

China Kepei Education Group Limited 中國科培教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1890



2018 Environmental, Social & Governance Report 環境、社會及管治報告



Contents

2	About this Report
2	Introduction to this Report
2	Abbreviations
2	Basis for Preparation
2	Scope of this Report
2	Source and Reliability Statement
3	Confirmation and Approval
3	Publication Method of this Report
3	Channels for Response to this Report
4	Communication with Stakeholders
6	Distinguished Education
6	Educational Philosophy
6	Teaching Management
7	Safety and Health
9	Elite Teams
9	Talent Recruitment
11	Lawful Labor
11	Training and Development
12	Employee Care
13	Steady Operation
13	Compliant Operation
14	Supply Chain Management
14	Combating Corruption and Promoting Integrity
16	Green Campus
16	Environmental Protection
16	Green Education
17	Energy Saving and Emission Reduction
19	Environmental Performance
21	Caring for Community
24	Content Index of the Environmental, Social and Governance Report



About this Report

INTRODUCTION TO THIS REPORT

China Kepei Education Group Limited (The Stock Exchange of Hong Kong Limited stock code: 1890) is pleased to issue the first environmental, social and governance report (“this Report” or the “ESG Report”) of the Group. Through this Report, we hope to respond in a comprehensive and transparent manner to various environmental, social and governance (“ESG”) issues of concern to major stakeholders and make an objective disclosure of the visions, strategies and practices of the Group on the road to sustainable development, so as to strengthen stakeholders’ understanding of and confidence in the Group and promote our continuous improvement in ESG performance.

ABBREVIATIONS

In order to facilitate the presentation and reading, for the purpose of this Report, each of “Kepei Education”, the “Group”, the “Company” and “we” refers to “China Kepei Education Group Limited”.

BASIS FOR PREPARATION

This Report is prepared in strict accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). We have followed the materiality, quantitative, balance and consistency principles in the ESG Reporting Guide and strictly complied with the “comply or explain” provisions in order to fully present the Group’s policies, strategies, relevant materiality and objectives in ESG areas.

SCOPE OF THIS REPORT

The reporting period of this Report is from 1 January 2018 to 31 December 2018 (the “Reporting Period”), with appropriate forward and backward extensions for certain contents. The contents of this Report (including the relevant policy documents, statements, data, etc.) mainly cover Guangdong Polytechnic College (“Guangdong Polytechnic College”) and Zhaoqing Science and Technology Secondary Vocational School (“Zhaoqing School”) of the Group. For details of the business of the Group, please refer to the 2018 Annual Report of the Group.

Unless otherwise defined herein, all capitalized terms used in this Report shall have the same meanings as those defined in the 2018 Annual Report of the Group published on 29 April 2019.

SOURCE AND RELIABILITY STATEMENT

All information and cases disclosed in this Report are derived from the Group’s internal documents, statistics reports or relevant public information. The Group warrants that this Report contains no false statements, misleading statements or material omissions and is responsible for the truthfulness, accuracy and completeness of the contents of this Report.



CONFIRMATION AND APPROVAL

This Report has been confirmed by management of the Group and approved by the board of directors (the “Board”) of the Company on 29 July 2019.

PUBLICATION METHOD OF THIS REPORT

This Report is available in both Chinese and English versions. If there is any discrepancy between the English and Chinese versions of this Report, the Chinese version shall prevail. The electronic version of this Report is available on the HKEXnews website of the Stock Exchange (www.hkexnews.hk) and the official website of the Group (www.chinakepeiedu.com).

CHANNELS FOR RESPONSE TO THIS REPORT

The valuable opinions of stakeholders and readers of this Report are a driving force for our future improvement. Should you have any comments on the ESG Report or the relevant work of the Group, please feel free to contact the Group through the following:

Address: Qifu Road, Gaoyao District, Zhaoqing City, Guangdong Province, the PRC

Tel: +86-0758-8350905

Fax: +86-0758-8387898

Website: <http://www.chinakepeiedu.com>

Email: ir@kepeieducation.com

Communication with Stakeholders

We believe that the trust and participation of stakeholders are a foundation for our sustainable development. Kepei Education attaches great importance to the management of the relationship with stakeholders, continues to improve communication mechanism, and actively maintains communication with internal and external stakeholders such as the government/regulatory bodies, shareholders, investors, suppliers, partners, employees, students, parents and community public to fully understand their expectations and suggestions. On such basis, Kepei Education continues to improve its sustainable development strategies and planning and strives to consolidate mutual trust and cooperation with them, so as to join hands with them to achieve the sustainable development plan of Kepei Education and create a future with continuous economic growth, friendly environment and social development.

The following table shows the issues of concern to major stakeholders and the relevant communication methods during the Reporting Period.

Stakeholders	Expectations and demands	Communication methods	Group measures	Communication frequency
Government and Regulatory Bodies	<ul style="list-style-type: none"> Compliant operation Campus safety Payment of taxes according to the law Promotion of local education 	<ul style="list-style-type: none"> Information submission Dialogue with regulatory bodies 	<ul style="list-style-type: none"> Strict compliance with laws and regulations Payment of taxes according to the law 	<ul style="list-style-type: none"> Regular Regular
Shareholders/ Investors	<ul style="list-style-type: none"> Investment returns Business development Compliant operation ESG governance Corporate image 	<ul style="list-style-type: none"> Group announcements Shareholders' meetings Site visits Regular reporting 	<ul style="list-style-type: none"> Disclosure of information on the Group as required Provision of effective communication channels 	<ul style="list-style-type: none"> From time to time Regular From time to time Regular
Suppliers/Partners	<ul style="list-style-type: none"> Lawful operation and quality standards of suppliers Fair and reasonable treatment to business partners Operation in compliance with laws and regulations Service quality and customer satisfaction 	<ul style="list-style-type: none"> Supplier meetings Online surveys Review and assessment Bidding activities 	<ul style="list-style-type: none"> Strict compliance with bidding requirements Establishment of equal partnership with mutual benefits 	<ul style="list-style-type: none"> Regular From time to time From time to time From time to time

Communication with Stakeholders

Stakeholders	Expectations and demands	Communication methods	Group measures	Communication frequency
Employees	<ul style="list-style-type: none"> • Remuneration and welfare of employees • Health and safety of employees • Employment in compliance with laws and regulations • Training and education of employees • Working environment 	<ul style="list-style-type: none"> • Staff representative assembly • Group activities • Petitions • Suggestion box 	<ul style="list-style-type: none"> • Provision of a healthy and safe working environment • Provision of career training and a fair promotion mechanism 	<ul style="list-style-type: none"> • Regular • From time to time • From time to time
Students and Parents	<ul style="list-style-type: none"> • Teaching quality • Protection of student information • Care for student life • Health and safety protection 	<ul style="list-style-type: none"> • Parents' meetings • Lectures and drills • Student satisfaction surveys 	<ul style="list-style-type: none"> • Establishment of parent committee • Organization of student safety training • Carrying out student surveys 	<ul style="list-style-type: none"> • Regular • From time to time
Community	<ul style="list-style-type: none"> • Community environment • Charity and public welfare • Community contribution • Compliant operation 	<ul style="list-style-type: none"> • Community communication meetings • Visits and surveys • Press releases/ announcements 	<ul style="list-style-type: none"> • Priority in local employment • Develop education with local characteristics • Organize community activities 	<ul style="list-style-type: none"> • From time to time • From time to time • From time to time

Distinguished Education

EDUCATIONAL PHILOSOPHY

As a leader of the private education industry in South China, Kepei Education sticks to its educational philosophy of “benevolence, truth-seeking, perseverance and innovation” and is committed to providing students with high-quality profession-oriented education and help them meet the growing and changing market demand. We focus on engineering majors in order to better capture local employment demands, balanced with economics, management, education and art majors to offer well-rounded education services. In addition, the Group has been striving for years to provide students with various profession-oriented training and internship opportunities in collaboration with research institutions and enterprises, through which we foster practical skills and market competitiveness of our students. We have also built our reputation on the high employment rate of our graduates.

We focus on applied science, and with our proven record, well-known management team and outstanding teachers, we continuously strive to strengthen the competitiveness of our students and expand their employment opportunities through various channels. Deeply rooted in the Pearl River Delta, Kepei Education seizes the significant geographical advantage of China’s manufacturing center and meets strong local demands for professional talents in order to further consolidate our leading position in the private higher education sector in South China.

TEACHING MANAGEMENT

The Group and its schools have been in strict compliance with the Education Law of the PRC, the Compulsory Education Law of the PRC, the Law for Promoting Private Education of the PRC and the relevant national laws and regulations applicable to schools at all levels to provide school-age students with educational services. In order to ensure high-quality teaching management, maintain a normal teaching order and promote the development of good teaching and learning atmosphere, the Group has established a sound teaching quality assurance system. The school teaching quality management and control systems include teaching decision-making system, teaching operation system, teaching mentoring and assessment system and teaching quality standard system.



During the day-to-day operation, our schools pay great attention to education, continue to strengthen quality awareness and improve management system and quality standards in order to secure the regulated and orderly operation of teaching management and ensure teaching quality. At the beginning of each semester, the educational supervision office is responsible for developing and issuing a teaching calendar to set out clear standardized requirements and quality standards for each stage in the teaching process. Our schools have set up teaching supervision organizations, comprising full-time and part-time supervisors, to strengthen the guidance for and supervision of all stages of teaching. We have established a teaching information management system and assigned teaching information members to strengthen the interaction and communication among schools, teachers and students about teaching information, which has played an important role in the feedback on teaching activities. We maintain class patrols and examinations from time to time to give full play to the guiding and monitoring role of the educational supervision office in teaching activities.

In order to strengthen the assessment of teaching quality, we conduct special teaching examinations at the beginning, in the middle and at the end of each semester. We also carry out online teacher assessment by students once a semester, and students give scores to their teachers through the System for Students' Assessment of Teachers. This has effectively regulated teaching management and facilitated the improvement in teaching quality. During the Reporting Period, the System for Students' Assessment of Teachers had a 100% coverage, with an excellence assessment ratio of 89.28%.

In order to continuously improve teaching quality management, we adhere to the policies of "promoting development, reform and management with assessment, combination of assessment and development, focus on development" and have established an effective teaching quality improvement system and operation mechanism. In 2018, our schools received the bachelor's degree grant assessment by Guangdong Provincial Academic Degree Committee, listened to the feedback from the expert group and carried out assessment rectification.

SAFETY AND HEALTH

On top of pursuing excellent teaching quality, the health and safety development on campus has always been the top priority in the growth of Kepei Education and also a focus of the government and industry associations in promoting private education development. In order to protect the safety of all employees and students, the Group has established key safety management systems for fire safety, food safety, mental health and disease prevention.

Fire safety work is an important part of comprehensive school management and is related to the lives and properties safety of teachers and students. In order to regulate school fire safety, our schools have established safety management systems relating to fire safety such as the Fire Safety Emergency Evacuation Proposal, the Fire Safety and Training System of Guangdong Polytechnic College and the Fire Safety Inspection System of Guangdong Polytechnic College based on laws and regulations such as the Fire Prevention and Control Law of the PRC. The Group has assigned two full-time fire management employees on campus, who patrol the campus on a daily basis with the objective of "leaving no area or corner uninspected, daily inspection of key areas". They are required to inspect and sign in at key areas for fire prevention and report the results to competent fire department for double checking. Furthermore, we selectively conduct fire safety education with extensive contents and in various forms to improve the fire safety awareness of all employees and students. While improving the fire safety awareness of employees and students, our schools also conduct at least one fire evacuation drill each semester to effectively strengthen the fire prevention awareness and self-help ability of teachers and students and further enhance the responsiveness and ability of our fire control team to deal with fire accidents through fire fighting, emergency evacuation and self-rescue escape drills.

Distinguished Education

For highly-concerned school food safety issues, the Group's two schools carefully implement the School Food Safety and Nutritional Health Management Rules (Order No. 45) issued by three ministries and commissions in the PRC, and place great importance on the standardization development of canteens and food safety in canteens. We have established and implemented the relevant sound food safety management systems and work requirements and conducted potential food hazard identification on a regular basis. School canteens have been constructed and managed in strict compliance with the relevant rules to ensure that necessary licenses and permits have been obtained for them. Canteens are equipped with complete ancillary facilities such as operation rooms and warehouses. The process is reasonably arranged, with healthy and safe water supply, and the water, electricity and fire control equipment meeting requirements are in place. The "Sunny Kitchen" construction for each canteen has been fully completed. Video surveillance equipment have been installed in all functional rooms including warehouses, processing rooms, cooking rooms, food preparation rooms and dining rooms, with live video shown to teachers and students, and a complaint hotline has been set up and announced. With our excellent management, our canteens have received honors such as the "Food Safety Demonstration School Canteen in Guangdong Province" jointly awarded by the Food and Drug Administration of Guangdong Province, the Department of Education of Guangdong Province and the Human Resources and Social Security Department of Guangdong Province, the "Outstanding Canteen" and the "Level-A Entity for Catering Services and Food Safety" awarded by the Department of Education of Guangdong Province.

During the Reporting Period, the Group had not experienced any complaints or litigations regarding violation of laws relating to fire safety and food safety.

The mental health of school teachers and students is also a focus of our attention. In order to better carry out mental health education activities, Guangdong Polytechnic College has established a mental health education and consulting center to provide free mental health consulting for all teachers and students, including individual and group consulting. Individual consulting represents mainly development consulting, such as the areas of self-awareness, study, emotion management, interpersonal communication, sexual psychology and love psychology, employment and career choice psychology and personal adaptation and development. For group consulting, different groups targeting different needs are formed to leverage the groups' power to solve common issues encountered by students in their adaption and development and promote students' self-growth and self-esteem. In addition, the consulting center also holds mental health education activities in the form of salon and lecture on a regular basis to obtain latest updates on mental health education for students and further strengthen the school's mental health education.

In an effort to effectively control and prevent the spread of diseases and protect the health of all school staff and students, the schools of the Group actively respond to the Healthy China Strategy stated in the Report of the 19th National Congress of the Communist Party of China and promote a healthy and civilized lifestyle while sticking to "prevention first" strategy. As campus is an important channel to carry out AIDS health education and control in the PRC, the Group has included AIDS prevention and control in the list of priorities for schools and treats it as an important channel to implement quality education and the Program for Improving Civic Morality by combining it with the legal education in schools to steadfastly develop AIDS prevention and control. The Group invited Doctor He Weilin at the Centre for Disease Control and Prevention of Gaoyao District, Zhaoqing to give lectures on AIDS health knowledge at the academic lecture hall of its library, and enabled students to learn about the ways of AIDS transmission and master the knowledge about AIDS prevention through a series of media including "AIDS Prevention" class meetings, pictorials, blackboards and new media, so as to guide students to develop a correct outlook on life and a scientific world outlook and cultivate a healthy lifestyle.

TALENT RECRUITMENT

In order to regulate the recruitment of employees, to promote the construction and development of teacher team and to provide human resources support for the steady and sustainable development of our schools, Kepei Education has established the Employees Employment Management System, setting out detailed provisions on recruitment, compensation, dismissal, promotion, performance assessment, working hours, holidays, equal opportunities, diversity and anti-discrimination, and strives to continuously strengthen our elite teams with a scientific, fair and mature talent selection system. In the process of recruitment and dismissal, we have been in strict compliance with laws and regulations including the Labor Law of the PRC, the Labor Contract Law of the PRC, the Employment Promotion Law of the PRC, the Education Law of the PRC, the Teacher Law of the PRC and the Labor Dispute Mediation and Arbitration Law of the PRC. We treat every job applicant equally regardless of gender, nationality and age, and provide outstanding employees with equal employment opportunities and a harmonious working environment.

In the Interim Management Measures for Recruitment of Employees, Kepei Education has set out detailed rules for the selection criteria for full-time teachers, administration staff, teaching support staff, instructors and logistics staff including educational background, professional title and comprehensive quality. By adhering to the principle of fair and impartial recruitment, the human resource department selects the right persons based on candidates' resumes, conducts qualification review and notifies and requests candidates who have passed the review to undergo competency assessment at the employing units. Each employing unit arranges written exams, interviews, trial lectures and assessments of practical operation ability of laboratory technicians according to their practical needs. The human resource department recommends successful candidates according to the assessment results and the opinions of employing units based on their merits and reports the relevant information on successful candidates for each position and the opinions of the assessment units to the president office meeting for determination.

Elite Teams

During the Reporting Period, Kepei Education had not experienced any complaints or litigations regarding violation of laws relating to recruitment, compensation, dismissal, promotion, performance assessment, working hours, holidays, equal opportunities, diversity, anti-discrimination and other aspects of employment. The Group has a total of 2,089 employees, details of which are as follows:

Existing Employees		
Gender	Number	Percentage
Male	1,072	51.3%
Female	1,017	48.7%
Age	Number	Percentage
Under 30	607	29.1%
30–40	826	39.5%
41–50	349	16.7%
51 or above	307	14.7%
Title	Number	Percentage
Senior management	22	1.1%
Middle management	71	3.4%
General employees	1,996	95.5%
Employee Turnover		
Gender	Number	Percentage
Male	61	5.7%
Female	54	5.3%
Age	Number	Percentage
Under 30	38	6.3%
30–40	27	33.8%
41–50	6	1.7%
51 or above	44	14.3%

LAWFUL LABOR

Kepei Education strictly prohibits the use of child labor or forced labor in the process of recruitment and employment and rigidly implements the relevant procedures in the recruitment process. In accordance with the Labor Contract Law of the PRC, the Law of the PRC on the Protection of Minors and the Regulations on the Implementation of the Employment Contract, the Rules of the State Council on Working Hours of Employees, the Law of the PRC on the Protection of Minors and the Provisions on the Prohibition against the Use of Child Labor, we have clearly stipulated in the labor contracts that the Group and its employees have equal legal status and that no party shall impose its/his/her will on the other party. The Group's recruitment system screens out all job applicants under the age of 16, and their identification certificates are strictly examined in the interviews to ensure that all employees reach the legal age of employment and are qualified for employment. In case that any false certificate is identified, the Group will immediately suspend labor and treat it as fraud and shall have the right to terminate the labor contract. Such policy of strictly prohibiting the use of child or forced labor also applies to all product and service suppliers of Kepei Education, with the aim of completely eliminating the use of illegal workers.

During the Reporting Period, the Group had not experienced any kind of child labor or forced labor incidents or relevant complaints.

TRAINING AND DEVELOPMENT

The teaching ability and comprehensive management ability of employees directly relate to the teaching quality, management and image of schools. In order to improve the ability and quality of teachers, to ensure the effective implementation of teacher and staff training plans and to create a good training atmosphere, Kepei Education has formulated a series of training programs, including new teacher training, continuous education for professional technicians and external training, in accordance with the 13th Five-Year Plan for Teacher Team Development. In particular, the new teacher training covers basic professional standards for teachers, teacher experience sharing and basic skills for teachers and is aimed to enable new teachers to quickly develop correct professional ethics, learn about the positioning and culture of schools and master teaching rules and skills. Moreover, Kepei Education also arranges management training for the school leadership and management to further strengthen their comprehensive management competence.

During the Reporting Period, 100% employees of the Group received training, 2,266 of which participated in various training programs.

Diversified training programs not only can help improve the teaching ability and comprehensive management competence of employees, but also play a positive role in their career development. In order to improve the teaching and scientific research of employees and regulate title appraisal, Kepei Education has formulated the Management Measures for the Appraisal of Junior and Intermediate Titles, which set out detailed rules for the conditions for grant of junior and intermediate titles and professional and technical work experience. In accordance with the Management Measures for the Appraisal of Junior and Intermediate Titles, the school teacher title appraisal committee comprises a chairman and other expert members, who conduct fair and impartial appraisal of qualified candidates to promote the career development of employees.

EMPLOYEE CARE

Kepei Education are determined to safeguard the legitimate rights and interests of employees and provides employees with transparent policies for remuneration and benefit payment, which explicitly set out the responsibilities and authority for remuneration and benefit management, basic forms and composition of remuneration, calculation, payment, adjustment and assessment of remuneration, etc.

We also make social insurance contributions and arrange physical examinations for our employees, and provide them with reasonable remuneration and benefits, statutory holidays and paid leaves. In addition, the Group ensures that employees enjoy the right to receive the protection for labor safety and health, the right to receive vocational skill training, the right to social insurance and benefits, the right to request for handling of labor dispute and other labor rights provided by the law, so that employees can work with comfort under the protection of comprehensive regulations and systems.

Moreover, we also organize from time to time a variety of recreational activities for employees through the labor union, including concerts, sports games, gatherings, travels and outdoor activities, in order to enrich the leisure life of employees and enhance team cohesion.





Steady Operation

COMPLIANT OPERATION

In the process of issuing public information such as advertisements and school enrollment brochures, Kepei Education has been in strict compliance with the Advertising Law of the PRC, the Law for Promoting Private Education of the PRC and other laws and regulations by filing with approval authorities and undertaking not to use false information for publicity.

As for the protection of intellectual property rights, the Group's schools use teaching materials ordered from qualified publishers and purchase genuine software and teaching resource accounts to ensure that the schools lawfully use licensed teaching and software. The Group has also formulated the Reform Measures for Scientific Research System and Mechanism of Guangdong Polytechnic College, the Measures for the Application of and Awards for Staff Scientific Research Results of Guangdong Polytechnic College and other relevant management measures to improve its intellectual property right protection mechanism and ensure that the intellectual property rights and patents granted to teachers and students of the schools of the Group are protected. If any investigation reveals any plagiarism, theft, tampering, illegal possession, counterfeiting or other forms of infringement of intellectual property rights, Kepei Education has the right to order rectification and impose punishment on the relevant persons or provide assistance to the relevant authorities in accordance. Those who have committed crime shall be held responsible in accordance with the law.

In accordance with the requirements of the Law of the PRC on the Protection of Minors, the Tort Liability Law of the PRC and other laws and regulations, we have formulated rules for the scope of confidential matters and confidentiality level classification, requirements for confidential matters and the handling of and accountability for unauthorized disclosure and leakage. Confidential matters include, among others, student information and business secrets. In order to prevent the leakage of student information and ensure the completeness and safety of information and the scientific and efficient storage and use of information, we restrict the access of employees to student information by restricting the permissions to manage student information statistical tables and implementing rules for the management of student information. In case of any leakage of the private information of students or the Group, the Group will timely adopt remedial measures and punish the person(s) responsible depending on the materiality of leakage.

During the Reporting Period, the Group had not experienced any complaints or litigations regarding violation of laws relating to advertising, labelling and privacy.

Steady Operation

SUPPLY CHAIN MANAGEMENT

In order to further strengthen the supply chain management of the Group and its schools, to improve the procurement management organization and the procurement management system, and to ensure standardized and regulated procurement, the Group has formulated the Procurement Management System to fully regulate the Group's supply chain management and reduce procurement risk, so as to control procurement cost and improve procurement performance. Furthermore, in an effort to enhance supplier management and review, we have also established the System of the Procurement Centre for Review and Management of Suppliers to ensure that the goods and services procured meet the laws and regulations relating to quality and environment.

In accordance with the relevant requirements, the procurement center has formulated the requirements for supplier admission and established the List of Qualified Supplier. Each semester, the procurement center completes the supplier evaluation form based on the quality of the products and services provided by suppliers to the Group and their environmental compliance, and determines the levels and scores assigned to each supplier with reference to the criteria set out in the form, for considering inclusion in the List of Qualified Suppliers. Subject to the approval of head of the procurement center, the suppliers which have obtained the ISO 9001 quality system certification or product quality certification may be directly included in the List of Qualified Suppliers.

The procurement center obtains information on the purchased goods from the departments using them, makes records and timely provides feedback to suppliers on a regular basis. The procurement center also carries out comprehensive evaluation of suppliers on a regular basis to analyze their product quality, technical strengths, delivery ability and rate of qualified products. Suppliers that fail to meet the standards may be removed from the List of Qualified Suppliers or be required to adopt rectification measures.

COMBATING CORRUPTION AND PROMOTING INTEGRITY

Kepei Education firmly resists illegal operation such as bribery, extortion, fraud and money laundering, and strictly prohibits any behavior that may be harmful to the interests of students, employees and the Group. In our operation, we have been in strict compliance with national and local laws and regulations relating to anti-corruption, such as the Criminal Law of the PRC, the Anti-Money Laundering Law of the PRC, the Criminal Procedure Law of the PRC, the Supervision Law of the PRC and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues concerning the Application of Law in the Handling of Criminal Cases of Embezzlement and Bribery. We have provided in the Teachers Code of Conduct that bribery, extortion, fraud and money laundering are explicitly prohibited to regulate the professional behaviors and ethics of all employees in the Group and prevent fraud.

In order to further strengthen the professional ethics development and standardize the procedures for reporting corruption within the Group, the Group has developed the Measures for the Supervision of Professional Ethics of Employees, which set out detailed provisions on the handling of reporting, complaints and appeals and the protection of lawful interest of parties. Furthermore, Kepei Education has also formulated the Certain Provisions on Supervision Work to further ensure the implementation of various tasks of discipline inspection and supervision.



Kepei Education has in place the following reporting procedures and supervision methods for illegal acts such as bribery, extortion, fraud and money laundering:

- the supervision department has set up a mailbox and an email for complaints to receive reporting letters from employees and students. It conducts investigations for issues reported and makes supervision recommendations or decisions for acts in violation of laws and disciplines;
- the supervision department listens to the opinions of and collects information from teachers and students, sticks to the fair and impartial handling principle, and deals with employees according to the principle of mainly relying on education, supplemented by punishment;
- the supervision work shall be practical and realistic, based on facts, conducted in accordance with the national laws, the school rules, and the principle of focusing on investigations and evidence; it shall keep information on petitioners, reporters and whistleblowers confidential and shall not forward the letters and information reported to the reporting persons to prevent retaliation; and
- it shall make supervision decisions for confirmed violations of laws and disciplines, punish the relevant parties and make supervision recommendations for serious or repeated violations.

During the Reporting Period, we had not experienced any malpractice cases involving Kepei Education or its employees such as corruption, bribery, extortion, fraud and money laundering.

Green Campus

ENVIRONMENTAL PROTECTION

With the popularization of higher education, colleges have become the training bases for generations of young people. Incorporating the sustainable development concept of creating a green campus and a green environment into educational courses and extracurricular activities to enable students to develop habits with the concept of environmental protection and green development, is essential to the green sustainable development of our schools and the society.

Kepei Education has been in strict compliance with the Environmental Protection Law of the PRC, the Pollution Prevention and Control Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Environmental Noise Pollution Prevention and Control Law, the Solid Waste Pollution Prevention and Control Law of the PRC and the Energy Conservation Law of the PRC. It strictly controls the generation and emission of air pollutants and waste to ensure that the operation and management of schools will not violate the relevant environmental laws and regulations.

GREEN EDUCATION

As an educational enterprise, Kepei Education owns two campuses which are not involved in any activity which may have material adverse impacts on the environment in daily operation. Nevertheless, we still attach great importance to environmental protection, advocate the concept of low carbon operation, build green campus, and strive to incorporate the concept of environmental protection into the training and education of a new generation.

The active implementation of green concept education in colleges and the efforts to build a green campus will continuously promote the sustainable development of campus. We incorporate green education into college education by leveraging our existing teaching resources, equipment and other educational resources to directly include environmental protection courses in teaching syllabus. We also incorporate environmental protection and green development education into formal courses, so that students can understand the current situations of the environment, ecology and resources in the PRC. In order to enhance students' attention to environmental protection and enable students to be fully aware of environmental issues including the importance of environmental protection and sustainable use of resources and the possible serious consequences of environmental and resource issues, when listing and explaining the methods and measures for environmental protection to students, we conduct discussion and research by taking into account domestic and overseas environment and comparing against environmental protection of other countries, so that students can fully accept the green concept.

Two schools of Kepei Education organize a series of publicity and educational activities for energy saving and emission reduction each year. Through multiple channels including theme class meetings, bulletin boards, campus radio and school WeChat official accounts, we spread knowledge of energy saving. We also strengthen the introduction of methods of energy saving in order to enhance the consciousness of teachers and students to practice energy saving and emission reduction and develop good habits of saving energy. The schools have successively issued the Management Measures for Use of Water and Electricity, the Management Rules for Use of Air Conditioners, the Management Measures for Campus Lamps and Fountains, the Management Rules for Safe Use of Electricity in Student Dormitories, and the Circular on Carrying out Publicity and Education for Water and Electricity Saving, with the aim of creating a strong atmosphere in the schools for everyone to participate in the environmental protection and energy saving and emission reduction.



ENERGY SAVING AND EMISSION REDUCTION

Although the impacts of Kepei Education, as an educational enterprise, on the environment are limited to resource consumption and emission in the office and teaching areas of our two schools, we have long been considering energy saving and emission reduction as an important task and have been striving to build conservation-oriented campuses through multiple measures. Kepei Education has established energy management positions and appointed energy management personnel. School management in charge of logistics work acts as the leader of the energy saving and consumption reduction leading team, which is responsible for researching and planning for energy saving on a regular basis. The schools set their target for energy saving during the 13th five-year period at 120 tonnes of standard coal. During the period from 2016 to the end of 2018, a total of 72.51 tonnes of standard coal were saved.

Green Campus

The teaching and dormitory buildings of the schools of Kepei Education completed in recent years meet the requirements of existing national and provincial mandatory provisions for building energy saving such as the Design Standard for Energy Efficiency of Public Buildings (GB50189-2005). We also adopt energy-saving and low-consumption equipment in canteens and use natural gas which is more energy-saving and environment-friendly. An electricity consumption and energy saving management system has been installed at student dormitories (a total of 21 buildings) and teacher dormitories in the living area. Energy-saving and low-consumption air energy water heaters have been adopted for the water heating system, and the supply of hot water is limited to specified hours to further reduce energy consumption. In the Student Dormitory Management Rules, the Group emphasizes reasonable use of electricity and water and advocates the saving of energy and resources. We also carry out water and electricity saving education for teachers and students from time to time and criticize and educate them for waste of water and electricity.

Energy-saving and low-consumption LED lamps are installed in teaching buildings, dormitory buildings, sports fields and other public areas in the schools. For certain areas, induction lamps or solar energy lamps are installed, which will be automatically shut down when no one is in close proximity. The fluorescent lamps in the teaching buildings and dormitory buildings of the old campus have been included in the energy-saving upgrading plan and will be replaced with energy-saving and low-consumption LED lamps.

For waste disposal, all garbage bins in the public areas of the two schools of the Group had been replaced with sorting garbage bins during the Reporting Period. We conduct publicity and education for garbage sorting through the student office, the youth league committee and other departments, and provide students with targeted education for garbage sorting in various forms such as theme class meetings, campus network and broadcast. When collecting garbage, our cleaning staff also re-sorts the garbage, which has basically achieved the separation of recyclable garbage from non-recyclable garbage. Kitchen waste generated in canteens is also collected for recycling by qualified professional companies to minimize the waste generated.

For sewage disposal, the diversion of rainfall and sewage is implemented in the campuses of Kepei Education. A total of four sewage treatment stations are constructed, with a total daily sewage treatment capacity of 2,800 tonnes. During the Reporting Period, each sewage treatment station operated 18 hours on average every day to ensure that the treated sewage meets the standard for emission into municipal sewage emission pipelines.

During the Reporting Period, the Group had not experienced any complaints or litigations regarding violation of laws relating to environmental protection. Kepei Education also carries out in-depth cooperation with professional environmental protection companies and intends to enter into Distributed Photovoltaic Power Generation Projects in the mode of contractual energy management to generate electricity with solar energy, which will help achieve the objective of "self-use of self-generated electricity, with remainder transmitted to national grid" and further reduce the consumption of non-renewable fossil energy and carbon dioxide emissions.

ENVIRONMENTAL PERFORMANCE

During the Reporting Period, the Group's environmental performance in terms of resource consumption and emissions is as follows:

Resource Consumption Indicator	Value	Unit
Water consumption ¹	1,423,849	tonne
Water consumption intensity	1.43	tonne/square meter ²
Electricity consumption	19,904,325	kWh
Electricity consumption intensity	19.95	kWh/square meter
Gasoline consumption	41,900	liter
Oil consumption intensity	4,190	liter/vehicle ³
Office paper consumption	526	kg
Paper consumption intensity	0.25	kg/person ⁴

Greenhouse Gas Emissions Indicator	Value	Unit
Motor vehicle emissions (scope 1) ⁵	100.66	tonne
Electricity consumption emissions (scope 2) ⁶	10,491,569.71	tonne
Total greenhouse gas emissions	10,491,670.37	tonne
Total greenhouse gas emission intensity	10.51	tonne/square meter
Vehicle Air Pollutant Emissions ⁷ Indicator	Value	Unit
Carbon monoxide (CO) emissions	261.84	kg
Nitrogen oxide (NO _x) emissions	354.35	kg
Sulfur oxide (SO _x) emissions	0.64	kg
Suspended particulate matter (PM _{2.5}) emissions	6.02	kg
Suspended particulate matter (PM ₁₀) emissions	6.58	kg

1 The Group's water supply is from municipal water network, and it has not experienced any difficulty in securing water supply

2 Total gross floor area of the campuses of Kepei Education is 997,953.26 square meters

3 Kepei Education owns a total of 10 official vehicles

4 The Group has a total of 2,089 employees

5 The calculation method of greenhouse gas (scope 1) emissions data is with reference to the Greenhouse Gas Emissions Calculation Methods and Reporting Guidelines for Land Transport Enterprises (Trial) issued by the Ministry of Environmental Protection of the PRC

6 The calculation method of greenhouse gas (scope 2) emissions data is with reference to the Average Carbon Dioxide Emission Factors of Regional Grids in the PRC for the Years 2011 and 2012 issued by the National Development and Reform Commission of the PRC

7 The calculation method of vehicle air pollutant emissions data is with reference to the Technical Guidelines for the Compilation of Road Motor Vehicle Emission List (Trial) issued by the Ministry of Environmental Protection of the PRC

Green Campus

Solid Waste Generation		
Non-hazardous Waste Indicator	Value	Unit
Domestic garbage generation	8,490	tonne
Domestic garbage generation intensity	0.01	tonne/square meter
Hazardous Waste Indicator	Value	Unit
Waste cartridge generation	42	piece
Waste cartridge generation intensity	0.02	piece/person
Waste fluorescent lamp generation	1,000	piece
Waste fluorescent lamp generation intensity	0.48	piece/person
Waste battery generation	72	kg
Waste battery generation intensity	0.03	kg/person

Caring for Community

Kepei Education always values its collaboration with the community. We are grateful and actively take the initiative to assume our corporate social responsibilities. We leverage our own resources and advantages as an educational enterprise to actively participate in caring for the children and the elderly, charitable donations, volunteering activities and healthy life promotion activities, and are committed to promoting the common and harmonious prosperity and sustainable development of the Group and the community. In addition, we also pay close attention to community charity activities and make donations to and support poverty-stricken areas each year.

VISITING COUNTRYSIDE BY GUANGDONG POLYTECHNIC COLLEGE

In order to actively respond to the call of the provincial propaganda department, the provincial civilization office, the provincial youth league committee, the provincial education department, the provincial students' federation of Guangdong Province in the "Visiting Countryside" social practice activity for college students in 2018 with the theme of "Learning in Youth and Striving for a New Era", Guangdong Polytechnic College arranged social practice service teams comprising mainly teacher party members, student party members and active applicants for party membership to conduct research and provide educational support in Kantou Village, Dazhou Town, Fengkai County, Zhaoqing City, by making full use of its advantages in party and youth league development and in accordance with the relevant requirements of the "Lighthouse Project", so that students can be educated, develop abilities and make contribution in practice.

One of the volunteering services was to spread sexual knowledge to children in Kantou Village and teach left-behind children to protect themselves. The youth league committee of the college cooperated with a non-governmental organization, being the Rural Woman Development Foundation Guangdong, for the first time to expand education and caring services to sexual education for left-behind children. Through interesting classes, volunteers taught left-behind children to know their own bodies, protect themselves and maintain mental health. In addition, volunteers conducted field visits and investigations and carried out a survey with the theme of "Sexual Education for Left-behind Children" to understand local villagers' attention to and attitude towards sexual education for left-behind children.



SUPPORTING OTHERS' LIVES AND ENRICHING OWN LIVES

In order to study and adopt the spirit of the 19th National Congress of the Communist Party of China and the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we implemented a special program of “Lighthouse Project — Thought Leading Program of Young College Students in Guangdong Province”. Through the program, we made concerted efforts to advance high-standard school development, promote positive energy, advocate truth, goodness and beauty and create good campus and learning atmosphere. We pushed forward campus culture development, identified advanced models of young students, gathered and led young students with advanced culture, and further cultivated and practiced the core values of socialism. Kepei Education organized all teachers and students to participate in a blood nation to promote positive energy in the society. Blood donation is a noble act during which volunteers donate their blood to save others' lives, help the dying and heal the injured, and is the direction of the blood industry development in the PRC. Blood donation is an embodiment of love and dedication and relieves the pain of the sick and even saves their lives. Its value cannot be measured with money.



ALWAYS ENDEAVOR TO BUILDING A CIVILIZED CAMPUS

In order to respond to the call of superior authorities for building a civilized campus and contribute to the building of a civilized city, all members of the Youth Volunteer Association of Guangdong Polytechnic College participated in the building of a civilized campus and city. Volunteers served on duty at the website of civilized campus building, cleaned the campus, supported education in primary schools, visited the elderly at nursing homes, and donated clothing and blood in their spare time each day, which had extensively advocated the volunteer spirit of "Contribution, Care, Mutual Help and Progress".

- With the core values of socialism in mind, help everyone in need by providing them with water, needles and threads, umbrellas, etc.
- Actively help injured schoolmates and provide timely medical aid
- Clean every corner in the campus and build a clean campus
- Stand guard over school gates and provide various help. A tiny cup of water is enough to warm people's hearts



A civilized campus shall be built by ourselves together! In order to build a civilized campus and contribute to the building of a civilized city, the Youth Volunteer Association of Guangdong Polytechnic College is taking actions and will always carry forward and inherit the volunteer spirit. It will make unremitting efforts and become a pioneer in building a civilized campus and city.

Content Index of the Environmental, Social and Governance Report

A. Environmental			
Item		Description	Section reference
Aspect 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	Environmental Protection
Key Performance Indicators	A1.1	The types of emissions and respective emissions data	Environmental Performance
	A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Environmental Performance
	A1.3	Total hazardous waste produced and, where appropriate, intensity	Environmental Performance
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Environmental Performance
	A1.5	Description of measures to mitigate emissions and results achieved	Energy Saving and Emission Reduction
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Energy Saving and Emission Reduction
Aspect A2: Use of Resources			
General Disclosure		Policies on the efficient use of resources	Environmental Protection Green Education Energy Saving and Emission Reduction
Key Performance Indicators	A2.1	Direct and/or indirect energy consumption by type in total and intensity	Environmental Performance
	A2.2	Water consumption in total and intensity	Environmental Performance
	A2.3	Description of energy use efficiency initiatives and results achieved	Green Education Energy Saving and Emission Reduction
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Green Education Energy Saving and Emission Reduction Environmental Performance
	A2.5	Total packaging materials used for finished products and, if applicable, with reference to per unit produced	Due to business nature, the Group is not involved in the use of any packaging materials
Aspect A3: The Environment and Natural Resources			
General Disclosure		Policies on minimizing the issuer's significant impact on the environment and natural resources	Environmental Protection Energy Saving and Emission Reduction
Key Performance Indicators	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Energy Saving and Emission Reduction

Content Index of the Environmental, Social and Governance Report

B. Social			
Item		Description	Section reference
Aspect B1: Employment			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Talent Recruitment
Recommended Disclosure	B1.1	Total workforce by gender, employment type, age group and geographical region	Talent Recruitment
	B1.2	Employee turnover rate by gender, age group and geographical region	Talent Recruitment
Aspect B2: Health and Safety			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safety and Health
Recommended Disclosure	B2.1	Number and rate of work-related fatalities	/
	B2.2	Lost days due to work injuries	/
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Safety and Health
Aspect B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Training and Development
Recommended Disclosure	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	/
	B3.2	The average training hours completed per employee by gender and employee category	/
Aspect B4: Labor 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 labor	Lawful Labor
Recommended Disclosure	B4.1	Describe measures to review recruitment practices to avoid child labor and forced labor	Lawful Labor
	B4.2	Description of steps taken to eliminate such practices when discovered	Lawful Labor

Content Index of the Environmental, Social and Governance Report

B. Social			
Item		Description	Section reference
Aspect B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain	Supply Chain Management
Recommended Disclosure	B5.1	Number of suppliers by geographical region	/
	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
Aspect B6: Product Responsibility			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Compliant Operation
Recommended Disclosure	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	/
	B6.2	Number of products and service related complaints received and how they are dealt with	/
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Compliant Operation
	B6.4	Description of quality assurance process and recall procedures	/
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Compliant Operation
Aspect B7: Anti-corruption			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Combating Corruption and Promoting Integrity
Recommended Disclosure	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	Combating Corruption and Promoting Integrity
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Combating Corruption and Promoting Integrity
Aspect B8: Community Investment			
General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Caring for Community
Recommended Disclosure	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Caring for Community
	B8.2	Resources contributed (e.g. money or time) to the focus area	/



China Kepei Education Group Limited
中國科培教育集團有限公司