

# 中國東方教育控股有限公司 CHINA EAST EDUCATION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 667)



## 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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# About This Report

## REPORTING PERIOD

The time span of this Environmental, Social and Governance Report (the “Report”) is from 1 January 2019 to 31 December 2019, some of which may exceed the above time range.

## BASIS OF PREPARATION

This Report is compiled in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) contained in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and its major amendments.

## IN-SCOPE ENTITIES

This is the first environmental, social and governance report released independently by China East Education Holdings Limited. Unless otherwise stated, the content of this Report mainly covers the ESG performance and related information of China East Education Holdings Limited and its six major industrial brands, including New East Culinary Education, Xinhua Internet Technology Education, Wontone Automotive Education, Omick Education of Western Cuisine and Pastry, Wisezone Data Technology Education and Cuisine Academy.

## INSTRUCTIONS OF REFERRAL

For convenience of statement and reading, “China East Education Holdings Limited” is referred to as “China East Education”, the “Group”, the “Company”, “our Group”, “our Company” or “we” in this Report.

## SOURCES OF INFORMATION

All information and cases contained in the Report comes from the public information, internal documents, and relevant statistics of China East Education and its subsidiaries.

## REPORT APPROVAL AND ACCESS

This Report follows the principle of materiality of the ESG Reporting Guide. The board of directors (the “Board”) of the Company confirmed that it bears full responsibility for the Company’s environmental, social and governance strategies and reporting, and has reviewed and approved this Report. This Report is published in both Chinese and English. In the case of any discrepancy, the Chinese version shall prevail. The electronic version of this Report is available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the official website of the Company ([www.chinaeastedu.com](http://www.chinaeastedu.com)).

## RESPONSE TO THE REPORT

We welcome your feedback and suggestions on this Report, please contact us in the following ways:

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## Chairman's Statement

For more than 30 years of journey, our Group upholds the educational belief of “Running the best vocational education in the world”, takes exploring the essence of vocational education reform and development as our own duty, follows the industrial development trend, focuses on the needs of social skilled and applied talents, and perseveres in the goal of building the nation into a strong vocational education country. In the past 31 years, the Group has cultivated nearly 600,000 talents with compound skills for the society. While our contributions to vocational education are recognized, we also shoulder greater responsibilities. We examine the relationship between corporate development and social development from a sustainable perspective, and deeply realize that the two are closely related and inseparable.

As a leader in the development and innovation of China's vocational education, we always implement the principles of quality education, integration of industry and education, and the combination of practice and learning. We devote ourselves to researching and exploring the unique service and product systems, education and talent training models. We have pioneered in establishing the independent research and development institution of vocational education – Xinhua Education Research Institute, laying the foundation for innovation and development. Starting from the characteristics of vocational education, we have independently explored a system of “student-oriented, job-oriented, project-led, task-driven” teaching mode, to build a humanized learning platform for students with full respect to the differences among students, and have devoted ourselves to developing students' application ability, technics and skills. At the same time, we pay attention to the combination of skill education and vocational quality education. We integrate vocational quality courses such as “three teachings and three trainings” into the entire process from student enrolment to graduation, to cultivate comprehensive talents with correct professional outlook and good professional ethics for the society, and lay a solid foundation for the realization of students' lifelong sustainable development.

The success of vocational education is not only reflected in the cultivation of technical talents, but also in the guarantee of job placement and entrepreneurship for students. In terms of student job placement and entrepreneurship support, we have created a new model in China's vocational education of integration of industry and education, school-enterprise cooperation. We help students gain employment advantages and significantly improve employment rate through “fivefold employment guarantees” such as school-enterprise order-based training, talent communication meetings and job placement guidance. As of 31 December 2019, the average recommended employment rate of graduates from the Group's affiliated institutions in 2018/19 academic year reached more than 90%.

The campus is the home of students. We are committed to creating a safe, healthy, equal and friendly learning and living environment for our students. We strengthen the management and investment in campus health and food safety, fully protect the rights and interests of students and parents, and help students quickly integrate into the study and enjoy meaningful time on campus. Meanwhile, we firmly believe that quality of education is the lifeline of running a school. The research and development of curriculum, the exploration of education modes, the implementation of the teaching process, the reflection after the completion of teaching, and the employment support and assistance for graduates, are all top priorities of the Group.

Our employees are also the precious wealth of the Group. The wisdom and effort of every teacher and employee are indispensable for the achievement of China East Education. It's our duty to provide good development opportunities for our employees. In addition to guarantee of employees' salaries and benefits, we also provide a reliable platform for employees' development to help them realize their self-worth.



## Chairman's Statement

The ecological environment is the homeland on which human beings depend for survival. While we use its resources, we also need to consider how to increase the usage of green and environmental-friendly resources, which can be scientifically recycled to reduce pollutant emissions. Since energy is not inexhaustible, environmental protection has become a problem that all enterprises and individuals need to face. As a provider of education services, what we can do is not only to publicize and educate more people to improve their environmental awareness, but also to practice and start from every little thing around us. At the same time, when we choose suppliers and partners, we also consider whether they meet our environmental protection and energy conservation requirements, and jointly contribute to environmental protection.

We wish in the future, China East Education will continue to take the national talent strategy and educational policies as the principles, take development demand as the guide, take students' development as the foundation, take service improvement as the driving force, to maintain and enhance the brand, and forge ahead on the road of vocational education, and certainly will be able to go to the world!



# Management Ideas

## Enterprise Mission

- Exploring the road to innovation and development of education, and running the best vocational education in the world.

## Enterprise Spirit

- United, Practical, Pioneering, Dedicated.

## Educational Concept

- Focus on practical skills training, combining theory with practice.
- Love and responsibility.

## Employment Concept

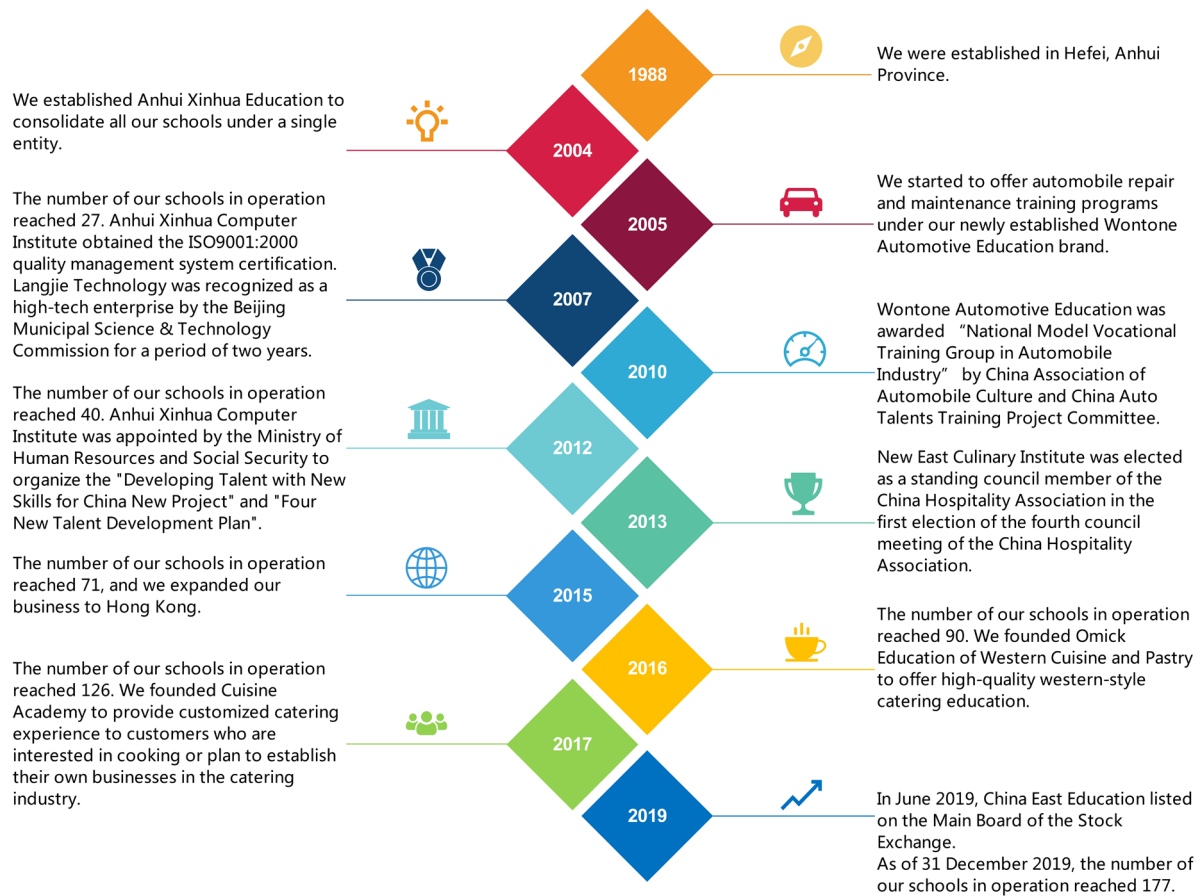
- Talents are our guarantee.
- Build up a person: To gain the opportunities to develop simultaneously with the cause of education and achieve respect from the organization and colleagues with contributions to the cause of education.
- Build self-value: To gain trust of the organization and others by virtue.
- Build a career: To gain a career by talent and performance.

# I. About Us

## Company Overview

China East Education is the largest vocational training education provider in China. We are committed to providing practical skills training, career-oriented education as well as comprehensive education. We have a leading position in China in providing vocational training education in culinary arts, information technology and internet technology, as well as auto services. Our goal is to help equip our students with relevant skills needed for employment and career development, and improve their employability in the ever-changing job market.

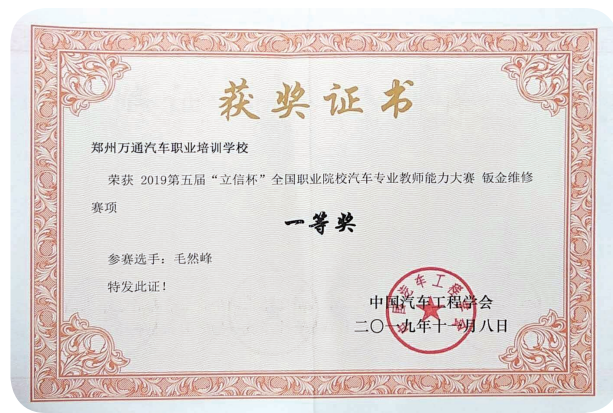
Our Group was founded in 1988 and is headquartered in Hefei City, Anhui Province, with a campus network throughout the country. We operate and establish schools under six renowned school brands, namely New East Culinary Education, Xinhua Internet Technology Education, Wontone Automotive Education, Omick Education of Western Cuisine and Pastry, Wisezone Data Technology Education and Cuisine Academy. As of 31 December 2019, we operated 177 schools in 29 of the 31 provinces in mainland China and Hong Kong, including 56 schools under New East Culinary Education, 25 schools under Xinhua Internet Technology Education, 30 schools under Wontone Automotive Education, 25 schools under Omick Education of Western Cuisine and Pastry, 22 schools under Wisezone Data Technology Education and 19 customized catering experience centers under Cuisine Academy.



# I. About Us

## Our Awards and Recognitions

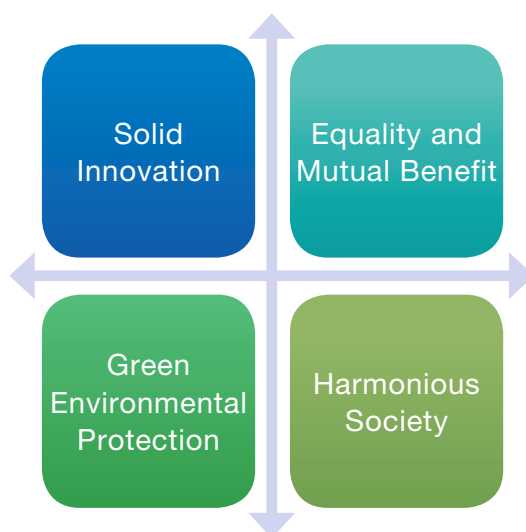
Award/Accreditation	Awarding Organization
2017 National Hotel Industry Talent Training Demonstration Base	China Hospitality Association
2018 40 Years of Reform and Opening-up Outstanding Contribution Unit of Talents Training in China's Catering Industry	China Cuisine Association
2018 40 Years of Reform and Opening-up National Catering Industry Meritorious Enterprise	China Hospitality Association
2019 Best Equity "IPO" in China	The Assets
2019 Reputational Influential Vocational Education Brand	2019 "Echo China" Annual Education Festival
2019 Chinese Influential Vocational Education Brand	Phoenix Education
Social Reliance Education Brand	China Internet Information Center
Technology Leading Influential Education Brand	China Good Education Festival
2019 Chinese Pastry Gold Award	National Culinary Techniques Competition
First Prize of 2019 National New Energy Vehicle Key Technology Skills Competition	Ministry of Human Resources and Social Security
2019 The Fifth National Automobile Professional Teacher Ability Competition – First Prize of steel plate plastic repair competitions	China Society of Automotive Engineers



## II. Sustainability Management

### Sustainability Strategy

The vision and mission of China East Education is exploring the road to innovation and development of education, and running the best vocational education in the world. To undertake the vision and mission of the Company, we have formulated the sustainability strategy, integrated the sustainable development into the overall development strategy of the Company, and made the sustainable development as a priority criterion. Combining the United Nations Sustainable Development Goals (SDGs) and starting from the three sustainable development dimensions of economic development, social inclusion and environmental protection, we have sorted out four main directions that China East Education should focus on as a pioneer of China's vocational training education: solid innovation, equality and mutual benefit, green environmental protection and harmonious society.



**Solid Innovation:** The development of education is the fundamental plan of sustainability. As the key to enhance the awareness and ability of social sustainability, China East Education provides high-quality education that meets the needs of students by strengthening investment and innovation, improving and expanding the development of teaching and training on the basis of consolidating the original education concept.

**Equality and Mutual Benefit:** We adhere to the corporate culture of openness, transparency, integrity and compliance; actively promote mutual communication with students and parents; pay attention to the professional development and the realization of self-value of employees; reach a consensus with all partners in the industry chain to build a healthy and mutually beneficial sustainable partnership.



## II. Sustainability Management

Green Environmental Protection: We are constantly committed to improving the efficiency of resource usage to reduce the emissions of greenhouse gases and waste in the process of teaching and operations. Meanwhile, we are promoting solutions through our own brand advantages, leading all parties in the industry to actively promote energy conservation and emission reduction, and the construction of green environmental protection society.

Harmonious Society: “Dedicated” is one of China East Education’s enterprise spirits. In order to give back to the society, we actively contribute to the country and society, promote all parties to invest in social charity activities, undertake corporate responsibility, and build a harmonious society.

### ESG Management

A sound corporate governance structure can help realize the effectiveness of the company’s internal resource allocation, and at the same time ensure the long-term coordinated development between stakeholders and the enterprise, which is also a prerequisite for sustainable development of the enterprise.

Since our listing in 2019, the Group has gradually improved the strategic operating system of sustainability by combining the environmental, social and governance requirements with the group’s operation and management. The Investor Relations Department, the Administration and Human Resources Department, the Finance Department, the Audit and Supervision Department, the Legal Department, the Procurement Department, the Engineering Department, the Project Construction Department, all brand divisions and schools have been cooperating to promote the implementation and documentation of environmental, social and governance work. The senior management is responsible for the regular guidance and monitoring of ESG governance and timely reporting to the Board.

As the Group’s operating decision-making body, the Board establishes Audit Committee, Remuneration Committee and the Nomination Committee and corresponding implementation rules. The main responsibilities of the Audit Committee are to review and supervise the Group’s financial reporting procedures, internal control system, supervision and audit procedures, risk management procedures and external audit functions. In terms of ESG governance, the Board is responsible for determining ESG governance risks and establishing an effective management system. This Report has been approved by the Board before it is issued.

In the future, we will further improve the Group’s ESG governance system in terms of strategic planning, system construction, process establishment, measures implementation, supervision and inspection to promote the layout of our social responsibilities and sustainable development.

## II. Sustainability Management

### Sustainability Communication

China East Education focuses on listening to and responding to the demands of various stakeholders. Based on the characteristics of our business and operation, we have established diversified and continuous communication channels with investors/shareholders, teachers/employees, suppliers/partners, students, parents, government and regulatory authorities, communities and media to ensure the effectiveness and transparency of mutual communication.

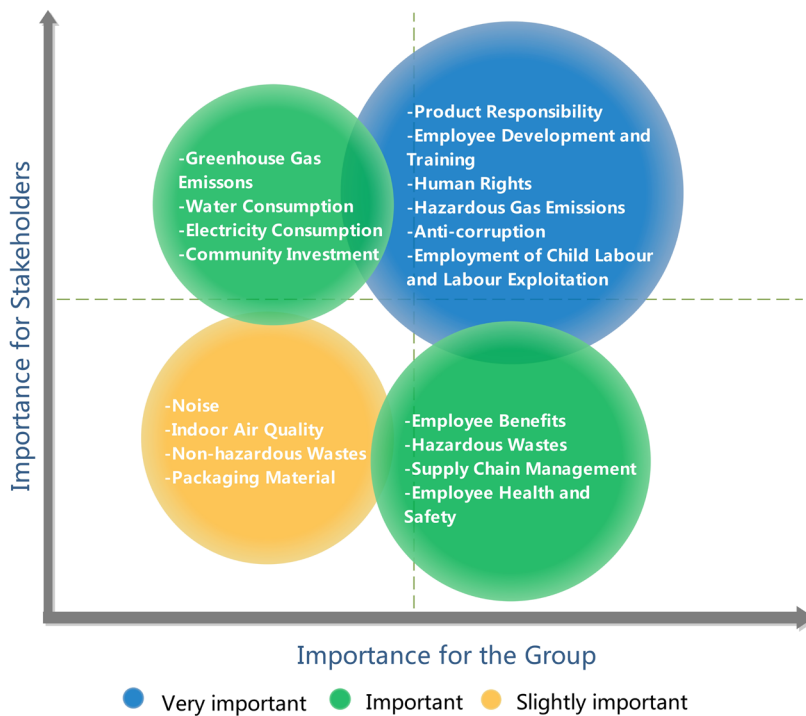
Stakeholder	Material Issue of Concern	Major Communication Channels
Investors/shareholders	Business performance Information disclosure Compliance operation Risk Management	General meeting of shareholders Report disclosure Investor conferences Press release/announcements HKEx website Official website investor relations section
Teachers/employees	Employment Employee compensation and benefits Employee development and training Employee health and safety Labour standards	Communication on employees' performance appraisal Employee feedback Internal publication Team building activities
Suppliers/partners	Business performance Supply chain management Anti-corruption	Supplier evaluation mechanism Supplier meetings On-site research and investigation
Students	Students' safety and health Teaching mode Teaching quality Employment support	Satisfaction survey Online/offline teaching platform Community activities Job placement and entrepreneurship guidance and support Employment return visit
Parents	Students' safety and health Teaching quality	Parent-teacher conferences Home-school interaction Principal's mailbox
Government and regulatory authorities	Compliance operation Taxation Emissions management Use of resources Employment Anti-corruption	Policy consultation Site visit Meetings and discussions with government authorities Report disclosure Daily communication
Communities	Community investment Emissions Use of resources Environment and natural resources	Site visit Press conference Public welfare activities

## II. Sustainability Management

Stakeholder	Material Issue of Concern	Major Communication Channels
Media	Compliance operation Teaching quality Employment Labour standards Environment and natural resources	Social media Press conference Press release/announcements Interviews

### Materiality Assessment of Sustainability Issues

In 2019, China East Education invited stakeholders to complete the questionnaire on the materiality of sustainability issues to collect opinions from various parties of the impact of sustainability issues on the Company and the society. Based on the results of the questionnaire, the Group conducted a comprehensive evaluation and prepared the following matrix of materiality assessment.

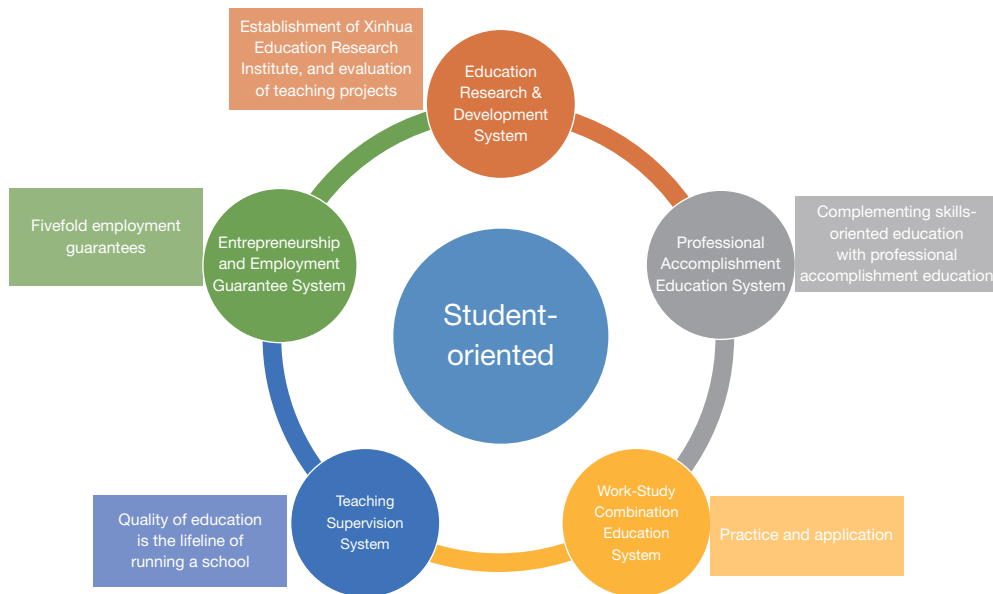


On the basis of the materiality assessment and its conclusions, we determine the focus of this year's disclosure. Among them, we will focus on reporting areas that stakeholders consider to be "very important" and "important". We understand that due to the different backgrounds and perspectives of various stakeholders, there are different ideas on various topics, and we try to expand the scope and number of samples to obtain more accurate data in the coming years.

### III. Personalized Training, Leading the Road to Vocational Education Innovation

#### 1. Leading Concepts of Vocational Education

China East Education upholds the educational tenet of “exploring the road to innovation and development of education, and running the best vocational education in the world.” We constantly develop and make unremitting efforts on the road of vocational education development. Education is a process of continuous exploration and gradual optimization. Over the past 30 years of development, we have also made tireless reforms and innovations in the training system and concept of vocational education.

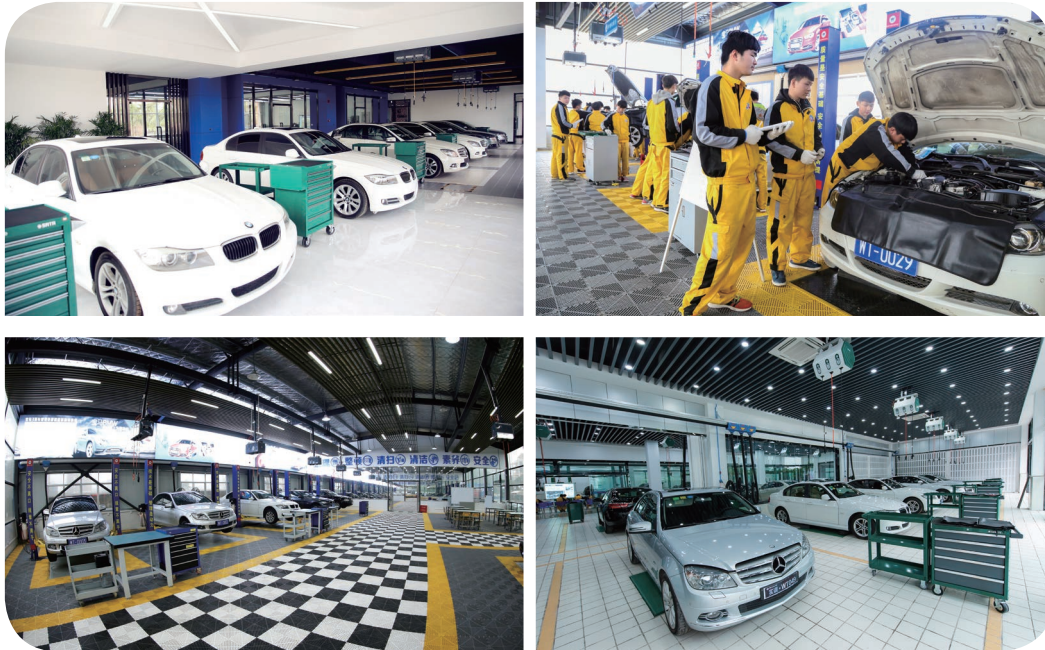


#### *Integration of Industry and Education*

China East Education actively responds to the call of the state to deepen the construction of “integration of industry and education” in vocational education. We integrate industry and teaching closely to support and promote each other. The school brands operated by the Group (New East Culinary Education, Xinhua Internet Technology Education, Wontone Automotive Education, Omick Education of Western Cuisine and Pastry, Wisezone Data Technology Education and Cuisine Academy) have cooperated with many enterprises with leading management and technology in the society. By rationally using the resources of schools and enterprises, and jointly formulating the teaching and production plan combining production and education, teachers can learn technology, students can join in production, production can produce benefits, and eventually achieving the goal of win-win between school and enterprise.

### III. Personalized Training, Leading the Road to Vocational Education Innovation

Case sharing: Wontone Automotive Education cooperates with domestic and foreign auto manufacturers to establish brand training center.



#### *Professional Accomplishment Education*

We believe that skills-oriented education and professional accomplishment education are complementary and indispensable. We have set up “Professional Accomplishment Education Guidance Course” in all schools of the Group, which is a required course for students. It aims to improve the humanistic quality of students through the study of basic humanistic knowledge, so that students are equipped with good professional humanistic quality and general vocational ability. The course mainly includes “three teachings and three trainings” (enlightenment education for new students, safety and legal education, school discipline and rules education, military training, morning and afternoon training, habit development training), as well as teaching content in teamwork, business management, communication and expression.

Professional accomplishment education guides students to understand themselves, explore careers, and learn to scientifically and rationally plan their studies and careers. It guides students to establish a correct world outlook, outlook on life, values, career, employment, entrepreneurship, and further enhance their consciousness of career, integrity, team and innovation. Through focusing on fostering hard-working, solidarity and cooperation, mutual assistance, selfless dedication, good professional ethics and civilized behaviours and habits, we will improve the overall quality of students and effectively shorten the time for their transformation from “school people” to “professionals” and build a solid foundation for the realization of students’ sustainable development for life.

With the increasingly severe employment environment in recent years, we believe that our students with high-level skills and quality are able to have stronger competitiveness in the ever-changing employment market.



### III. Personalized Training, Leading the Road to Vocational Education Innovation

#### *Integration of Theory and Practice Teaching Mode*

“If you wish to understand a matter profoundly, you must gain it by personal practice.” China East Education knows that practice is the criterion to test students’ practical operation. The brands and schools of the Group all adopt the mode of “work-study combination”, which is mainly based on practical operations and supplemented by theory. For example, culinary courses set up professional theoretical courses, which consist of cooking materials and ingredients learning and catering management. The rest of the course is mainly demonstration by teachers and students’ practice, and the teachers provide suggestions for improvement at the same time. The design of our theoretical courses is more practical, and the design of various training rooms is also arranged according to the actual workplace, which can bring great help to the employment of students.

Case sharing: The one-one-six teaching mode we created is based on the “work-study combination”, which creates a relaxed learning environment for students, allows all students to participate in the whole learning process. Through communications and sharing to generate new inspiration, it can help students learn professional knowledge more efficiently, and improve students’ interest and confidence in learning at the same time.



### III. Personalized Training, Leading the Road to Vocational Education Innovation

#### 2. High Quality Education Investment

##### *Establishment of Educational Research and Development Institute*

With the continuous changes and development of vocational education, in order to ensure our leading position in the industry and market acumen, China East Education established our own educational research and development institution, the Group Research Institute. The Research Institute consists of Research and Development (R&D) Center, Certification Center and Teaching Material Center to carry out research and development of various professional modules and teaching materials, implementation and expansion of certification business, cooperative development of academic qualifications, and research on the development of vocational education.

The R&D Center is responsible for the research and development of business modules with implementation of specialized, systematic, standardized and practical research and development management mechanism. We have built a complete closed-loop system for R&D promotion and application, including project research and development, achievement promotion, and training and assessment of teachers, which lays a solid foundation for our education quality construction. The Certification Center is responsible for the implementation and business development of the vocational skill level identification of third parties, and we establish various identification centers. We carry out professional skill level identification service nationwide to provide professional skill identification and issue certificates for practitioners. The Group always adheres to the principle of quality first, and strictly follows the standards of professional skill appraisal to ensure the fairness and justice of certification process. The Teaching Material Center is responsible for the development, compilation, publication and promotion of textbooks under each brand. Publishing the courses independently developed by the Group into a series of teaching materials not only provides learning tools for students on campus, but also provides learning reference materials for practitioners.

In addition to the three centers, the Research Institute actively develops the service of academic upgrading which provides academic upgrading services for the students on campus and graduates and social practitioners who need to upgrade their academic level. Meanwhile, the Research Institute also carries out in-depth research on the development of vocational education on a regular basis to provide effective case references for the Group's development.

##### *Investment in Teaching Facilities and Equipment*

China East Education takes the "work-study combination" teaching mode as its leading role, and attaches great attention to the investment in teaching equipment. Practical operation is crucial since it is an indispensable part of vocational education. We are committed to enabling students to experience the real working environment at school and ensure a "seamless connection" to the society after they graduate.

### III. Personalized Training, Leading the Road to Vocational Education Innovation



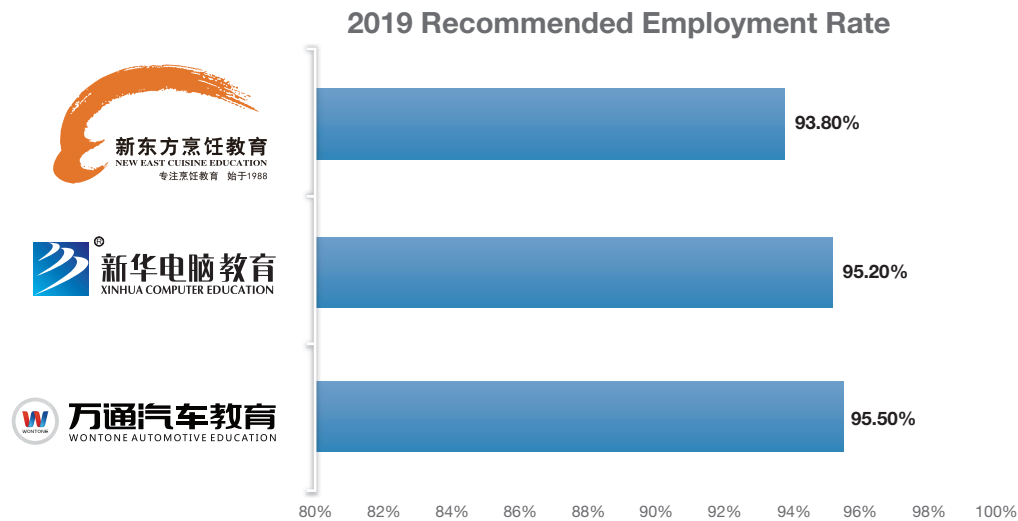
Case sharing: Wuhan Wontone Automotive College, located in Wuhan Guanggu Free Trade Zone, is a flagship school invested by Wontone Automotive Education and built in accordance with our four new standards – new equipment, new techniques, new technology, new standards. The school owns complete learning and living facilities, which can meet the needs of more than 1,000 students for training and living at the same time. The school has carried out skills training for more than 1,500 people. It is an apprenticeship training base for famous enterprises such as Michelin Tyreplus, Chang'an Automobile, Wuhan Aiyihang, etc. The school offers majors such as auto inspection, auto repair, new energy auto inspection and repair, auto sheet metal coating and beauty, and auto quick repair and maintenance. It owns more than 40 mainstream vehicles from China, the United States, Germany, Japan, and South Korea, along with various equipment and tools worth nearly RMB30 million. The teaching facilities and equipment are in sync with the industry and enterprises.



### III. Personalized Training, Leading the Road to Vocational Education Innovation

#### 3. Support and Guarantee of Graduate Placement and Entrepreneurship

The core of vocational education is employment education and entrepreneurship education. We focus on the cultivation of graduate placement since the students entering the school. The Group has established Graduate Entrepreneurship and Job Placement Guidance Centers in more than 30 cities in the country, and each school has set up Graduate Entrepreneurship and Placement Office, which is equipped with professional graduate entrepreneurship and placement advisors to provide students with entrepreneurship and job placement platforms and assistance. For the year ended 31 December 2019, the average recommended employment rate of our long-term program graduates in 2018/19 academic year of New East Culinary Education, Xinhua Internet Technology Education and Wontone Data Technology Education reached over 90%.



In order to provide a comprehensive entrepreneurial and employment guarantee system for all students, we have always insisted on building the “fivefold employment guarantees”:

- Systematic employment network covering the whole country

In 1993, China’s vocational education ushered in the opportunity of rapid development, and the “China Education Reform and Development Outline” was introduced this year. For the first time, it was proposed that the country should actively develop vocational and technical education, adult education and higher education, and put the improvement of the quality of labourers and the cultivation of junior and intermediate talents into a prominent position. The Group seized the opportunity to start a national strategic layout and set up Graduate Entrepreneurship and Job Placement Guidance Centers in more than 30 major cities including Beijing, Shanghai, Hangzhou, Guangzhou, Shenzhen and Suzhou. The intimate service of the graduate entrepreneurship and job placement advisors and the employment network radiating the whole country ensure successful employment of the graduates.

### III. Personalized Training, Leading the Road to Vocational Education Innovation

- Convenient and fast interactive employment platform

The Group organized the construction of the “National School Website Employment Special Section” to create an interactive online employment platform. Students have more choices as well as a wide range of employment by utilizing the convenient platform. This platform truly realizes the goals of “higher, faster, better, and economical” employment for our students.

- Diverse employment channels without barriers

The Group is in close contact with government employment guidance agencies and talent markets across the country to open up employment channels and register student graduation information in a timely manner. We regularly hold large-scale talent exchange meetings and special campus recruitment fairs, and students can easily find employment opportunities without leaving campus, and no worry afterwards.

- Order-based school-enterprise cooperation enabling employment upon graduation

School-enterprise customization establishes a communication platform between enterprises and graduates, promotes in-depth understanding between two parties, and broadens effective channels for graduates’ employment. The Group has established cooperative relations with more than 28,000 enterprises. In order to ensure the successful employment of graduates, we cultivate industry-oriented talents in need, which means that they can get employed after graduation and start to work after taking up their posts.

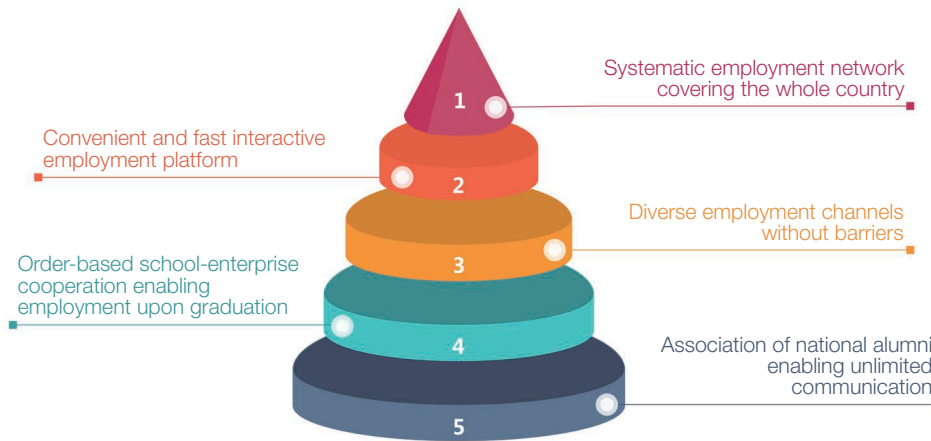
- Association of national alumni enabling unlimited communication

China East Education graduates spontaneously set up alumni associations throughout the country, which has become a close link between students and established a communication channel between the school and society. At the same time, we integrate various social resources to build “bridges” among graduated alumni. It helps students to achieve their career and repay the society.



### III. Personalized Training, Leading the Road to Vocational Education Innovation

#### “Fivefold entrepreneurship and employment guarantees”



In terms of entrepreneurship, we have established an entrepreneurship training system, which aims to awaken students' entrepreneurship awareness and teach entrepreneurship practice through two modules of entrepreneurship awareness training and entrepreneurship analogy training, so that students are able to as well as being capable of starting businesses. At the same time, the entrepreneurial support system is also the key to our work. For students who have entrepreneurial aspirations, we help them succeed in entrepreneurship by means of financial support, technical support, resource support, personnel support, business opening support and business operation support.

Before graduation, schools issue questionnaires to understand students' intention of employment. After careful communication with students and their parents, schools communicate with cooperative enterprises to make two-way choices and build links. Also, after the students are employed, the Graduate Entrepreneurship and Placement Guidance Centers will pay return visits to students and enterprises to ensure that students' following problems can be communicated and solved.

Care sharing 1: On 12 March 2019, Anhui New East Culinary Technical School 2019 Spring Talent Exchange Meeting and Signing Ceremony of Gold Medal Cooperation Enterprises were held on the campus of Vocational Education Town. At the site of the talent exchange meeting, the students actively acquired the recruitment information of various companies, and had a detailed understanding of aspects such as salary, environment, and personal development opportunities. Students had a direct understanding of their future employment direction, and are able to look for their suitable enterprises.

### III. Personalized Training, Leading the Road to Vocational Education Innovation



Case sharing 2: Student, 22 years old, who was graduated from Kunming Omick in baking and dessert major. At the beginning of the store preparation, since the equipment and some of the raw materials used were different from those used at school, the products he and his partners made were not ideal. As a result, the student invited his teacher to guide them in the store. Based on years of industry experience, the teacher adjusted the formula and oven temperature several times, and finally helped the student solve the problem. After that, the teacher helped the students set up a complete list of products for sale and gave corresponding suggestions on the layout of each functional area in the store.



## IV. Love and Responsibility, Constructing the Road to Talents Growth

“It takes ten years to grow trees, but a hundred years to rear people.” The cultivation of talents is a long-term commitment that requires love and time. For many years, the Group has insisted “love and responsibility” as the foundation of education, with respect and attention to the healthy growth of every student’s mind and body. We create a safe and healthy growth environment for students, organize colorful after-school activities, and pay attention to the communication and interaction between teachers and students. In terms of teaching, we provide more opportunities for students to learn from foreign exchanges and enrich their life experience. Meanwhile, we strictly control the teaching quality supervision system to promote the improvement of education standards.

### 1. Protection of Students’ Rights and Interests

Since our students include adults and minors, we strictly comply with the Tort Law of the People’s Republic of China, the Law of the People’s Republic of China on the Protection of Minors and other relevant laws and regulations, and also implement the protection of the rights and interests of students and parents.

#### *Safeguarding Students’ Fundamental Personal Rights*

We fully protect the fundamental rights of every student, so that they can grow up in a healthy and happy environment. The right to health is one of the most basic rights of students. We conduct complete inspections on campus, dormitories and other educational facilities to prevent incidents that endanger personal safety and also ensure a safe and healthy learning environment. At the same time, we strive to build a respectful campus. The process of students’ education is a process of gradually establishing “self-personality”. We teach by words and by example, and respect the dignity, honor and privacy of students.

We establish independent files for students and parents, and make strict regulations on the protection of personal information and confidential management of files. We have established post confidentiality agreement and the “Information Confidentiality System”, and employees must sign the post confidentiality agreement when they are onboard. After the information of student and parent is collected and processed into the management system, it can only be viewed with the authorization of the school management personnel.

#### *Safeguarding Students’ Rights and Interests in Receiving Education*

Students are groups with diversity, and each student has his/her own unique personality. We insist on the idea of student-oriented, and create a stage for their growth and development. We respect the differences of students, pay great attention to each individual, and do not treat them differently because of their gender, race, religion or cultural background.

## IV. Love and Responsibility, Constructing the Road to Talents Growth

### *Safeguarding Students' Rights to Know and Appeal*

Students are both production participants and consumers of the school. We can play an active role in promoting education by maintaining a good communication among the school, students and parents. Students can exercise their right to know through the following channels such as school website, publications, broadcasts, publicity boards, bulletin boards and other public resources to learn about the school's news, regulations and academic trends. The relevant departments of the school and the class teachers are responsible for the communication and transmission of information to students and parents. We have professional counsellors and teachers to answer questions about students' concern. In addition, students and parents can learn about the situation through field visits. All schools have established corresponding procedures for the transmission and acquisition of information to ensure the timeliness and accuracy of information transmission.

The right of appeal is also a basic legal right of students and parents. Based on the actual situation of the school, we implement the "Complaint Handling Measures" to regulate the institutions, responsibilities and procedures for handling complaints. The schools also set up principal's mailbox, and students can directly report to the principal if they encounter any problems. In response to complaints, the student's class teacher first records the complainant's relevant situation, including name, contact phone number, complaint reason, etc., and establishes a complaint file. We will follow up and conduct joint investigations with relevant departments to understand the real situation of the problem, handle it carefully, and report it to the management team. At the same time, we actively communicate with student and parents until the complaint is resolved. We will also conduct regular follow-up visits to complaints to confirm that the problems have been properly resolved.

### 2. Campus Health and Safety

In order to ensure the safety and stability on campus and firmly establish the idea of "safety first, prevention first, comprehensive governance", China East Education established a Safety Production Committee at the Group headquarter. The members of the committee include the Company's senior management personnel. The responsibility of the Safety Production Committee is to study, manage, coordinate and guide the Company's major safety production issues and organize important safety production activities. Furthermore, the Group has set up a Safety Production Guidance Office, which is a subordinate organization of the Safety Production Committee, and is responsible for the overall planning, inspection and summary of safety management in terms of implementation. The principal is the first person responsible for the safety production work of each school. Each school has a Safety Work Leadership Team and a safety specialist. In terms of systems, in accordance with the Group's School Safety Management System, Fire Safety Management System, Food Safety Management System, Environmental Safety Management System, Group Emergency Response Plan and in light of the actual condition, each school formulates relevant safety management system. In 2019, the death rate of China East Education liability accidents was zero, and no major safety accidents occurred.

## IV. Love and Responsibility, Constructing the Road to Talents Growth

### *Campus Security Management*

Some of the brands operated by China East Education, including New East Culinary Education, Xinhua Internet Technology Education and Wontone Automotive Education, mainly focus on longer academic system from half-year to three-year vocational education. Most of the students live on campus, so the schools mainly adopt semi-closed management. In order to ensure the life and property safety of teachers, students and employees, the campus sets up strict security system and personnel, and students are not allowed to go out on weekdays without special circumstances. The campus is equipped with a 24-hour full-coverage monitoring system, and school security staff patrol the key areas of the school at night. Several full-time teachers are on duty day and night on campus everyday (including holidays). In the evening, the school leaders, teachers and security personnel conduct patrols and checks on the dormitory, and will report any abnormalities in time.

In terms of fire safety, the Group and the schools strictly abide by the “Fire Prevention Law of The People’s Republic of China”, the local “Fire Control Regulations”, and the provisions of the local government and fire department. We formulate the Fire Safety Management System and the Fire Emergency Plan. We require the fire management work to be implemented and inspected from the following aspects: self-inspection of fire safety facilities, improvement of fire safety systems, reinforcement of fire safety education, implementation of fire safety measures, and establishment of fire safety mechanism. We also cooperate with the regular inspections of local fire department. Our Group designates 9 November of each year as “Fire Safety Day”. During the week of “Fire Safety Day”, each of the schools carries out annual fire safety special work. Every year, each school organizes regular fire drills under the guidance of the fire department. During the reporting period, China East Education has not occurred any fire safety incidents or inappropriate fire safety violations.





## IV. Love and Responsibility, Constructing the Road to Talents Growth

In addition to physical health, students' mental health is also an area of our great concern. The schools set up mental health assistance mechanism. The Student Office, the Academic Affairs Office and the Counseling Center are responsible for daily psychological guidance and facilitation. After obtaining student's consent, a specialist will be arranged to provide psychological counseling. The schools also establish a database of psychological assistance files for tracking. Usually, we invite professional teachers to give lectures on mental health from time to time.

Regular daily and special safety education can play an effective preventive role, so we require schools to regularly carry out relevant safety education activities. In the professional accomplishment education, our "three teachings and three trainings" includes the safety and legal education course. In the professional courses, we also educate students on standardized operation and emergency response in fire prevention, gas, electricity and tools. In addition, each class holds regular safety themed class meetings to enhance students' safety awareness.

### *Health and Food Safety*

In order to ensure the effective implementation of campus health work, we formulate the School Health Supervision System. In accordance with the requirements of the national health department, the management of teaching hygiene, sports hygiene, food hygiene and school environmental hygiene has been clarified. We urge the improvement of all courses, environment and diet that do not meet the health requirements.

Food safety is a solid support on students' healthy growth. The Logistics Business Department of the Group is responsible for the overall supervision and management of the canteen, supermarket and student life services on campus, and the Group establishes a specialized company for effective regional management. The Group has relevant regulations on the purchase, processing, sale and storage of food samples. On the basis of the requirements of the Group, schools formulate management systems such as Canteen Health Management System, Dietary Management System, Dishware Disinfection System, Restaurant Health Management System, and Food Sample System. We comply with the national "Food Hygiene Law", and establish stricter standards on the basis of national standards. We also revise the systems in time according to the updated laws. We have strict control over the purchase of food. The suppliers of raw materials and food must have the certificate of quality assurance system. The ingredients must be fresh and high-quality, and corresponding certificates and inspection certificates must be provided. Every day, we have specially assigned personnel to check and accept the raw and cooked food, establish the acceptance book and make corresponding records. The canteen staff are required to have physical examination in designated hospitals before taking the post, and only the qualified staff can take the post. The physical health examination must be carried out once a year. In the process of cooking, the food must be cooked thoroughly and it is also required to separate the cooked food from the raw food. Tableware and utensils must be disinfected in strict accordance with the standard of "first wash, second brush, third flush and fourth disinfection" to meet the relevant national health standards. The food produced by the canteen and sold by the supermarket must be kept for 48 hours for inspection and test by the superior food safety department and educational authorities.

## IV. Love and Responsibility, Constructing the Road to Talents Growth

The Group and schools carry out regular on-site inspection of food hygiene in canteens and supermarkets. The Audit and Supervision Department of the Group conducts the inspection once a year, and the Logistics Business Department inspects twice a year. Schools usually conduct random inspections and give feedbacks to relevant departments. There are suggestion boxes on campus, and the Logistics Business Department communicates with students during student conferences and enrollment, listens to students' feedback on the canteens, and conducts safety education on food safety for students. The Logistics Business Department organizes regular activities and invites students to visit the kitchen to let students understand the whole process of food processing and manufacturing, so that they can eat with more assurance.

Case sharing: Open Kitchen Day. During the students' visit, the management personnel answered the questions raised by the students, and explained the standardized operation and management measures such as daily function table, sample retention of dishes, health inspection, disinfection record, morning inspection record, acceptance record.



### 3. Teaching Quality Assurance and Foreign Exchange

#### *Teaching Quality Evaluation System*

We adhere to the principle of “quality of education is the lifeline of running a school”. The business departments at the Group, schools and teachers establish our three-level quality supervision system. We can understand and master the dynamic situation in teaching through daily teaching inspection, normal assessment of teaching process, feedback of teachers, regular assessment of students, and regular satisfaction survey to students and parents. We also communicate, provide feedbacks and adjust the teaching in a timely manner.

## IV. Love and Responsibility, Constructing the Road to Talents Growth

In order to improve the quality of teaching, schools establish a mechanism of teaching inspection and supervision. Schools conduct regular or random checks on teachers' teaching plan, teaching satisfaction, assessment and evaluation, and evaluation of their professional titles. Any innovative idea or deficiency found will be timely summarized. Moreover, we pay attention to listening to the opinions of all parties. Every quarter, school management team and teachers hold seminars to collect teachers' suggestions and opinions on various aspects of teaching and propose corrective measures. Student symposium are also organized by the school management team every two months. We listen to the questions raised by students and effectively implement them into practical actions to provide students with teaching methods and content that can meet their needs. At the end of each course, we will organize students to complete a satisfaction survey on teachers on the online satisfaction system. Meanwhile, we conduct online questionnaire on students regarding specific subjects.

### *Colorful Exchange Activities*

The improvement of teaching quality also requires external support. China East Education actively organizes foreign exchange activities for students and teachers to broaden their horizons and go to see the world. Connecting and have dialogue with the world are our unremitting goals regarding international vocational education.

Case sharing 1: New East Culinary Education and the world-famous Southern New Hampshire University in the United States, jointly carry out the international cooperation project of culinary education, which integrates the essence of Chinese and Western catering, and cultivates high-end talents in global catering. After successfully completing the "international cooperation class" or "international exchange class" of New East Culinary Education, students can choose to stay in the United States for internship or return to China for further development, and they have more diversified development platforms and opportunities of promotion.



## IV. Love and Responsibility, Constructing the Road to Talents Growth

Case sharing 2: The 8th World Championship of Chinese Cuisine (WCCC) opened in Rotterdam International Convention and Exhibition Center in Netherlands. After three days of fierce competition, the “China New East Culinary Team” composed of culinary masters from New East Culinary Education stood out from the 48 teams around the world, and won the gold medal in group competition as well as two gold and two silver medals in individual competition.

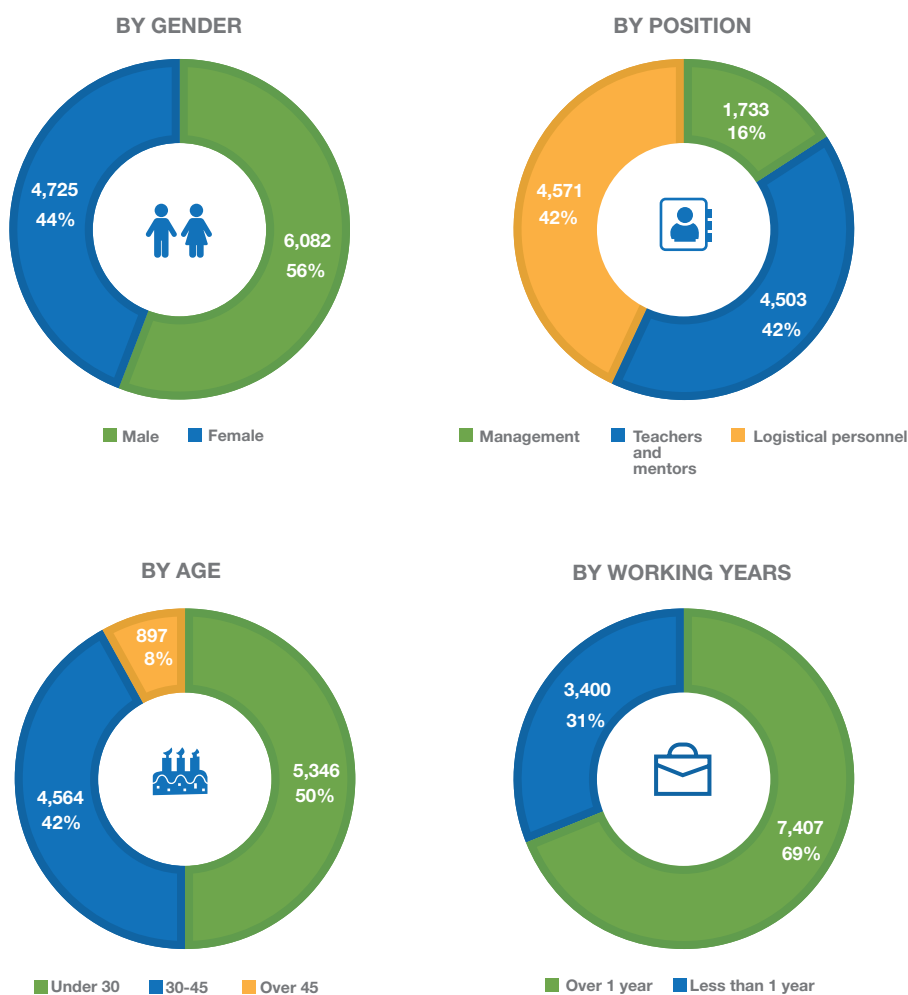


## V. Care and Devotion, Contributing the Road to Development of Excellent Employees

In the big family of the Group, our employees write brilliant chapters for the Company's glorious development in different positions. Talents are our guarantee. On the road of "promoting education and serving the country", making good use of talents is the primary productive force for enterprise development.

### 1. Employee Profile

The headquarter of the Group has 19 functional departments, 9 business divisions, and 177 operating schools under it, with a total of 10,807 employees.





## V. Care and Devotion, Contributing the Road to Development of Excellent Employees

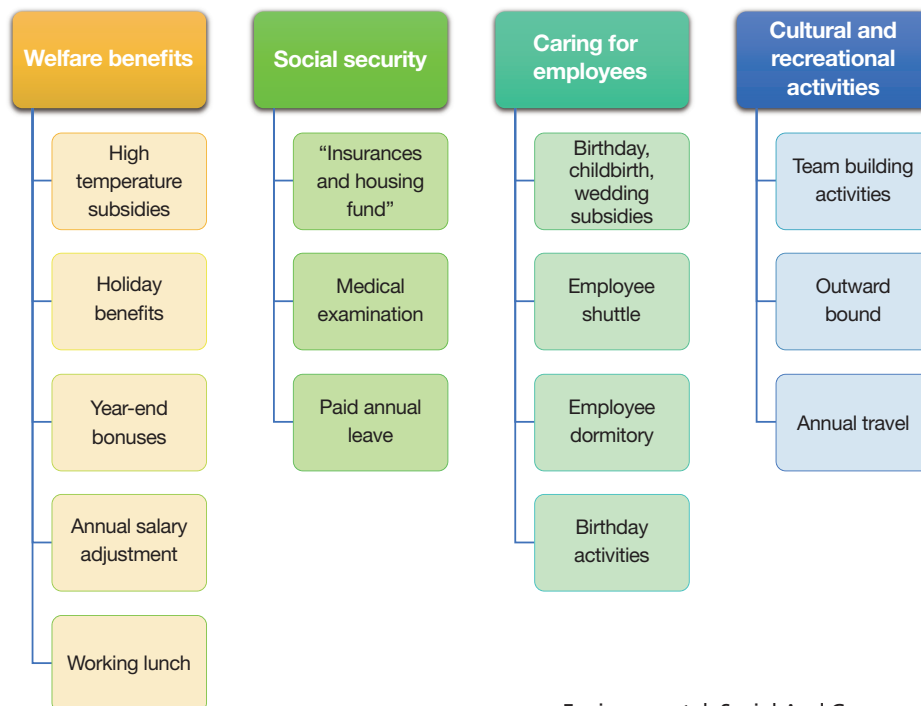
### 2. Employee Rights Protection

We abide by the national and regional laws and regulations such as the “Labour Law of the People’s Republic of China”, “Labour Contract Law of the People’s Republic of China”, “Provisions on the Prohibition of the Use of Child Labour”, and “Special Provisions on the Labour Protection of Female Workers”, etc. Based on the laws and regulations, we have established internal management procedures to regulate the Group’s policies and measures on recruitment, hiring, promotion, dismissal, compensation and benefits, attendance and vacation, equal employment, and anti-discrimination.

The Group is committed to creating a fair and harmonious working environment and rejects any form of insult and discrimination. We do not give different treatments to employees based on their ethnicity, race, age, gender, marital status, and religious belief. We firmly prohibit forced and exploitative labour practices and promise not to use child labour under the legal age. Our “Employment Management System” clarifies that the Human Resources Department conducts strict inspections on employee identification information and other documents during the recruitment process, and confirms the authenticity of age and other information before hiring. If our employees discover related issues, they can report to the upper management through real name or anonymous methods. Audit and Supervision Department and other relevant departments will promptly investigate and give feedback. In 2019, China East Education did not use child labour or forced labour. There were 14.5 lost days due to work injury.

China East Education provides a competitive salary and welfare system for all employees, adopts a combination of fixed and variable salary, and increases a diversified welfare system. According to the regulations, we pay “insurances and housing fund” to all employees, as well as provide promotion training, working lunch, high-temperature subsidies, paid annual leave, health examinations, team building activities, year-end bonuses, holiday benefits, development training, employee shuttle, employee dormitory, employee family care and other welfare measures.

At the same time, we also set up employee incentives, organize various competitions and awards to stimulate the creativity and potential of employees.





## V. Care and Devotion, Contributing the Road to Development of Excellent Employees

### 3. Staff Training and Development

Staff training and development is one of the keys to the continuous improvement of China East Education. The Group has a dedicated training department responsible for the planning and implementation of employee training. We set up various training courses for employees of different positions, different levels and different professional directions, including corporate culture training, professional training for teachers, market training, network operation training, etc. After the training, the training department will issue a training satisfaction questionnaire and get corresponding feedback in time, so that it can be strengthened and improved in the future training to meet the training needs of employees.

Category	Course classification
Company development and culture	Business culture Rules and regulations Integrity training, etc.
Business promotion	Market direction Teaching direction Student management direction Business training of each department, etc.
Comprehensive quality	Leadership Communication Professional etiquette, etc.

Schools	Training times	Hours per capita/Year
New East Culinary Education	1,327	28
Xinhua Internet Technology Education	726	42
Wontone Automotive Education	801	45
Omick Education of Western Cuisine and Pastry	566	30
Wisezone Data Technology Education	247	85
Cuisine Academy	358	15

### 4. Humanistic Care

For the selfless dedication and ingenuity of employees, the Group also provides a safe, healthy, harmonious and friendly working environment for this large family, and strengthens the spiritual care of employees. Our schools often organize various cultural construction activities for employees, including Teachers' Day tug-of-war competition, sports games, Women's Day activities, teacher-student basketball games, etc., which greatly enriches employees' spiritual and cultural life and enhances corporate cohesion.



Teacher-student basketball game



Teachers' Day celebration activity

## VI. Environmental Protection, Building the Road to Green Environment

As a member of society and a leader in the field of domestic vocational education, China East Education also has to lead by example in environmental protection and green development. We abide by the “Environmental Protection Law of the People’s Republic of China” and relevant environmental protection laws and regulations, and strengthen the system construction of energy saving and emission reduction. We have established a scientific and standardized system at the Group level, clarified policy measures, and fostered a collective awareness of energy conservation and emission reduction. Specifically, we established a school action leading team of energy conservation and emission reduction in schools to strengthen management. The schools host and carry out a variety of publicity and education activities to create a “saving” cultural atmosphere on campus. The school action leading team of energy conservation and emission reduction also reinforces the supervising and inspection to ensure the implementation effectiveness.

In 2019, after being statistically reported by various affiliated schools and verified by the Group, the Group has not experienced pollution incidents or illegal incidents that have a serious impact on the environment throughout the year, nor has there been any environmental protection related issues or complaints that have had significant impact on the Group.

### 1. Energy Saving

We promote the formation of a good atmosphere of “everyone is responsible for saving resources” in our schools. We hope that all teachers and students can start from the small things around them and form a good habit of consciously saving every kilowatt hour of electricity, every drop of water, every piece of paper and every drop of oil.

Water is the source of life, and saving water is the responsibility of every citizen. We have posted reminders on water conservation in office buildings, teaching buildings, laboratory buildings, libraries and other public places to increase awareness of water conservation. We set quotas and targets for water consumption restrictions in student apartments and canteens. The responsible unit adjusts the water supply according to the season and work and rest time, and strengthens the supervision of water consumption. In addition, we have increased the reuse rate of water resources and actively created conditions for the use of bath water for sanitary scouring and mopping. According to the changes of seasons and weather, the irrigation water for green space shall be irrigated scientifically and timely, and the backwash water, rainwater and recycled water of the self-contained water plant shall be effectively used to irrigate flowers, plants and trees, and the direct use of tap water shall be minimized. In 2019, the total amount of Company’s water consumption was 4,127,978 tonnes.

## VI. Environmental Protection, Building the Road to Green Environment

For electricity consumption, we require public lighting in offices, classrooms, laboratories, libraries and corridors to be adjusted and turned off in a timely manner according to the schedule, and use automatic control switches as much as possible. When using automation equipment such as computers and printers, it is necessary to minimize standby power consumption. Additionally, we promote the use of air-conditioning energy-saving devices and strictly control the purchase and management of air conditioners. The temperature setting of the office air conditioner shall not be lower than 26 degrees Celsius in summer, and shall not be higher than 20 degrees Celsius in winter. In 2019, the Company purchased a total of 75,911,416 kWh of electricity.

In terms of natural gas usage, our culinary courses and kitchens use energy-saving stoves with environmental protection certification. We also adopt thermal insulation measures for gas pipelines, and install pressure relief valves on gas cooking appliances for higher combustion efficiency. In 2019, the Company's natural gas consumption totaled 4,334,295.51 cubic meters.

Indicator	Unit	2019 tonnes
Total comprehensive energy consumption	tonnes of standard coal	6,329.37
Comprehensive energy consumption per RMB million revenue	tonnes of standard coal/ RMB million	1.62
Total water consumption	tonnes	4,127,978
Water consumption per RMB million revenue	tonnes/RMB million	1,057.01
Total electricity consumption	kWh	75,911,416
Electricity consumption per RMB million revenue	kWh/RMB million	19,438.02
Total consumption of packaging materials	tonnes	38.01
Consumption of packaging materials per RMB million revenue	kg/RMB million	9.73

Note: The comprehensive energy consumption is calculated according to the conversion factors in the "General Principles of Comprehensive Energy Consumption Calculation (GB/T 2589-2008)", a national standard of the People's Republic of China.

We actively promote "paperless working and teaching", and we give full play to the role of office automation and electronic teaching. We economize on manuscript paper, envelopes and copy paper, and advocate double-sided printing. We promote the use of electronic multimedia teaching in our schools, use large screen projections and electronic textbooks to reduce the use of paper textbooks, and implement measures to recycle and reuse textbooks.

## VI. Environmental Protection, Building the Road to Green Environment

Case sharing 1: Wontone Automotive Education's "seewo Teaching Assistant" real-time projection. The real-time projection only needs to use the seewo large screen, and download the PC version of the "seewo Teaching Assistant", which can realize the real-time projection between any laptop and projector, and the operation is very convenient.



Case sharing 2: Omick's New Product Online Learning System enables students to conveniently log in using mobile devices and conduct online learning according to their own schedule. The implementation of the online learning system has effectively reduced the consumption of papers.



## VI. Environmental Protection, Building the Road to Green Environment

### 2. Emissions Reduction

In order to provide students and employees with a green campus environment, on the basis of saving energy use, we also strictly control the discharge of emissions.

<b>Wastewater treatment</b>	<ul style="list-style-type: none"><li>• The school re-plans and reforms the sewer pipes, separates rainwater pipes and sewage pipes, and the government conducts inspection and acceptance every year;</li><li>• Sewage is filtered twice, and grease traps and sedimentation tanks are covered to meet discharge standards;</li></ul>
<b>Campus air purification</b>	<ul style="list-style-type: none"><li>• All cooking range hoods of cooking schools are equipped with cooking fume purification equipment, which is discharged after filtering;</li><li>• Automobile schools use UV photolysis and activated carbon to filter the chemical gases generated by students in the daily training process. We collect the particulate pollution generated by grinding through filtration, and at the same time, each training room is equipped with exhaust emission purification devices to ensure zero environmental pollution;</li></ul>
<b>Waste sorting</b>	<ul style="list-style-type: none"><li>• Promote waste classification and treatment to reduce the waste of recyclable resources;</li><li>• Kitchen waste is centrally processed by qualified institutions designated by the government;</li><li>• The domestic garbage is regularly cleaned up by the sanitation department;</li><li>• Recyclables are placed in a fixed place, and are collected and recycled after unified collection;</li><li>• Hazardous wastes are recycled by specialized third-party manufacturers, in compliance with relevant national and local regulations, to avoid secondary pollution.</li></ul>

## VI. Environmental Protection, Building the Road to Green Environment

In 2019, after being statistically reported by various affiliated schools and verified by the Group, China East Education had no pollution accidents or illegal events that had a serious impact on the environment, or any confirmed violation event or complaint related to environmental protection that had a significant impact on the Group throughout the year.

Indicator	Unit	2019 Data
Total discharge of hazardous wastes	tonnes	12.08
Hazardous waste produced per RMB million revenue	kg/RMB million revenue	3.09
Total recycled harmless waste	tonnes	12,595.33
Recycled harmless waste per RMB million revenue	tonnes/RMB million revenue	3.22
Total greenhouse gas emissions	tonnes of carbon dioxide equivalent	48,764.05
Scope 1 greenhouse gas emissions	tonnes of carbon dioxide equivalent	2,926.96
Scope 2 greenhouse gas emissions	tonnes of carbon dioxide equivalent	44,939.56
Scope 3 greenhouse gas emissions	tonnes of carbon dioxide equivalent	897.53
Greenhouse gas emissions per RMB million revenue	kg of carbon dioxide equivalent/ RMB million revenue	12.49

### 3. Environmental Protection Highlights

Case sharing 1: In the process of Wontone automotive coating production operations, our schools have taken a number of effective measures to prevent and control waste discharge.

For the chemical gas produced during the coating process, we install photo-oxygen environmental protection equipment in the assembly line, and the chemical gas produced will be discharged after being processed by the equipment. We use lead-free paints, benzene-free paints and thinners, and water-based paints in the coating field, which is safer and more environmental friendly. The volatile organic compounds (VOC) content of coatings we use has been reduced to the industry minimum standard. All painting stations are equipped with new ventilation and air conditioning, and the air supply per capita reaches 1,600 cubic meters per hour. In the station of paint spraying and other chemicals, we are also equipped with gas masks, specially designed work caps and special protective glasses, and regularly entrust a professional testing center for on-site air sampling and testing to ensure the health and safety of employees and students.



## VI. Environmental Protection, Building the Road to Green Environment

For the dust generated, we installed a high-power central dust collection system for centralized processing, and installed an exhaust fan outlet. A small amount of dust raised in the production process will be quickly taken away by the exhaust system.



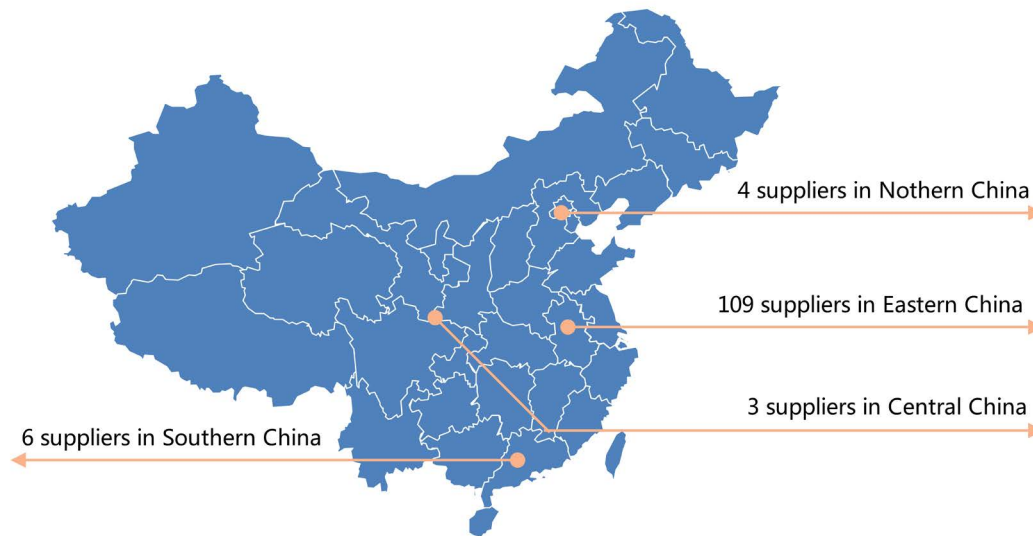
Case sharing 2: Use of environmentally friendly materials for campus decoration. The campus engineering decoration projects use environmental protection and sterilization materials, antibacterial board and calcium silicate board, and install energy-saving equipment, including energy-saving lamps, energy-saving stoves, etc.



## VII. Compliance Operations, Supporting the Road to Win-Win Partnership

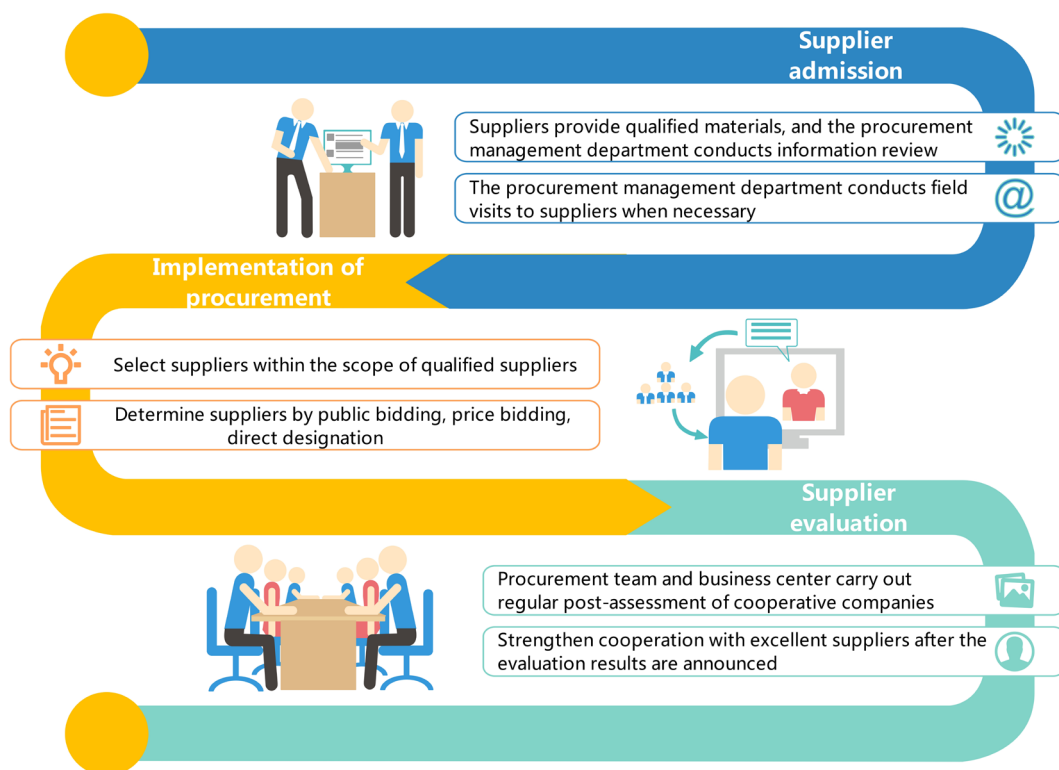
### 1. Supplier Management

China East Education has a large number of suppliers and partners. We adhere to the attitude of mutual benefit and win-win cooperation, and establish a sound supplier management mechanism to promote the favorable development of the industry. We have formulated the “Group Procurement Work Management Measures”, which clarifies the organizational division and responsibilities of procurement, the definition of procurement methods, material classification and approval authority, procurement procedures, document filing and contract management, as well as the detailed rules of supplier management. The Group has established a cooperative relationship with 122 suppliers, including 63 suppliers selected through bidding, 55 suppliers selected through competitive negotiation, and 4 suppliers which were directly designated.



The procurement management department clarifies the supplier admission mechanism, establishes a supplier database, and registers supplier information by category. The supplier must fill in the “Supplier Registration Form” and provide the basic information and qualification materials of the enterprise. We will check and verify the above information. We also conduct on-site inspections of suppliers to understand in depth whether the enterprise scale and production management system meet our requirements, and require suppliers to provide inspection reports issued by authoritative inspection agencies. In addition, schools regularly send the purchased materials to the local inspection agency for sampling inspection. Regarding materials related to environmental protection and energy use, we generally choose the first-line environmental protection brands in the market, which can meet our goals of energy conservation and emission reduction.

## VII. Compliance Operations, Supporting the Road to Win-Win Partnership



Every year (every quarter for the food ingredients supplier), our procurement team and business center will conduct a post-assessment of the partners in the supplier database according to the type of enterprise, and evaluate them in terms of quality, qualification, price, supply cycle, accounting period, and after-sales service. The assessment results include excellent, qualified, pending, and unqualified. Suppliers who are evaluated as unqualified must report to the Group Procurement Department for filing and notification. We will strengthen cooperation with suppliers who have obtained excellent evaluation result to create a win-win situation.

In order to ensure the fairness, openness, justice and standardization of procedures of the procurement activities, our subordinate schools, procurement personnel, and suppliers all shall sign the "Integrity Commitment Letter" which restricts the behaviors of all parties, prevents the occurrence illegal acts that violate the law and discipline and protects the legitimate rights and interests of our suppliers.

## VII. Compliance Operations, Supporting the Road to Win-Win Partnership

### 2. Compliance Management and Integrity Establishment

In order to improve the Company's compliance management level and promote the open and transparent sustainable development of the market, the Group effectively integrates the existing internal control, internal audit, legal risk management, supervision and other related work functions from the perspective of compliance management, clarifies the compliance supervision mechanism, and the Audit and Supervision Department is responsible for the management and supervision of the Group's compliance operation. Strengthening compliance management is not only to meet the requirements of external supervision, but also to meet the needs of our own business development. Therefore, we are committed to cultivating corporate compliance culture, regularly carrying out corporate compliance training, establishing the idea of governing enterprises according to law, and cultivating corporate culture based on legal culture.

We strictly abide by the laws and regulations including "The Anti-Corruption and Bribery Law of the People's Republic of China", "The Anti-Money Laundering Law of the People's Republic of China". We take a "zero tolerance" attitude toward corruption, bribery and other corrupt practices, designate the Audit and Supervision Department as the Company's permanent institution of integrity, and establish the "Group Anti-fraud, Anti-Bribery, Anti-Corruption, and Reporting and Complaint Management Measures." The Audit and Supervision Department sets up telephone numbers, email and mailbox and other reporting channels to supervise and report to the public. Employees at all levels and all social parties with direct or indirect financial interests with the Company can report relevant violations of professional ethics through these channels, or report and expose actual or suspected fraud cases. During the reporting period, the Group did not have any commercial bribery lawsuits, nor did it violate relevant laws and regulations that have a significant impact on the Group's operations.

The Group also implements solid control and management of intellectual property rights, and strictly abides by the "Trademark Law of the People's Republic of China", "Patent Law of the People's Republic of China", "Copyright Law of the People's Republic of China", "Anti-Unfair Competition Law of the People's Republic of China" and other relevant laws during our production and operation activities. We formulate and implement intellectual property management systems within the Company, and clarify compliance management requirements for the creation, registration, protection, and use of intellectual property.

In 2019, the Group applied for 30 patents. As of 31 December 2019, China East Education had obtained a total of 79 authorized patents. In terms of trademark protection, a total of 166 trademarks have been registered.

## VIII. Community Contribution, Taking the Road to Public Welfare

The development of an enterprise is inseparable from the support of all sectors of the society, and charity is the most effective way for China East Education to repay the society. While realizing our own development, the Group has been actively engaged in social public welfare and giving back to the society for more than 30 years. Over the years, the Group has donated more than RMB11 million to the society through various channels such as poverty alleviation, disaster relief, participation in the Hope Project, and school construction.

The Group and all schools combine the actual local needs and their own advantages, pay attention to and support social welfare undertakings, and promote the harmonious development of enterprises and communities.

In 2008, the Wenchuan earthquake shocked the whole country. The Group not only actively donated money and materials to help people in disaster-stricken areas rebuild their homes, but also set up a “Wanchuan Youth Caring Class” to provide free internet skills training for youths in disaster-stricken areas and help them obtain employment.



Alumni of “Wanchuan Youth Caring Class” revisited the campus.



## VIII. Community Contribution, Taking the Road to Public Welfare

In the past 30 years, China East Education has reduced tuition fees and granted financial aid to poor students by more than RMB10 million. At the 30th anniversary celebration of Xinhua Internet Technology in 2018, we launched the theme charity activity “Pickup Plan”. The “Pickup Plan” calls on charity organizations, caring people, and public-spirited enterprises across the country to join the “Pickup People” and contribute to public welfare. Through such initiatives as “awarding diligence” and “poverty alleviation and talents support”, we expect to benefit 10,000 students in five years.



At the same time, we also actively participate in community public welfare activities. In order to allow more students to understand and get in touch with new technology, develop technical education at a deeper level, and cultivate more professional technical talents, Xinhua Internet Technology launched a public welfare tour with the theme of “Internet Technology Entering Campus” to bring more interesting, scientific and cutting-edge technology experience to the children.





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		B1.2 Employee turnover rate by gender, age group and geographical region.	The Group plans to conduct detailed management and makes future disclosure accordingly.
	B2 Health and Safety	General disclosure	P22-25 P29
		B2.1 Number and rate of work-related fatalities.	During the reporting period, the Group had no fatality caused by work-related accident.
		B2.2 Lost days due to work injury.	P29
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P22-25 P29
	B3 Development and Training	General disclosure	P30
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management and middle management).	The Group plans to conduct detailed management and makes future disclosure accordingly.
		B3.2 The average training hours completed per employee by gender and employee category.	P30
	B4 Labour Standards	General disclosure	P29
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	P29
		B4.2 Description of steps taken to eliminate such practices when discovered.	P29
	B5 Supply Chain Management	General disclosure	P37-38
		B5.1 Number of suppliers by geographical region.	P37
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P37-38

## Appendix: Report Index

ESG Guide Content		Pages	
B. Social	B6 Product Responsibility	General disclosure	P12-27
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
		B6.2 Number of products and services related complaints received and how they are dealt with.	P22
		B6.3 Description of practices related to observing and protecting intellectual property rights.	P39
		B6.4 Description of quality assurance process and recall procedures.	N/A
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P21
	B7 Anticorruption	General disclosure	P39
		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.	During the reporting period, the Group had no cases regarding corrupt practices.
		B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	P39
	B8 Community Investment	General disclosure	P40-41
		B8.1 Focus areas of contribution (e.g. education, environmental affairs, needs of labour, health, culture and sports).	P40-41
		B8.2 Resources contributed (e.g. money and time) to the focus area.	P40-41

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