and justice: we handle complaints from students and their parents objectively, fairly and impartially, without favouring either party;
3. Management Principle: we have a management database to deal with all complaints effectively.

The Group discloses its performance indicators in relation to the Group’s product liability in accordance with ESG guidelines, during the Reporting Period, the Group received 15 complaints about its products and services and achieved a 100% complaint resolution rate.



Safeguarding Campus Safety

While ensuring the quality of teaching, the Group will not neglect the management of campus safety, which is a material part for the operation of schools. We hope that all teachers, students and employees feel free when studying or working on the campus. Therefore, we continue to improve the policies on fire safety, public health, food safety and campus security, and take care to ensure the health and safety of teachers, students and employees. During the Reporting Period, the Group strictly complied with national and regional laws and regulations on health and safety and did not receive any complaints or lawsuits in violation of relevant laws and regulations.

The Group complied with laws and regulations regarding health and safety that have a significant impact on us (including but not limited to)	Internal policies of the Group (including but not limited to)
<ul style="list-style-type: none"> • <i>Fire Protection Law of the People’s Republic of China</i> • <i>Working Regulation for the Hygiene at School</i> • <i>Food Safety Law of the People’s Republic of China</i> • <i>Construction Law of the People’s Republic of China</i> • <i>Regulations on the Administration of Production Safety in Construction Projects</i> 	<ul style="list-style-type: none"> • Regulations on the Administration of Safe Production • Restaurant Management System of Yunnan School • Public Health Plan of Luoyang School • Fire Prevention and Fire Extinguishing Emergency Evacuation Plan of Luoyang School • Work Plan for Epidemic Prevention and Control in Luoyang School in 2021 • Emergency Plan for Food Safety at Canteen of Guizhou School • Measures for the Administration of Canteens and Merchants in Guizhou School • Management Service Manual for Catering and Business District in Gansu School

Disease prevention and control

Infectious diseases are one of the most important ESG risks of the Group, and we have formulated various preventive measures and policies to reduce the risk of disease transmission. According to *the Regulation on the Urgent Handling of Public Health Emergencies*, the schools of the Group have formulated the “Plan for Urgent Handling of Public Health Emergencies”, which classifies the severity levels of various public health emergencies and allows each school of the Group to take graded emergency response. At the same time, the schools of the Group monitor the health status of students, carry out health education to students, help students cultivate good health habits, improve teachers’ health environment and conditions, and strengthen the prevention and treatment of infectious diseases and common diseases among students in accordance with the “Working Regulation for the Hygiene at School”. In addition, our schools are also required to publicize the prevention and control knowledge of public health emergencies to teachers and students, improve the information monitoring and notification network of public health emergencies, and establish a rapid response and emergency handling mechanism.



During the Reporting Period, the COVID-19 epidemic continued to develop, and the schools of the Group launched new epidemic prevention and control plans in the new school year to keep abreast of the latest development of the epidemic. For example, Luoyang School implemented the *notice of the ministry of education on epidemic prevention and control work in colleges and universities before and after the winter vacation* and the *notice of the provincial department of education on epidemic prevention and control work in the education system of the whole province before and after winter vacation*. At the beginning of 2021, “Work Plan for Epidemic Prevention and Control in Luoyang School in 2021” was formulated, which listed the latest work adjustment of the leading group for epidemic prevention and control and the technical plan for the COVID-19 epidemic prevention and control in autumn and winter.

At the same time, each school remained its maximum alertness and continued to implement other measures to prevent the COVID-19 epidemic, including but not limited to implementing closed management in schools and strictly implementing the school registration system; strengthening the morning, afternoon and evening inspection of students and teachers; daily cleaning on campus and keeping ventilation in key places and strictly control gathering activities.

Case: Special Training and Procedure Drills for Students Returning to School and Emergency Handling at Northeast School

In order to improve the capability of epidemic prevention and emergency skills of all staff, Northeast School held special training and procedure drills for students returning to school and emergency handling matters in March 2021. The drill focused on the scenes of enrollment of students, nucleic acid testing, apartments checking-in, isolation observation, and simulated the daily detection operation procedure of epidemic prevention and control and the urgent handling procedures for abnormal body temperature of students. Through this drill, the school further tested the effectiveness of the epidemic prevention and control work, and ensured that the resumption of classes in the spring semester could be carried out in an orderly manner.



Case: All working units and departments of Luoyang School made all-round response to the COVID-19 epidemic



The staff of the logistics department of Luoyang School carried out in-depth campus environmental sanitation improvement and disinfection work to ensure campus safety.



The apartment center co-ordinated the setting of isolated observation rooms in each dormitory, strictly implemented the registration report and provided targeted management services.



The security department strengthened personnel access control and strictly carried out environmental disinfection.

Disaster response

In response to various disasters, the schools of the Group have formulated corresponding policies and emergency plans to systematically and quickly respond to disasters and minimizing human casualties and property losses caused by such emergencies. For example, the Northeast School has formulated the Emergency Handling Plan for Emergencies on Campus, which brings the prevention and handling work into a scientific, standardized and legal track in detail. In the plan, corresponding handling work is formulated for thirteen possible disasters, including but not limited to fire, acute disease and leakage of dangerous goods. At the same time, Northeast School has set up a leading group for handling emergencies on campus, which was responsible for guiding and coordinating the related work.



Case: Fire Evacuation Drill of Northeast School in Spring Semester of 2021

In May 2021, Northeast School invited the local fire brigade to jointly carry out the “13th National Publicity Week on Disaster Prevention and Mitigation and the Fire Evacuation Drill in the Spring Semester of 2021”. During the drill, smoke bombs were used to create realistic effects, which simulated the fire scene at students' dormitory on the second floor of an apartment, and the firemen let students carry out evacuation procedures according to the emergency plan. After the drill, the fire prevention lecturers were invited to teach relevant knowledge of fire safety and the right way to use fire extinguishers to the students and teachers, and the on-site students and teachers were instructed to use fire extinguishers to extinguish naked flames.

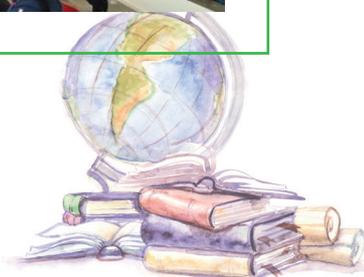


Food safety

The Group adheres to the red line of food safety on campus, and each school of the Group has formulated food safety-related management systems to standardize canteen facilities and equipment and food procurement, transportation, processing and storage procedures, including but not limited to the Food Safety Management System of Yunnan School, Interim Measures for Daily Supervision and Management of Canteen of Central China School and Management Service Manual for Catering and Business District in Gansu School. In the process of prevention, notification, reporting, investigation, control and handling of major food safety accidents, if dereliction of duty or misconduct is found, we will impose internal penalties. Taking Gansu School as an example, the Management Service Manual for Catering and Business District in Gansu School, which formulated by it, listed various food hygiene and safety management systems, service specifications and operation procedures in its school canteens, and supervised and inspected the food processing process and the implementation of hygiene system in accordance with the Code for Food Safety Operation of Catering Services to ensure the inspection acceptance, supervision and inspection of raw food materials.

Case: "Epidemic Prevention Knowledge and Food Safety Training at Spring Semester" by the logistics department of Northeast School

In March 2021, logistic department of Northeast School conducted training on epidemic prevention knowledge and food safety for all logistic staff, so as to enhance their knowledge of food safety and further improve their awareness of food safety. The employees promised that they would abide by the catering operation specifications actively to ensure food safety and provide safe and hygienic food for all students and teachers.

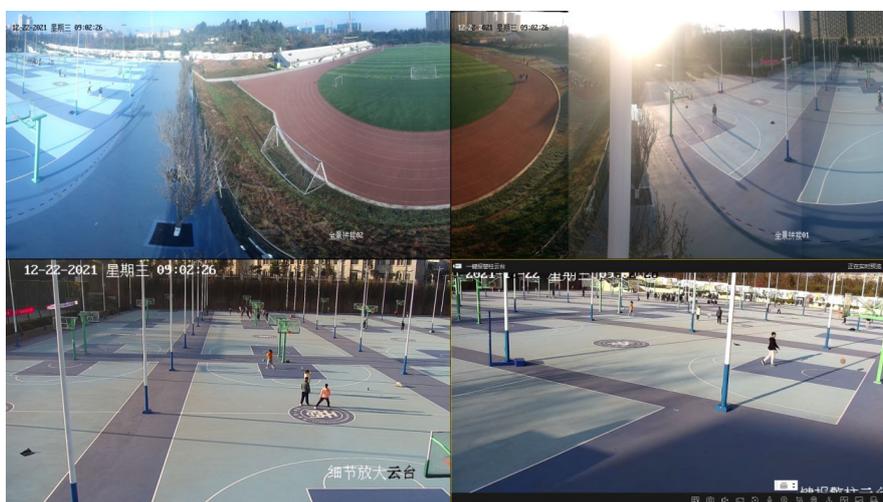


Campus security

The Group has uniformly deployed the surveillance systems in all schools to build the “Safe Campus Intelligent Management Platform”. This is a set of “high-definition, network-based, intelligent and highly integrated” safety supervision intelligent system, which has eight functions, including: dormitory face recognition attendance management, perimeter early warning, regional intrusion early warning, transparent kitchen, speed measurement bayonet, visual intercom, big data retrieval and operation and maintenance platform early warning. This system can guarantee the all-round campus safety for students and teachers, comprehensively investigate and eliminate hidden dangers on campus and improve the safety management efficiency of the school.

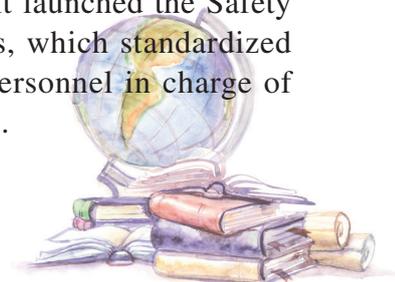


The TV wall plan presented the daily inspection interface mainly for key areas and personnel concentration areas to facilitate immediate monitoring



The system can use panoramic splicing with 360° full coverage to monitor the key areas in real time

In addition to using an intelligent management platform, the Group has also regulated its daily safety management work. Taking Guangxi Schools as an example, it launched the Safety Management System of Campus Monitoring System of Guangxi Schools, which standardized the use and management of monitoring system, the responsibilities of personnel in charge of monitoring and the filing and registration procedures for abnormal situations.



EMPLOYMENT AND DEVELOPMENT OF THE TALENTS

The Group firmly believes that our employees are valuable assets of the enterprise, and we have relied on the continuous and dedicated contribution of each employee. Over the years, we have continued to optimize the employment policy, hoping to create an inclusive and happy working environment for every employee.

The Group has strictly abided by employment-related laws and regulations that have a significant impact on us, and formulated and strictly implemented relevant internal policies to ensure the legitimate rights and interests of the employees. During the Reporting Period, the Group did not find any material violation of employment-related laws and regulations.

The Group complied with laws and regulations regarding employment that have a significant impact on us (including but not limited to)	Internal policies of the Group (including but not limited to)
<p>Labour laws and regulations</p> <ul style="list-style-type: none"> • Labour Law of the People’s Republic of China • Labour Contract Law of the People’s Republic of China • Special Rules on the Labour Protection of Female Employees • Law of the People’s Republic of China on the Protection of Women’s Rights and Interests • Provisions on the Prohibition of the Employment of Child Labour • Law of the People’s Republic of China on the Protection of Minors • Trade Union Law of the People’s Republic of China • Regulations on the Paid Annual Leave of Employees • Regulation on Public Holidays for National Annual Festivals and Memorial Days <p>Social security and welfare</p> <ul style="list-style-type: none"> • Social Insurance Law of the People’s Republic of China • Regulations on Work-Related Injury Insurance 	<ul style="list-style-type: none"> • Remuneration Management System • Recruitment Management System • Management Measures of the Training for Teachers and Staff • Incentive Systems on Talent Recruitment by All Employees of China New Higher Education Group • Measures on Implementation of Reserve Cadres Cultivation of China New Higher Education Group

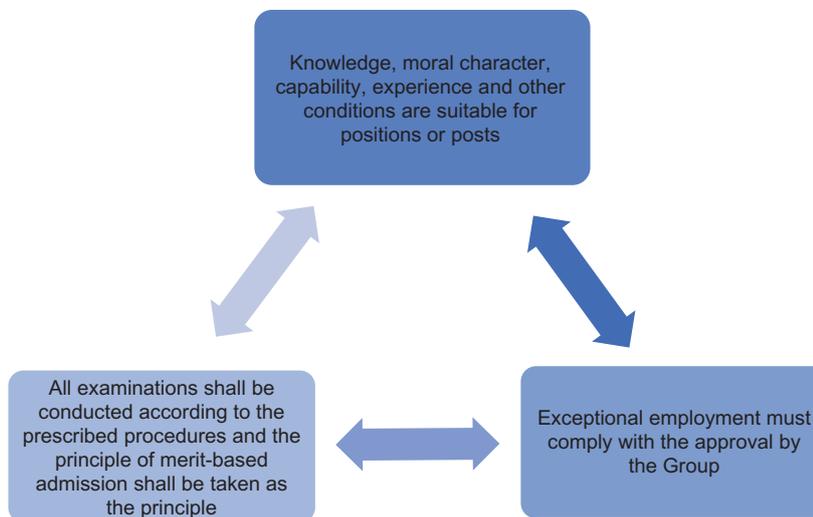


Employment Management



Recruitment and dismissal	<p>The Group has formulated the Recruitment Management System to improve recruitment efficiency and talent quality through standardized recruitment standards and procedures. Job applicants need to go through a rigorous recruitment process before they can be hired, including written examination, preliminary qualification examination, preliminary professional examination, second-round examination and background investigation.</p>
	<p>We have always adopted an open, fair and anti-discriminatory recruitment policy and treated every job applicant equally. Job applicants will not be treated differently because of their age, gender, race, nationality, religion or physical defects.</p>
	<p>The Group also has a standardized resignation process for employees. If an employee applies for resignation, he/she should submit an application to the head of his/her department according to the procedures. The resignation application will be verified by the employee relationship staff, then approved by the person in charge and the head of the human resources department, and finally approved by the president. After the resignation application is approved, the employee is required to hand over his/her work to ensure that the work is followed up by other employees. If an employee is involved in violations of laws and regulations or serious dereliction of duty, the Group will terminate the labour contract with such employee according to internal procedures.</p>

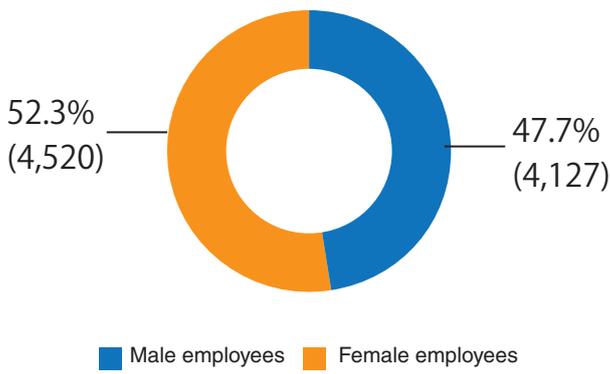
We will comply with the three principles when hiring staff:



<p>Remuneration and promotion</p>	<p>The Group has provided competitive remuneration and benefits, and will determine the frequency and range of remuneration adjustment according to inflation rate, increase in living standard, market talent supply and demand, annual performance evaluation, geographical differences and other factors to attract and pool outstanding talents.</p> <p>The Group has formulated the Measures on Implementation of Reserve Cadres Cultivation of China New Higher Education Group and established a sound cadre selection mechanism. We have established a reserve cadre pool according to the selection principle of “openness, fairness and justice”, and regard excellent performance in annual assessment and various appraisals as a necessary condition for selection and reserve of talents. We have adjusted the reserve cadre pool at all levels every year.</p>
<p>Working hours and holidays</p>	<p>The Group has implemented the system of working five days a week with eight hours a day. we have also formulated the Attendance and Vacation Management System for Headquarters of China New Higher Education Group. In addition to public holidays, employees are entitled to annual leave, marriage leave, maternity leave, paternity leave, funeral leave and sick leave.</p>
<p>Prevention of labour and forced labour</p>	<p>The Group has a “zero” tolerance for child labour and forced labour. We will check the personal identity documents of candidates during the recruitment and employment process to ensure that they are persons aged 16 or above. In addition, we sign equal employment contracts with employees and will not force employees to work over normal working hours. There is no practice of child labour and forced labour discovered or non-compliances identified in the Group. If the situation occurs, we will hold the staff of the relevant departments accountable for it.</p>

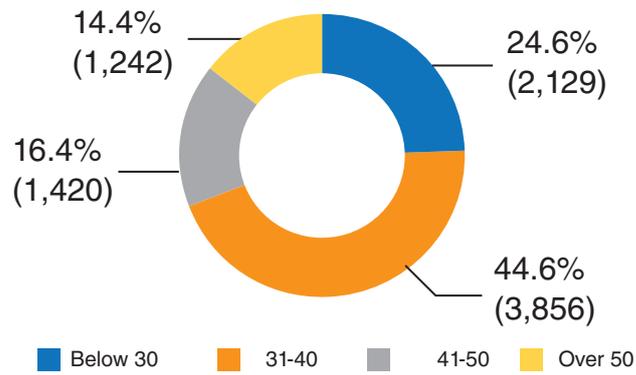
The Group disclosed the performance indicators regarding the employment according to the ESG Guide. During the Reporting Period, the total number of employees of the Group was 8,647. The following chart shows the number of employees by different categories in FY2021:

Number of Employees and Percentage (By Gender)

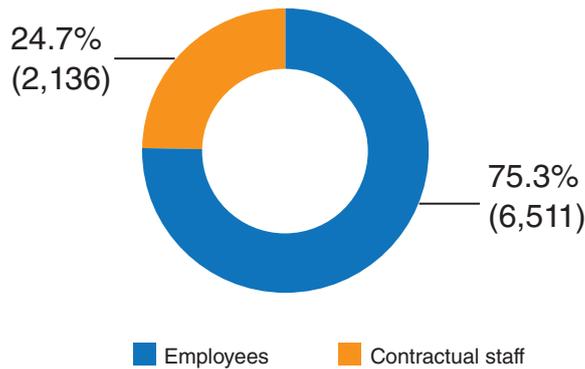




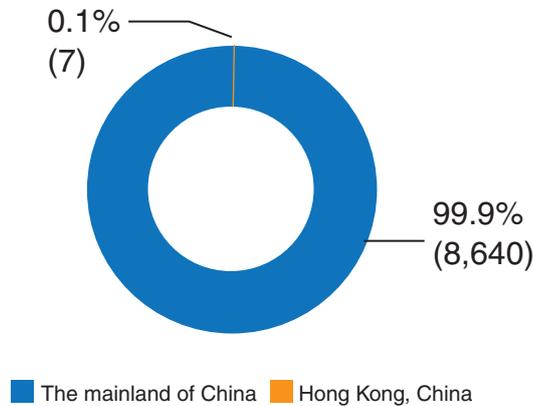
**Number of Employees and Percentage
(By Age Group)**



**Number of Employees and Percentage
(By Employment Type)**



**Number of Employees and Percentage
(By Region)**



The following table shows the number of staff turnover and turnover rate by different categories in FY2021:

Statistics of Staff Turnover		
Indicators	FY2021	
Gender	Number of staff	Turnover rate
Male	265	6%
Female	323	7%
Age group	Number of staff	Turnover rate
30 or below	227	11%
31-40	235	6%
41-50	60	4%
Over 50	66	5%
Region	Number of staff	Turnover rate
The mainland of China	586	7%
Hong Kong, China	2	29%

Diversified Benefits

The Group is committed to creating a pleasant working environment. Therefore, it has been improving its welfare policy, hoping to strengthen the cohesion among employees and the sense of belonging to the Group. At the same time, a nice working environment is a sincerity of the Group to all employees. We have not only purchased pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing accumulation fund for employees by laws, but also formulated Welfare Management System of Employees in Headquarter of China New Higher Education Group to standardize the employee welfare management of the Company and guarantee the employees' right to enjoy welfare. There are many employee benefits, including but not limited to annual physical examination, academic allowance, departmental team building allowance, birthday gift, holiday gift, free afternoon tea and other benefits. During the Reporting Period, the Group held different types of festival celebration and caring activities such as Teachers' Day, Dragon Boat Festival and birthday party.



Case: Gansu School's Parent-child Games on "Children's Day"

Gansu School held the "Children's Day" Parent-child Games on June 1 for the faculty members and their children in the gym. Parents and their children participated in parent-child games together such as "two people with three feet", and "small feet stepping on big feet". The school even prepared red envelopes for the children of faculty members under the age of 14. The atmosphere at the event was warm and full of laughter. Every child and parent were filled with happiness.



Case: Guizhou School's Making Rice Balls "Wrapping Rice Ball, Warming You and Me"

Guizhou school held the Dragon Boat Festival event in June 2021, so that students and teachers could learn Chinese traditional culture and understand national customs in person. This activity not only enriched students and teachers' campus cultural life, but also strengthened the emotional communication and interaction between them.



Employee Training

The Group has been actively cultivating the capability of its staff to build a high-quality team that meets the development requirements of the Group. For this reason, we have formulated the Measures on Implementation of Reserve Cadres Cultivation of China New Higher Education Group, so as to strengthen the management and training of reserve cadres of the Group. We set up Jiang'an Cadre College as the cadre training base of the Group, and formulated the annual training plan for reserve cadres in 2021. Training courses integrate high-quality domestic and international education resources, establishing relevant training cooperation with high-level institutions in domestic and abroad. According to the quality ability and development of cadres, the Group builds an effective, scientific and targeted training curriculum system for reserve cadres based on its cultural values, leadership, education and teaching, management capability and core business ability. Training includes leadership promotion, teaching and student management and logistics management.



In addition, each school formulates a training plan every year, with the combination of in-school and out-of-school training and for the purpose of strengthening teachers' professional training, promoting teachers' professional standards and further improving teachers' teaching ability as a whole. Among them, Northeast School has cooperated with the College of Education for many years to hold the "Training Course for Improving Teachers' Ability in Northeast School". During the training, experts are invited to carry out all-round training for faculties, help to broaden their professional horizons, strengthen the study of teaching methods, and continuously improve teachers' comprehensive ability.

Purpose of training

Position	Purpose of training
Middle and senior management	Learn and master modern management theory and technology, fully understand the relevant national directions, policies and regulations, and improve the ability of prediction, decision-making and control.
Grass-roots management and support staff	Enrich knowledge through training, improve practical working capability, and master the professional knowledge and working skills of each position.
Full-time teacher	Accept their own professional skills training, consolidate and improve the basic theoretical knowledge level and modern educational technical level of the major, master advanced teaching modes, means and methods, and improve the teaching standard.
All employees	Carry out training and study on various rules and regulations, operating procedures, code of conduct, professional ethics, labour discipline and other aspects to enhance professional ethics.

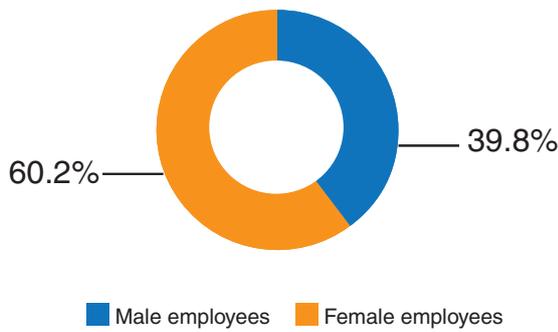
Case: Training for New Employees of Central China School in the Fall Semester of 2020

In order to promote new recruits to get familiar with the basic situation of the school as soon as possible, speed up mastering the basic theories and skills of education and teaching, and better adapt to and perform their duties, Central China School held series of trainings for new recruits in the fall semester of 2020 in January 2021. This training was conducted in the form of group discussion, and various training methods such as lecture, case, discussion, experience and group discussion made the training mode more diversified. Training effectively solved the common problems encountered by new teachers, and won unanimous praise from new employees.

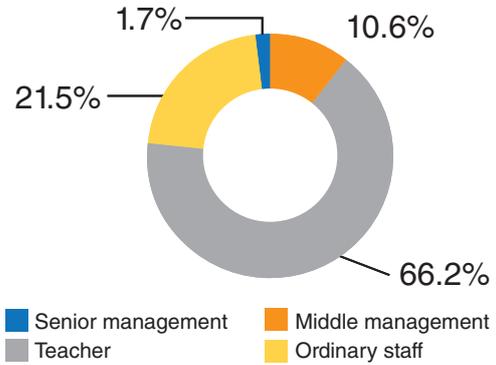


The Group disclosed the performance indicators for the development and training aspect according to the ESG Guide. The chart below shows the percentage³ of employees trained and the average training hours⁴ of employees by category in FY2021:

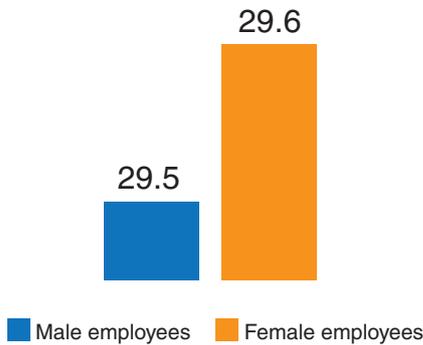
Percentage of Employees Trained (by Gender)



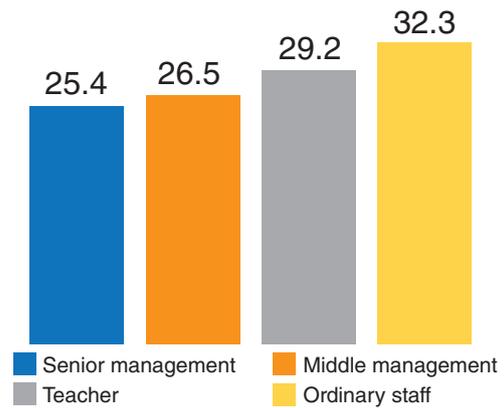
Percentage of Employees Trained (by Employee category)



Average Training Hours of Employees (by Gender)

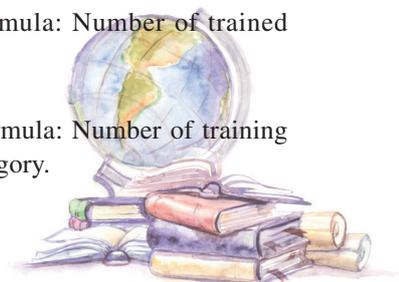


Average Training Hours of Employees (by Employee category)



³ The percentage of trained employees for each category is calculated by the formula: Number of trained employees for that category/Total number of trained employees × 100%.

⁴ The average training hours for each category of employees is calculated by the formula: Number of training hours for that category of employees/Total number of employees trained for that category.



Employee Health and Safety

The Group takes care of the occupational health and safety of office staff and faculty members at schools and also equally concerned their psychological and physical health. According to the requirements of the *Labour Law of the People's Republic of China*, the *Regulations on Work-related Injury Insurance* and other national laws and regulations that have a significant influence on us, the Group purchased work-related injury insurance and basic medical insurance for employees to provide relevant occupational health and safety protection. During the Reporting Period, the Group has also adopted internal health and safety policies, including but not limited to the School Health Work Regulations. During the Reporting Period, the Group also carried out various health and safety training and activities to enhance the faculty members' safety awareness and capability to deal with emergencies, such as fire safety training and drills, seminars on international anti-drug day knowledge, lectures on telephone fraud prevention.



Seminars on telephone fraud prevention held by Gansu School





Fire extinguisher training for library staff held by Luoyang School

The Group disclosed the performance indicators of the health and safety aspect according to the ESG Guide. In the past three years (including the Reporting Period), the Group did not involve any work related fatalities. In addition, the number of working days lost due to work-related injuries during the Reporting Period were 140 days. The Group actively applied for work-related injury identification and paid for work-related injury expenses to ensure that employees received the insurance coverage and salaries as required by the relevant laws.

Case: Mental Health Training in Gansu School

In order to strengthen teachers' mental health education and knowledge, Gansu School invited teachers from Gansu Safety and Health Education Center to conduct mental health training in September 2021. The contents included a series of lectures on mental health education, prevention and improvement of occupational diseases and first aid exercises.



PROTECTING GREEN OPERATION

The Group has been committed to the construction of green campus concept and actively integrates sustainable development into enterprises' operation mode. As an educational service organization, our main operating venues are schools and offices. The environmental matters related to our operations include energy consumption, water consumption, air pollutants generated by school transportation, domestic sewage discharge, and generation of hazardous and non-hazardous waste and greenhouse gas emission caused by energy consumption. In response to these major environmental impacts, we have formulated a series of campus and office environmental management policies to promise to integrate environmental awareness into our daily operations.

During the Reporting Period, the Group strictly abided by laws and regulations related to environmental protection that had a significant influence on us and did not receive any complaints or lawsuits regarding violations of relevant laws and regulations.

<p>The Group complied with laws and regulations regarding to environmental protection that had a significant impact on us (including but not limited to)</p>	<p>Internal policies of the Group (including but not limited to)</p>
<p>Overall environmental management</p> <ul style="list-style-type: none"> • <i>Environmental Protection Law of the People's Republic of China</i> • <i>Environmental Protection Regulations of Yunnan Province</i> • <i>Ecological Environment Protection Regulations of Guizhou Province</i> • <i>Environmental Protection Regulations of Heilongjiang Province</i> • <i>Environmental Protection Regulations of Guangxi Zhuang Autonomous Region</i> <p>Energy management</p> <ul style="list-style-type: none"> • <i>Energy Conservation Law of the People's Republic of China</i> • <i>Renewable Energy Law of the People's Republic of China</i> <p>Water resources management</p> <ul style="list-style-type: none"> • <i>Water Pollution Prevention and Control Law of the People's Republic of China</i> • <i>Water Law of the People's Republic of China</i> <p>Air pollutant emission management</p> <ul style="list-style-type: none"> • <i>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</i> • <i>Comprehensive Emission Standard for Air Pollutants</i> <p>Waste management</p> <ul style="list-style-type: none"> • <i>Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste</i> 	<p>School</p> <ul style="list-style-type: none"> • Campus Waste Treatment Systems of Yunnan School • Campus Greening Management Approach of Yunnan School • Environment and Health Management Systems of Guizhou School • Environment and Health Inspection and Reporting Systems of Guangxi Schools • Environmental Protection Management Measures of Central China School <p>Office</p> <ul style="list-style-type: none"> • Green Office Management Measures of the Headquarters of the Group • Waste Management Measures of the Headquarters of the Group • Office Resources and Items Allocation Management Measures of the Headquarters of the Group • Green Office Management Policy



Green Campus

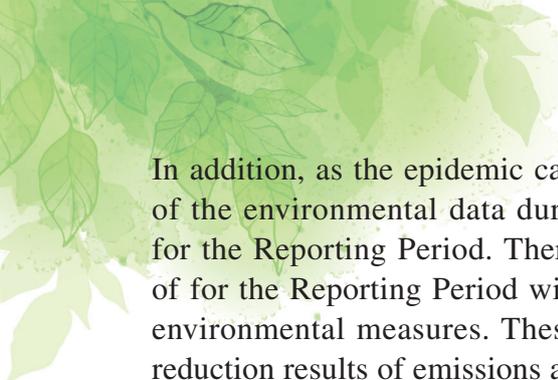
Our schools have formulated relevant management policies for energy management, water resources use, sewage treatment, air pollutant management, waste disposal and other aspects, and have been paying attention to its environmental performance in the daily operation process. As the schools of the Group are located nationwide, all schools are required to formulate environmental management policies that comply with local laws and regulations and actual operating conditions to effectively manage their main environmental factors and related impacts.

During the Reporting Period, the Group set relevant targets and action plans for greenhouse gas emissions, energy use and solid waste emissions, involving in the enforcement scope for all schools under the Group. After identification and evaluation, the targets are not disclosed in this report as atmospheric emissions and use of water source are not significant elements in the operation of the schools.

Environmental management objectives

Subject areas	Environmental objectives	Indicators	Action plans
Greenhouse gas emissions	Green campus	Campus Green rate	Launch more tree planting programs and encourage students and parents to participate in, while set a target number of trees to be planted
	Reduce energy use	Advocate conservation	Promote the concept and practice of energy saving, such as water saving and turning off lights as habit
Energy use	Enhance energy efficiency	Low energy consumption equipment penetration rate	Replace and phase out high energy-consuming equipment and establish equipment replacement schedules
	Reduce non-hazardous waste	Support purchase on demand	The canteen provides half portion of dishes to guide students to buy foods on demand and eliminate waste
Promote the Clean Your Plate campaign		Post publicity posters with the theme of Clean Your Plate campaign to dining halls for student to remind them not to waste food	
Reduce to use disposable items		The stores and canteens of schools do not actively/remuneratively provide plastic bags and disposable tableware	
Implement paperless office		Promote paperless office and paperless daily meetings	
Solid waste emissions	Reduce hazardous waste	Installation of LED lights on campus as possible as it could	Installation of LED lights on campus as possible as it could
	Improve the utilization of waste resources	Promote garbage sorting	Promote waste recycling and regularly carry out publicity and education on garbage sorting
		Implement garbage sorting	Match waste sorting equipment on campus or in office
		Waste recycling	Delegate qualified waste collectors to recycle waste





In addition, as the epidemic caused schools to suspend the face-to-face courses in FY2020, most of the environmental data during FY2020 have a significant difference as compared with that for the Reporting Period. Therefore, it is difficult for us to directly compare the environmental of for the Reporting Period with the previous disclosure to evaluate the actual results of various environmental measures. These affected environmental performances mainly include emission reduction results of emissions and wastes and efficiency in the use of energy and water resources.

Energy Saving

Energy consumption at schools is mainly from the use of electricity, the use of fuel oil by vehicles and the use of natural gas in canteens. The Group formulates long-term energy conservation targets to enhance energy efficiency as well as the long-term target of greenhouse gas emissions for campus greening. Aiming at such targets, all schools of the Group have adopted various energy-saving measures to reduce energy consumption and the emission of greenhouse gases. For example:

- Energy-saving labels should be posted in public areas.
- Purchase energy-saving equipment, such as air conditioners and cookers.
- Students and teachers are advocated to set the standby mode for computers when they are not in use and the power for office equipment not in use is required to turn off.
- Set the temperature of air conditioners at office and corridor not to be lower than 26 °C in summer.
- Security staff should turn off lights during patrol inspections at night and only necessary patrol and monitoring lighting should be maintained.
- Canteens are required to use natural gas with relatively low pollution for cooking.
- Suppliers on campus are required to use electric vehicles as campus shuttle buses.



Water Saving

All business premises of the Group use municipal tap water with no issue in sourcing water. All schools implemented various measures on the management of water resources to facilitate the faculty members and students to save water.

Taking Guangxi Schools as an example, a series of water-saving measures have been implemented to improve the economic efficiency of water consumption:

- We conducted a comprehensive inspection of faucets and water valves in school buildings, public areas and apartments of students and teachers, counted and replaced 600 obsolete water appliances.
- Additional water meter measuring instruments were installed in each district to monitor the changes of water consumption data and solve any problems unusual in a timely manner.
- Water-saving appliances were used in new and renovated construction projects, and remote intelligent water meters were installed to monitor water changes through the system and take timely measures to achieve water-saving effects.
- The water supply system was completely renovated to improve the pump control system, ensure stable pressure of water supply and guarantee the safety and stability of the water supply system.

In order to strengthen the protection of water resources, Yunnan School has established the “Water Conservation Management Rules” and Regulations and set up a water conservation leadership team. The water conservation leadership team is responsible for the management of water conservation in schools, including formulating water conservation targets, water conservation plans and water conservation measures, and promoting water conservation in various departments. The followings are some water-saving measures:

- Water-saving appliances must be selected for water facilities of new projects.
- In the construction project, reclaimed water will be reused for flushing toilet facilities and equipment.
- All water-using equipment using cooling water and circulating water shall be assembled by water circulation during design and construction.
- Water-saving irrigation methods such as sprinkler, micro-irrigation and drip irrigation are adopted for campus green space and landscape environment.
- Energy-saving water supply systems and water equipment are adopted actively to renovate and repair the aging pipelines of schools’ underground water supply pipeline network.



In addition, in order to further improve the water-saving awareness of all employees and water efficiency, Yunnan School formulated the “Water Management System of Rewarding Savings and Punishing Excess” to develop an incentive mechanism.

Departmental Rewards

Rewarded behavior	Annual task target assessment of department
<ul style="list-style-type: none"> Saving 10% or more for the departmental annual actual water consumption on the basis of the planned water consumption index 	Add 1-2 points
<ul style="list-style-type: none"> Putting forward innovative suggestions or inventions in water conservation 	Add 1-2 points

Individual Rewards

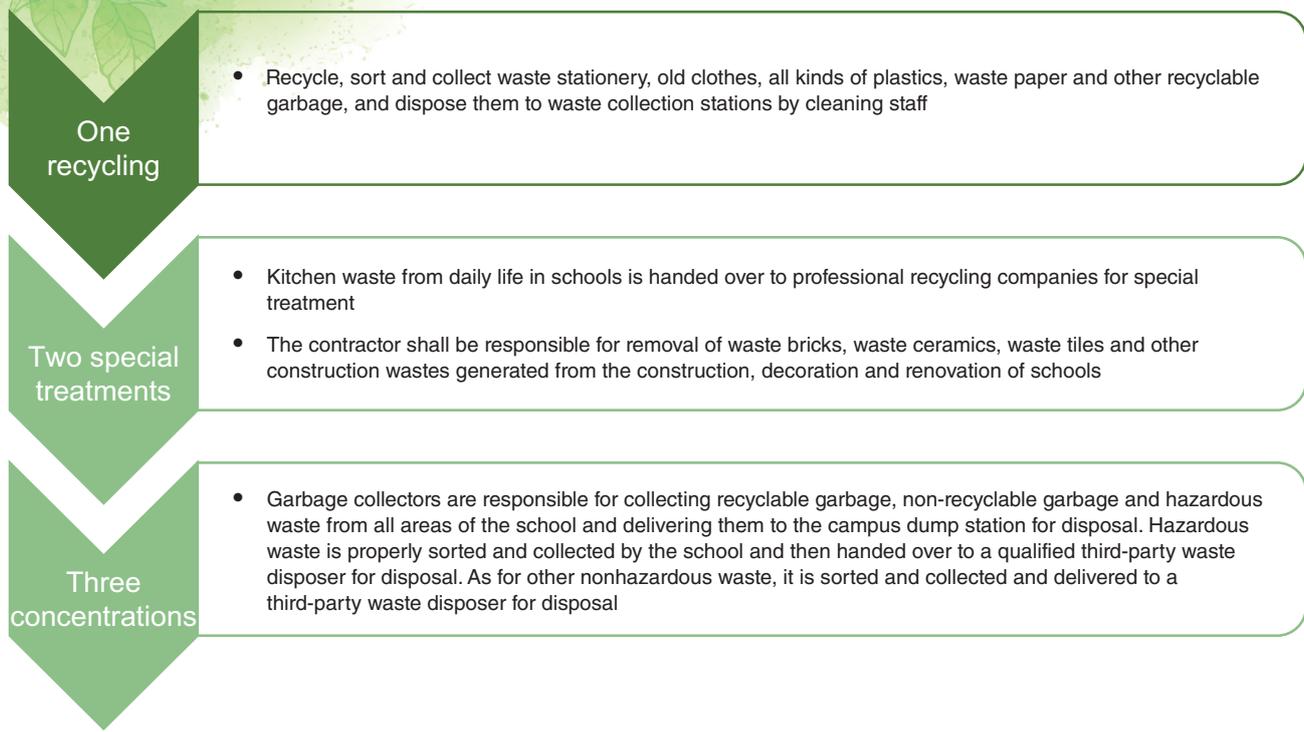
Rewarded behavior	Individual year-end performance appraisal
<ul style="list-style-type: none"> If water equipment, facilities, appliances and pipes are found to be leaking, immediately contact the water conservation management department for warranty 	Add 0.5 point
<ul style="list-style-type: none"> Participate in every water-saving publicity and education activity 	Add 1 point

Aiming at sewage treatment, both Yunnan School and Guizhou School have set up campus sewage treatment systems to treat all domestic sewage on campus in a centralized way to avoid pollution of nearby water bodies by domestic sewage generated on campus. In addition, the schools extract treated sewage that meets the discharge standards and use it for campus greening and watering to achieve the goal of recycling water. In order to standardize the daily operation and management of domestic sewage treatment, Yunnan School further formulated the “Management System of Reclaimed Water Treatment Station of Yunnan School” and the “Operating Rules of Reclaimed Water Treatment of Yunnan School”.

Improvement on Waste Recycling

Based on the nature of the education business, the types of pollutants we generate are limited. The main non-hazardous wastes generated by schools include kitchen waste, plastic, stationery, paper, glass, etc. Hazardous wastes mainly include fluorescent tubes, bulbs, printer cartridges, waste batteries, etc. In order to improve the waste recovery rate, we set up different types of recycling stations in schools, such as plastic, waste paper and waste stationery recycling stations, and adopted the waste treatment mode of “one recycling, two special treatments and three concentrations”.





In particular, Central China School has built a 600 square meters garbage collection station with a waste compressor. All the garbage in the campus will be firstly compressed and then sorted by designated persons.

Reduction in the Emission of Air Pollutants

The Group formulated measures to reduce the emission of air pollutants mainly against the emission of air pollutants from schools, including gas burning from canteens and fuel burning from school vehicles. The Group’s school canteens or caterers mainly used relatively clean natural gas as fuel to minimize the generation of air pollutants. In order to reduce the emission of air pollutants from school vehicles, the Group proposed transportation service providers to use clean energy vehicles. Furthermore, the Group also used vehicles with higher emission standards. For details of air pollutant emissions from motor vehicles, please refer to “Environmental Performance Indicators”.



Campus Environmental Activities

During the Reporting Period, all schools of the Group actively responded to the concept of environmental protection by promoting different types of environmental activities on campus and leading the students and teachers to put environmental protection into practice.

Case: “Clean Your Plate” campaign in Yunnan School and Central China School

In order to promote the Chinese tradition of frugality in schools and cultivate a healthy and civilized dining culture among students, Yunnan School held the “Clean Your Plate” campaign in September and October 2020, and Central China School organized the campaign in November 2020, which also responded to our environmental goal of increasing recovery of kitchen waste. Central China School has also combined the “Clean Your Plate” campaign with charity events, where students only need to use their mobile phones to scan the QR code and take a photo of clean plates on the table. By completing such check-in actions, “positive energy” can be accumulated to provide charity donation for poor areas.



“Clean Your Plate” campaign in Central China School

Case: Gansu School held “Green Love” military training shoes recycling activity

Gansu School recycled military training shoes from the training life of freshmen, promoted the message of reducing waste at school, and called on students to join environmental protection activities. Therefore, the Youth Volunteer Association of Gansu School launched a three-day military training shoe recycling activity from November 18 to 20, 2020. The event received a positive response with a large number of students participation and a cumulative total of 568 pairs of shoes, 157 tops, 5 bags, and 44 pants donated. This activity not only promoted the Chinese virtue of frugality, but also called on students to actively participate in the voluntary service activities of “caring for others, caring for society, and caring for nature”.



Case: Tree Planting Program in Guangxi Schools

In response to Tree Planting Day on March 12, 2021, Guangxi Schools organized and launched a tree planting program for over 300 representatives of teachers and students. Under the guidance of the gardeners, they worked together to plant 250 peach trees throughout the process of tree planting, earthing up and watering in a slightly desolate area. This program allowed the students and teachers raise their awareness of environmental protection and make contributions to the environment through practical actions.



Case: Promotion Activities of “Water Saving” in Guizhou School

On May 14, 2021, the logistic department of Guizhou School launched activities of “water saving.” The activities promoted and popularized the importance and tips of saving water to all students and teachers in the means of water-saving seminars and the distribution of saving water leaflets, and called on all students and teachers to take active actions and start with oneself to develop good habits of saving water.



Green Office

The main environmental factors of the Group's offices include: greenhouse gas emissions caused by power consumption, waste water emissions, use of office items and generation of office wastes. The impact of these factors on the environment is relatively slight, but we are still committed to managing and reducing the environmental impact in the business process. In order to create the environment of green office and put low carbon and energy saving into practice, the Group has formulated the "Regulation on Management of Green Office", which includes relevant environmental protection measures for electronic equipment, water and waste.

We strictly implement the "Regulation on Management of Green Office at the Headquarter of the Group", which is applicable to Beijing Headquarter. The regulation covers three parts, namely procurement, use and waste. The specific contents of the regulation are as follows:

Procurement

- Prioritizing the procurement of environmentally friendly products, such as reusable printer cartridges, degradable plastic bags, recyclable paper, refrigerators and air-conditioners with energy efficiency labels, etc.

Use

Use of office items

- Reducing the use of office items as much as possible to reduce the generation of wastes.
- Reducing the use of one-off items and use degradable one-off items as much as possible when necessary.
- Reducing the use of paper and transmitting information in electronic form as much as possible.
- Strictly managing the use of photocopiers and paper.
- Using double-sided printing.

Use of energy and water resources

- Strengthening power use management, including energy-saving management on lights, office equipment and air-conditioners.
- Strengthening water use management to avoid unnecessary waste.

Waste

- Implementing classified management of wastes and strengthening the recycling of wastes to effectively use recycled resources and reduce the generation of wastes.
- Hazardous wastes such as printer cartridges and waste batteries shall be disposed in strict compliance with the requirements of the "Regulation on Classified Disposal and Management of Solid Wastes" and delivered to qualified third-party waste disposal agencies for handling.

Respond to Climate Changes

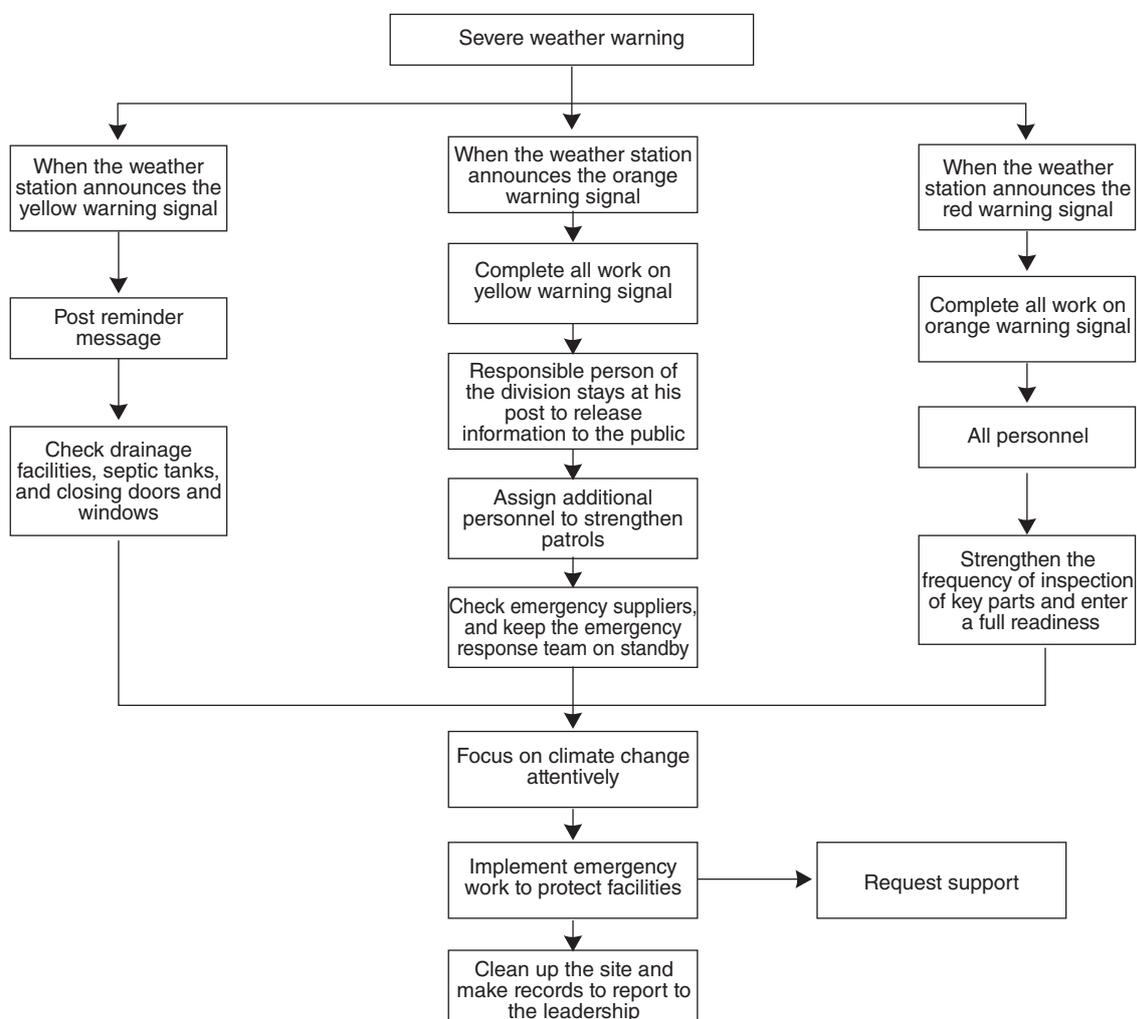
Climate change is getting worse and worse, and governments and businesses all over the world have launched actions to deal with climate changes. After the ESG risk assessment of the Group, climate change is currently a moderate risk to the Group, and the main related impacts are caused by physical risks, including the instability of school teaching activities and the uncertainty of life safety of students and teachers caused by extreme weather due to climate change. In response to such climate risk, the Group has formulated relevant contingency plans to deal with various teaching activities in extreme weather.



Taking Central China School as an example, emergency measures for natural disasters have been included in the Safety Emergency Plan of Central China School, including natural disasters and geological disasters such as floods, mudslides, landslides and land subsidence, strong winds, ice and snow, heavy rainfall, thunder and lightning, earthquakes and other disasters. Guangxi Schools have also formulated the Flood Control Emergency Plan of Guangxi Schools to ensure that flood control emergency work can be carried out efficiently and orderly when flood comes. Among them, Guangxi Schools have set up a leading group and group office for flood control emergency plan, which is responsible for organizing various departments to formulate work related to flood control. The Schools will also use places with higher geographical locations as flood control shelters on campus.

The Group is continuously monitoring climate changes while integrating climate risk into the Group’s internal risk management mechanisms.

The following diagram shows the flow chart of our emergency response in face of extreme weather:



ADHERE TO COMPLIANCE MANAGEMENT

The Group resolutely takes precautions against all irregularities and violations of business ethics. We pay attention to the compliance of business process, and have formulated and strictly implemented corresponding internal policies in supply chain management, student and employee information confidentiality, publicity activities management and anti-corruption.

Responsibility Management

During the Reporting Period, the Group has strictly abided by laws and regulations regarding advertising and privacy matters that have a significant impact on us, and did not find any material violation of relevant laws and regulations. In addition, as the Group's business does not involve labelling of products and services, no such disclosure will be made in this report.

<p>The Group complied with laws and regulations regarding advertising and privacy matters that have a significant impact on us (including but not limited to)</p>	<p>Internal policies of the Group (including but not limited to)</p>
<ul style="list-style-type: none"> • <i>Patent Law of the People's Republic of China</i> • <i>Copyright Law of the People's Republic of China</i> • <i>Advertising Law of the People's Republic of China</i> • <i>Civil Code of the People's Republic of China</i> • <i>Regulations on Protection and Management of Intellectual Property Rights of Universities</i> • <i>Law of the People's Republic of China on Protection of Consumer Rights and Interests</i> • <i>Trademark Law of the People's Republic of China</i> • <i>Implementation Regulations on the Trademark Law of the People's Republic of China</i> 	<ul style="list-style-type: none"> • Regulations on Protection and Management of Intellectual Property Rights of Universities • Confidentiality System • The Group's Advertisement Management Approach • Measures on Protection and Management of Intellectual Property Rights of Guizhou School • Contingency Plans for Emergencies on Network of Luoyang School

With respect to intellectual property rights, we have strictly managed and implemented the protection work related to intellectual property rights. The Group has formulated the "Regulations on the Protection and Management of Intellectual Property Rights of Universities", which requires employees to purchase and use genuine textbooks and computer software, and to eliminate any infringement of intellectual property rights. The subordinated schools have also formulated relevant systems. For example, Guizhou School has formulated "Measures on Protection and Management of Intellectual Property Rights of Guizhou School", which sets out measures on the management of intellectual property rights of the school and legal liabilities for violation of intellectual property rights. Guizhou School has also established an intellectual property leading group and an intellectual property management office to manage intellectual property and handle the school's day-to-day affairs on intellectual property management.



With respect to privacy matters, the Group places the protection of students' personal information and the maintenance of the security and interests of the Group as the first priorities, and has formulated the Confidentiality System in this regard. The system regulates the scope and level classification of confidentiality matters, the rules and requirements of confidentiality matters, as well as the measures for handling and responsibility for breach and leakage of confidentiality, so as to effectively protect the privacy of students and the Group from leakage in any form. If the privacy of students and the Group is found to be leaked, the Group will take timely remedial measures and punish those responsible personnel according to the severity of the breach. The school also has contingency plans to reduce the risk of network information leakage in case of network emergencies, such as the Contingency Plans for Emergencies on Network of Luoyang School formulated by Luoyang School. The plan is prepared against network hacking, virus attacks, system crashes and website data loss to ensure that the responsible unit can handle the risks in an effective and orderly manner in case of emergencies.

With respect to publicity activities, the Group has formulated and implemented the Group's Advertisement Management Approach, which provides specific guidelines and handling methods for news reporting, external publicity, internal publicity, reporting of public emergencies and control of public opinion.

Anti-corruption

The Group strictly combats and eliminates all forms of corruption, including but not limited to bribery, extortion, fraud and money laundering. We have formulated and strictly enforced internal management systems to combat corruption. At the same time, the Group strictly complies with national and regional laws and regulations regarding anti-corruption that have a significant impact on us. During the Reporting Period, the Group is not aware of any material violations of laws and regulations regarding the prevention of bribery, extortion, fraud and money laundering, and has not received any corruption lawsuits against the Group or our employees that have been concluded.

The Group complied with laws and regulations regarding anti-corruption that have a significant impact on us (including but not limited to)	Internal policies of the Group (including but not limited to)
<ul style="list-style-type: none"> • <i>Criminal Law of the People's Republic of China</i> • <i>Anti-Unfair Competition Law of the People's Republic of China</i> • <i>Bidding Law of the People's Republic of China</i> • <i>Supervision Law of the People's Republic of China</i> • <i>Interim Provisions on Prohibiting Commercial Bribery</i> • <i>Company Law of the People's Republic of China</i> 	<ul style="list-style-type: none"> • Fraud Monitoring and Management System • The Group's Internal Control System • Administrative Punishment Regulation on Faculty of China New Higher Education Group (Trial) • Regulation on the Management of Internal Audit Work of China New Higher Education Group



The Group has established a number of internal policies related to anti-corruption to regulate the professional conduct and ethics of all employees. The Group insists on the combination of the principles of “truthfulness, fairness, and impartiality” and “education, prevention, and learning from past mistakes to avoid future ones” in administrative sanctions. In order to further regulate the behavior of faculty, we have formulated the Administrative Punishment Regulation on Faculty of China New Higher Education Group (Trial) with reference to relevant laws and regulations. If an employee violates rules and disciplines, we will punish them according to five levels: warning, demerit, demotion, removal, and dismissal.

In addition, as internal audit involves a number of internal management provisions, the Group lays down more stringent requirements on this aspect of supervision. In this regard, we have formulated the Regulation on the Management of Internal Audit Work of China New Higher Education Group and established an independent internal audit function. Under the leadership of the Board, the internal audit function independently carry out its internal audit work in accordance with the relevant systems and requirements of the State and the Group, focusing on monitoring the headquarters and the departments with frequent use of capitals of all schools and especially conducted special audits with different focuses.

The Group also has a well-established corruption whistleblowing mechanism, which allows the whistleblower to report through various whistleblowing channels, such as letter delivery, in-person visit, e-mail and whistleblowing hotline. The risk control department will handle each whistleblowing case carefully, verify and investigate the information provided by the whistleblower in detail. The Group’s Management System for Handling Accusation, Complaint and Appeal sets out the handling procedures for corruption whistleblowing, so as to strengthen the Group’s handling of whistleblowing, complaints and claims and safeguard the legitimate rights and interests of relevant persons. We implement hierarchical treatment for all whistleblowing, and minor whistleblowing is handled directly by the discipline inspection and supervision departments; for more complicated or serious whistleblowing, we will hand it over to judicial institutions for handling. In the process of handling corruption whistleblowing, we strictly keep the identity of whistle-blower confidential to protect their rights and interests.

During the Reporting Period, the Group held meetings of integrity and self-discipline in each of its subordinated schools. All staff were required to attend the meetings and sign a Commitment Letter of Integrity and Self-discipline to abide by the relevant national policies, regulations and rules, and to further raise the awareness of integrity and self-discipline among all educators.



Employee’s Swear on Meeting of Integrity and Self-discipline



In addition, the Group also organized a number of anti-corruption training activities for directors and employees to enhance the Group's overall awareness of anti-corruption and understanding of relevant policies. During the Reporting Period, a total of 1,980 directors and employees (among whom 3 are directors) of the Group participated in anti-corruption training.

Case: Anti-corruption training for discipline inspection and supervision leaders

In May 2021, the Group organized a training session for 24 core members of the Risk and Control Department, covering topics such as enhancement of supervision capacity and enterprise risk management. The training explored from several aspects such as study on anti-corruption policies, professionalism of practitioners, case investigation, risk identification and response. The training has broadened the horizons of the professionals, improved the professional ability of the staff from the Risk and Control Department, and effectively improved the form and ability to combat anti-corruption.



Case: Anti-corruption education activities in Yunnan schools

In June 2021, Yunnan School organized warning education activities at the Anti-Corruption Education Base of Yunnan Province with the participation of executive management and risk management department members of the school.



Supply Chain Management

The Group continues to develop in the direction of a sustainable supply chain, and therefore has formulated different policies on supply chain management to reduce procurement risks, control procurement costs and improve procurement performance. The Group has formulated the Procurement Management System (Trial) and Suppliers Management System of China New Higher Education Group (Trial) to regulate procurement activities and supplier management. The formulation of the Bidding Management System (Trial) has effectively strengthened the management and supervision of the Company's bidding activities.



The Group's suppliers are mainly infrastructure suppliers, service suppliers and material and equipment suppliers. We comprehensively manage supplier development, screening, dynamic tracking, assessment, hierarchical management and withdrawal from full-flow management. The Group has a supplier resource pool, which divides suppliers into "qualified suppliers" and "restricted suppliers". During the cooperation between the suppliers and the Group, if major breach of contract, violation of discipline or unfair competition by any suppliers are found after verification, or performance evaluation score of any suppliers is less than 60 on an annual basis, these suppliers will be classified as "restricted suppliers". It is strictly prohibited for the Group to cooperate with "restricted suppliers" in any form. If the Group is found to cooperate with these suppliers, the relevant persons will be held accountable for it.

The following is the basic process for engaging a supplier:



In order to lower relevant social risks, we have identified the relevant risks and take different measures to reduce them in the process of engaging suppliers, including the evaluation of various processes of suppliers. At the supplier identification stage, we restrict and prohibit cooperation with suppliers that have been disclosed by the industry and commerce and judicial systems with a poor reputation in the industry, and have been found to have committed significant breaches of contract, disciplinary actions or improper competitive practices. At the supplier qualification review stage, we will first select suppliers for projects with significant impact by means of on-site inspections. At the bid evaluation and selection stage, in addition to the procurement of general and standardized products, we will choose the comprehensive scoring method for bid evaluation, and prefer to cooperate with suppliers with stronger overall strength by increasing the proportion of technical bids. In the contract countersign stage, we will give priority to suppliers with the company template and contract clauses reasonable and their risks under control. Finally, at the delivery stage, we will arrange the Department of Demand and Use to organize the delivery by checking and delivering one by one according to the contract to ensure that the deliverables meet the requirements of the department. Throughout the process of supplier selection, the risk control department will participate and supervise. In addition, the Group will sign the "Notice of Integrity Commitment" with the partner units to prevent the occurrence of illegal and disciplinary behaviors that seek improper benefits.

With regard to the environmental risk of the supply chain, we have included sustainable development management of the supply chain in our ESG risk assessment during the Reporting Period, and this risk is not considered to be material based on the ESG risk assessment results. Nevertheless, we will continue to monitor the environmental risks of our supply chain and refine our current supply chain risk assessment policies.



In the shortlisting stage, bid evaluation stage and supplier performance evaluation stage of suppliers, we consider various factors to select the most suitable suppliers. The main requirements for supplier qualification examination are as follows:

Shortlisted stage	The supplier's basic industrial and commercial qualification, advanced level of main production equipment and testing equipment, production scale, financial capacity, technical indicators of key products, usage status of main users (performance, service life) and after-sales service.
Bid evaluation stage	We generally use the reasonably low price method to select suppliers for general and standardized product purchases on the premise that the products, quality, construction period and service meet the requirements of the demand department. With regard to non-standardized products or services, the best-ranked supplier will be selected for cooperation after a comprehensive quantitative evaluation by the evaluation team in respect of product, quality, schedule, service, team members, price and payment method by the evaluation team.
Supplier performance evaluation stage	Basic information of suppliers, years of cooperation with the Group, usage status of the Group's products (quantity, amount, service life), project progress, communication and cooperation, after-sales service, price level, financial payments and debts, as well as whether the suppliers are involved in any on-going dispute.

Specific conditions on qualification review for suppliers (including but not limited to):

1. Complete information is provided in the system of Administration for Industry and Commerce with no serious violation of the law and contract exposed.
2. At least two similar successful cases, with no affiliated company contact person.
3. Conducting inspection and evaluation on the undergoing construction project for large-scale construction supplier.
4. Conducting inspection and evaluation on the production site of major production enterprises.
5. Well performance in environmental management and social responsibility.

In addition to the above considerations, the Group will also consider suppliers from the aspect of their practices related to environmental protection in order to achieve a sustainable production model. This consideration will be applied to suppliers of the interior decoration type, where we will require suppliers to use environmentally friendly materials and prefer products with higher energy efficiency levels for electrical equipment.



In addition, in order to reduce environmental impacts such as energy consumption and air pollutant emissions caused by transportation, the Group preferred local suppliers. During the Reporting Period, the Group cooperated with 733 suppliers, all of which were selected according to the above policies.

Total number of suppliers (Unit: number)	FY2021
Number of suppliers in Beijing and provinces where each school is located	
Beijing	72
Hubei Province	94
Henan Province	109
Guizhou Province	65
Yunnan Province	119
Gansu Province	44
Guangxi Zhuang Autonomous Region	35
Heilongjiang Province	81
Others	114



PROMOTING SOCIAL WELFARE

The Group actively participates in charity activities, helping the needy with our own efforts and hoping to make a group of students and teachers to participate in such activities. For many years, we have focused on the promotion of universal education and village revitalization. During the Reporting Period, the total number of hours volunteered by the Group amounted to 76,325.

Promoting Universal Education and Poverty Alleviation

The Group is happy to take on the important task of promoting universal education, adhering to the core value of “Students First” and implementing the bottom-feeding assistance project “No One Left Behind”. Through the establishment of a financial aid system based on “scholarship, grant, study, loan, reduction, subsidy and exemption”, we help students in need to complete their studies. At the same time, we actively respond to the call of our country to promote rural revitalization and accelerate the modernization of agriculture and rural areas. Inside the school, we implement the “Rural Youth Entrepreneurship Training Program” to train rural entrepreneurial talents; outside the school, we help the needy, train teachers, and donate equipment and property through long-term support programs.

During the Reporting Period, the Group was honored to receive a letter of appreciation from the Social Affairs Department of the Central Committee of the China Association for Promoting Democracy, recognizing and encouraging our efforts in combating the epidemic and building a well-off society.

Case: Chairman leads the rural revitalization efforts

During the National Day of 2020, Chairman Mr. Li Xiaoxuan led members of group conveying greetings to Maliangou Village in Tianzhu Tibetan Autonomous County, Gansu Province, to start pairing up and helping the local households with financial difficulties. Mr. Li has a detailed understanding the schooling situation and difficulties of the children from the families in need, and said he would help subsidize their tuition fees.



Mr. Li visited households in difficulty



Case: Donation of over RMB300,000 of educational supplies to Wangmo County by Guizhou school

In July 2021, Guizhou School donated a total of RMB337,900 to Xintun Middle School and Dayi Primary School in Wangmo County under the “No One is Left Behind” project, which was used to purchase books, school supplies, bedding, student uniforms and other school supplies. Through the donation, the Group hopes to gradually promote education in remote mountainous areas in Guizhou Province.



Case: Organization of relief work for heavy rainstorm disaster in Henan

In August 2021, the Group organized relief work for the heavy rainstorm in Henan Province. We issued a “Henan Flood Relief Fund-raising Proposal”, which received positive responses from all staff members in a short time. As of August 2, 2021, the Group and its affiliated academic staff donated RMB600,000. In addition to donations, schools of the Group were also actively implementing the emergency plan and the implementation plan for flood control and disaster relief, and we were fully mobilized to deploy flood relief work, organized material donations and raised funds.

At the same time, all universities and colleges opened a green channel for student relief in the disaster area, contacted all Henan students, understood the disaster situation of their families, provided timely relief, provided temporary difficulties subsidy and 24-hour online psychological counseling for students in the disaster, and ensured that every student from affected families received relief.



Luoyang school teachers in Zhengzhou actively organized rescue

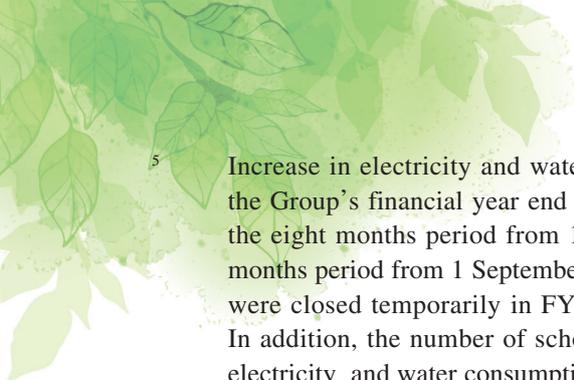


Environmental Performance Indicators

Use of Resources⁵

	FY2021 ⁶	FY2020	Unit
Direct energy consumption⁷	15,240	8,859 ⁸	MWh
Total natural gas consumption	1,359,600	800,000	m ³
Natural gas consumption intensity ⁹	5.2	3.1	m ³ /m ² (gross floor area)
Total gasoline consumption (vehicle)	53,852	12,650	L
Gasoline consumption intensity (vehicle) ¹⁰	1,683	791	L/vehicle
Total diesel consumption (vehicle)	4,645	2,776	L
Diesel consumption intensity (vehicle)	1,548	555	L/vehicle
Indirect energy consumption	104,937	17,360	MWh
Electricity consumption	51,197,719	17,360,397	kWh
Electricity consumption intensity	15.1	11.7	kWh/m ² (gross floor area) ¹¹
Purchased heat consumption	193,462	/	GJ
Purchased heat consumption intensity	0.1	/	GJ/m ² (gross floor area) ¹²
Water consumption	3,151,223	2,029,453	Tonnes
Water consumption intensity	0.9	1.4	Tonnes/m ² (gross floor area)





- 5 Increase in electricity and water consumption during the reporting period was mainly due to the change in the Group's financial year end date during FY2020. The reporting period of the FY2020 ESG report covered the eight months period from 1 January 2020 to 31 August 2020, while this ESG report covered the twelve months period from 1 September 2020 to 31 August 2021. Also, due to the impact of the epidemic, Our schools were closed temporarily in FY2020 which caused the lower bases of the environmental figures in FY2020. In addition, the number of schools under the Group increased by 1 during the Reporting Period, so that the electricity and water consumption increased during the reporting period.
- 6 Due to that the number of the Group schools increased by 1 in the Reporting Period, the scope of disclosure of environmental performance data includes 7 schools, which is an expansion of the scope of disclosure compared to the FY2020 ESG report. The Group changes its financial year end date in FY2020 and the time frame for the FY2020 ESG report is from 1 January 2020 to 31 August 2020, which is different from the time frame of the Reporting Period, and this report discloses environmental data from 1 September 2020 to 31 August 2021.
- 7 The calculation method of direct energy consumption refers to the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions from Public Building Operating Units (Enterprises) (Trial).
- 8 Since natural gas data was only calculated for emission generated under the Group's operation and only Northeast School involved, so natural gas-related data and direct energy consumption were recalculated for FY 2020.
- 9 Schools that used natural gas during the Reporting Period include the Northeast School, and the square meter of gross floor area used to calculate density includes only the school listed above.
- 10 During the Reporting Period, the Group owned a total of 32 gasoline vehicle and 3 diesel vehicles. The relevant fuel consumption intensity was calculated based on the number of fuel vehicles of each type.
- 11 Unless otherwise stated, the calculation of square meters of GFA included 7 schools, all environmental data in this report with square meters of GFA as the denominator for density calculations.
- 12 The schools that used the purchased thermal power during the Reporting Period included Gansu School, and the square meters of gross floor area used to calculate density included the above-mentioned school only.



Emissions

	FY2021	FY2020	Unit
Vehicle Air pollutant Emissions¹³			
CO Emissions	584	310	kg
NO _x Emissions	172	111	kg
SO _x Emissions	1.0	0.4	kg
PM2.5 Emissions	5.7	3.8	kg
PM10 Emissions	6.3	4.2	kg
Greenhouse Gas Emissions			
Scope 1			
Vehicle Emissions	107	43	Tonnes
Natural Gas Consumption Emissions ¹⁴	2,940	1,730	Tonnes
Greenhouse Gas Offset by the Group's owned trees ¹⁵	-436	-420	Tonnes
Scope 2			
Electricity Consumption Emissions ¹⁶	31,236	10,592	Tonnes
Purchased Heat Consumption Emissions ¹⁷	21,281	/	Tonnes
Total Emissions			
Greenhouse Gas Emissions	55,128	11,944 ¹⁸	Tonnes
Greenhouse Gas Emissions Intensity	0.016	0.008	Tonnes/m ² (gross floor area)



- ¹³ Vehicle air pollutant emissions are calculated with reference to the Technical Guide for the Preparation of Air Pollutant Emission Inventory for Road Motor Vehicles (Trial).
- ¹⁴ Natural gas combustion of greenhouse gas emissions calculation method reference is calculated with reference to the GHG Emission Accounting Methodology and Reporting Guidelines for Public Building Operators (Enterprises) (Trial).
- ¹⁵ GHG offsets for trees are calculated with reference to the Environmental Protection Department's Guidelines for Accounting and Reporting of Greenhouse Gas Emissions and Removals from Buildings (Commercial, Residential or Public Use) in Hong Kong.
- ¹⁶ GHG emissions from electricity use are calculated with reference to the Notice on the Development of the 2018 Annual Carbon Emissions Reporting and Verification and Emissions Monitoring Plan issued by the Ministry of Ecology and Environment of the People's Republic of China in January 2019.
- ¹⁷ The calculation method of GHG emissions from external heat use is referred to the GHG Emission Accounting Methodology and Reporting Guidelines for Public Building Operators (Enterprises) (Trial).
- ¹⁸ Since natural gas data was calculated only for emissions generated under operational control of the Group, only Northeast School involved in related emissions. Therefore, the natural gas-related data and total green-house gas emissions for FY2020 were recalculated.

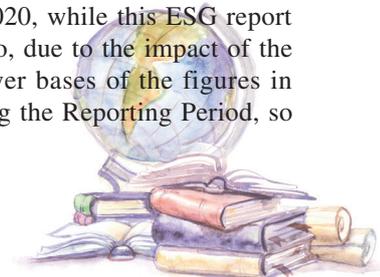


Waste

	FY2021	FY2020	Unit
Production of the Hazardous Waste			
Printer Cartridges Waste			
Production	577	486	Pieces
Production Intensity	0.0002	0.0003	Pieces/m ² (gross floor area)
Recovery	577	230	Pieces
Fluorescent Tube Waste			
Production	5,465	3,912	Pieces
Production Intensity	0.002	0.003	Pieces/m ² (gross floor area)
Recovery	1,094	2,015	Pieces
Lamb Bulb Waste			
Production	9,801 ¹⁹	3,451	Pieces
Production Intensity	0.003	0.002	Pieces/m ² (gross floor area)
Recovery	615	1,813	Pieces
Production of the Non-Hazardous Waste			
Waste Paper			
Production	2,079	2,431	kg
Production Intensity	0.0006	0.002	kg/m ² (gross floor area)
Recovery	1,376	2,116	kg
Kitchen Waste			
Production	154,642	127,497	kg
Production Intensity	0.05	0.09	kg/m ² (gross floor area)
Recovery	115,981 ²⁰	19,838	kg

¹⁹ Due to the replacement of lamps with LED lamps to achieve greater energy efficiency during the Reporting Period, the number of waste lamps of the Group and its schools increased.

²⁰ Due to the change of the Group's financial year end date during FY2020, the reporting period of the FY2020 ESG report covered the eight months period from 1 January 2020 to 31 August 2020, while this ESG report covered the twelve months period from 1 September 2020 to 31 August 2021. Also, due to the impact of the epidemic, our schools were closed temporarily in FY2020 which caused the lower bases of the figures in FY2020. In addition, the number of schools under the Group increased by 1 during the Reporting Period, so that the amount of food waste recovery increased during the Reporting Period.



APPENDIX I: CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Applicable Content for the Environmental, Social and Governance Reporting Guide of the Stock Exchange			Relevant Chapter/ Remark
Aspect	KPIs	Content	
A. Environmental			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous water.	Protecting Green Operation
	A1.1	The types of emissions and respective emissions data.	Environmental Performance Indicator
	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)).	Environmental Performance Indicator
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Indicator
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Indicator
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Protecting Green Operation
	A1.6	Description of how hazardous and non-hazardous wastes are handle, and a description of reduction target(s) set and steps taken to achieve them.	Protecting Green Operation



Applicable Content for the Environmental, Social and Governance Reporting Guide of the Stock Exchange			Relevant Chapter/ Remark
Aspect	KPIs	Content	
A2 Use of Resources	General Disclosure	Policies on the efficient use, including energy, water and other raw materials.	Protecting Green Operation
	A2.1	Direct and/or indirect energy Consumption by type (e.g. electricity, gas or oil) in total (kWh) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Indicator
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Indicator
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protecting Green Operation
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Protecting Green Operation
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve the use of packaging materials
A3 The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Protecting Green Operation
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting Green Operation
A4 Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Respond to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Respond to Climate Change



Applicable Content for the Environmental, Social and Governance Reporting Guide of the Stock Exchange

Relevant Chapter/
Remark

Aspect KPIs Content

B. Social

Employment and Labour Practices

B1 Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Development of the Talents
	B1.1	Total workforce by gender, employment type (e.g. full-time or part-time), age group and geographical region.	Employment and Development of the Talents
	B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Development of the Talents
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.	Employee Health and Safety
	B2.1	The number and rate of working-related fatalities in each of the past three years (including the reporting year).	Employee Health and Safety
	B2.2	Lost days due to work injury.	Employee Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented monitored.	Employee Health and Safety



Applicable Content for the Environmental, Social and Governance Reporting Guide of the Stock Exchange			Relevant Chapter/ Remark
Aspect	KPIs	Content	
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Training
	B3.2	The average training hours completed per employee by gender and employee category.	Employee Training
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.	Employment and Development of the Talents
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Development of the Talents
	B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Development of the Talents
Operating Practices			
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management



Applicable Content for the Environmental, Social and Governance Reporting Guide of the Stock Exchange			Relevant Chapter/ Remark
Aspect	KPIs	Content	
B6 Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Strict Control of Teaching Quality Safeguarding Campus Safety Responsibility Management
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business does not involve products that are recalled for safety and health reasons
	B6.2	Number of products and service related complaints received and how they are dealt with.	Strict Control of Teaching Quality
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsibility Management
	B6.4	Description of quality assurance process and recall procedures.	Strict Control of Teaching Quality
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Responsibility Management
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
	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
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community			
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.	Promoting Social Welfare
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Promoting Social Welfare
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Promoting Social Welfare

