

Environmental, Social and Governance Report

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Environmental, Social and Governance Report

1. ABOUT THIS REPORT

China Chunlai Education Group Co., Ltd. (hereinafter referred to as “Chunlai Education”) and its subsidiaries (hereinafter referred to as “Group”, “our Group”, “the Group”, “we”, “us” or “our”) are institutions providing private higher education. The Group is pleased to present its first Environmental, Social and Governance Report (hereinafter referred to as the “ESG Report” or “this Report”), which summarises our initiatives, strategies and objectives relating to environmental, social and governance issues, and describes our vision and commitment to fulfilment of sustainable development philosophy, as well as our corporate social responsibilities.

Reporting Standard

This Report is published in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”) issued by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The reporting contents covered herein are in compliance with the “comply or explain” principle required in the ESG Reporting Guide. An index for major categories of ESG Reporting Guide prepared in accordance with the contents of this Report is inserted in the last chapter of this Report for readers’ easy reference. You should read this Report together with the chapter headed “Corporate Governance Report” in this Annual Report to have a comprehensive understanding of the Group’s environmental, social and governance practices.

Reporting Boundary

This Report describes the sustainable development policies related to core businesses and the overall performance of performing corporate social responsibility from 1 September 2017 to 31 August 2018 (hereinafter referred to as the “Year” or the “Reporting Period”). Unless otherwise specified, this Report covers the businesses directly controlled by Chunlai Education, and the data collection of the Key Performance Indicators (KPIs) under the Subject Area – Environmental covering Shangqiu University, Anyang University and Shangqiu University Kaifeng Campus, all of which are located in Henan Province. The Group will continue to optimise its data collection system and expand the scope of disclosure.

Language of this Report

This Report is available in two languages, including Traditional Chinese and English versions. Should there be any inconsistency between them, the Traditional Chinese version shall prevail.

Feedback on this Report

We highly value your feedback on this Report. Should you have any questions or suggestions, please do not hesitate to contact us through the following channels:

Address: No. 66, Beihai East Road, Shangqiu City, Henan Province
E-mail: cljyt@chunlaiedu.com
Tel: (86)0370-3555128

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2. INTRODUCTION TO THE GROUP'S BUSINESS

Chunlai Education

Chunlai Education is a private provider of higher education, ranking first in Central China and fourth nationwide. Since its establishment, the Group adheres to its educational philosophy of “continuously improving the quality of talent cultivation and the ability to serve society through character building and talent fostering, persisting with scientific development, reform and innovation, education in full legal compliance to embark on its journey to internal, innovative and distinctive development”. The Group provides students with academic programmes including bachelor’s degree, junior college, bachelor’s degree transfer, junior college diploma and vocational education. Through cooperation with more than 200 companies as well as providing employment guidance and support, students can not only gain professional industry information in the classroom or lectures, but also enhance their competitive edge in the employment market via invaluable internships and training opportunities. The effectiveness of our practical curricula and training programmes is reflected through the exceptionally high initial employment rate among our graduates.

In 2018, with the successful listing of Chunlai Education on the Hong Kong Stock Exchange, the Group entered the international capital market, which commenced a brand new chapter in and injected new momentum for our future development. Each college has been preparing construction projects to expand and add multiple teaching facilities in order to raise our market share and meet the long-term demand as a result of the growth in student numbers.

2.1. An Overview of our Colleges

Shangqiu University

The predecessor of Shangqiu University was Huayu College of Henan Agricultural University (河南農業大學華豫學院), which obtained approval from the MOE in 2005 to be established as an independent college and was later renamed as Shangqiu University in 2011. Shangqiu University is well-renowned for its engineering programmes with multiple recognitions from provincial-level institutions. In the 2017/2018 school year, a total of 19,249 students were enrolled. Upon recognition of the high demand of the pre-school education due to the relaxation of one-child policy, Shangqiu University added pre-school education programmes in 2014. The programme was well-received among students. The first graduating class had achieved an initial employment rate of 96.2%.

Anyang University

The predecessor of Anyang University was the College of Humanities and Management of Anyang Normal University (安陽師範學院人文管理學院) (the “College of Humanities and Management”). In 2009, a new campus was established at the current location of Anyang University. Anyang University is known for its liberal arts programmes with multiple recognitions from provincial-level institutions. In the 2017/2018 school year, a total of 20,066 students were enrolled. In response to the development of the aviation industry in the Anyang area, the School of Aeronautical Engineering was launched in 2014. Anyang University has specifically expanded student dormitories, classrooms, other teaching facilities and acquired electric gliders and other electronic equipment for the mentioned programmes.

Shangqiu University Kaifeng Campus

Shangqiu University Kaifeng Campus, established in 2013, is a branch college of Shangqiu University. The college is renowned for its civil engineering programmes. In the 2017/2018 school year, a total of 6,437 students were enrolled. Looking forward, the college is planning to file an application to transform Shangqiu University Kaifeng Campus into an independent Private HEI that operates in full compliance with the requirements of relevant PRC laws and regulations. All current campus expansion plans at the college are implemented with the objective to be qualified as a Private HEI and to lay the groundwork for increased enrolment rate.

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2.2. Awards and Recognitions

The Group has received many awards over the years thanks to the efforts of our teaching staff and students, including honours such as “2016 Model School of Henan Province (河南省2016年度文明學校)”, “2015 Outstanding Private School (2015年度優秀民辦學校)”, “2014 Outstanding Educational Institution (2014年度先進辦學單位)” and “Most Beautiful University Campus in Henan Province (河南省最美大學校園)”. Moreover, each Chunlai Education college adheres to the doctrines on emphasising innovative scientific development, and continuing to get inventions that combine high level of practicality and artistic value, many of which have already acquired patents. The colleges will continue to input resources in presenting more inventions that can contribute to society. These recognitions have encouraged us to march on and constantly enhance our competitive edge and development potential in the industry. In 2018, the Group obtained numerous awards, including:

Awards and Recognitions	Hosting/Awarding Organisation	Awarded Entity
3rd Prize for Outstanding Cultural Construction in a High School Campus in Henan Province (河南省普通高等學校校園文化建設優秀成果三等獎)	The Education Department of Henan Province, the Higher Education Committee of the CPC Henan Provincial Committee (中共河南省委高校工委河南省教育廳)	Shangqiu University
Outstanding College in University-Industry Partnerships (校企合作優秀院校)	Zhengzhou Suning Logistics Co., Ltd. (鄭州蘇寧物流有限公司)	Shangqiu University
Outstanding Group in Stability Maintenance in Henan Province (河南省維穩工作先進集體)	The Education Department of Henan Province, Higher Education Committee of the CPC Henan Provincial Committee (中共河南省委高校工委河南省教育廳)	Shangqiu University
Outstanding Institution on Fire-Prevention Promotion in 2017 (2017年度消防宣傳先進單位)	The Health and Safety Education Portal of China and the Promotion and Service Centre of Fire Protection Association in Henan (中國安全健康教育網、河南省消防協會宣傳與服務中心)	Shangqiu University
Outstanding Institution in Party Construction (黨建工作先進單位)	Henan Province Private Education Association (河南省民辦教育協會)	Shangqiu University
Outstanding Scientific Research Institution (科研先進單位)	Henan Province Private Education Association (河南省民辦教育協會)	Shangqiu University
3rd Place in the 2nd Henan Provincial “Sunshine” Korfball Tournament (High School Group A) (河南省第二屆「陽光」體育荷球錦標賽(高校甲組)第三名)	Education Department of Henan Province (河南省教育廳)	Anyang University

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Awards and Recognitions	Hosting/Awarding Organisation	Awarded Entity
China Mobile Cup 2017 Anyang City Football Invitational Game for Higher Education Faculty (中國移動杯2017年安陽市高校教工足球邀請賽)	Organising Committee of Invitational Games (邀請賽組委會)	Anyang University
The Special Prize in the 2nd "Seentao Cup" Higher Education Innovative Accounting Talent Contest (第二屆「新道杯」高等院校創新會計人才技能大賽省賽特等獎)	The Accounting Society of Henan Province (河南省會計學會)	Anyang University
2017 Top Ten Universities' New Media Platforms in Henan (WeChat) (河南省2017年度十佳高校新媒體平臺(微信))	Henan Daily Newspaper Group and Henan Society of Ideological and Political Work (河南日報報業集團、河南思想政治工作研究會)	Anyang University
Outstanding Social Science Work Institution of Anyang City (安陽市社會科學工作先進單位)	The Anyang City Federation of Social Science Circles (安陽市社會科學界聯合會)	Anyang University
2017 "Youth Volunteers for a Civilised City-Youth Help in establishing national civilised cities Nomination" City Outstanding Organisation Award (2017年「青春志願行·共創文明城」青少年助力創建全國文明城市提名城市優秀組織獎)	The Publicity Department of Anyang City Committee, Municipal Civilisation Work Office, Working Committee Directly under Municipality, Communist Youth League of Anyang City Committee (安陽市委宣傳部·市文明辦·市直工委·共青團安陽市委)	Anyang University
The School's Mechatronic Engineering discipline was appraised as one of the key subjects (In Nurturing) of the 9th batch in Henan Province (第九批河南省重點學科(培育學科))	The Education Department of Henan Province (河南省教育廳)	Anyang University
Second Place in the "Integrity Campus Tour" University Student Funding Knowledge Contest of Henan Province (河南省大學生「誠信校園行」學生資助知識大賽二等獎)	The Student Financial Assistance and Management Centre of Henan Province (河南省學生資助管理中心)	Anyang University
Recognised as "Excellent Organisation" in the 2018 National English Competition for College Students (2018年全國大學生英語競賽榮獲優秀組織獎)	The College English Teaching and Research Association of China (高等學校大學外語教學研究會) and the College English Teaching and Steering Committee of China (高等學校大學外語教學指導委員會)	Anyang University
Recognised as "Excellent Organisation" in the 2017 "ECHOM Design Valley" Shenyang Industrial Design Competition (2017「毅昌設計谷杯」瀋陽工業設計大賽優秀組織獎)	The Organising Committee for Shenyang Industrial Design Competition (瀋陽工業設計大賽組委會)	Anyang University

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Awards and Recognitions	Hosting/Awarding Organisation	Awarded Entity
Recognised as “Excellent Organisation” at the Anyang Cultural Tourism Industry Exhibition of the 10th Anyang Aero Sports and Cultural Tourism Festival (第十屆安陽航空運動文化旅遊節安陽文化旅遊產業精品展榮獲優秀組織獎)	Anyang Culture, Radio and Television, Press and Publication Bureau (安陽市文化廣電新聞出版局)	Anyang University
Two top prizes and one second prize in the provincial finals of the 14th “Xin Dao Cup” National University Students Sandboxie Simulation Elite Competition (第十四屆全國大學生「新道杯」沙盤模擬精英大賽省級決賽)	Economics and Management department (經濟與管理學科組) of Experimental Teaching Demonstration Centre of Education Institutions and Seentao Technology Co., Ltd.	Anyang University
Recognised as “Best Organisation” at the Preliminary Contest of the 8th National Campus Finance and Accounting Contest in the “Chinaacc Cup” (「中華會計網校杯」第八屆全國校園財會大賽校園初賽最佳組織獎)	Higher Financial & Economic Education Branch of China Higher Education Association and www.chinaacc.com	Anyang University
Champion of the 4th Men's Basketball Championship in the “University Cup” in Anyang City (安陽市第四屆「高校杯」男子籃球賽冠軍)	The Physical Education and Sports Commission (體育運動委員會) of Anyang Normal University	Anyang University
Awarded 2 Gold, 1 Silver, and 1 Bronze Medals in the 7th University Aerobic Gymnastics Championship in Henan Province (河南省第七屆大學生健美操錦標賽)	China Cheerleading Association and the Gymnastics Management Centre of General Administration of Sport of China (全國啦啦操組織委員會、國家體育總局體操管理運動中心)	Anyang University
Awarded 3 Second Prizes and 8 Third Prizes in the National University Mathematical Contest in Modelling in the China Youth Cup (中青杯全國大學生數學建模比賽)		Anyang University
Awarded 2 gold medals, 4 silver medals and 6 bronze medals at the Eighth Traditional Sports Competition of Ethnic Minorities in Henan Province (河南省第八屆少數民族傳統項目體育運動會)	Henan Organising Committee for the 8th National Traditional Games of Ethnic Minorities (河南省第八屆少數民族傳統體育運動會組委會)	Anyang University
Second prize in the teaching practices category for the outstanding case “Self-scripted, Self-directed and Self-curated; I learned, I acted and I improved- An Innovation in Moral Education Leading up to a Life Well-acted” (「自編自導自策劃·我學我演我昇華--創新德育教學·演好人生之戲」) hosted and submitted by Li Chan Juan (李嬋娟), a teacher from the Ideological and Political Theory Teaching Department	The University Working Committee of Henan Province (河南省高校工委), the Education Department of Henan Province (河南省教育廳)	Shangqiu University Kaifeng Campus

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Awards and Recognitions	Hosting/Awarding Organisation	Awarded Entity
Excellent Organisation Prize for the Ninth Translation Contest in Henan Province (河南省第九屆翻譯競賽優秀組織獎)	Henan Translators' Association (河南省翻譯協會)	Shangqiu University Kaifeng Campus
Of the 5 teams representing the School in the 2018 MCM/ICM, one team won the international second prize, and the remaining four teams won the international third prize	The Mathematical Association of America (美國數學聯合會)	Shangqiu University Kaifeng Campus
The General Branch of Red Flag Youth Corps Committee (五四紅旗團總支)	Kaifeng Municipal Youth League Committee (開封市團委)	Shangqiu University Kaifeng Campus
2 School teams taking part in the Henan Provincial University Robot Contest (河南省大學生機器人競賽) won Second Prizes	The Provincial Education Department, the Provincial Department of Science and Technology, the Publicity Department of Henan Provincial Committee, and the Provincial Association for Science and Technology, etc. (省教育廳、省科技廳、省委宣傳部、省科協等)	Shangqiu University Kaifeng Campus
Yu Jia Ying (余佳瑩), an associate professor at one of our colleges, was awarded the title of Pioneer in Academic Technology (學術技術帶頭人) of the Education Department of Henan Province (河南省教育廳) in 2018	The Education Department of Henan Province (河南省教育廳)	Shangqiu University Kaifeng Campus
Wei Chun Xia (魏春霞), a teacher at our School of Foreign Languages, was awarded the title of "Outstanding Individual in Teachers' Ethics" (「師德先進個人」) in Hubei Province	The Education Department of Hubei Province (湖北省教育廳)	Hubei College

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3. REALISE RESPONSIBLE GOVERNANCE

3.1. Our Strategies on Sustainable Development

Since its establishment, Chunlai Education has always served the society by fulfilling the social responsibility of “Greater Contributions for a Great Society”. Chunlai Education is not only committed to education, but also taking an active part in social charities and looking to highlight sustainable development in our operations. For years, the Group has always dedicated itself to serving the society and has engaged with its stakeholders via various channels to formulate our strategies on sustainable development, which consist of four categories namely “Realising Responsible Governance”, “Outstanding Educational Philosophy”, “Building a Green Ecology” and “Commitment to Community Contribution”. This Report also sets forth the focal points and contributions of the Group’s annual social responsibility based on these four categories.



Stakeholder Engagement

We identify stakeholders from different sectors, including shareholders, students, parents, employees, investors, state and regulatory authorities, suppliers and the general public. To understand their opinions and expectations on the Group and to establish a long-term relationship on mutual trust, we proactively explore and learn about their areas of concerns with an open attitude, in light of which we defined the scope to be covered in this Report.



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3.2. Setting up Anti-Corruption Measures

The Group insists on education by setting a good example, and highly values the importance of personal ethics of our teaching staff. We strictly enforce “Rules of Integrity” (《廉政準則》) and “Implementation Measures of the Accountability System for Establishing Party Conduct and Upholding Integrity” (《黨風廉政建設責任制實施辦法》). Teachers are expected to treat every student in a fair and impartial manner, and not to use their teaching positions for personal gains. Furthermore, the Group has a zero tolerance policy towards behaviours in breach of professional ethics such as fraud, money laundering, extortion, bribery, and misappropriation of public funds.

To establish an effective accountability system of supervision, we formulated the “Measures for Whistleblowing” (《舉報工作辦法》). Whistleblowers may report through public complaints and proposals, websites, phone calls and other confidential channels. The reported cases will be handled by superior authorities of discipline inspection and supervision in accordance with the Party Constitution, state laws, regulations, policies and school rules within 60 days. During the Reporting Period, no litigation regarding corruption in the Group was filed. It fully reflects the effectiveness and efficiency in building Party conduct and upholding integrity as well as anti-corruption. This year, our prevention measures include:

Preventive Measures	Contents
Case Study-based Reform on both Symptoms and Root Causes	To analyse and deploy based on different circumstances, and establish a long-term and effective mechanism; to disclose in a timely manner to rectify corruptive conduct.
“Regulation of the Communist Party of China on Disciplinary Actions”	To enforce disciplinary actions against violations and offences in a fair, serious and impartial manner so that employees understand the penalties and increase their vigilance.
Integrity Warning Education Activities	To instill employees with ethical values on anti-corruption through case studies.
Work Leading Group	To lift employee’s awareness on anti-corruption and effectively supervise and enforce work plans in formulated systems through frequent communication.

Internal Control Infrastructure

To administer and govern in accordance with the law, the Board, management and all the staff of the Group work together to develop a well-rounded internal control infrastructure. Since the founding of the group, we have adopted the Articles of Henan Shangqiu Chunlai Education Group, which emphasise a “people-oriented” approach, formulating a reasonable and clear organisation structure that clearly defines the duties and powers of each department. Members of the risk assessment committee are responsible for the study and evaluation of the Group’s risk profiles, and to develop a timely risk warning system as well as presenting proposals that serve to improve the Group’s future operations. These works are to be recorded in the Group’s risk database. Specific personnel will be assigned to update, maintain and manage the aforementioned records for reference in the future.

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With regard to mitigation measures, we compile and analyse risk events that may cause a significant impact on our operations annually. We then prepare a risk management scheme accordingly. The scheme will be implemented upon revision and approval by the Board. All committees coordinate with relevant departments to ensure smooth communication and reporting in the process. The committees will also follow through the scheme and assess its effectiveness as per practical conditions in order to build a sound and comprehensive internal control system.

3.3 Suppliers' Management

Our suppliers are mainly located in Henan, Beijing, and Jiangsu, and the products and services we procured mainly include textbooks, uniforms, teaching equipment, software service and others. Utilising local suppliers will not only serve to vitalise the region's economy, but also reduce carbon emissions released during transportation and mitigate the impact on the environment. Chunlai Education has also actively optimised its supply chain management and strictly conformed with the Suppliers' Management System (《供應商管理制度》) to effectively evaluate and select qualified suppliers, thereby enhancing procurement quality and efficiency. The following chart shows the composition of our suppliers for the year.

Regions of Suppliers	Numbers of Suppliers
Henan	84
Beijing	8
Jiangsu	2
Hebei	1
Chongqing	1
Shenzhen	1

When we assess suppliers, we take price, quality, delivery, lead time, service, responsive time and the ability to meet the State's strategies on sustainable development – compliance with laws, safety and environmental protection as well as other aspects into account. This standard helps suppliers to raise their awareness of social responsibility, and to conform with green procurement and achieve a sustainable supply chain. Once suppliers are shortlisted, they are to submit their business license for appraisal on their qualifications, and will be recorded in the supplier's file. We also conduct annual assessments and reviews on suppliers and implement a disqualification mechanism, and communicate or replace unqualified suppliers in a timely manner to mitigate the risks presented in our operations.

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3.4 Information Disclosure Security

Chunlai Education strictly complies with PRC laws and regulations, including the Regulations of the People's Republic of China for Safety Protection of Computer Information Systems (《中華人民共和國計算機信息系統安全保護條例》), the Administrative Measures for Testing and Selling License of Special Products Used for the Safety of Computer Information Systems (《計算機信息系統安全專用產品檢測和銷售許可證管理辦法》) and Opinions of the State Informatisation Leading Group for Strengthening Information Security Assurance Work (《國家信息化領導小組關於加強信息安全保障工作的意見》), and has set up the Information Security Management System for Henan Chunlai Education Technology Co., Ltd. (《河南春來教育科技有限公司信息安全管理制度》) to continue optimising and upgrading the information security system to a safe level.

Information security assurance

Our system achieves targeted level of control over information security risks by adhering to the principle of "comprehensive prevention that emphasises both management and technology emphasising safety-first and a precautionary mindset." We permanently install reliable anti-virus software on all of our computer facilities, and all replacement and introduction of hardware and software are subject to approval to protect our assets from intrusions such as Internet scams, probes, viruses and hacker attacks. Set out below are the priorities of our Information Management Department, which are strictly enforced and supervised by the security leading group:

- To carry out regular inspection on systems, computers and real-time scanning/filtering processes;
- To strengthen training, promotion and education on knowledge regarding the Internet and information security, and raise awareness on knowledge regarding emergency response to sudden information security events through drills;
- To carry out safety assessments and formulate information security strategies;
- To report and handle any existing anomalies in the operating system in a timely manner and record them in the data centre.

Strict confidentiality measures

We only collect information relevant to our business and such legitimate information collected will be kept safely. To safeguard our information security, all key personnel are required to sign a binding confidentiality agreement upon reassignment and resignation. In the future, we will consider expanding such requirement to external personnel responsible for handling information systems as well. Before accessing important and sensitive data, all staff are required to have authorisation from managers of relevant departments and complete registration procedures. Unauthorised access and copy of information are also prevented through system access control as well as encryption technology under industrial standard.

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Protection of intellectual property rights

We regard the protection of intellectual property rights with high importance and strictly comply with the Guidelines for Genuine Software Management (《正版軟體管理工作指南》) issued by the State Intellectual Property Office. We ensure that all faculty members' computers are equipped with secured and genuine computer software. We also ensure that software licences and authorisation requirements are met through regular review. We procure products that comply with relevant State requirements with safe product selling licence and proof of intellectual property rights to construct key information systems and networks in accordance with the Regulations on Information System Construction Safety Management (《信息系統建設安全管理規定》).

Technology research and development is one of our major developmental directions, and we continue to bear fruits with collective efforts from teachers and students. We apply patents for the invented products to ensure originality and recognition of efforts of the research and development work. During the Reporting Period, we achieved encouraging results by maintaining existing registered patents for a total of 12 inventions and obtained new patents for 3 other inventions.

3.5 Handling Opinions on Teaching

We always regard feedbacks on teaching as a key driver for the Group's improvement. We have a standard procedure in place to handle complaints and teaching incidents. Upon receipt of complaints, the office of academic affairs and the teaching enhancement office will handle the cases seriously, which include holding discussion meetings, reviewing the details of the case and provide solutions and improvement plans. During the Reporting Period, we did not receive any complaint on teaching. To maintain our quality of service, we also constantly keep track of, respond to and improve upon complaints to deliver the best teaching service to enhance our competitiveness.

Strengthening communication with teachers, students and parents

As an operator of higher education institution, we, as well as the teachers, students and parents, are extremely concerned about the career development of our graduates. The annual tracking survey of the employment status of graduates can reflect whether the programmes offered by the Group can meet the demand of the employment market. It also enables us to design courses for the new semester under a better understanding of social trends. The School has also been conducting satisfaction surveys to collect opinions and advice on teaching from teachers and students, upon which management of the Group will provide timely feedback and develop solutions, thus providing a more inclusive channel for teachers and students to participate in school building and management. We also utilise highly transparent and monitored Internet information technologies, such as campus network and the OA system, to share internal teaching information, and thus realising an open and transparent communication model for school affairs.

Building brand image

Chunlai Education builds its brand on the principle of "live, work and form a career with honesty, diligence and pragmatism". We ensure that the information we release while promoting our brand, such as talent training programmes for all professionals, college data indicators and qualifications of our teaching staff, is complete, authentic and accurate for the public in order to eradicate all false and misleading descriptions which will the public.

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4. LEAD WITH OUR EDUCATION PHILOSOPHY

Chunlai Education thoroughly implements its education philosophy of emphasising practicality and is committed to equipping our students with the practical skills required for China's economic development to promote innovation and competitiveness in the market. The core objective of our operation is to attract high-level faculty and provide a well-trained teaching staff body. Accordingly, in relation to employment and labour practices, we strictly comply with the laws and regulations including the Labour Law (《勞動法》), the Labour Contract Law (《勞動合同法》), the Regulations on the Implementation of the Labour Contract Law (《勞動合同法實施條例》), the Law on the Protection of Minors (《未成年人保護法》) and the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》).

4.1. Excellent Faculty

The Group implements the strategy of "Strengthening University with Talents" and insists on placing the quality and interests of staff as the top priority of the Group. Key areas such as competitive human resource management policies, employee management, remuneration management, annual appraisal, promotion channel, recruitment criteria and procedure, employee compensation and benefits as well as employee training plans are set out in the Employee Manual (《職工手冊》) in detail. To recruit the best talents, Anyang University has issued the Administrative Measures of Anyang University for the Introduction of High-level Talents (《安陽學院高層次人才引進管理辦法》) to step up the efforts in attracting high-level talents, which successfully expanded the number of full-time teachers and optimised the structure of our teacher staff.

Shangqiu University 2018 Fall Semester Faculty Meeting

All faculty members of Shangqiu University attended the Shangqiu University 2018 Fall Semester Faculty Meeting. Concluding on our past performance, our objectives for the 2018/2019 school year as set out in the Shangqiu University Main Tasks of 2018 Fall Semester (《商丘學院2018年秋季學期工作要點》) include putting forward in full force our appraisal and construction work; fulfilling our fundamental mission of character building and talent fostering to enhance training quality of talents with practical skills; and facilitating school development by improving the level of assurance and service.

Senior management of the Group also provides direct feedback on issues of high concern to faculty members, highlighting the importance of these issues to us. Faculty members are confident in the work arrangement and deployment for the new semester. With passion and cooperation, we will strive together for the upcoming semester with wisdom and efforts.

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4.2. Employment System with Equal Opportunities

In the recruitment process, the human resources department will verify the identity of all staff members. Employment of child labour and forced labour is strictly prohibited. The Company will also regularly review staff overtime and their labour intensity. Moreover, we have zero-tolerance towards discrimination in the workplace, forced labour, harassment and other acts. During the Reporting Period, the Group did not record any violation related to discrimination, employment of child labour or forced labour.

Recruitment management

The Group formulated the Administrative Measures on Recruitment (《招聘管理辦法》) and formed a recruitment leading group. We insist on merit-based appointments, and value morality in conducts as the top priority, and in addition, we ensure equal employment opportunities for candidates regardless of their gender, age, nationality or race. After passing the resume screening stage, applicants are required to provide relevant materials such as identification document, transcripts of studies, recommendation letters and certificates to the human resources department for record and stringent verification, so that we can ascertain that the candidates do possess genuine and relevant qualifications and avoid employment of child labour. In addition, the Board, school principals, the human resources department, and the office of academic affairs and the manager of the hiring college will take part in the teacher recruitment interviews to evaluate the applicants based on factors such as their character, educational background, work experience and skillsets. Once the appointments of applicants are reviewed and confirmed by the Board, we will sign an employment agreement and employment contract with the potential employee so as to protect the interests of our staff. Information of the Group's employees is set out below:

Staff category	Number of staff
All staff	2,897
by gender	
Male	1,428
Female	1,469
by employment category	
Short-term contracts/part-time	720
Junior level	617
Intermediate level	473
Senior level	695
Others	392
by age group	
Under the age of 30	1,099
Aged 30-50	1,080
Over the age of 50	718
by region	
Staff in the Central China region	2,086
Staff in the North China region	480
Staff in the East China region	252
Staff in the Northeast region	47
Staff in the Northwest region	18
Staff in the Southern region	14

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Any engagement or departure and retention or transfer of every faculty will be taken seriously by the Group. When a resignation request is filed, the head of human resources will conduct an interview with the teacher who has filed his/her resignation for the purpose of understanding the reasons for departure, and identifying proper improvement measures to be adopted in order to promote a sense of belonging at work for the existing academic staff. Management will also continuously oversee the turnover rate and continue to maintain communication with the academic staff to develop a good employment relationship. During the Reporting Period, the employee turnover rate was as follows:

Staff category	Turnover rate
All staff	9.94%
Turnover rate by gender	
Male staff	7.28%
Female staff	12.53%
Turnover rate by age group	
Staff under the age of 30	23.29%
Staff aged 30-50	1.67%
Staff over the age of 50	1.95%
Turnover rate by region	
Staff in the East China region	8.33%
Staff in the South China region	21.43%
Staff in the North China region	7.50%
Staff in the Central China region	10.79%
Staff in the Northeast region	6.38%

4.3. Comprehensive Benefits and Salaries

Chunlai Education firmly believes that academic staff is key to the Group's development and seeks to retain talented staff through comprehensive benefits and salaries. The Group formulated the Administrative Measures for Performance Appraisal (《績效考核管理辦法》) and the Benefits and Salaries of the Teaching Staff (《教職工福利與待遇》) to guarantee competitive remuneration and benefits for the teaching staff and other personnel. We make regular adjustment to the remuneration and benefits of all of our employees to reward their past contribution and hard work for our colleges based on economic conditions, price index as well as industry and development changes, so as to stabilise our core teams, and to provide work incentives and improved cohesion.

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Benefits and Allowances

Chunlai Education provides staff benefits above the minimum legal requirements. Aside from normal rest days, employees are not only entitled to paid annual leave, statutory paid sick leave, leave of absence, maternity leave, marriage leave and bereavement leave, but also to a week of educational leaves per semester to be provided to personnel in academic pursuit while maintaining their positions. The Group implemented and fully complied with the Provisional Measures for Social Insurance Administration (《社會保險管理暫行辦法》), and made contribution to “Five Social Insurances and One Housing Fund” on behalf of employees who have entered into a valid contract and are eligible for such insurance. All teaching staff are entitled to benefits such as teacher’s day, Mid-Autumn Festival and Chinese New Year. Out-town talents with senior titles can also enjoy an additional transportation allowance in support of their home return trips during national statutory holidays as well as winter and summer vacations. In addition, we also implemented a reward and punishment system of Appraisal Measures of the Teaching Staff Term Performance (《教職工學期績效考核辦法》) to issue performance bonus to the teaching staff, on the basis of fair assessments of their work ethics, talent and performance, for the purpose of motivating the teaching staff to work proactively and perform their job duties earnestly.

4.4. Training of Teaching Staff

Establishment Plan for the “13th Five-year” Teaching Staff

The Group implemented the Party’s direction of socialist education and the policy of “standardised school operation, speed up construction and establishment, enhance quality and highlight features” and developed an “Establishment Scheme for the ‘13th Five-year’ Teaching Staff” (《“十三五”師資隊伍建設規劃》). Through the scheme, we recruited senior talents and further strengthened our “dual-qualified teachers” teaching team in line with our three key segments for the year, namely “introduce, train and utilise talents”. The Group decided to maintain the quality of the talents by setting up annual targets on the number of teaching or scientific research team talents to be trained.

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We offer a comprehensive career plan to our teaching staff, and also encourage them to upgrade their academic qualifications and professional competency through different paths such as continuing learning and receiving on-the-job training. We provide younger teachers with capability development opportunities such as lesson observation, lesson demonstration, skill competition and outstanding lesson plan contests to broaden their horizons and to enhance their skills. Outstanding older teachers will be nominated to complete degree programmes and attending academic visits from renowned universities in China and abroad to carry out academic exchanges and cooperative research. Such training programmes could pave the foundation for key subjects and teaching quality development, which is beneficial to the further improvement of the applied education level of our colleges. The following table summarises the total training provided for the year:

Staff category	% of staff trained	Average training hours completed per staff
By gender		
Female	46.64%	6.67 hours
Male	49.90%	3.96 hours
By employment category		
Junior level	52.03%	8.96 hours
Intermediate level	48.20%	4.70 hours
Senior level	32.09%	2.43 hours

The category, content and purpose of the Group's annual teaching staff training plan are as follows:

Training category	Training content and purpose
Training on professional practical skills	Setting up research directions and developing potential projects collectively as well as enhancing school-corporation collaboration by nominating teachers to companies and scientific research institutions of corresponding professional specialisations for on-the-job training.
Training on higher education teaching qualification	We provide our teaching staff with certified training courses and examinations for further education and help them obtain teaching qualifications of higher education.
Academic visits and further studies overseas	We offer overseas academic visits and further studies opportunities to selected teachers for further study to broaden their knowledge of other countries and keep pace with trends and developments in international scientific research, education and administration. Once returning from the trips, the nominated teachers share notable teaching practices, methods and concepts that are worthy of reference to other teaching staff for enriching their knowledge.

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Training category	Training content and purpose
Pre-employment training	New teaching staff can enhance their teaching knowledge, skills and team building through external activities for quality development, visits, project learning, thematic seminar and internal training of respective departments.
Apprenticeship	During the first academic year, a new teacher will be teamed up with an experienced mentor. The new teacher will be able to adapt to the new environment faster through experience sharing on lessons preparation, attending lectures, teaching in class, counselling, Q&A and homework review and marking.
Training on teaching methods and skills	To train up younger teaching staff on learning to combine traditional teaching theories, skills and approaches, to enhance English proficiency and to improve teaching skills and quality of business service, by working with modern educational information technology applications.

4.5. Healthy and Safe Campus

Chunlai Education firmly believes that the physical and mental health of teaching staff and students are crucial to the educational development of its colleges. We have implemented a range of health and safety measures and arrangements, and prepared the School Safety Management Regime (《學校安全管理制度》) with respect to campus facilities, power and water consumption, power consumption for heating and the use of natural gas. The goal is to build a healthy and safe campus, and optimise the health of our employees and students, to provide safe food in our canteens and to ensure a safe teaching environment. During the Reporting Period, the Group did not record any work-related fatalities. Despite an incident that resulted in the loss of 30 working days due to work injuries at Shangqiu University, we have paid close attention to the incident and have promptly submitted reports to the Centre of Work-related Injury Insurance so that all of staff is protected under the employee social programme. In the future, we will enhance the preventive measures regarding this area to prevent similar incidents from happening again.

Health check-ups for teaching staff

The Group places the health of its employees as a priority. Anyang and Shangqiu University regularly arrange mandatory health check-ups for their teaching staff on duty and provide them with professional advice on healthcare and disease prevention and control as well as consulting services according to their individual health conditions and medical examination reports, so that employees can better understand their health conditions and achieve the goal of “early treatment if ill and early prevention if healthy.”

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Prevention of occupational diseases of teaching

During the health check-ups, Anyang University also organises publicity activities to promote knowledge on prevention of occupational diseases related to teaching. Knowledge on prevention of occupational diseases is promoted through banners and publicity leaflets for sharing relevant knowledge with teaching staff who are unable to attend, and thus benefiting all teaching staff in the university. The infirmary of Shangqiu University even prepares brochures on “Promotion of Health Education – How to Prevent Occupational Diseases of Teaching” which help teachers recognise common symptoms of occupational diseases and propagate simple mitigation measures.

Lectures on “Health and Disease” – Shangqiu University



In June 2018, the Teacher Development Center of Shangqiu University held two sessions of health lectures on the topic of “Healthy Teachers and Students, Healthy China” and “How Teachers in Higher Education Can Self-regulate and Maintain Physical and Mental Health” which attracted more than 400 teachers and professors representatives to attend. During the session, speaking professionals brought out the awareness on the importance of understanding the body structure, having basic knowledge regarding diet for cancer or disease prevention, leading a regular lifestyle and other factors in maintaining health. The second session of the lecture explored in depth the secrets of mental health and revealed the three cornerstones of health – “Reasonable Diet, Moderate Exercise, and Psychological Balance.” The teaching staff benefited a lot from the lectures, sharing information about health and wellness with their co-workers, family, and friends to firmly establish the ethos of “Health First.”

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Health and safety of the students

A comprehensive approach to infectious diseases can protect students and reduce operational risks. The Group prepared the Contingency Plan on Control, Prevention and Emergency Response to Infectious Diseases (《傳染病防控應急預案》) with reference to regulatory documents including the Law on Prevention and Treatment of Infectious Diseases (《傳染病防治法》), the Regulations on the Urgent Handling of Public Health Emergencies (《突發公共衛生事件應急條例》) and others. The contingency plan focuses on the review of prevention and treatment efforts, the implementation of health education and the establishment of a comprehensive monitoring and reporting mechanism. Also specified in the contingency plan are coping measures and steps addressing different situations, achieving the goal of “Early Detection, Early Reporting, Early Treatment.”

Prevention and treatment of tuberculosis – Anyang University and Shangqiu University



In response to the World Tuberculosis Day on 24 March and in order to comply with the Work Specification for Prevention and Control of Tuberculosis in School (《學校結核病防控工作規範》) prepared by the government, Shangqiu University launched a health educational promotional campaign of tuberculosis with the theme of “Taking Actions to Eliminate Tuberculosis, Establish and Share A Healthy China” to ensure the health and safety of teachers and students for the ultimate purpose of eradicating tuberculosis. Through explaining tuberculosis and its symptoms, treatments and preventions by professional healthcare personnel, it was shown that tuberculosis can be ultimately cured as long as standardised diagnoses and treatments are received in a timely manner.

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Psychological evaluation for new students



Technology College of Shangqiu University expressed concern for student's psychological health and required new students of 2017 to complete a psychological evaluation. Under the guidance of trained staff members, new students managed to deliver accurate information through questions for professional psychological evaluation. Once understanding and grasping students' psychological health information, the college can then provide specific assistance in a timely manner.

Hygiene of teaching environment in campus – environmental monitoring activities

As we are firmly convinced that a comfortable teaching environment can enhance teaching quality, regular disinfectants spraying is conducted to clean the entire school dormitory buildings. Two hours of disinfections were carried out with ultraviolet disinfection lamps for some of the classrooms. Doctors of medical clinics in school also conducted professional monitoring on the hygiene of teaching environment and student's living environment, and submitted opinions to the heads of relevant departments to make unified rectifications.

School canteen environmental and food safety

The college pays high attention to canteen environment and food safety as to conform strictly with regulations such as the Food Safety Law of the PRC (《中華人民共和國食品安全法》), the Regulation on Hygiene Administration of School Canteens and Collective Dining of Students (《學校食堂與學生集體用餐衛生管理規定》). Anyang and Shangqiu University established a school meal management committee to ensure food safety and quality for teachers and students. The committee improves and establishes school meals management system through ways such as conducting food examinations, inspecting canteen environment, collecting feedbacks or holding regular meetings.

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In addition, the meal service centers of the universities established Food Safety Management System (《食品安全管理制度》), Foods Retention Sample System (《食品留樣制度》), Food Safety Self-examination and Report System (《食品安全自檢自察與報告制度》) and Foods Sampling System (《食品抽檢制度》), specifying standard requirements and procedures that required strict compliance, and established an accountability system to monitor and realise food safety. The above systems include:

- Placing food operation licenses, labels of safety level for foods and beverage services, records of daily monitoring and testing results in notable places of dining area;
- Displaying main food ingredients and their sources, and the food additives used in the processing process in the recipes, food-taking area and display area;
- Revealing processing process to the public in an “Open and Clear Kitchen”;
- Maintaining cleanliness of food preparation and dining area, and fulfilling hygiene requirements for food and beverage services issued by the China Food and Drug Administration;
- Requiring food sampling procedures conducted by engaged third-party testing company with sampling qualification;
- Establishing food safety management archive to keep various examination records;
- Submitting results of pesticide residue testing and restaurants finished goods for examination from times to time.

5. CONSTRUCT A GREEN ECOLOGY

5.1. Implement Energy Conservation and Emissions Reduction

The Group has been strictly complying with the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) and relevant environmental laws and regulations in which our businesses operate. There was no material environmental violation during the Reporting Period. We have always focused on all impacts and potential risks on the environment and surrounding ecosystem as a result of the operations of school buildings with the concept of “Striving for scientific development, for reform and innovation, and for education based on laws,” and encouraging all teachers and students to reduce energy consumption and waste of resources.

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Combating climate change

Many countries around the world have signed the historically significant agreement to combat climate change, the Paris Agreement (《巴黎協議》), which was approved at the twenty-first session of the United Nations Climate Change Conference (COP21) held in Paris in determination to jointly combat climate change. The People's Republic of China also expressed a deep commitment to its undertakings in relation to honouring the agreement, through issuing significant policies such as National Planning in Response to Climate Changes (2014-2020) (《國家應對氣候變化規劃(2014-2020年)》) and National Strategies in Response to Climate Changes (《國家適應氣候變化戰略》) successively in an effort to tackle climate change. In response to the nation's energy conservation and emissions reduction campaign, the Group launched its first investigation of greenhouse gas emissions on three colleges of the Group including Shangqiu University, Anyang University and Shangqiu University Kaifeng Campus in accordance with the Greenhouse Gas Protocol (《溫室氣體盤查議定書》) developed by World Resources Institute and World Business Council for Sustainable Development and ISO14064-1 determined by the International Standardisation Organisation.

After the investigation, the Group's greenhouse gas emissions can be categorised into direct emissions (Scope 1), indirect emissions (Scope 2) and other indirect emissions (Scope 3). The greenhouse gas emissions are produced by burning natural gas and fuel consumption of vehicles and landscaping equipment of the Group (Scope 1), power consumption in operation and gas consumption (Scope 2), as well as water consumption, waste landfill and paper consumption (Scope 3), respectively. The summary of greenhouse gas emissions during the Reporting Period is as follows:

Greenhouse gas emissions performance	Unit	2018
Amount of greenhouse gas emissions		
Direct greenhouse gas emissions (Scope 1)	tCO ₂ e	1,745.01
Direct greenhouse gas removals (Scope 1)	tCO ₂ e	57,339.00
Indirect greenhouse gas emissions (Scope 2)	tCO ₂ e	13,250.38
Other indirect greenhouse gas emissions (Scope 3)	tCO ₂ e	1,057.24
Total amount of greenhouse gas emissions (Scope 1, 2 & 3)	tCO ₂ e	16,052.63
Intensity of greenhouse gas emissions		
Per square metre of floor area (Scope 1, 2 & 3)	tCO ₂ e/floor area (square metres)	0.008
Per employee (Scope 1, 2 & 3)	tCO ₂ e/employee	5.46

Scope 1: Direct greenhouse gas emissions from sources that are owned and controlled by the Company.

Scope 2: Indirect greenhouse gas emissions resulted from the generation of electricity, heating, cooling or steam purchased by the company.

Scope 3: Greenhouse gas emissions indirectly resulted from source that are relevant to the company's activities but are not owned or directly controlled by it.

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The Group is pleased to present its first review and report on the performance of the greenhouse gas emissions of the 3 colleges of the Group for the year. The Group also expects to expand the coverage and depth of the environmental performance report in the future. We shall keep up our effort in monitoring the sustainable development performance, and conducting more in-depth analysis and revisions of the greenhouse gas emissions. In addition, the Group will conduct benchmarking analyses to improve overall environmental protection performance and assume our environmental and social responsibility.

Emissions

The Group strictly complies with the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) and the Action Plan for Environmental Pollution Prevention and Control of Shangqiu City in the Year 2017 (《商丘市2017年度環境(大氣)污染防治工作方案》). In the course of our operation, the gasoline and diesel used in our vehicles and landscaping equipment will cause air emissions, including SO₂ and NO_x. The following coping methods and emissions reduction measures have been taken:

- To ensure that engines are stopped when vehicles are not in motion
- To prioritise the use of electric or hybrid-electric vehicles
- To conduct regular check and keeping tyres inflated to ensure correct tyre pressure
- To carry out maintenance for company vehicles to reduce fuel consumption and emissions of pollutants

The Group formulated and accelerated the implementation of the action plan of natural gas renovation according to relevant key indicators as set out in the Standardised Evaluation Procedures for the School Canteens in the Higher Education Institutions of Henan Province (《河南省高等學校標準化學生食堂達標驗收評分細則》). Since October 2017, all kitchen utensils in our school canteens have been replaced with natural gas models. Old boilers are phased out and the use of hazardous combustible gas such as liquefied gas and Methanol is terminated. Combustion of natural gas, as compared with combustion of coal, can greatly reduce the emissions of pollutants such as SO₂, NO_x and respirable suspended particles, and thus reducing air pollution. In addition, we have also installed cooking fumes purifier to further reduce the release of hazardous substances and emissions.

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Supporting renewable energy



The Group adheres to the aim of innovation and supports the concept of sustainable development, actively using renewable energy in its daily campus life. We flexibly utilise campus rooftop spaces to install solar hot water systems, with heat exchangers installed in the middle of solar panels taking advantages of heat from solar radiation to generate hot water, which is then conveyed to electric water heaters to provide teachers and students with hot water for dormitory use. Although hot water generated from the solar devices on campus is not sufficient for all teachers and students, it nevertheless provides a platform for teachers and students to participate in the exchange of knowledge and experience in the applications of solar energy, which is of even greater significance. At the same time, interactive teaching increases participating students' knowledge and attention on energy.

5.2 Build a Green Campus

Although the Group's business concentrates on the operation of schools and is not involved in production operations with high energy consumption, we are still committed to implementing various green initiatives within campus to promote environmental protection teaching concepts and educate the next generation to reduce waste of energy consumption and to cherish the resources of the Earth.

Environmental, Social and Governance Report

Green architecture

The Group is committed to building a healthy, green and highly efficient campus; the concept of green architecture has been adopted in the design of new buildings. During the design phase, the Group has adopted the reasonable layout of the building functions, minimised the use of synthetic materials, fully utilised sunlight, and saved energy, thus creating a feeling of being close to nature when inside the buildings.

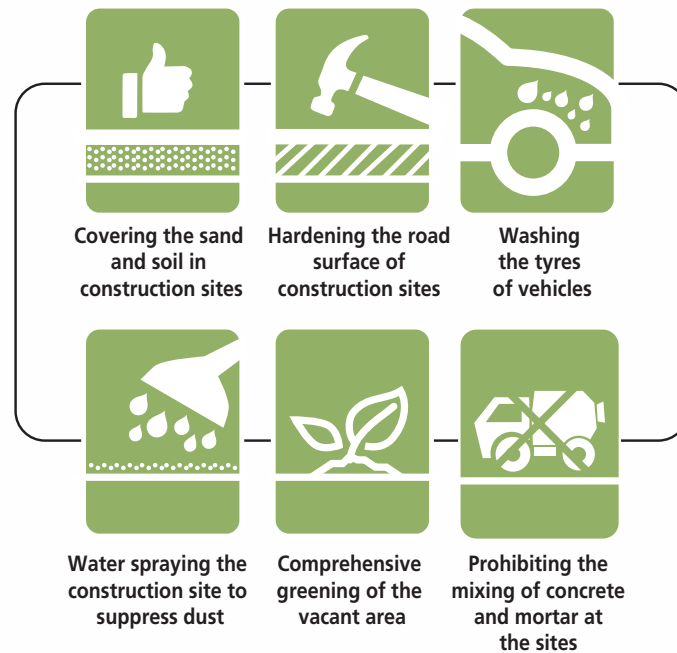
The Group has implemented the following energy saving strategies in green architecture:

- Installing an insulation layer on external walls to reduce the temperature difference between indoors and outdoors;
- Installing solar devices in both teaching buildings and dormitory buildings, convert solar energy into heat to supply domestic hot water system and reduce the consumption of electricity;
- Equipping all buildings with energy efficient lightings, and successively install energy-saving LED lights in each teaching building;
- Installing smart electricity control cabinets in the transformer rooms of each teaching building, and smartly control electricity in public areas;
- Replacing all restrooms on campus with time delay flush valves, and eliminating flushing methods with long water flow.

In addition, we also equipped various types of equipment on constructions sites, such as high-altitude spraying equipment, vehicle rinsing equipment and PM2.5 real-time air quality monitoring equipment to reduce impact on the surrounding environment. During construction, the site maintained a signage on construction profile sign, a signage on fire safety, a signage on safety production, a signage on civilised construction, a signage on management personnel as well as a signage on site supervisor phone number, and a construction site layout plan, etc. to maintain normal operation of the campus and ensure a safe environment. Our measures for dust control include:



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Energy management

The Group's main energy consumption comes from power consumption in daily operations, burning of natural gas in the cafeteria and the gasoline and diesel consumed during transportation. Our schools actively materialise the concept of energy saving and emissions reduction by switching to natural gas stoves for all of the cafeterias in school in order to save energy. Our schools give priority to the use of lighting with high energy efficiency and the offices are divided into several different lighting areas. Each area is equipped with individually controlled light switches and motion sensors are installed in areas not frequently in use to reduce energy consumption. In addition, we have also added smart electricity control cabinets in the transformers rooms on campus, achieving smart electricity control in public areas and reducing carbon emissions.

Cherish water resources

In strict compliance with the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), the Group seeks to maintain effective controls over waste water generated from manufacturing process and office use. We periodically conduct leakage tests on hidden water pipes and inspect overflowing water vats, decrease water pressure to a possible minimum level and use automatic irrigation and water saving faucets in restrooms for water conservation. Furthermore, we have installed rainwater collection devices in our schools for collecting rainwater to irrigate plants and to cherish water. In addition, drinking water purification devices are installed in our schools to strengthen the safety monitoring of water quality through the ultrafiltration water purification system.

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Paperless office

During the year, we built up a major group information technology platform as based on the needs of various departments and institutions including the group's financial management system, supply chain system, human resource management system, asset management system and administrative office management system, etc.

We promote a paperless office by adopting smart office software to replace paper records mainly used for administrative affairs at the office, and by implementing online office and reimbursement procedures. This has not only simplified the application process of the applicant and improved the work efficiency of our schools, but it has also effectively saved considerable time and cost as well as office paper. We also encourage employees to transfer information via electronic communication technology in order to reduce paper use. We have set the computers and printers to double-sided printing and ink-saving mode, and arranged recycling stations next to printers for employees to recycle paper.

Energy Conservation And Emissions Reduction to Protect the Blue Sky

In response to "the Month of Provincial Promoting Energy Conservation" in June 2018, The Applied Science and Technology College of Shangqiu University adopted the motto of "Energy Conservation and Emissions, Reduction to Protect the Blue Sky" as its key theme to host activities relating to green life, green office and green shopping to develop good behaviours and habits in the whole college. These activities call for all of the college's faculties and departments to implement the concept of green and low carbon office in the hopes that all teachers and students would cherish each kilowatt-hour of electricity, each drop of water and each sheet of paper. In addition, it promotes "Walk Within 1 km, Bike Within 3 km, Take Public Transportation within or Over 5 km" as a green and low carbon way of commuting to work and for others purposes, motivating all personnel to implement the concept of green and healthy ecological civilisation.



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Waste management

The Group gathers together non-hazardous waste, including household trash, kitchen waste and second-hand clothes, which will then be transported and recycled by designated environment protection agencies, complying in accordance to the provisions of the Environmental Pollution Prevention and Control Law of Solid Wastes of the People's Republic of China (《中華人民共和國固體廢物污染環境防治法》). During the periods when students are in class (except for winter and summer breaks), Shangqiu and Anyang University generated a total of 3,000 tonnes of non-hazardous waste per year. Other hazardous waste, such as toner cartridges, are all scheduled for regular care and maintenance by contractors and are all recycled for repeated use. The efforts managed to result in 100% waste recovery. We have been working hard on reducing our kitchen waste, household trash and other non-hazardous waste. During the year, the Group has launched various campaigns to promote a culture of saving resources to all teachers and students, raising awareness towards environmental protection.

Food wise culture at school canteens

Food plays an irreplaceable role in the national economy. However, global food supply is becoming increasingly tight due to lesser crop diversities and a rising global population. To fully promote a food-wise culture, we held the "Zero Food Waste" project with promotional banners that read "Civilised Dining Table" and "Zero Food Waste" displayed at key positions in the public areas of the canteens, and invited student representatives to post paintings and make "cherish food" pamphlets to promote a food-wise culture as joint effort.



Environmental, Social and Governance Report

Civilised dining table



In addition, the school organised a civilised dining tables campaign with the theme of “Promoting Frugality And Curb Waste” to encourage all teachers and students to nurture a habit of cherishing food. Publicity leaflets with topics that include the theme of “Food Saving, Civilised Dining and Green Dining Table” were distributed on the school’s main roads by students to advocate civilised dining. Furthermore, we also launched an innovative restaurant-experience campaign themed “Each and Every Grain of Rice Is the Fruit of Toiling Farmers” so that students may learn first-hand simple and safe food-processing procedures through direct participation in order to promote scientific diets. Meanwhile, we also changed the meal-serving flows at the canteens from providing set meals with fixed amounts of food to buffet style and limited the supply of meat, allowing diners to request rice and vegetables as per their own requested volume. By doing so, we managed to cut back unnecessary waste and created a harmonious dining atmosphere, while cultivating a healthy and civilised dining culture.

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Green graduation, green gratitude



Anyang University held the 7th "Green Graduation, Green Gratitude" event. Volunteers launched a series of promotional campaigns on the event through channels such as campus bulletin boards, Weibo and posters, and drew the attention of all the teachers and students. Through this event, graduates can help on promoting green recycling on a large scale by taking practical action upon graduation. All reusable items were donated to the "Home of Love" (爱心之家) association which were then distributed to poor children living in remote mountainous areas. During the event, a total of more than 2,000 items of clothing, 500 second-hand books and 10 green wish trees were donated. Through the event, students learned to recycle and reduce resource wastage to create value for society, and through which they can fulfil their social responsibilities. In addition, the event also allowed teachers and students to show gratitude to each other and instil all continuing students with a sense of "green gratitude". Meanwhile, they can also set good examples to their junior classmates. All in all, these activities can raise the awareness of teachers and students on environmental protection through taking part in charitable activities.

Environmental, Social and Governance Report

Creativity competition on low-carbon living and environmentally designed artwork exhibition at the creative bazaar

To foster a better school environment, Anyang University held a creativity competition on low-carbon living during the year to cultivate students' interest in their professional learning. Students may create their works or make improvements through reusable materials or on existing items on hand. They could enter the competition with works such as handicrafts, artworks and poster designs, and as a result students became more conscious of environmental protection. They were also encouraged to use their professional knowledge to engage in environmental protection during non-school hours. Furthermore, an environmentally designed artwork exhibition was specially held at a creative bazaar to enhance students' value on being eco-friendly. The event helped to reflect the school's vitality and encouraged students to showcase their creativity and diversify their interests.



Greening of the environment

During the year, the Group planted and transplanted over 2,000 trees in addition to original plantation with over 45,800 trees in total among 3 schools, in order to induce a vibrant and green school environment. To instil the concept of campus greening as comprehensively as possible, we promote the message of going green to our teachers and students by planting trees such as the oriental plane, ginkgo and cedar on sidewalks. Students may then have direct contact with nature first-hand, and develop an interest in plants and foster a vision of greening the environment under the embrace of a green landscape across the campus.

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“Going Green Fashion in Cities · Tree Planting Activity with Young People”

In response to the Outline of the 10-Year Plan for Nationwide Afforestation (《全國造林綠化十年規劃綱要》), the youth volunteers association of our school recruited 16 volunteers to take an active part in the “Going Green Fashion in Cities – Tree Planting Activity with Young People” campaign jointly launched by the Communist Youth League Commission, MOA and the Young Pioneers of China. The participating volunteers could learn through this activity the value of afforestation and planting local trees, while at the same time realising the importance of protecting the environment and jointly achieving the great mission to promote nature conservation.

6. JOINTLY CREATING A HARMONIOUS SOCIETY

The Group has been proactively devoted to social and public welfare undertakings hand in hand with its commitment to education. In response to the State’s deepening strategies on poverty alleviation, the Group has been committed to serving and giving back to society and took the initiative to shoulder its share of social responsibilities throughout the years, and insisted on helping the poor and disadvantaged groups. During the year, we contributed to the building of a more prosperous, harmonious and better society by centring on three key focus areas – “Cultivating Local Talents”, “Building a Socially-inclusive Community” and “Assisting the Poor and the Elderly”.

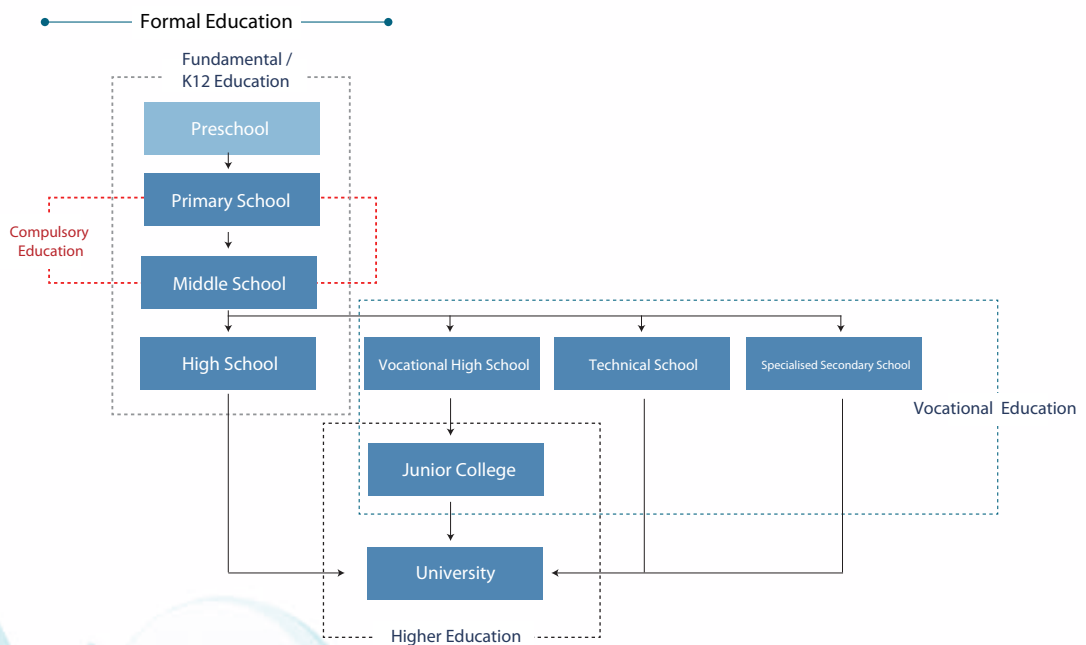
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6.1. Cultivating Local Talents

Chunlai Education has been insisting on the educational philosophy of "Raising the Quality of Talent Cultivation and the Capacity of Serving Society". The Group has been dedicating its efforts towards private education with great visions. The formal education programmes that the Group operate comprise fundamental education from preschool to middle school, secondary vocational education and higher education. Programmes in formal higher education can be further categorised into junior colleges and universities. Junior colleges only offer junior college programmes while universities can offer both junior college programmes and bachelor's degree programmes. The following diagram illustrates the structure of China's formal education system:

Overview of the Formal Education System in China



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Since Henan Province has a large population but its private education is relatively less developed, the Group has been leading the development of local private higher education industry. During the school year of 2017/2018, the Group's number of enrolled students exceeded 45,000, which ranked first in the higher education market (including bachelor's degree programmes, junior college to bachelor's degree transfer programmes and junior college programmes) in Central China¹.

Social practice activity

To fulfil our fundamental mission of "Character Building and Talent Fostering," our Shangqiu University organised and launched a social practice activity named "Visit Rural Areas Thrice" during the summer vacation of 2018, in accordance with the Notice Regarding Social Practice Activity in the Summer Vacation of 2018 Organised by Shangqiu University (《商丘學院關於開展2018年暑期社會實踐活動的通知》). The activity aimed to guide young students in building and practicing the core values of socialism through practical experience. It also helped university students strengthen their conviction of setting ambitious goals with realistic execution, encouraging them to be the young generation with "Three Assets" – "Ideal, Skill and Responsibility" in the new era.

Boosting employment rate

Since our inception, we have emphasised practical training through internships, in order to enhance the competitiveness of our graduates in the job market and smoothen their transition from being students to employees. Our employment-oriented curricula focus on equipping students with practical skills that will meet the demands of economic development in China. We encourage our students to seek internships, and we have established partnerships with over 200 companies to provide abundant internship and training opportunities to students. We have designed a series of training courses geared towards specific companies, and in return they provided venues for study and internships to our students. We have also invited technical experts from different companies to deliver classes at our colleges. Furthermore, we also sent our teaching staff to attend training programmes organised by these companies. In 2017, the first graduate class of Shangqiu University's pre-school education department achieved an initial employment rate of 96.2%. It fully reflects the effectiveness of our practical curricula and training programmes

Assisting in teaching in primary school

Over the year, members of the Youth Volunteer Association visited Xinan Primary School (辛安小學) in Baibi Township, Anyang City, several times to support teaching under the leadership of the Communist Youth League Committee of our colleges. Volunteers led children in exercising so as to train up their physical well-beings and improve their health. Besides, the members educated the children the knowledge of oracle bone script to help them understand more about Chinese traditional culture in addition to their day-to-day studies. The members also educated the children safety tips on earthquakes to highlight the importance of life. These activities not only reflected the spirit of volunteers but also set good examples of willingness to help each other and make selfless contributions, to primary school students through hands-on showcases.

¹ Source: Frost & Sullivan

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6.2 Building a Socially-Inclusive Community

The Group always believes that “contributing to society and making it a better place” is our foremost responsibility. The three colleges under the Group proactively fulfil corporate social responsibility in communities and contribute to building a socially inclusive community.

Support for the vulnerable

To further promote the traditional Chinese virtues of supporting the minority and the disabled, we encourage university students to actively participate in social charities. The School of Finance and Accounting of Anyang University and the Green Ribbon Charity of Dongguan Office (東關辦事處綠絲帶公益) jointly held the 2nd Fun Sports Day for the Disabled (“第二屆殘疾人趣味運動會”) on the National Day of Assisting Disabled Persons. On the Sports Day, the disabled athletes had an exciting and intense competition with close assistance from student volunteers, thus helping to facilitate social inclusion of many disabled companions. This event helped to raise public concern further on issues regarding disability groups, and encourage more people with disabilities to actively train up themselves to lead a fulfilling and happy life. With the participation of university students, social charities were injected with new vitality. These efforts serve to foster a positive trend in support of the minority and the disabled across campuses.



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Caring for children with special needs

On 11 November 2017, the Youth Volunteers Association of our colleges organised an event called "Caring for Children from Special Needs School: To Spread Love and Make Contribution to Public Welfare" ("關愛特殊學校兒童－傳遞愛心公益精神") in Kaifeng Special Education School (開封市特殊兒童教育學校) to support the healthy growth of the children with special needs, to give them more focus for caring and helping them achieve their goals.

Helping and supporting a student diagnosed with cancer

When one of our students was diagnosed with cancer, teachers and students of our colleges organised a one-week charity fundraising for her with their collective efforts. Everybody forwarded the "Droplet Fundraising" ("水滴籌") charity message through different channels and made donations directly at fundraising booths, which ultimately resulted in an amount of approximately RMB110,000 in just a few days' time, but the wishes from teachers and students were found even more encouraging and heart-warming. This event had shown that our colleges have truly lived up to the spirit of "showing love in hard times is priceless". We all hope that she can defeat cancer and return to campus soon.

Blood donation

In response to Kaifeng Central Blood Station's (開封市中心血站) call, our colleges organised blood donations annually in order to solve the dire need for blood within the country and among individuals and reduce the burden of medical personnel. During these donations, more than a hundred students volunteered as donors and donated over 50,000cc of blood, which helped mitigate the shortage of blood for clinical use in major hospitals during winter. The blood donation not only sparked passion in our students to donate blood as a form of contribution to public welfare, but also represented our support to the State's advocacy for blood donation.



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6.3 Assisting the Poor and the Elderly

As an education service provider consistently performing our social responsibility, our goal is to raise our students' awareness on poverty reduction and support for the elderly. This also helps continue the tradition of respecting the elderly and loving the young, thereby promoting traditional virtues of the Chinese culture.

"Caring for the Elderly and Spreading Love Across Society"

"Honouring, Respecting, and Loving the Elderly" is the traditional virtue of the Chinese culture. To clearly understand and resolutely adhere to the spirit of the 19th CPC National Congress, build a harmonious and healthy new community and pass on Chinese traditional virtues to future generations, the Group is dedicated to promoting community activities to support and honour the elderly. During the year, we arranged more than 15 visits to the elderly, including visiting nursing homes to carry out voluntary activities. This further established the core values of socialism among our students and promoted the voluntary spirit of making progress through dedication, love and mutual assistance.



Through invaluable opportunities of having face-to-face conversations with the elderly, students not only can understand their psychological needs but also learn to cherish the time they could spend with the elders in their own homes. Some of the visiting students even voluntarily cleaned rooms for the elderly, and massaged their backs and shoulders, which promoted the traditional virtues of the Chinese culture, such as respecting the elderly and extending love and care to them.

"Achieving poverty alleviation together"



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In response to the CPC's call for poverty reduction, we carried out poverty reduction activities, in which graduates and volunteers participated enthusiastically. Among the participants, the teachers of Anyang University launched a donation for Yihai Primary School (益海小學) in Fengjiaxiang, sending donated schoolbags, pencil cases, watercolor pens, pencils, homework books and other school supplies for children living in poverty.

Donating clothes

On 20 March 2018, the Youth Volunteer Association of our colleges held a three-day charity donation campaign, "Donate Clothes and Create Warmth" ("衣加衣"). The youth volunteers handed the donated supplies from students to the organisation "Donate Clothes to Help the Poor" ("衣往情深"). The event sent warmth and love to people in poverty-stricken areas, promoted virtues of the world and enabled students to actively participate in social charities. At the same time, the event expanded the influence and appeal of the Youth Volunteer Association, thus making it easier for them to promote voluntary service.

Developing art education

The School of Music of Anyang University also promoted their profession by arranging for outstanding graduates and volunteers to carry out internship of teaching to help rural areas develop art education, improve its quality in schools of rural areas and facilitate a balanced development between urban and rural education. Going forward, we will also fully promote the work of poverty reduction, enhance education quality in rural areas and join others in supporting poverty alleviation.

7. SUMMARY OF SUSTAINABLE DEVELOPMENT DATA

Environmental Performance	Unit	2018
Amount of greenhouse gas emissions		
Direct greenhouse gas emissions (Scope 1)	tCO ₂ e	1,745.01
Indirect greenhouse gas emissions (Scope 2)	tCO ₂ e	13,250.38
Other indirect greenhouse gas emissions (Scope 3)	tCO ₂ e	1,057.24
Total amount of greenhouse gas emissions (Scope 1, 2 & 3)	tCO ₂ e	16,052.63
Direct greenhouse gas removals (Scope 1) (tree planting)	tCO ₂ e	57,339.00
Intensity of greenhouse gas emissions		
Per square metre of floor area (Scope 1, 2 & 3)	tCO ₂ e/m ² floor area	0.008
Per employee (Scope 1, 2 & 3)	tCO ₂ e/employee	5.46
Fixed equipment fuel consumption		
LPG consumption	tonne	32,946.00
Gasoline consumption	tonne	6.99
Diesel consumption	tonne	1.50
Natural gas consumption	ten thousand m ³	33.67
Motor vehicle fuel consumption		
Gasoline consumption by the motorcade	tonne	130.58
Diesel consumption by the motorcade	tonne	5.246

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Environmental Performance	Unit	2018
Energy consumption		
Total energy consumption	MWh	25,205.22
Total energy consumption intensity (per m ² floor area)	MWh/m ² floor area	0.13
Total energy consumption intensity (per employee)	MWh/employee	8.57
Water consumption		
Total water consumption	tonne	288,637.22
Total water consumption intensity (per m ² floor area)	tonne/m ² floor area	0.15
Total water consumption intensity (per employee)	tonne/employee	98.11
Hazardous waste production		
Batteries	piece	68
Used ink cartridges and used toner cartridges	piece	390
Amount of hazardous waste recycled		
Used ink cartridges and used toner cartridges	piece	200
Non-hazardous waste		
Amount of general waste disposed	tonne	6,556
Amount of general waste recycled	tonne	3,000
Paper consumption		
A3 paper	ream	300
A4 paper	ream	4,689
Paper consumption intensity (per staff)	ream/staff	1.70
Social performance		
Total number of staff (by gender)		
All staff	person	2,897
Male staff	person	1,428
Female staff	person	1,469
Total number of staff (by employment category)		
Short-term contracts/part-time	person	720
Junior level	person	617
Intermediate level	person	473
Senior level	person	695
Other	person	392
Total number of staff (by age group)		
Under the age of 30	person	1,099
Aged 30-50	person	1,080
Over the age of 50	person	718

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Social performance	Unit	2018
Total number of staff (by geographical region)		
Staff in the Central China region	person	2,086
Staff in the North China region	person	480
Staff in the East China region	person	252
Staff in the Northeast region	person	47
Staff in the Northwest region	person	18
Staff in the Southern region	person	14
Staff turnover rate (by age group and gender)		
All staff	%	9.94
Male staff	%	7.28
Female staff	%	12.53
Staff turnover rate (by age group)		
Under the age of 30	%	23.29
Aged 30-50	%	1.67
Over the age of 50	%	1.95
Staff turnover rate (by region)		
Staff in the East China region	%	8.33
Staff in the South China region	%	21.43
Staff in the North China region	%	7.50
Staff in the Central China region	%	10.79
Staff in the Northeast region	%	6.38
Training staff percentage (by gender)		
Male	%	49.90
Female	%	46.64
Average training hours (by employment category)		
Senior level	%	32.09
Intermediate level	%	48.20
Junior level	%	52.03
Average training hours (by gender)		
Male	hour	6.67
Female	hour	3.96
Average training hours (by working category)		
Senior level	hour	2.43
Intermediate level	hour	4.70
Junior level	hour	8.96
Other	hour	2.65

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Occupational health and safety	Unit	2018
Work-related casualties of staff directly recruited		
Work-related fatalities	person	0
Work-related injuries	day	30
Number of suppliers (by geographical region)		
Domestic	unit	97
Overseas	unit	0

8. APPENDIX: INDEX TO THE ESG REPORTING GUIDE OF HONG KONG STOCK EXCHANGE

Indicators			Related Sections
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 waste.	5. Construct a Green Ecology – Implement Energy Conservation and Emission Reduction
	A1.1	The types of emissions and respective emissions data.	5. Construct a Green Ecology – Implement Energy Conservation and Emission Reduction 7. Summary of Sustainable Development Data
	A1.2	Greenhouse gas emissions in total and intensity.	5. Construct a Green Ecology – Implement Energy Conservation and Emission Reduction
	A1.3	Total hazardous waste produced and intensity.	7. Summary of Sustainable Development Data
	A1.4	Total non-hazardous waste produced and intensity.	7. Summary of Sustainable Development Data
	A1.5	Description of measures to mitigate emissions and results achieved.	5. Construct a Green Ecology – Implement Energy Conservation and Emission Reduction
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	5. Construct a Green Ecology – Build a Green Campus

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Indicators			Related Sections
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5. Construct a Green Ecology – Build a Green Campus
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	7. Summary of Sustainable Development Data
	A2.2	Water consumption in total and intensity.	7. Summary of Sustainable Development Data
	A2.3	Description of energy use efficiency initiatives and results achieved.	5. Construct a Green Ecology – Build a Green Campus
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	5. Construct a Green Ecology – Build a Green Campus
	A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not applicable to the Group's business
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	5. Construct a Green Ecology – Build a Green Campus
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5. Construct a Green Ecology – Build a Green Campus

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Indicators			Related Sections
B. Social			
B1: Employment	General Disclosure	Information on the policies and 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.	4. Lead with Our Education Philosophy – Excellent Faculty, Employment System with Equal Opportunities, Comprehensive Benefits and Salaries
	B1.1	Total workforce by gender, employment type, age group and geographical region.	4. Lead with Our Education Philosophy – Employment System with Equal Opportunities
	B1.2	Employee turnover rate by gender, age group and geographical region.	4. Lead with Our Education Philosophy – Employment System with Equal Opportunities
B2: Health and Safety	General Disclosure	Information on providing a safe working environment and protecting employees from occupational hazards:	4. Lead with Our Education Philosophy – Healthy and Safe Campus
	B2.1	Number and rate of work-related fatalities.	4. Lead with Our Education Philosophy – Healthy and Safe Campus 7. Summary of Sustainable Development Data
	B2.2	Lost days due to work injury.	4. Lead with Our Education Philosophy – Healthy and Safe Campus 7. Summary of Sustainable Development Data
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4. Lead with Our Education Philosophy – Healthy and Safe Campus

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Indicators			Related Sections
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4. Lead with Our Education Philosophy – Training of Teaching Staff
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4. Lead with Our Education Philosophy – Training of Teaching Staff 7. Summary of Sustainable Development Data
	B3.2	The average training hours completed per employee by gender and employee category.	4. Lead with Our Education Philosophy – Training of Teaching Staff 7. Summary of Sustainable Development Data
B4: Labour Standards	General Disclosure	Information on preventing child and forced labour:	4. Lead with Our Education Philosophy – Employment System with Equal Opportunities
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	4. Lead with Our Education Philosophy – Employment System with Equal Opportunities
	B4.2	Description of steps taken to eliminate such practices when discovered.	4. Lead with Our Education Philosophy – Employment System with Equal Opportunities