

Environmental, Social and Governance Report

FY2023



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About the Report

This is the first Environmental, Social and Governance (ESG) report ("the Report") published by TAL Education Group (NYSE: TAL). This Report presents the initiatives and performance of TAL Education Group and its brands in the areas of environmental, social and governance in its operations. It serves as effective communication with various stakeholders and a systematic response to their expectations and demands.

Release Cycle

This report is released annually.

Reporting Period

The Report covers the fiscal year ended February 28, 2023 (FY23), which ran from March 1, 2022 through February 28, 2023. To ensure comparability and completeness of vision of the Report, part of the content is outside this time span.

Scope of Entities

The information and data disclosed in this report cover TAL and its subsidiaries as listed in its annual report of fiscal year ended February 28, 2023.

Data Description

The data in this report is derived from the original data of the Company's actual operations, internal statistics, public data of government departments and third-party institutions, etc., including appropriate content and data from previous years. Unless otherwise specified, the amounts mentioned in this Report are expressed in RMB. For better presentation and readability, "TAL" "the Group" "the Company" or "we" in the report refer to TAL Education Group and its subsidiaries included in the scope of the FY23 financial report (unless otherwise indicated herein).

The report is published in Chinese and English. If there is any conflict between the two version, the Chinese version shall prevail.

References

- United Nations Sustainable Development Goals (SDGs)
- The Ten Principles of the UN Global Compact
- The Global Reporting Initiative (GRI) Standards by the Global Sustainability Standards Board (GSSB)
- The Task Force on Climate-Related Financial Disclosures (TCFD) Framework by the Financial Stability Board (FSB)
- Morgan Stanley Capital International (MSCI) ESG key issues

Reliability Assurance

All contents and data disclosed in this Report have been approved by the ESG Management Committee of TAL Education Group. The Company warrants that the contents of this report have no false representation, misleading statement or omissions in any material respects.

Important Legal Information

This report contains forward-looking statements. These statements are made under the "safe harbor" provision under Section 21E of the U.S. Exchange Act, and as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words or phrases such as "may" "will" "expect" "anticipate" "future" "aim" "estimate" "intend" "seek" "plan" "believe" "potential" "continue" "ongoing" "target" "goal" "is/are likely to" or other similar expressions. These statements include, among other things, those about our ESG strategies and the effectiveness of our ESG strategies and initiatives.

Forward-looking statements involve inherent risks and uncertainties. Several factors, including those described in TAL's annual reports and other filings with the U.S. Securities and Exchange Commission, could cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements made in this report relate only to events or information as of the date on which the statements are made in this report and are based on current expectations, assumptions, estimates and projections. TAL undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events, except as required under applicable law.

Information referenced in this report, including other Internet sites and third-party reports and publications, is not incorporated into this report. For the reader's convenience only, this document may provide the addresses of, or contain hyperlinks to, third-party websites. TAL has not reviewed such hyperlinks and takes no responsibility for the content therein.

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact (or potential impact) of that information. For more comprehensive information about our results and operations, including risks that could adversely affect our results of operations and financial condition, please refer to our annual reports and other filings with the U.S. Securities and Exchange Commission.

Availability and Feedback

The electronic version of the Report can be downloaded from TAL's ESG webpage (www.100tal.com). To obtain a hardcopy of the report, or if you have any queries, comments, or feedback about this Report, feel free to contact us via esg@tal.com.

About TAL Education Group

TAL (NYSE: TAL) is a technology company with the goal of becoming an organization driving continuous innovation. It's committed to empowering people to achieve lifelong growth, promoting the evolution and healthy development of the industry and creating added value for society through technology, product and content innovation.

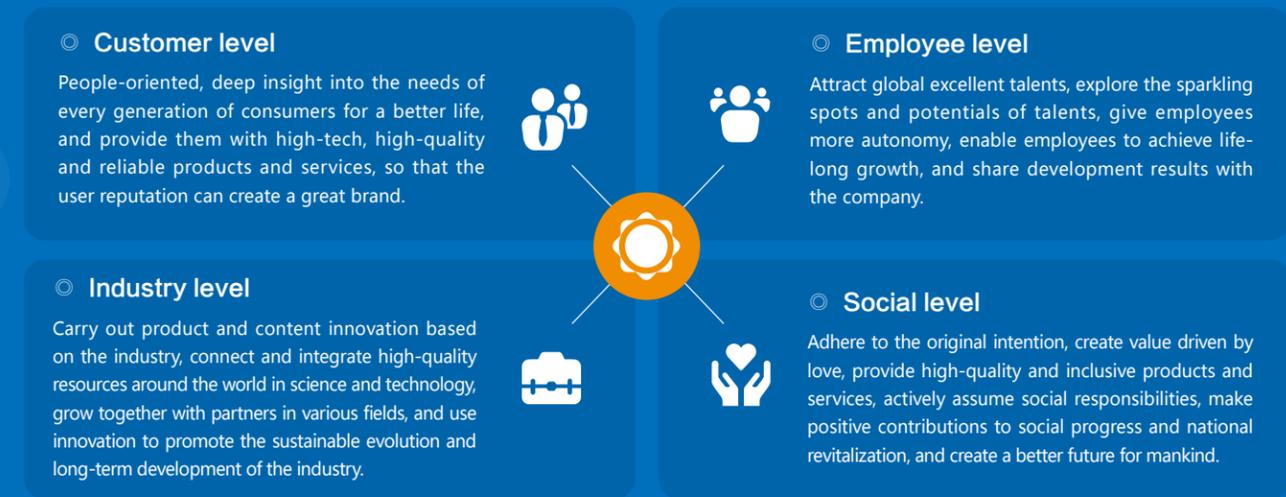
Development History



Our Mission: to empower life-long growth with love and technology

"Love" is the adherence to the original intention and create social value. "Technology" is the modern mentalities and technologies and the spirit of continuous innovation. "Life-long growth" is the growth of everyone and people of all ages, all-round physical and mental growth, and comprehensive growth in multiple fields.

Our Vision: to become an organization driving continuous innovation



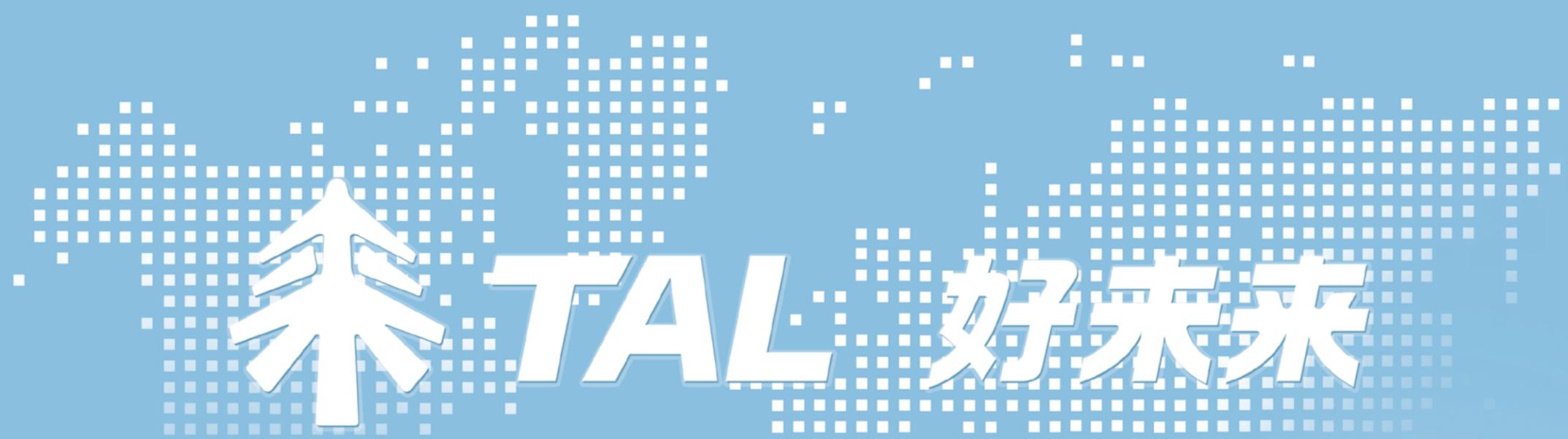
Value Statement



TAL Spirits: Make a little progress day by day

Make learning as a part of everyday work, aim for daily little progress instead of unrealistic goals; believe in the power of persistence and never give up until we succeed.

- About TAL Education Group
- Chair's Message
- ESG Governance
- Protect the Planet
- Support Employee Growth
- Support High-Quality Development of Learning
- Gain Momentum in Digital Transformation
- Continuous Social Value Creation
- Strengthen Corporate Governance & Legal Compliance
- ESG Key Performance Indicators Sheet
- Report Indicator Index



Message from the Chairman of the ESG Management Committee

TAL adheres to the sustainable development philosophy of "causality, long-term perspective and balance", and always puts social value as our top priority. The ESG concept makes us focus on the long-term value of corporate development in a more holistic and systematic way, and find the best way to connect the company and society. We will implement the ESG concept by continuously promoting technology, product and content innovation promotion, and keep concentrating on the long term value of environment, social and governance. We hope to create a better future for everyone through sustainable development.

Wei, Chen
Chairman of the TAL ESG Management Committee



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ESG Governance

The ESG Sustainable Development Strategy

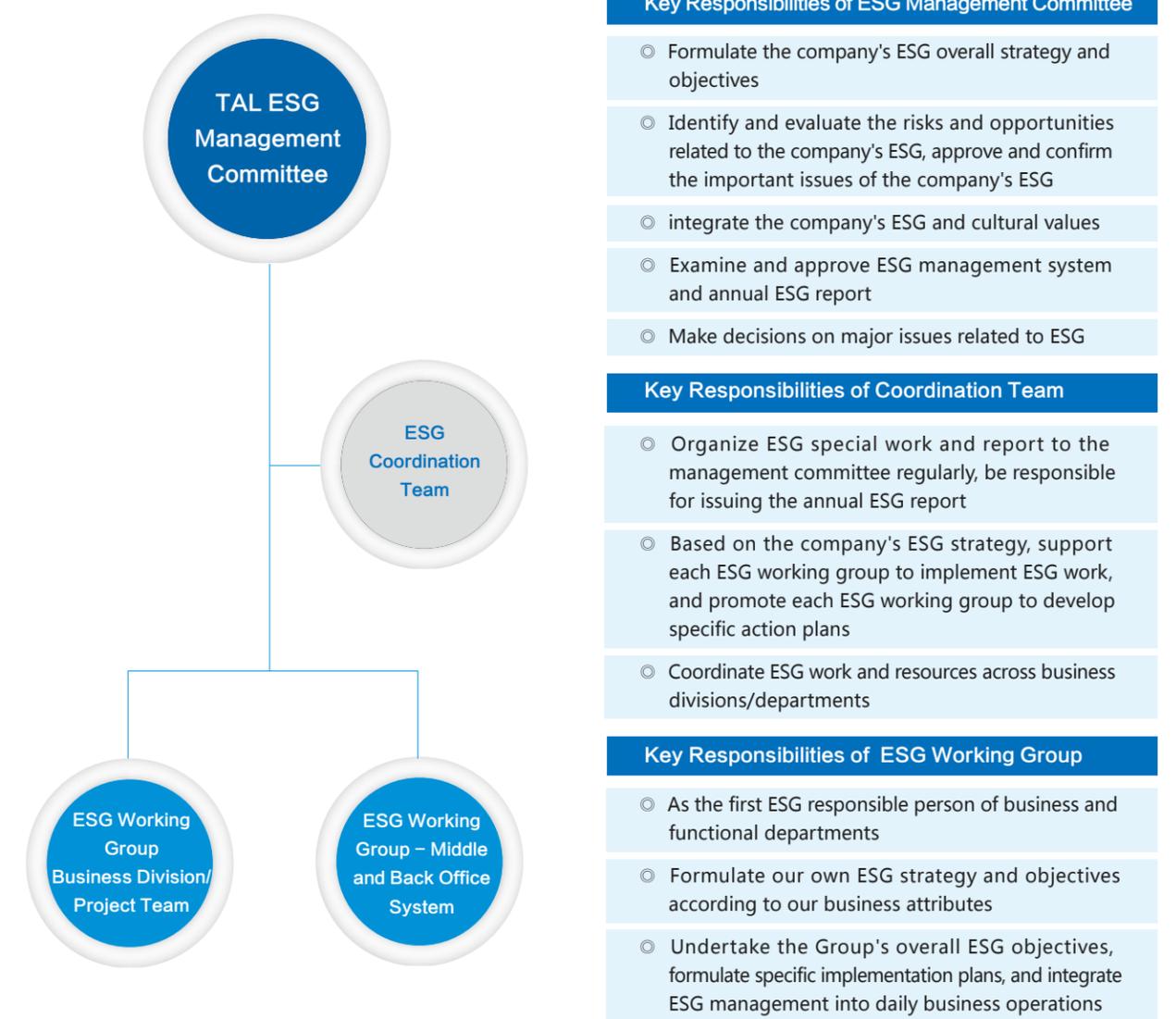
Based on the United Nations' Sustainable Development Goals (SDGs) and the results of discussion with various stakeholders, TAL has formulated and tailored our own ESG sustainable development strategy: dedicating to the enrichment learning development and facilitating growth through innovation promotion and responsible business operation; consistent contributing to environment protection and charity program. Working for a better and sustainable future.



TAL's ESG Sustainable Development Strategy

ESG Governance Structure

The ESG governance of TAL is supervised and guided by the ESG Management Committee of the Group and is supported by the ESG Management Committee of the Group and ESG Working Group, which are responsible for the promotion and implementation of specific initiatives. We also regularly evaluate the ESG Collaboration Team and ESG Working Group to ensure that the ESG Management Committee can stay informed about the Company's ESG performance and updates in a timely and accurate manner.



TAL's ESG governance structure and responsibilities

Analysis of Material ESG Issues

According to the Global Reporting Initiative (GRI), material ESG issues reflect the economic, environmental and social issues on which a business may involve in. The identification of material issues has become an important starting point for corporate ESG information disclosure and a priority for ESG management.

In FY23, under the guidance of the ESG Management Committee and the assistance of external consultants, we carried out our material ESG issues assessment in three steps. Through the benchmarking analysis and the stakeholder survey, we have selected 26 material issues that can contribute to sustainable development and value creation, and have developed a matrix of material issues for analysis accordingly.

Benchmarking Analysis

26 material issues were identified with reference to international standards and frameworks (UN Sustainable Development Goals, GRI Sustainability Reporting Standards), recommendations from ESG rating agencies, excellent performance of industry peers, and TAL's own business.



Stakeholder Survey

We engaged with different stakeholder groups through online surveys to gain insight into their views and requests on key topics. The stakeholder groups include our Company's management team, employees, customers, government and regulators, shareholders and investors, suppliers, industry associations, media and local communities, and other internal and external parties. 488 questionnaires were collected from above 9 stakeholder groups.



Identify Material Issues and Develop a Matrix

According to the survey, we prioritized the 26 issues and created the matrix of material issues based on their degree of importance to business sustainable development and stakeholders. We extracted 7 crucial topics from issues, and thereby built the reporting scope and key content of the FY23 TAL ESG Report.



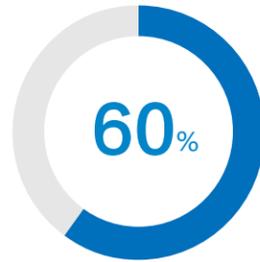
TAL Material Issues Analysis Matrix

ESG Performance Review

Environmental Protection	
GHG Emission Intensity (Scope 1, 2) 0.81 tCO ₂ e per capita 	Energy consumption per capita 1.40 MWh per capita 
Hazardous waste emission density 2.45 kg per capita 	Water consumption per capita 8.40 tons per capita 
Non-hazardous waste emission density 78.39 kg per capita 	Total paper consumption 55.37 tons 

Corporate Social Responsibility	
Total number of employees 13,100	Total investment on public welfare RMB 6.15 million
Percentage of female employees 60.98%	Total participation of employee volunteering ¹ 592
Employee Training Participation 16,976	Total hours of employee volunteer activities 651 hours

¹ Employee volunteering statistics only include official volunteer activities organized by the Company.

Corporate Governance
Percentage of independent directors 
Percentage of female directors 

1. Protect the Planet

A healthy environment is the foundation of human survival and sustainable social development. Being well aware of the significance of environmental protection, we have taken practical actions to address the risk of climate change, implemented energy conservation and carbon reduction measures in our daily operations, fulfilled our responsibilities, and encouraged stakeholders to embrace low-carbon emissions and practice environmental protection to safeguard our green planet together.

- > *Tackling Climate Change*
- > *Go Green in the Workplace*
- > *Promoting Environmental Education*



1.1 Tackling Climate Change

Climate change is one of the biggest challenge to human society in the 21st century, and it has far-reaching impacts all over the world. To reduce greenhouse gas emissions and achieve green and low-carbon circular development, China has laid out its overarching climate policy goals: to peak emissions before 2030 and achieve carbon neutrality by 2060. TAL actively responds to the carbon peaking and carbon neutrality goals by identifying climate-related risks and opportunities, and disclosing our greenhouse gas emissions, energy consumption data and other indicators periodically.

1.1.1 Identification and Response to Climate Change Risks and Opportunities

During the reporting period, we identified the key climate-related risks and opportunities we face with reference to the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. The summary of the key climate-related risks and opportunities identified and the main response measures as shown in the table below.

Climate-related Risks		
Type of Risks	Description	Response Measures
Change Risks		
Policy and regulatory risks	The government may introduce stricter carbon emission limits or tax measures, which may result in increased company operating costs and social responsibilities. For example, companies may be required to invest resources to reduce Scope 3 emissions across the supply chain	Keep up with the regulatory changes in a timely and accurate manner. Promptly set up and improve the carbon emission monitoring, reporting and verification system to achieve delicacy management of energy and carbon emissions
Technical Risks	The development and popularity of low-carbon technologies may encourage companies to adopt new equipment or technologies, which requires an increase in manpower input and resource investment in related fields	The introduction of new equipment or technology should be based on necessity, compatibility with business and other factors, and it's necessary to carry out a comprehensive risk assessment beforehand
Market Risks	As investors and partners pay more attention to the company's carbon footprint and climate responsibility, it will have an impact on the company's business deployment, revenue, and competitiveness	Strengthen proactive disclosure of climate-related information, fulfillment of climate responsibility, and the tracking of market dynamics in real time
Physical Risks		
Acute and chronic physical risks	Acute risks, such as extreme weather (e.g. heavy rainfall, high temperature, heat waves), and chronic risks, such as rising sea levels and increasing mean temperatures, can negatively affect the stability and continuity of the Group's operations	When selecting learning center locations, it's necessary to consider regional climate risks, and develop and continuously update extreme weather contingency plans to minimize disruptions in operations
Climate-related Opportunities		
Types of Opportunities	Description	
Products & Services	The Company can provide more learning content and solutions related to climate change, such as climate change courses, to adapt to the market's shift towards low-carbon products and services	
Resource Utilization	The Company may reduce operating costs and improve resource utilization by adopting more efficient, lower-emission, and more renewable technologies and materials for office work and printing and publishing business	
Reputation	The Company can respond to the concerns of stakeholders (e.g. students, parents, employees, etc.) on climate change with proactive disclosure of climate change information; it can also create more value for the society by providing climate change-related education etc.	

 Case: TAL actively responds to physical risks associated with various climate changes

During the reporting period, extreme weather events in many parts of the country have caused substantial impacts. In response, TAL took appropriate actions and offered help to support our staff, students and their parents.

Response to extreme heat or cold weather

- * Several branches offered high-temperature bonuses to staff to relieve the pressure on employees working in cities that experienced higher temperatures. In addition, several branches offered fruits, drinks, fans, ice mats and more food and supplies to employees as benefits to beat the high heat
- * During extreme low temperature weather in winter, TAL provided cold protection supplies for employees in branches located in low temperature areas to keep them warm

Response to heavy rainfall, flooding and other extreme weather

- * In view of the acute risks caused by climate change such as heavy rain and flooding, TAL took prompt actions by arranging employees to work from home, and shifting its teaching mode to online courses to minimize the impact on employees and students
- * In 14 cities, including Guiyang, Yangzhou, and Guangzhou, we offered free extra classes for students who missed the classes due to extreme weather; meanwhile, 13 branches, including those in Wuhan and Changchun, increased the frequency of classes to make it easier for students to switch classes
- * Some branches also provided free after-school care services for parents who were unable to pick up their children in extreme weather; more than 20 branches provided convenient services for students and parents in extreme weather such as heavy rain and flooding

 **1.1.2 Greenhouse Gas Emissions**

In FY23, TAL disclosed its greenhouse gas emissions data (Scope 1 and 2) for the first time. We will continue to disclose this data annually in the future to monitor and improve our performance in energy conservation and carbon reduction. During the reporting period, TAL has collectively emitted around 10,549.72 tCO₂e, of which direct emissions (Scope 1) were 81.24 tCO₂e, accounting for 0.77%; indirect emissions (Scope 2) were 10,468.49 tCO₂e, accounting for 99.23%.

Indicators ¹	Unit	FY23
Total GHG emissions ²	tCO ₂ e	10,549.72
Direct emissions (Scope 1) ³	tCO ₂ e	81.24
Indirect emissions (Scope 2) ⁴	tCO ₂ e	10,468.49
GHG Emission Intensity	tCO ₂ e/person	0.81

¹ The scope of greenhouse gas emission data includes data include all TAL operation facilities in the mainland of China, i.e. the headquarters of the Group, as well as all online school bases and campuses.

² Greenhouse gas inventory include carbon dioxide and hydrofluorocarbons, which are mainly from the consumption of outsourced electricity, gasoline and refrigerants. GHG is measured in carbon dioxide equivalent.

³ Direct emissions (Scope 1) include GHG emissions, primarily from the consumption of gasoline and refrigerants, emitted by businesses directly controlled or managed by TAL. The accounting of GHG emissions refers to the National Development and Reform Commission's *Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Other Industrial Enterprises (Trial)*.

⁴ Indirect emissions (Scope 2) include indirect emissions generated by TAL's outsourced electricity, and the emission factor is calculated based on the 2022 national grid emission factor of 0.5703 tCO₂/MWh released by the Ministry of Ecology and Environment of the People's Republic of China.

1.2 Go Green in the Workplace

At TAL, we strive to integrate the concept of environmental protection into our daily operations to save energy, reduce consumption and enhance the utilization of energy and resource and reduce our negative impact on the environment.

 **1.2.1 Build a Paperless Office**

With a focus on both digital and low-carbon development, TAL actively explore, introduce and develop green office tools and technologies to go paperless practice. As of the end of the reporting period, TAL has launched several electronic systems, including an online approval system and an electronic filing system.



Case: Go paperless by establishing an online approval system for business process management (BPM)

TAL has achieved paperless 95% of approval processes by establishing a BPM online approval system that covers a variety of business processes, including approval of business process, expenses claim, contracts signing, procurement, travel application, employee related matters and other approval processes. During the reporting period, TAL has processed around total of 600,000 online approvals, saving approximately 6 tons of paper, equivalent to reducing 24 tCO₂e.



Case: Promote full life-cycle e-management by establishing a human resource electronic management system

TAL strives to reduce paper consumption and promote a paperless office by having a human electronic management system in place to enable full life-cycle e-management of human resources profiles, which consists of generation, archiving, inquiry, retrieval and deletion. During the reporting period, TAL has added 120,000 electronic files, saving 1.2 tons of paper, equivalent to reducing 4.8 tCO₂e.



Case: promote online process by establishing a legal contract management and filing system

TAL has established a legal contract management system and filing system to enable online contract approval and filing process, which not only reduces the amount of paper used in printing and mailing, but also improves office work efficiency. During the reporting period, the proportion of electronic contracts and electronic seals at TAL has reached about 15%. Going forward, TAL will continue to further promote the use of electronic signatures.

In addition, we actively promote the use of electronic invoicing to reduce paper-based reimbursement documents and achieve paperless reimbursement process. During the reporting period, 17% of total reimbursement documents at TAL realized paperless process. In terms of interviews, we have reduced unnecessary resume printing and traveling by means of online interview. During the reporting period, TAL has conduct 7,932 online video interviews, accounting for about 19.5% of the total number of interviews.

1.2.2 Develop Low-Energy Consumption Technologies

TAL has transformed the traditional database into a big data warehouse with better storage and computing capabilities by building a new technical architecture. This not only reduced the cost of data storage but also improved the efficiency of data processing, thereby optimizing the energy consumption of data operation. Additionally, we have effectively reduced power consumption through a variety of technical measures, including service cloud-native computing and mixed deployment of storage resources, resource overcommitment and scheduling technology, hybrid cloud elastic architecture, precise capacity stress testing, and redundancy optimization.



Quantitative results:

During the reporting period, TAL has achieved annual power savings of about 3 million kWh by optimizing data storage and operation technologies. Total computing resources of the Group has reduced by about 34% compared with the previous reporting period.

1.2.3 Promote Green Workplace

At TAL, we continue to practice green workplace concepts and reduce energy consumption and improve the efficiency at work through various measures. Additionally, we have organized a series of activities to promote the reuse of goods and encourage employee participation to enhance their environmental awareness.

Energy Saving	* We reduce power consumption by adopting intelligent lighting with adopting human motion sensors that only illuminate the office area where employees are present;	
	* Improve energy efficiency by replacing high-energy-consuming desktops with low-energy-consuming laptops for employees. As of the end of the reporting period, about 66% of office computers are laptops;	
	* Replace tradition printers with a smart printer to save paper. Smart printers can reconfirm the files and quantities to be printed before continuing to process, which can effectively reduce paper waste caused by maloperation. As of the end of the reporting period, all printers in the Group's public office areas have been replaced with smart printers.	
Resource recycling	* We organized donations and encouraged employees to donate spare items, including school bags, stationery and course materials to schools they need;	
	* We have set up an online second-hand goods trading platform for employees to trade their spare items internally. We also regularly organize internal exchange events and other activities to recycle computers and other office supplies to ensure optimal utilization of resources and reduce resource consumption;	
	* We promote resource recycling by encourage the reuse and recycle of second-hand office furniture.	
Waste management	* Conduct waste sorting in the workplace. We have set up sorting bins in public areas and put up posters to enhance employees' awareness of waste sorting;	
	* We work with qualified third parties to dispose of discarded electronic devices in compliance with regulations, including discarded computers, projectors and hosts.	

Waste Disposal		Unit	FY23
Hazardous waste	discarded electronic equipment ¹	ton	31.47
	discarded toner cartridges	ton	0.61
	total emission	ton	32.08
	emission density	kg per capita	2.45
Non-hazardous waste	total emission	ton	1,025.87
	emission density	kg per capita	78.39

¹ Discarded electronic equipment include servers, hosts, switches, printers, projectors, laptops and other electronic devices, please refer to the ESG Key Performance Indicators table for detailed data.

1.3 Promoting Environmental Education

We strive to leverage our learning business strengths, carry out various environmental protection education courses and activities to enhance the public's environmental awareness and promote ecological civilization construction. We integrate natural science knowledge and environmental issues into our own products and teaching content to disseminate low-carbon and environmental protection concepts to students and the public through a variety of forms.

1.3.1 Incorporate environmental concepts into education

We have integrated the concept of environmental protection into our learning programs and teaching. In terms of curriculum offerings, we have developed a series of nature themed courses, such as *Where are the Rare Animals* and *Geography Around the World* to enhance students' science literacy and environmental awareness by increasing students' knowledge of basic natural sciences; Additionally, we have incorporated environment-related scenarios into the humanities and innovative thinking courses. For example, we use desertification control, biodiversity conservation, and carbon neutrality and other environmental issues as the background of teaching activities, to help students to see the importance and urgency of environmental governance and climate change. In addition, we create and distribute educational materials with environmental content, for example, we use animated pictures to educate children about waste sorting.

Case: Launch a series of nature-themed courses

In 2022, a brand under TAL - Xueersi Online School, has developed a series of nature themed courses specified for children. These courses encompass two major branches, life science and earth and space science, and consist of 12 themed lessons, including biodiversity and climate change. These include:

- * Themed courses, such as *Where are the Rare Animals* and *Great Animals That Live on Land and Water*, help students get to know endangered animals and the scientific methods of species conservation, while improving their awareness of wildlife conservation;
- * The courses, such as *Geography Around the World* and *The Mystery Behind the Weather*, cover the global climate knowledge and its impact to environment, encourage students to participate in climate change activities.



Part of the nature themed courses

Case: Incorporate environmental protection concepts into humanities and innovative thinking themed courses

During the reporting period, Xueersi Suyang, a brand under TAL, has incorporated several environmental protection themes into the humanities and innovative thinking courses, which encompass a variety of topics, including biodiversity conservation, waste utilization, energy conservation and emission reduction, and carbon neutrality. These include:

* Provide learning services on about various ocean problems, such as red tides, coral bleaching, plastic waste and so on, and animals that have become extinct due to environmental changes. Meanwhile, encourage students to deepen their understanding of biodiversity conservation through a variety of interesting activities, such as writing novels and watching documentaries.

* The innovative thinking courses help students understand the causes and impacts of the greenhouse effect, as well as knowledge of carbon capture and carbon neutrality. The courses enhance students' awareness of climate change by encouraging them to think about practical issues such as carbon emission management and urban greening planning.



Teaching materials on climate change

* Easy-to-understand stories and pictures are used to help students understand waste sorting, to cultivate awareness and form habits of waste sorting and recycling from an early age.



Handouts and teaching materials on waste sorting



Quantitative results:

For humanities and innovative thinking courses, there are 213 courses that incorporate the concept of environmental protection. The total attendance of these courses has reached hundreds of thousands. Among them, environmental protection related courses account for about 20% of the innovative thinking courses.

1.3.2 Diversified Approaches in Education

In addition to incorporating environmental topics into teaching content, TAL also actively carries out environmental protection education through a combination of online and offline approaches, such as charitable activities, lectures, live streaming, animations, and other communication methods.

Case: Help children explore bird migration areas with the charitable activity "Home of Birds"

In 2022, Xueersi Online School jointly holds an educational camping program for children with Beijing Expo Park. Under the guidance of experts, children in this program explored the bird migration areas to feel the charm of nature and understand the importance of environmental protection.



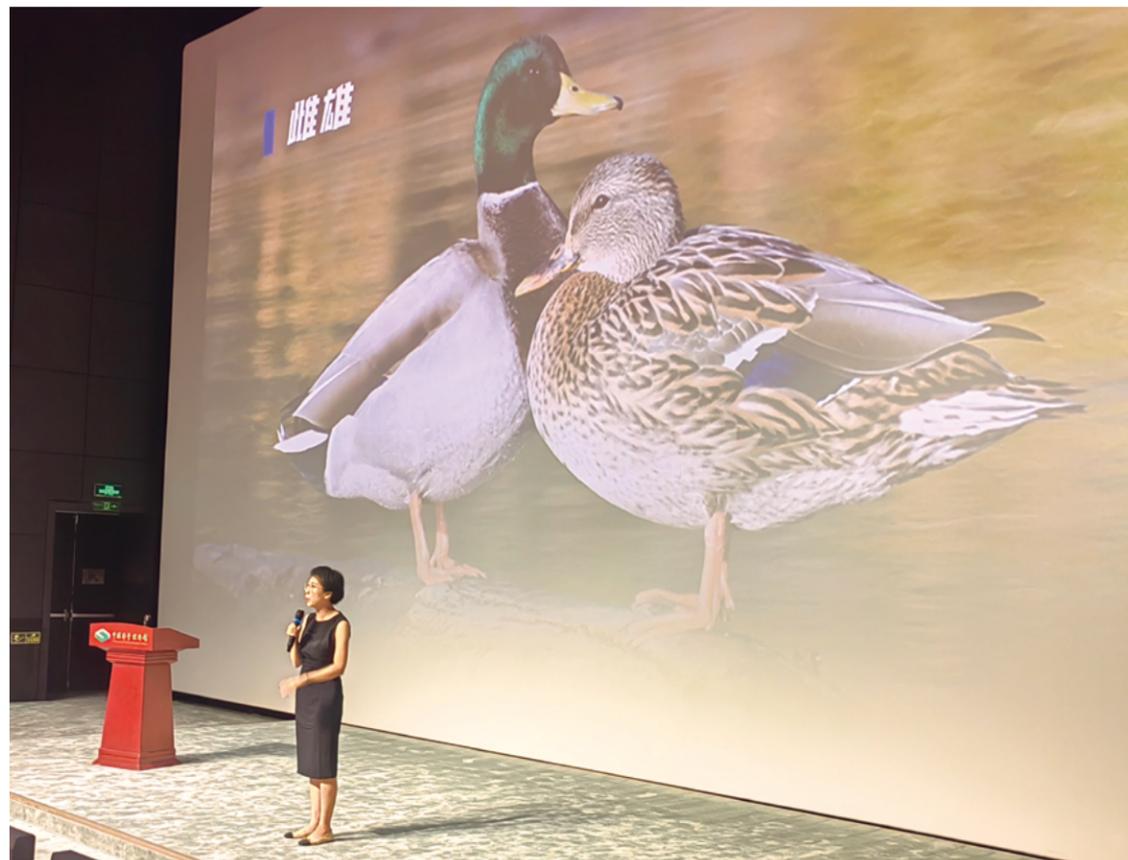
"Home of Birds" program

Case: Promote environmental protection by participating in and organizing educational lectures and live streaming

Xueersi Online School has participated in and held various educational lectures, including Magical Museum Tour lecture by CCTV and offline lectures by China Science and Technology Museum, as well as holding educational live streams, such as "Interesting Plants in the Kitchen" and "Deciphering the National Fossil Site", on the online platform.



Fossil Provenance Course



Themed activities of Volunteer Week at China Science and Technology Museum

Case: Communicate the concept of environmental protection by creating educational cartoon "JooJoo"

The "JooJoo" series of videos is produced by Xueersi Suyang, a brand under TAL, with the aim to truly help students "learn through play" by creating interesting cartoons about humanities, science, society, and common knowledge. During the reporting period, it has launched a series of "JooJoo" videos, in which 15% of the videos are related to clean energy, low-carbon life, afforestation and other environmental protection topics. These videos have 3.15 million views.



"JooJoo" environment educational videos

2. Support Employee Growth

Employees are the backbone of the sustainable development of a company. We value the contributions from every individual, and hope that every employee to be included in the development of our business. We want to support every employee to achieve career development, explore their own potential and gain continuous growing through excellent workplace atmosphere, employee rights and interests' protection, talent development system, and employees' welfare plan. Together with our employees, TAL strives to facilitate and promote the dissemination of knowledge and empower life-long growth with love and technology.

- > Talent Attraction and Retention
- > Employee Rights and Interests' Protection
- > Talent Development System
- > Employee Care Plan



2.1 Talent Attraction and Retention

It has become essential for every modern company to build a diverse and inclusive workplace culture to attract talents, and it is recognized as an important competitive advantage by many companies. As a technology company with the goal of becoming an organization driving continuous innovation, we adhere to the talent strategy of "Make dedicated talent succeed" to drive the all-round development of the Company by attracting and recruiting talents from broader and diversified recruitment channels. By the end of the reporting period, TAL has 13,100 employees (excluding part-time employees) from various countries and regions across the world. We respect and appreciate our employee's Independent personality, and committed to creating a fair, inclusive, friendly and harmonious working environment for every employee.

2.1.1 Equity and Respect

We adhere to the principle of equal employment opportunity and are committed to providing equal opportunities in all aspects of employee employment by developing and implementing the *Code of Business Conduct and Ethics*. We don't tolerate any unlawful discrimination or harassment based on any ground, such as race, ethnicity, religion, gender, age, nationality or any other characteristics, and provide equal opportunities for employees in recruitment, promotion, training, and other aspects.

We have developed the *Interviewer Manual* to further standardize recruitment management and provide a better interview experience for candidates. The Company clearly stipulates the interviewer's qualifications, etiquette, code of conduct, and penalties. It strictly prohibits any discrimination based on gender, marital status or regions, and will not tolerate slander or favoritism, and ensures that the principle of equity and non-discrimination is effectively implemented.

In the *Code of Business Conduct and Ethics* and *Five Rules for the Management of TAL Group*, it clearly stated that it is prohibited to insult or sexually harass employees, customers or work partners with words, pictures, languages or actions, or engage in any improper or indecent behaviors. Any employee involved in harassment or misconduct will be subject to disciplinary action, including termination of employment.

In addition, the *Code of Business Conduct and Ethics* also specifies the Company's policies on reporting, investigation and prohibition of retaliation. All concerns regarding the Code, as well as complaints or reports regarding known or suspected violations of the Code, will be treated with carefulness. The Compliance Officer and the Company will keep the matter as confidential and conduct investigation as required by law and the Company. The Company does not tolerate any retaliation against the whistleblower. Any employee that retaliates against the whistleblower is subject to disciplinary action up to and including dismissal.

2.1.2 Inclusion and Diversity Inclusion

As an organization that operates business in multiple countries and regions around the world, it's important for TAL to make sure every employee can integrate into our workplace, enabling them to maximize their potential and create diversified value. We believe that building a diverse team of talents from different countries, different cultures and different backgrounds helps us adapt to the rapidly changing market and customer needs. The continuous diversity in creativity can also drive the company to provide more innovative products and services.

"HER Power"

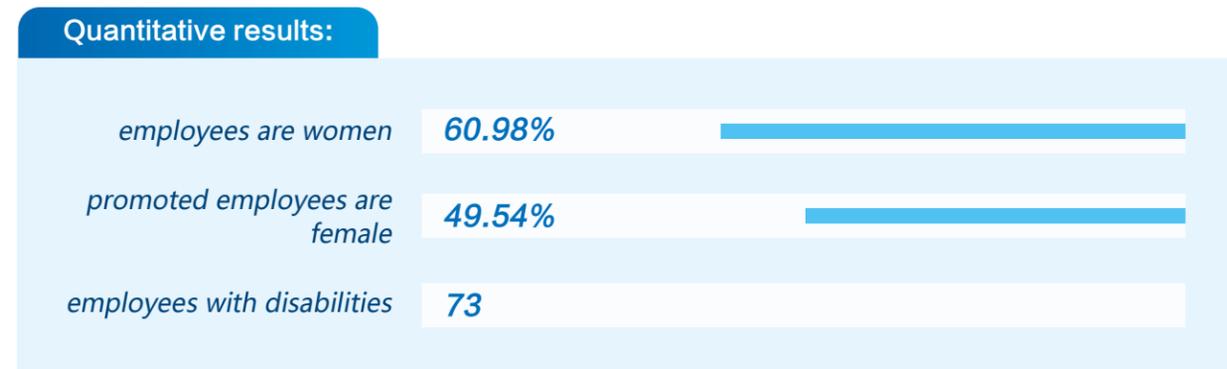
By the end of the reporting period, 60.98% of the TAL employees are women. We ensure that female employees can have equal opportunities in terms of recruitment, business capabilities, and training. We promote gender equality and diversity, and empower female employees to continuously improve themselves in a diverse environment where there is mutual understanding and support, to bring out the HER Power.

Cultural Diversity

We explore the diversity of work, embrace different cultures and ways of working, and strive to build an inclusive workplace. We provide multi-cultural communication support for business teams and functional departments across different regions, and embrace the local culture of overseas employees to effectively improve the organizational atmosphere and employees' satisfaction at work.

Employment Support for Disadvantaged Groups

We have always supported the employment of people with disabilities and other vulnerable groups. We strive to protect the lawful rights and interests of employees with disabilities, provide them with a friendly working environment, to make them feel cared for and warm. For special departments and entities that cannot provide jobs for the disabled, the Company has paid contributions to the Disabled Persons Employment Security Fund.



2.2 Employee Rights and Interests' Protection

We respect and protect the lawful rights and interests of employees, and strictly comply with laws and regulations of employment and labor rights protection in different countries around the world. We firmly oppose all forms of child labor and forced labor. In addition, we adhere to the talent strategy of "make dedicated talent succeed". We continue to optimize our compensation and welfare policy and performance management approach and listen to the voice and suggestions of our employees by setting up diversified communication channels.

2.2.1 Employment Compliance

We comply with the *Universal Declaration of Human Rights*, the *International Labor Organization Convention*, the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other international conventions on labor and employee rights, as well as the laws and regulations of the markets where we operate. We sign labor contracts with employees in accordance with the law, and implement the employment principles of compliance, equality, and non-discrimination in the whole process of employee recruitment and subsequent processes. By developing and implementing internal management documents, such as *Recruitment Management Policy*, *TAL Group Internal Referral Policy* and *TAL Employee Performance Management Policy*, we strive to safeguard the comprehensive and lawful rights and interests of every employee in accordance with the law.

Talent Pool Development Strategy

Every year, we conduct recruitment planning for campus recruitment, off-campus recruitment and consultant recruitment based on our business needs and labor budget. For campus recruitment, we have a clear talent selection model, in which candidates will be selected according to certain criteria and receive systematic training after onboarding. For off-campus recruitment, especially recruitment for middle and senior management staff, we have an ongoing "Meet the Talent" program to maintain a talent pool

of external candidates in relevant areas to ensure the stability of the company's management team.

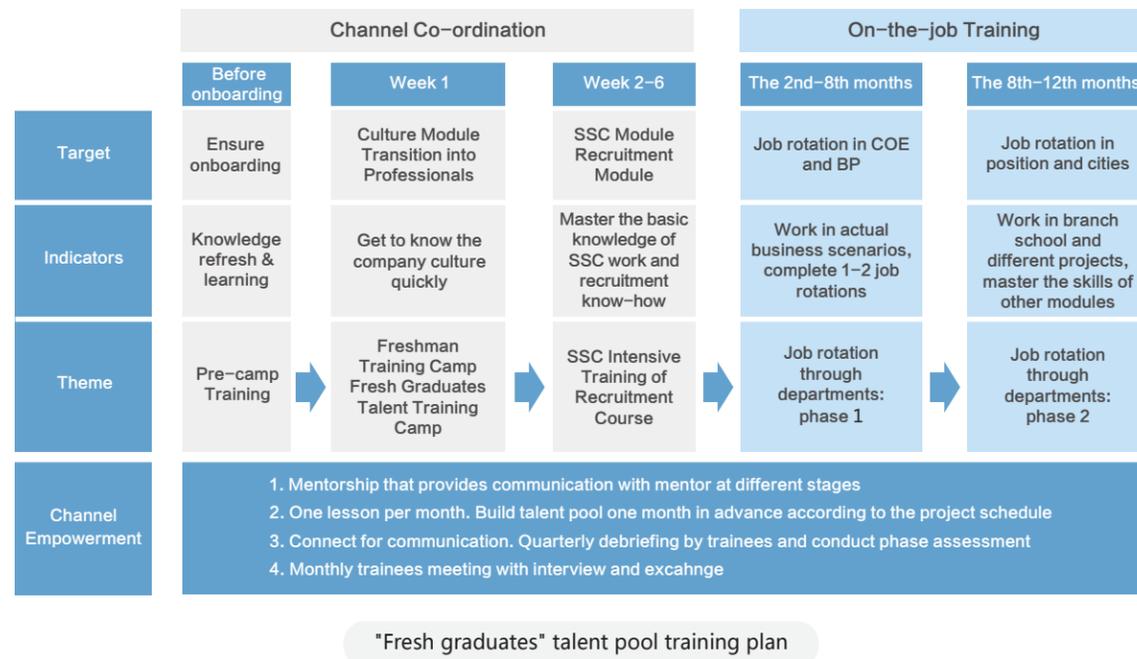


Case: Build a high-potential talent pool with a clear "Fresh Graduates Program" campus recruitment plan.

We have cooperated with major universities to jointly promote the cultivation and development of talents in education industry, empowering college graduates to get employment. With this, we create a campus recruitment plan named "Fresh Graduates Program" to build up a high-potential talent pool.

The "Fresh Graduates Program" is a management trainee acquiring program for HR professionals, which cultivates young talent through practice, job rotation, and multi-module learning projects. The "Fresh Graduates Program" has identified specified talent portfolio, selection standard, recruitment method and processes, and has formulated a clear development plan and long-term goals for each employee, in order to cultivate high-potential HR talents for TAL.

We also have specified campus and off-campus recruitment program for other technical positions to discover, cultivate and reserve high-potential talents.



2.2.2 Compensation and Benefits

We abide by the laws and regulations of the jurisdictions where we operate. We ensure equal pay for work of equal value and provide employees with market-competitive salaries and benefits. We have also established a comprehensive salary review and management system to provide performance-based compensation. In addition, we have launched an employee equity incentive plan to motivate the Company's core personnel and share the Company's development achievements with employees to achieve a win-win situation between the Company and our employees.

Employee Performance Management

To make sure everyone understands the Company's strategic goals through the performance management system, we have formulated the *TAL Employee Performance Management Policy* to unify and standardize the performance management work, so as to leverage performance management to achieve the Company's business goals, long-term construction of organizational capabilities and performance improvement.

In accordance with the principles of "strategy-oriented, objective and impartial, combination of qualitative and quantitative appraisal, and communication and feedback", we carry out employee performance management in four processes: performance planning (Plan), performance coaching (Do), performance appraisal (Check) and performance application (Action). The appraisal cycle is every 6 months or 12 months. Based on the employees' self-evaluations, direct superiors carry out the performance appraisal of their direct subordinates, and the final performance appraisal results will be reviewed and approved by managers at all levels. The performance appraisal results will directly connect to the performance bonuses, promotion and development opportunities, salary adjustments, etc.; meanwhile, the Company will also provide tailored performance improvement plans for underperforming employees to support the continuous development of employees' capabilities. At the same time, the Company has an appeal process in place. In this process, the HRBP will verify with the direct supervisor and higher-level leaders of the complainant and reply to the complainant within the specified period to ensure that the employee's appeal receives timely feedback and effective response.

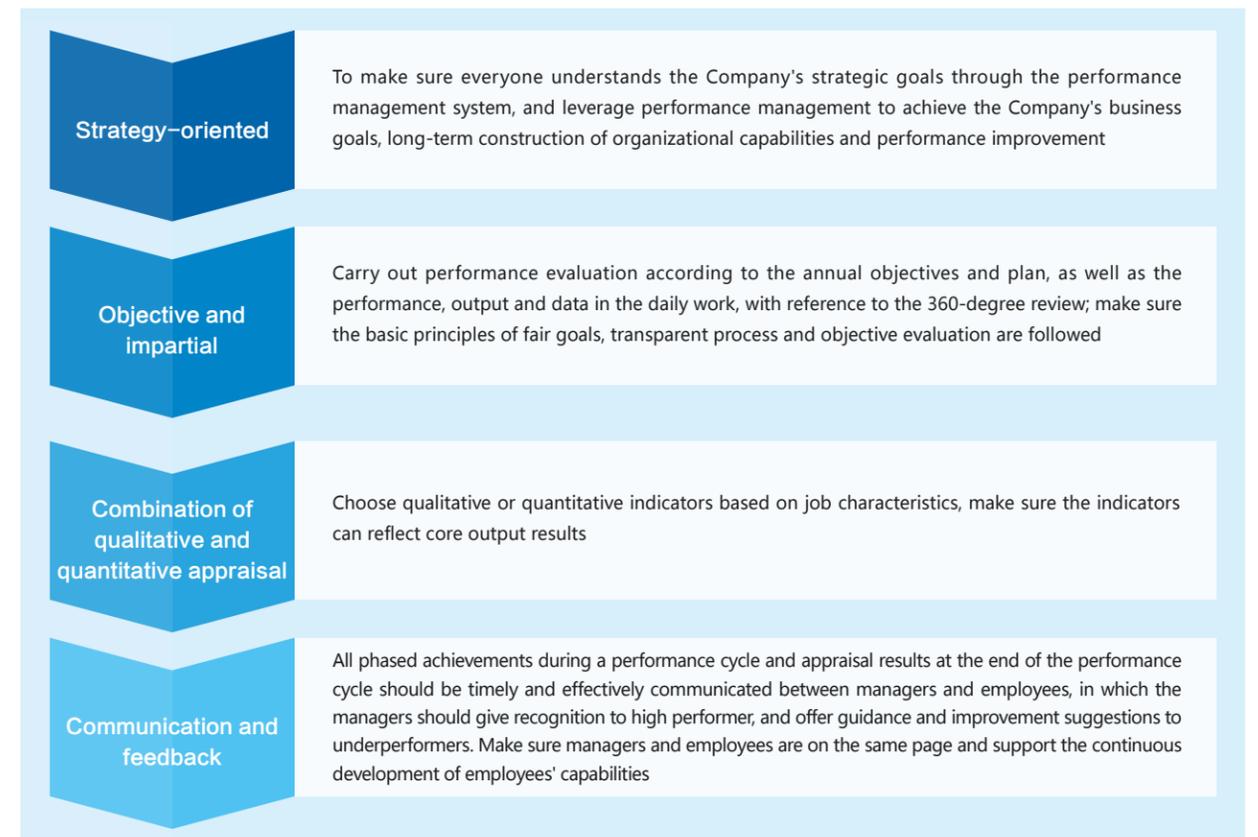


Diagram: Employee Performance Management Principles

Employee Welfare Plan

Being a people-oriented organization, we strive to optimize the welfare of employees and take various approaches to ensure their welfare, which cover health care, common growth, festival offers and other benefits. Meanwhile, we also pay attention to the changes in employee needs, and continuously improve our employee welfare protection infrastructure based on employee needs and the company's development and profitability.



TAL employee welfare

2.2.3 Engagement and Communication

TAL adheres to the talent strategy of "make dedicated talent success". Dedicated talent stands for those who can take full accountability and deliver solid results with all their hearts. To make dedicated talent succeed" is to empower these people and share value with them. At TAL, we believe that different voices and ideas should be heard and encouraged. Building a culture of sharing and proactive communication helps boost the resilience of the Company. Every year, we hold various company-wide activities, such as all-hands meeting, the annual opening meeting, and the celebrations of the Company's foundation day, at which the Company's management team will share the latest strategic blueprint, recognize outstanding employees, and put a spotlight on the "dedicated talent". Since August 2022, we began to hold monthly all-hands meeting to help employees understand the Company's strategy, business direction, organizational changes, etc., in a more timely and comprehensive way, answer employees' questions, and provide more communication opportunities and channels for employees.

Case: Expand communication channels for all employees by holding monthly all-hands meetings

In August 2022, the Company officially kicked off the monthly all-hands meeting project to make sure every employee can fully understand the Company's situation and business and have the opportunity to communicate and interact with top-level management. At the monthly meeting, the Company president will show the Group's OKRs, to achieve the mutual understanding of objectives and make sure everyone in the team is on the same page. In addition, the monthly all-hands meeting will have a Q&A session where the heads of each business unit will present their business conditions to everyone to strengthen cross-functional understanding and collaboration.

Employee Communication Platform

"TAL YOUNG" is a diverse employee communication platform established by TAL. The platform operation adheres to the values of "openness and honesty". It is designed to create a beneficial cultural community with an open and transparent organizational atmosphere. Here the employees can share their stories in daily work, company news, product experience and technical issues, business development and organizational suggestions. Everyone jointly improves the working environment and work experience through responsible information sharing, exchange, and learning, recording of their stories and mutual support.



Employees' sharing and exchange on TAL YOUNG

Employee Engagement Survey

A professional and independent third-party consulting firm has been commissioned to conduct an Employee Engagement Survey to understand employees' feelings and feedback at TAL, which helps TAL to develop effective responses to key issues. During the reporting period, all full-time employees have participated in an online anonymous survey by email invitation. Through the survey, they have shared their feelings and opinions on a variety of matters, including the Company's strategy, operational efficiency, work culture, salary, and benefits. 7,653 valid questionnaires have been collected for this survey (accounting for 68.70% of the total survey subjects). Survey results show that "team atmosphere", "culture" and "teaching mission" are the top three factors of employee satisfaction at TAL; more than two-thirds of the participating employees are satisfied with TAL's "team atmosphere". At the same time, the participating employees have raised critical issues that need to be addressed to help us continuously improve our management decisions.

2.3 A Sound Talent Development System

Talent training and development has always been a priority at TAL. We constantly improve the employee development system and empower every employee to explore their potential and realize their self-worth by providing a wide range of development opportunities and learning resources, thereby achieving the common growth between the Company and employees.

2.3.1 Career Development Opportunity

We have the *TAL Promotion Policy* in place to ensure equal and fair promotion. Every year, we offer multiple promotion opportunities to support the rapid growth and development of employees. In addition, we have built a promotion platform to ensure open and transparent policies, processes, and opportunities around employee promotion. We have clear principles and requirements for promotion shortlisting, evaluation, review process and promotion ratio, etc., and continuously improve the incentive and restriction policies.

◎ Dual-channel Development Mechanism

We have designed and promoted a professional (P) and management (M) dual-channel development mechanism. Complying with the requirements of efficient and flat management, we provide employees with more career development opportunities, take accurate training actions and form a diversified talent development concept, laying the foundation for innovation with a professional atmosphere. Employees can choose a development path suitable for themselves from a variety of areas, including technology, Internet products, design, human resources, etc., as long as it is in line with their own career development planning and they can meet the capability requirements.

◎ Selection Criteria and Communication Platform

We have established unified and professional selection and evaluation criteria so that employees understand the competency requirements for career development. We strictly follow the unified criteria for talent selection to ensure equal and fair internal talent training and development. In addition, we have built diverse communication platforms for regular sharing and learning of professional knowledge, while effectively implementing training plans. This helps to leverage the career development channel to optimize talent allocation, allowing more employees to realize their value in suitable positions.

◎ "Talent Ecosystem"

We have launched the "Talent Ecosystem" to enable free movement of talent between internal positions to increase the Company's vitality and flexibility. According to the program, employees who meet the requirements of the "Talent Ecosystem" can apply for their desired positions on the Company's internal platform; if the application is approved, they will go through an interview. Once they have passed the interview and their new job offer is confirmed, they can move on to complete the handover process. The "Talent Ecosystem" not only helps to build internal employee mobility standards, but also creates opportunities for talents to thrive on different positions and functions, thereby cultivating more T-shape talents.

2.3.2 Talent Training System

Talent training is the driving force behind the sustainable development of a company. Talent training is one of our priorities and we have developed a diversified, high-level and all-round talent training system to provide supporting courses and resources for the Company's professional (P) and management (M) dual-channel development. In addition, we have designed customized talent training programs for new employee, new managers and new directors. We strive to create a favorable environment for all employees to grow by continuously improving a clearly graded training system and specific career development training programs.

In terms of training platform construction, we have launched the TAL E-learning platform, which offers learning resources for all employees and part-time teachers. After nearly 5 years of development, the TAL E-learning platform now offers 7,685 courses, divided into various sections, including business division, professional colleges, general categories, corporate culture, organization, and special projects. The training participation on the platform has reached 168,491.

	Knowledge and skills (online)	Cultural Journey (offline)
New directors	12 online courses covering all aspects, preparing a new director for the challenges at work	New directors build the culture <ul style="list-style-type: none"> Cultural inheritance: identify and reflect on the culture, promote culture construction and reform Physical challenge: challenged your physical limits, explore your potential to gain better self-knowledge
New managers	24 courses of self-positioning, in-depth analysis of the culture, and development of all-round capabilities	New managers Practice the culture <ul style="list-style-type: none"> The Three Tests – culture: lead by example, apply what you learn about the culture on management and influence others The Three Tests – stamina: learn to effective use your energy and do your best through a 35km hike
New employee	19 learning topics, enable new employee to have a systematic understanding of TAL, grasp basic work skills and go through the adaptation period	New employee learn the culture <ul style="list-style-type: none"> New employee: game-like learning experience Live streaming with company founder: Mr. Zhang Bangxin talks about the Company's culture and history, and interprets culture from his own personal experience

Customized talent training programs for new employee, new managers and new directors

Quantitative results:

By the end of the reporting period, The TAL E-learning platform offers 7,685 training courses (552 courses were added during the reporting period)

168,491 training opportunities have been provided for employees (16,976 training opportunities during the reporting period)

During the reporting period, the average training hours of employees was 5.27 hours, the participation rate is 47%

◎ **New Employee Program**

The "New Employee Program" is TAL's special training program for new employee. It is designed to help new employee progressively grasp the Company's culture and values through a variety of activities, including self-study, fun games, and reflection, helping new employee adapt to the organization and gain a sense of belonging. Meanwhile, the New Employee Program is an important tool to help the fresh graduates establish career awareness and develop vocational skills.

Case: Facilitate new employee integration through the New Employee Program

The design of the New Employee Program is based on the four phases of learning, that is, "awareness-appreciation-recognition-behavior change". It offers new employee the first opportunity to systematically understand TAL and learn the culture of TAL, and has always been the most important tool for new employee integration. The New Employee Program is designed for all new full-time employees, full-time teachers and contract teachers. The program consists of four parts: Onboarding Class, New employee Online Courses, New employee Training Camp and BP Support Club.

On the one hand, the Program helps increase new employee's confidence and inspire them to grow together with TAL by introducing the Company's vision, mission, culture and business; On the other hand, through the special courses and mentor guidance, it can effectively help new employee establish professional awareness, grasp the Company's red-line rules, and achieve efficient networking, which not only help them build friendships but also facilitate their cooperation and communication at work in the future.

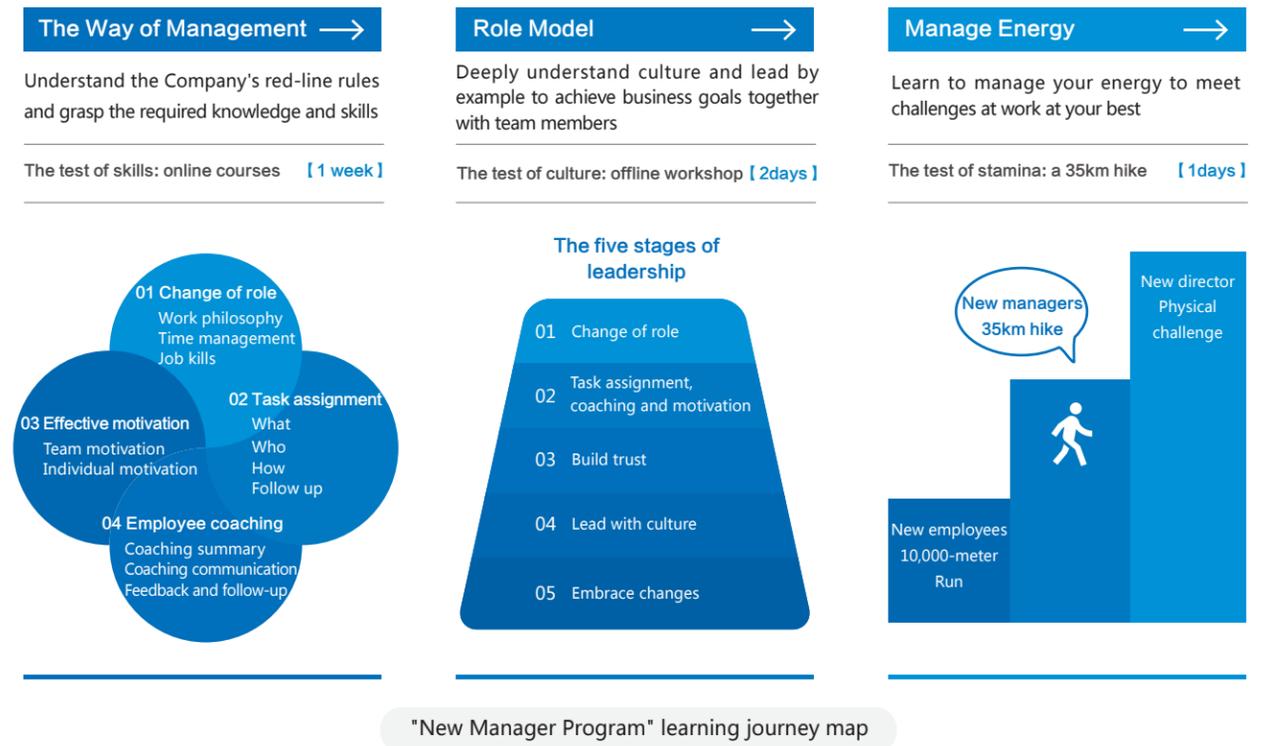
During the reporting period, the New Employee Program has provided 29,958 hours of training for 4,829 participants.



Overview of the New Employee Program training system

◎ **"New Manager Program"**

The "New Manager Program" is a mandatory course for new TAL managers in their first year in the role. Together with the New Employee Program for new employee, and the New Director Program for new directors, they have formed the three entry training programs of TAL. The "New Manager Program" revolves around "three tests" by providing a trainee-centered experiential learning experience. In the "New Manager Program", trainees get to understand the role change as managers, and complete the transformation of "knowing" to "doing" by actively learning and practicing management skills at work, to achieve the unity of knowing and doing.



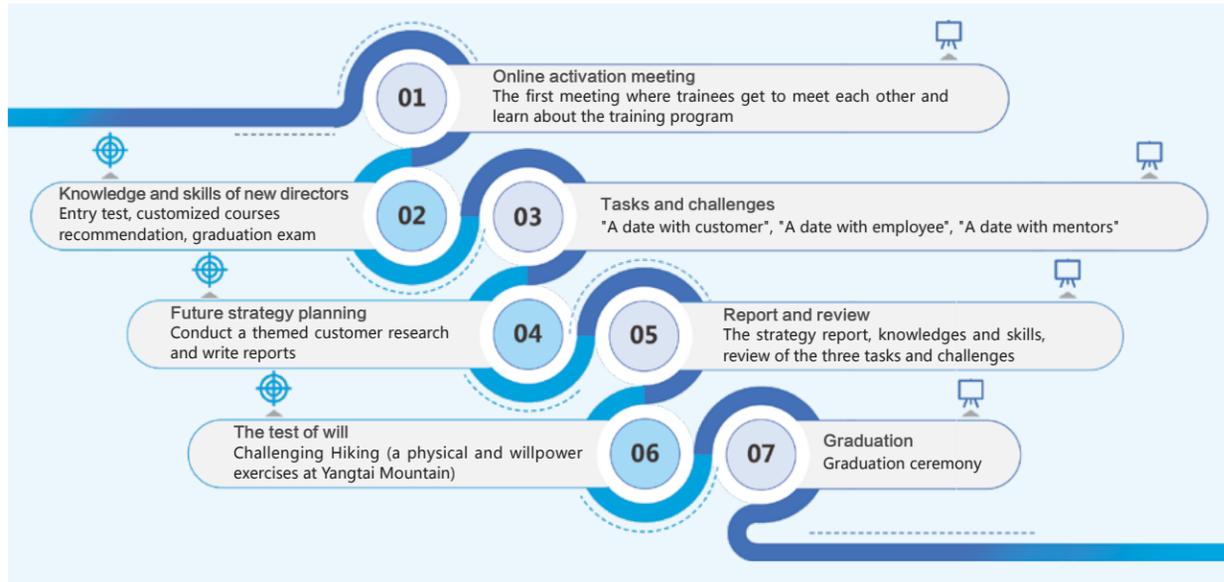
"New Manager Program" learning journey map

◎ **New Director Program**

The "New Director Program" is a mandatory course for newly promoted directors at TAL. It consists of seven parts: online activation meeting, learning and assessment of knowledge and skills, three task challenges, future strategy planning, report and review, test of will and graduation ceremony. The "New Director Program" aims to help new directors improve their management skills and convert that into practical results by fostering their capabilities in decision-making, strategic development and modern operation and management. During the reporting period, the New Director Program has provided 176 hours of training for 8 participants.



Poster of the launch of the 5th New Director Program



The "New Director Program" learning journey map

◎ Other Training Programs

To promote the continuous professional development of employees, we have carried out a variety of special trainings for new employee in addition to the above training programs; meanwhile, we encourage employees to actively participate in all kinds of learning and training, and support them to obtain relevant degrees and certificates through cooperation with third-party institutions in specific areas, to meet employees' learning and training needs. For example, we provide new employee with free professional qualification preparation resources through cooperation with third-party platforms. We jointly held the "Beidou Project - TAL and Tsinghua Economic Management Seminar" with the School of Economics and Management of Tsinghua University to provide courses related to strategy, brand marketing, financial management and leadership for middle and senior management.

📎 Case: Provide "New Teacher Training" courses to help new full-time and contract teachers develop teaching skills

The Company provides ongoing new teacher training through online and offline courses to help new teachers grasp TAL's teaching requirements and master the skills required for enrichment learning services; the training courses cover the concept of enrichment learning services, lesson planning guidance, instructions for using teaching equipment, classroom interaction skills, and introduction of online teaching platforms. After teachers start teaching, they will gather together every week for an offline group lesson planning meeting, where everyone will exchange ideas and share experiences.



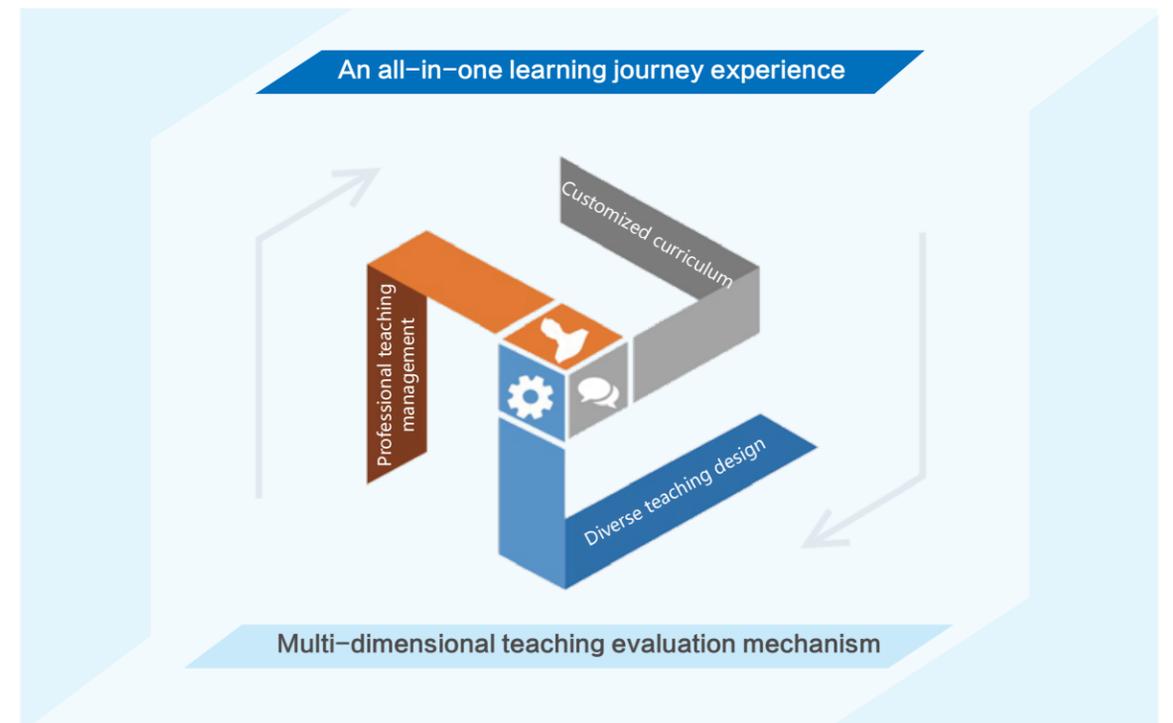
New Teacher Training poster

📎 Case: Launch the "Beidou Project - TAL and Tsinghua Economic Management Seminar" with Tsinghua University to strengthen leadership training

TAL has launched the "Beidou Project - TAL and Tsinghua Economic Management Seminar" with the School of Economics and Management of Tsinghua University to improve middle and senior management's abilities to cope with management challenges, cultivate their strategic view of science and technology, and build their change leadership, so as to better adapt to changes in business environment and the adjustment of development strategies at TAL.

The "Beidou Project - TAL and Tsinghua Economic Management Seminar" mainly revolves around three modules of understanding, application, and innovation. The Seminar includes a variety of learning activities, such as high-quality online and offline learning and research, application and practice, management assessment, case study, business simulation, cross-border exchange, and visit and study. It's designed to stimulate participants' self-awareness, in-depth thinking, and a self-driven sense of change, and ultimately build a leadership talent pool for the sustainable development of the Company.

By the end of the reporting period, 49 employees have participated in the "Beidou Project - TAL and Tsinghua Economic Management Seminar".



Course ideas of "Beidou Project - TAL and Tsinghua Economic Management Seminar"

2.4 Employee Care Plan

We appreciate the value created by employees. We give priority to their physical and mental health and safety, and advocate a good work-life balance. Through a variety of employee care activities, we strive to create a healthy and comfortable workplace with a safer, more pleasant, and humanized working environment for all employees, prevent and mitigate occupational health accidents and the damage, and ensure that employees can have healthy and pleasant work and life.

2.4.1 Inspire Employee Vitality

We publish information on employee care on the "TAL YOUNG" employee communication platform, which covers holiday celebrations, mental health care, sports activities and other topics, to help employees cultivate after-work hobbies and interests, stimulate their vitality and work enthusiasm, while effectively increasing employee interaction and communication. During the reporting period, we launched the "TAL Good Night Program" to encourage employees say goodnight to each other to help everyone regulate emotions and relieve pressure during the special period. This helped employees, who were working from home due to the pandemic, maintain good psychological health.

Case: Launch the "TAL Good Night Program" to protect employees' mental health during the pandemic

During the outbreak of the Covid-19 pandemic, the Company launched the "TAL Good Night Program" to encourage employees to say goodnight to each other to help everyone working from home regulate emotions. This allows employees to feel the care and companionship from their partners and the Company and help them come out from the shadows of the pandemic with a good attitude while spreading positive energy and warmth to others.

The "TAL Good Night Program" was launched by "Little UP", the Company's official account, in the Company's group. After collecting the goodnight messages on Yach APP, "Little UP" would send the goodnight message to everyone participating in the activity, sharing warmth, encouragement, and love to the TAL employees.



"TAL Good Night Program" poster

Case: Organize the "10,000-meter Run" activity to encourage physical exercise

The "10,000-meter Run" is a long-established event at TAL since the Company's inception. After working up a sweat, employees not only can experience the fun of exercise but also strength their friendship with other partners and feel a sense of achievement from going all out.

From September to November 2022, the Company organized a "10,000-meter Run" event. There were two formats, "Free Run" and "Run Together", which aims to encourage employees to start running anytime, anywhere. In the "10,000-meter Run" event, we have set up two rankings, the "speed rankings" and "mileage rankings", in this 10,000-meter run. Employees listed in these rankings would receive gifts prepared by the organizing committee; Departments that participated in collective 10,000-meter run also received a limited 2022 10,000-meter Run gift box. During the event, a total of 1,414 employees completed the 10,000-meter Run with 3,737 runs, covering a total mileage of 37,370 kilometers; another 484 employees got active and participated in the "Free Run" sport, although they did not complete the 10,000 kilometers in a single run. During the reporting period, the total mileage of all participants in the "10,000-meter Run" and "Free Run" reached 93,832.2 kilometers.



The "10,000-meter Run" in autumn

Case: Organize the TAL Guinness Records event to encourage employees to exercise

The Company held the first season of the TAL Guinness Records event in December 2022 to let employees experience the joy of exercise and the excitement of meeting challenges, while strengthening the interaction and communication between different departments. The event consists of individual competition and team competition, and participants competed in planks, push-ups, jumping jacks and other tasks. Individuals or teams who achieve the best results in the event will receive a TAL Guinness Records Certificate with prizes and light up their TAL Guinness Records Medals.



The TAL Guinness Records certificate

Other Employee Care Activities



My Family's Chinese New Year's Eve Dinner activity



New Year's Day Photography event



Spring Celebration (left), Home 520 themed event (right)

2.4.2 Ensure Occupational Safety

We attach importance to occupational health and safety management and strive to prevent workplace accidents and minimize occupational health risks with a series of measures, including conducting first-aid training and fire safety training, strengthening safety management, organizing regular physical examinations, and providing medical insurance, to effectively protect employee safety and health with practical actions.

Case: Jointly conduct Red Cross first-aid training to improve emergency response capabilities

In July 2022, the Company and the Red Cross Training Center jointly held a Red Cross first-aid training, which included theoretical knowledge and practical skills on cardiac resuscitation, the use of AED and first-aid treatment for injuries. At the end of the training, the employees who received the training were awarded the "First-aid Certificate" by the China Red Cross. The training will help the Company create a safer and more secure working environment, and effectively improve our emergency response ability.



Red Cross first-aid training



AED equipment and free masks are provided

Case: Strengthen electrical safety management and create a safe workplace

In our daily safety inspections, we pay extra attention to continuous safety inspection on the use of high-power electrical appliances in the workplace to eliminate potential safety hazards, ensure electrical safety and avoid electrical fires and electric shock accidents caused by improper use of electricity. In addition, the Company has optimized the electrical safety requirements in the workplace and further strengthened the promotion of safe electricity use, striving to ensure the safety of all employees in the workplace with a variety of measures.



Electrical Safety poster

3. Support High-Quality Development of Learning

Awareness is growing of the importance of education in a rapidly evolving world. Access to quality education not only helps improve people's livelihood but also forms an important foundation for social sustainability. At TAL, we are focused on science education, scientific and technological innovation, and popular science. We are dedicated to developing high-quality, diversified learning products to provide a useful complement to the public education system and meet the needs of our customers for lifelong learning. We strive to provide every customer with comprehensive, quality services, resolutely safeguard the legitimate rights and interests of every customer, and leverage advanced technology to promote robust development of global education.

- > Develop quality learning products and solutions
- > Deliver Quality Service
- > Safeguard customers' rights and interests



3.1 Quality Learning Products and Solutions

Education is fundamental to growth and is crucial for a successful future. Education enables people to acquire knowledge and skills, which drive social and economic development, and also cultivates innovative, future-ready talent in line with social and economic trends. TAL realigned the focus of business to enrichment learning services in 2022. On the basis of two enrichment learning brands – Xueersi Suyang and Xueersi Online School, TAL has been committed to developing quality learning products and solutions, getting students ready for the future, and providing a useful complement to the public education system.

3.1.1 Xueersi Suyang: Empower Students Through Innovative Enrichment Learning Programs

With a focus on personal qualities and skills of future-ready talent, Xueersi Suyang is an innovative frontrunner in learning services and developed a diversified enrichment learning system, which consists of innovation and creativity, humanities and aesthetics, coding and programming, science and experiments, etc., and aims to cultivate innovative mindsets and creativity in students and get them ready for the future. Xueersi Suyang operates schools in dozens of cities across China. In addition to small classes in these schools, Xueersi Suyang offers small online classes and live-streamed lectures to students in other cities.

Innovation and creativity



We have developed a comprehensive knowledge framework as the basis for learning, which encompasses six subjects: architecture and structure, city and life, earth and space, logic and relationship, economy and law, information and intelligence. We lead children in exploring these areas in real-life scenarios.

In the innovative thinking class, we organize a variety of scenario-based group learning activities that motivate children to practice, arouse their interest in learning, improve their learning ability and train them in interdisciplinary thinking and complex decision-making in real-world situations.

Humanities and aesthetics



The arts and humanities program consists of five subjects: folk customs, nature, cultural heritage, society, and topical events. It aims to foster creativity in children and improve their cognitive skills and critical thinking about nature, society and emotions.

We divide a creative process into four steps: develop a vision, acquire information, express viewpoints, and present a work. This creative process helps children express themselves more fluently and profoundly and encourages them to create diverse forms of works.

Science and experiments



This program aims to cultivate curiosity in children and help them develop science knowledge and skills through scientific experiments. The curriculum covers four basic science subjects: physical science, life science, earth and space, and technology and engineering. It cultivates 12 scientific process skills through a capability development system for children aged between 6 and 12.

We give timely and positive response to children's curiosity through the Dual-Teacher Mode. We adopt the STEAM approach and integrate the knowledge framework, teaching process, and teaching aids to foster scientific inquiry and practical skills.

Coding and programming



This program consists of robot programming and programming for children. It aims to help children develop a mindset that is aligned with the information age, learn to apply holistic thinking, including abstraction, decomposition, modeling and solutions, in problem solving and turn computers into useful tools for problem solving.

We offer small classes and develop a progressive programming training system for children aged between 3 and 16. Our fun learning programs launch children on a fantastic journey of programming and AI.

Enrichment Learning Programs of Xueersi Suyang

During the reporting period, we have made consistent effort to optimize and upgrade our enrichment learning programs from the perspective of design, teaching, and teachers. Meanwhile, we have launched Xueersi Live Room. Through the creation of a variety of real-life scenarios, we have guided students in exploring the unknown, thinking creatively, and innovating boldly, which has unleashed their potential and enlightened them.

◎ Optimize and Upgrade Enrichment Learning Programs

Xueersi Suyang aligns the latest technological advances with the changing needs of consumers to keep optimizing the enrichment learning programs as well as the auxiliary products. We have upgraded teaching technology, improved our product portfolio, and taken many other measures to make our enrichment learning programs even more science-based, more advanced, and more innovative. On this basis, we have improved the overall design of our enrichment learning system and helped our students hone skills for the future.

📎 Case: Take Many Measures to Optimize and Upgrade Enrichment Learning Programs

We conducted a Net Promoter Score (NPS) survey on our enrichment learning programs for the autumn semester in 2022, to find out how our customers feel about our products, what causes bad customer experience, and to identify the core customer value of our products. Based on the survey results, we have implemented a series of measures to further improve our products, services, and customer experience.

Use Science and Technology to Improve Learning Experience and Increase Students' Interest in Learning

Based on the survey results, we have upgraded the overall design of our enrichment learning system from teaching and learning materials like animation, courseware, and course materials to R&D including AI drawing. To improve students' ability to learn by analogy and solve problems, we use real images for the illustrations in our picture books and background pictures of our animations to align the product design with real-world situations.



Application of AI Drawing in our Products

Upgrade the Product Portfolio to Further Improve our Enrichment Learning Services

We have combined the breadth and depth of enrichment learning for every product line of Xueersi Suyang. Relevant knowledge and progressive logic are embedded into the bottom layer of our products. Interesting scenarios are designed to arouse students' interest in exploring new knowledge and help students learn more efficiently.



An Enrichment Course – An Adventure in the Human Body

◎ Launch Xueersi Live Room

Based on the concepts of learning services we have adopted over the past years, we invested in-demand and high-end resources including teachers, information, courses, and materials to launch Xueersi Live Room to promote the brand philosophy of Xueersi Suyang, improve our enrichment learning services, and broaden children's minds. From August 2022 to February 2023, Xueersi Live Room's livestreams have been viewed 2,507,198 times, which have provided practical long-term enrichment learning plans and suggestions for millions of families and students.

📎 Case: Learning Live Streams at Xueersi Live Room

Xueersi was invited to attend "Everything can be Learned", a learning live-streaming campaign organized by Tencent Video, on November 14, 2022. Hu Wenjun, an expert of the Classics Department of People's Literature Publishing House, and Guan Shuge, an editor of the must-read books for primary and secondary school students of People's Literature Publishing House, were invited to share their viewpoints about *How to Help your Children Fall in Love with Reading*. They also shared with the audience a reading list for different age groups made by Xueersi and the People's Literature Publishing House.

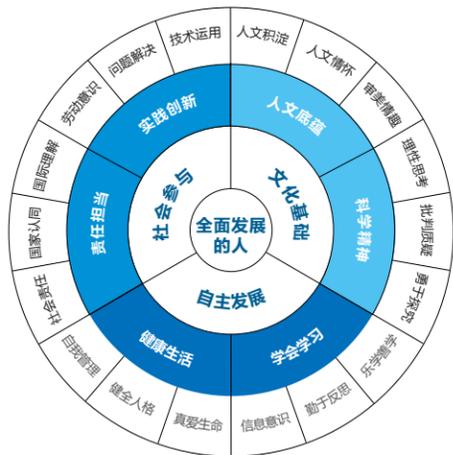


Experts of People's Literature Publishing House were invited to attend "Everything can be Learned"

3.1.2 Xueersi Online School: Develop Comprehensive Online Enrichment Learning Programs

Following the guidelines of the *Core Competencies Framework for Student Development in China*, Xueersi Online School provides easily accessible and quality online enrichment learning programs and life enrichment programs for children aged 6 to 14, and helps them develop key skills and qualities for their age.

Our online enrichment learning programs are designed to enrich children's knowledge and skills in arts and humanities, science, programming and robotics, nature, and other fields. They introduce children to the world of humanities and science and help them develop essential skills that make them more culturally enlightened. Our online life enrichment programs aim to cultivate interest in morality, culture, sports, arts, and other fields. They help broaden the horizons of children, enrich their knowledge and skills, nourish lofty aspirations in them, and enable them to contribute to society.



Core Competencies Framework for Student Development in China



Enrichment Learning Programs/Life Enrichment Programs

◎ Promote Diversity in Classrooms

Xueersi Online School encourages students to express themselves and demonstrate their skills. We have organized a variety of themed activities to enrich the life experience of every student and help them be the best version of themselves.

Case: Xueersi Online School Organized Various Enrichment Activities

During the reporting period, Xueersi Online School has organized a variety of enrichment activities to meet the diverse learning needs of our students and create opportunities for them to cultivate interest and demonstrate skills.

"We are Writers" Writing Contest

The Humanities and Aesthetics Division of Xueersi Online School organized "We are Writers" Writing Contest in September 2022. About 7,000 children submitted their compositions, in which they used the methods they had learnt in class. The contest aimed to arouse children's interest in writing, provide an opportunity for them to demonstrate their writing skills, and help them develop good learning habits. 200 excellent compositions had been compiled into *A Collection of Excellent Compositions in Humanities and Aesthetics*.



A Collection of Excellent Compositions in Humanities and Aesthetics

The Science Reporter Summer Camp

The Scientific Thinking Division of Xueersi Online School organized the Science Reporter Summer Camp in collaboration with news agencies in 2022. Participants became science reporters who had a dialogue with scientists and discovered the mysteries of the outer space, fossil animals and plants, and cutting-edge technologies. During the summer camp, we had received about 2,000 submissions. After several rounds of screening and evaluation, 108 works stood out and their creators - 110 students - became news agencies certified science reporters.

<p>Humanities and Aesthetics</p>	<p>Scientific Thinking</p>	<p>Coding and Programming</p>	<p>Nature</p>
<ul style="list-style-type: none"> * The humanities and aesthetics program independently developed by Xueersi Online School aims to foster learning ability, thinking skills, creativity, and aesthetic perception in students through experiential, inquiry-based, and project-based activities. * The humanities and aesthetics program consists of literature, natural science, art, and so on. The curriculum is designed to inspire creativity in children. We encourage children to read the works of great writers and learn writing and love writing in the process. We also introduce the concept of critical reading into classroom and bring history books and classics to classroom, which inspire children to think from multiple perspectives and think critically and independently. 	<ul style="list-style-type: none"> * The scientific thinking program aims to foster students' interest in science learning, encourage them to love science, enrich their science knowledge, improve their innovation skills and cultivate future scientists. We have integrated Chinese standards for K-9 science learning and U.S. NGSS as well as the concepts of brain science and child psychology in our curriculum, to improve children's thinking skills and innovation skills and establish a spiral teaching system that is aligned with the cognitive skills, mental state, thinking skills and practical skills of children in each key development period. * This program covers life science, physical science, earth and universe, engineering technology, humanities and social sciences, and other subjects. It trains children in different fields of disciplines, motivates them to learn, helps them develop problem-solving skills in real-world scenarios, and gets them ready for the future. 	<ul style="list-style-type: none"> * Xueersi Online School offers online coding and programming courses for primary and secondary school students across China. This program aims to cultivate the next generation of ambitious, talented, and responsible professionals in artificial intelligence and other technological fields, and enhance the information awareness, computational thinking, digital learning and innovation, and social responsibility of primary and secondary school students in the information age. * Our online coding and programming courses are designed for youths and encompass Scratch, Python, and C++. To meet the diverse learning needs of our students, we offer dual-teacher large class live stream, small class live stream, recording of lectures, etc. 	<ul style="list-style-type: none"> * Following the guidelines of the <i>Core Competencies Framework for Student Development in China</i>, Xueersi Online School designed a natural sciences program for children aged 7 to 14. This program develops a natural sciences knowledge framework for children and creates an immersive classroom for them with nature as teacher. We divide nature exploration into five steps for children to encourage them to explore the unknown and improve their observation and perceptual skills. * The natural sciences knowledge framework encompasses life sciences, earth and space science, and interdisciplinary learning. "My Nature Museum" class explores the 4.6 billion years of evolution and history of life on earth through 14 themes and helps children develop a scientific outlook on life.

Enrichment Learning Programs of Xueersi Online School

The Science Reporter Summer Camp

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Science Reporter Certificate Accredited by News Agencies

The 2022 China Youth Electronic & Information Intelligent Contest

Students of the coding and programming class of Xueersi Online School participated in the 2022 China Youth Electronic & Information Intelligent Contest, a nationwide popular science project for youth.

To further improve enrichment learning solutions, the coding and programming division of Xueersi Online School will deepen strategic cooperation with contest organizers. Meanwhile, we will customize learning plans for students according to their ages and learning styles, provide a wide range of courses, deliver one-stop services from entry-level training through high-level competition, promote computer programming for youth, and boost innovation among youth.

Carry out a Variety of Popular Science Projects

To help improve children's science knowledge and skills, Xueersi Online School has encouraged students to participate in science popularization activities and has also organized a number of popular science projects. In the future, Xueersi Online School will continue to invest in charity programs, take practical action to give back to society, fulfill corporate social responsibility, and align sustainability goals with business development.

Case: Xueersi Online School Organized a Variety of Popular Science Projects

Xueersi Online School has organized a series of popular science projects to engage students in scientific exploration and encourage them to love science, learn science, discuss scientific topics, and use scientific knowledge. Some of them aspired to be a scientist after participating in the projects.

Lecture Series: A Dialogue with Scientists

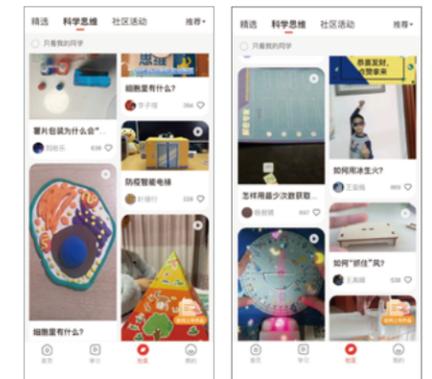
The Scientific Thinking Division of Xueersi Online School has given a series of lectures known as A Dialogue with Scientists. Every month we invited a senior expert in a scientific field to give a lecture on a scientific topic. The dinosaur-themed lecture, for example, took students on an exploratory journey to the Mesozoic and allowed them to have a fantastic encounter with dinosaurs. The lecture on space unraveled the mysteries of the universe and dispelled the myths about the sun and black holes. The lecture on superconductivity showed how technology transforms the lives of contemporary people. Views of A Dialogue with Scientists lecture series reached more than 1 million and the number of likes exceeded 2 million.



A Dialogue with Scientists Public Lecture Series

Xueersi Scientific Community

The Scientific Community in the Xueersi Online School app provides a platform for children across China to involve in science popularization and spread knowledge. It has motivated children to participate in science popularization actively. As of the end of the reporting period, the community has received 1.374 million science videos from children.



Xueersi Scientific Community

Space Immigration Program Science Drawing Competition

Students of the nature class have created a lot of imaginative science-themed paintings and videos inside and outside the classroom. During the Space Immigration Program Science Drawing Competition hosted by the Nature Division of Xueersi Online School, we received more than 1,000 entries, 100 of which were awarded the first, second, and third prizes.



A Collection of First Prize Entries

3.1.3 AI-Driven Learning Devices Provide Smooth, Reliable Learning Experience

In an effort to establish a personalized learning system and ubiquitous learning environment in line with United Nations advocacy for learning informatization, TAL has stepped up R&D of smart learning hardware and launched Xueersi Xpad, Little Monkey Smart Lamp, and other products successively. We implement stringent quality control of each product category throughout the product life cycle and service process.

To provide users with quality hardware products for intelligent learning scenarios, we keep innovation going at Xueersi Online School and make consistent effort to strengthen R&D, design, and technological innovation for the next generation smart learning hardware products. As of the end of the reporting period, we have gained 31 patents in the field of smart learning hardware, including 20 design patents and 11 utility model/invention patents.

In the process of developing quality products, we have been putting social values first. Through technological innovation, quality content, and expertise in AI, we have striven to launch more affordable smart learning devices, to alleviate the financial burden of education for parents, improve learning experience and efficiency for students, and make equitable and quality education more accessible.



Xueersi Xpad



3.1.4 Smart Content: Quality Content Facilitates All-round Development

To create quality content that enlightens a generation, Xueersi Smart Content Center has drawn on two decades of experience in content creation to publish a large number of books that are popular among parents and children. Our product portfolio consists of smart books, Chinese reading materials, preschool enlightenment, English reading materials, family learning, smart gadgets, etc. Xueersi Smart Content Center has enriched traditional reading with new learning methods such as audio and video, online reading, interaction, and AI scoring, to help children improve learning efficiency and expand their cultural horizons.

Smart Books

Based on two decades of experience in learning services, TAL has combined teaching expertise and research results into smart books and multi-media intelligent products that help increase learning efficiency for children and also address the major concerns of parents. As the post-2000 generation is born with an affinity for the Internet, Xueersi Smart Content Center develops a series of smart books that enable children to study and read independently and efficiently. During the reporting period, Study Guide of Xueersi, Mobby, and other products launched by Xueersi Smart Content Center have been very popular among consumers.



Mobby, a Series of Smart Books

Case: Co-brand Mi Xiaoquan Mental Arithmetic Diary

Xueersi Smart Content Center teamed up with IP Mi Xiaoquan, a character in a well-known Chinese children's book and a cartoon character popular with children, to co-brand the Mi Xiaoquan Mental Arithmetic Diary, a fun mental arithmetic exercise book that helps improve children's mental arithmetic skills. Unlike traditional exercise books, it allows children to tear off the finished practice questions. Thus, the more exercises they do, the thinner the book gets, which gets children more motivated. Mi Xiaoquan Mental Arithmetic Diary helps children develop mental arithmetic skills, boost the accuracy and speed, and improve mathematical thinking in a fun and interesting way. Besides, the science-based content design brings together children's brain development research and mental arithmetic teaching to arouse children's interest in mental arithmetic.

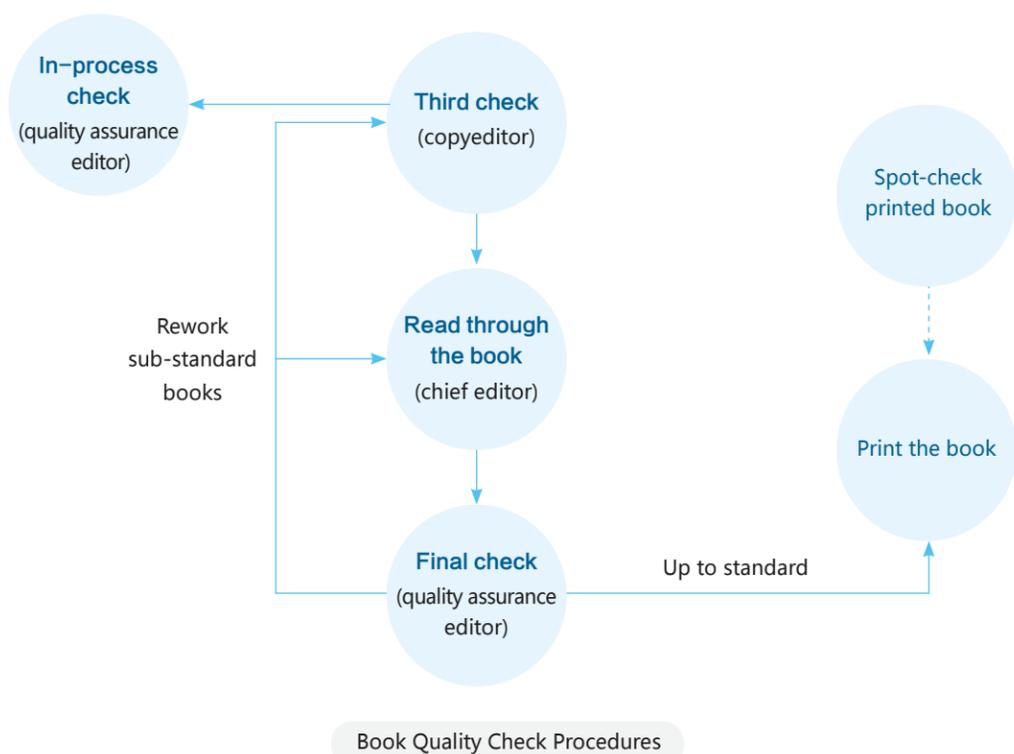


Mi Xiaoquan Comics

◎ Stringent Quality Control of Publications

Proofreading is a core and essential step in book quality assurance, for which we have formulated typesetting and revising processes and standards, and kept optimizing the editing and publishing processes and standards. Accordingly, the editing and publishing processes will not be completed before going through the 17 specified steps.

As the last stage before a book is printed, book quality checks are of critical importance to the ultimate result of the entire book editing process. We attach great importance to the scientific validity, accuracy, and compliance of book quality check. Following the guidelines of *Book Quality Management Regulations*, we divide book quality check into three steps: in-process check, final check, and printed book check. Thus, we implement rigorous quality control throughout the book publishing process to prevent substandard books entering the market.



🌐 3.1.5 Global Expansion: Promote Globalization of Learning Resources

At present, we are making an energetic effort to develop an international business model centered on technology and content and enhance our brand awareness and operational strength on the international stage. Through the establishment of Think Academy, we have developed curriculum that meets the diverse and personalized needs of the local students, and actively promoted the globalization of learning resources. Through continuous improvement of the Dr. Panda family, we have helped children develop habits and skills for lifelong growth, and contributed our resources and expertise to early childhood enlightenment education worldwide.

◎ Think Academy

TAL started global expansion in 2019, when we founded Think Academy U.S. in Silicon Valley, and began to teach the local students mathematics in English. Thereafter, we have continued the effort to promote the Think Academy brand and provided both online and offline K12 programs in the international market. As of the end of the reporting period, we have established Think Academy in the United Kingdom, Singapore, Australia, Canada, Malaysia, and many other countries and regions.



Activities Organized by Think Academy

© Dr. Panda

Dr. Panda is a learning brand of TAL that is dedicated to helping pre-school children learn knowledge and skills while playing fun games. We invite ingenious content creators around the world to design content for us. We have expanded into more than 100 countries including U.S., Canada, and France. Under the umbrella of Dr. Panda there are four business units: Dr. Panda Chinese, Dr. Panda Town, Dr. Panda Encyclopedia, and ABC Reading.

Dr. Panda Chinese

Dr. Panda Chinese provides unique, immersive scenarios and animated, interactive contents to help children learn about the form and structure of Chinese characters, read Chinese characters correctly, understand the meaning, and develop linguistic and cognitive skills. Through in-depth analysis of Chinese characters in seven steps – recognize, read, write, understand, practice, phrase, and use, Dr. Panda Chinese covers every aspect from listening to speaking to reading and writing.

ABC Reading

In accordance with CCSS, ABC Reading adopts the spiral teaching method to teach a concept gradually and repeatedly and reinforce a concept over time. Topics cover elementary knowledge, astronomy, geography, history, humanities, animals and plants, fairy tales, etc. ABC Reading enables students to learn new words through reading, understand the context, and use what they have learned.

Dr. Panda Town

Dr. Panda Town is a creative sandbox game, in which children and teenagers from all over the world can play as many roles as they like, decorate their houses, and create all kinds of fun stories. The game consists of 60 explorable scenes, more than 300 game characters and costumes, and more than 400 themed furniture items. The colorful game world and creative gameplay motivate children to fly with their imagination, explore and create freely, and courageously express themselves and show who they are.

Dr. Panda Encyclopedia

Dr. Panda Encyclopedia has launched about 1,400 courses on 40 subjects, including more than 1,000 fun interactive Q & A. Through the combination of animation and documentary, Dr. Panda Encyclopedia gives information on many branches of knowledge, which answer children's "100,000 whys", broaden their horizons, and inspire creativity in them.

Four Business Units of Dr. Panda

3.2 Deliver Quality Service

Quality service is fundamental to a business's survival and growth. In addition to quality learning products and solutions, we remain committed to delivering comprehensive, thoughtful service for our customers. We have developed a customer-oriented service management system to improve customer satisfaction. We put customers first, think and act from their perspective, and create value for them. On the strength of a professional service team and a multi-channel approach to customer service, we identify customer needs and provide quality, convenient, and efficient customer service.

3.2.1 Service Management Guarantee

We have smoothed communication and maintained good relationship with our customers through the establishment of a comprehensive customer service system, the optimization of customer relationship management, and the improvement of service quality management. Meanwhile, we have conducted customer satisfaction surveys regularly to collect comments and feedback about our products and services, identify areas that need further improvement, and meet the expectations of our customers and beyond.

Customer Relationship Management

To strengthen customer relationship management, we have built a comprehensive customer service team according to the characteristics and structure of each business unit, in the hope that a reasonable structural design and post setting for the customer service team will further improve our internal service management and customer service approaches. We also use the CRM system in some business units to provide personalized customer services. For example, we swiftly respond to customer requests, and actively reach out to customers for consultation, class transfer, lectures, holiday care, and other services, to ensure thoughtful customer services throughout the pre-sale, in-sale and after-sales stages.

To provide every parent and student with professional, thoughtful services, we have kept strengthening service quality management and designed service contents on the basis of a thorough understanding of customer needs during the service process. The customer service team of Xueersi Suyang, for example, provides customers with warm, professional, and responsible services before a class. They give customers warm welcome and satisfactory answers to enquiries about product design and experience plans. During a class, they observe students' learning experience carefully. After a class, they make the safety of students the top priority and create a clean, comfortable, and warm learning environment for students and parents.

Regular Customer Satisfaction Survey

We believe that customers are key stakeholders of us. Customer satisfaction is always at the top of our agenda. To meet customer needs and improve a product feature that addresses a customer need, our business units have conducted regular customer satisfaction surveys through multiple channels to achieve a thorough understanding of customer satisfaction about our products, services, and experience, and receive suggestions from customers. We identify the core customer value of our products to give suggestions for product optimization and upgrade to the R&D and quality control teams.

3.2.2 Improve our Customer Service Skills

We keep upgrading our service concepts and standards based on the customer satisfaction survey results and the evolving customer needs. During the reporting period, business units of TAL have continuously improved customer service skills, taken various measures to promote service model reform and process optimization, and improved the quality and efficiency of our customer service. Following are some of the measures TAL's business units have taken to improve customer service skills:

☉ Xueersi Suyang: Upgrade Service Concept, Goal, and Implementation Standards

At present, Xueersi Suyang is working on professional, reliable products and services for parents and fun, personalized products and services for students. Through the upgrade of service concepts, goals, and implementation standards, we have been improving the quality of customer service from three perspectives: expertise, value creation, and data-driven solutions.

Product Experience				Purchase		Use		Customer Service		
Confirm on needs	Align with product development	Online experience	Offline Experience	Place an order and make payment	Receipt of items	Weekly use	Service feedback	Daily service	Return and exchange	Feedback survey
Product planning		Intuitive product experience		One-stop delivery		Features and contents are aligned with user needs		Quick response; refund available anytime; survey; problem-solving; feedback		
Meet user needs and develop a personalized plan				Intelligent operations		High-value product		Systematic customer service		
Professional solutions				Data-driven				Value creation		

Customer Service Concepts and Goals and Customer Care Programs of Xueersi Suyang

☉ Xueersi Online School: Improve Customer Service Skills from Several Perspectives

The Enrichment Learning Services Department of Xueersi Online School always puts customers first. We strive to deliver quality services and premium customer experience through a professional customer service team, multi-channel service approach, timely collection of customer feedback, and continuous improvement of customer service skills from multiple perspectives.

- * **In-depth Research:** The Enrichment Learning Services Department of Xueersi Online School keeps optimizing customer service skills and conducts in-depth research to quantify the level of difficulty of service requests throughout customer life cycle, measure customer effort score and improve high-effort pain points in customer interactions
- * **Improve Customer Experience:** Xueersi Online School has optimized each step and aspect of the service request process. Specifically, we have expanded service request channels, established a process tracking system and reduced customer wait time markedly. We have put forward higher requirements for problem-solving efficiency, reduced steps in request fulfillment and avoided involvement of excessive channels or personnel that hinder efficiency

1
User Experience

- * **Multiple-channel service:** To address different user needs and application scenarios, Xueersi Online School has developed multiple service channels, including 7×24 hotline, website, APP, and WeChat public account. We have also set up a professional outbound call team to offer help at a time that suits customers based on customers' service requests
- * **Intelligent Service Module:** Xueersi Online School has developed an intelligent service module to provide efficient 7×24 services through the online service channels. During the reporting period, the intelligent service module has resolved problems for about 1 million users in an average of 2 minutes

2
Service Hotline

- * **Build an E-commerce Service Team:** Xueersi Online School built an E-commerce service team in May 2022, to provide pre-sales and after-sales service for users at major E-commerce platforms. We have also developed an intelligent service module to identify a user problem and tailor a solution
- * **Build a Closed-Loop Feedback Program:** Xueersi Online School has developed an implementation specification manual, established a multi-channel communication system, and collect VOC to meet different user needs and application scenarios, realize closed-loop feedback, data-driven decision-making and continuous improvement. During the reporting period, the E-commerce service team has collected more than 1,000 user comments and achieved a satisfaction degree of 92.6%

3
E-commerce Service

- * **Sharing and Training Platform:** Xueersi Online School has established a best practices sharing and training platform, which has organized more than 100 customer service training programs in 2022. These training programs have covered 96.4% of employees, each of whom has received training for 40.2 hours on average
- * **Safeguard User Rights and Interests:** Xueersi Online School has specified 39 customer service red lines that cannot be crossed and reviewed and analyzed all complaints we have received from users, to make sure that every employee of us puts customers first and makes the best effort to protect user rights and interests. During the reporting period, we have organized 59 rounds of complaints review and analysis as well as 45 case studies to spur our customer service team on to further progress

4
Customer Service Training

Customer Service Quality Assurance and Optimization Measures of Xueersi Online School

◎ **Smart Hardware:**

The Smart Hardware Service Department operates diversified service channels, including online human service, intelligent online service, and unified after-sales hotline on the major E-commerce platforms, to respond to end users timely throughout the application scenarios including any problem they encounter in the use of our software, hardware, content, tools, etc., and make our services accessible any time our customers need it.

We have a customer experience management and customer feedback collection system to make sure that our product development is centered on customer needs. We have also conducted customer surveys, return visits, and customer feedback analysis regularly to promote continuous improvement of customer experience in every application scenario.

3.3 Safeguard customers' rights and interests

We believe that effective protection of customer rights and interests is the key to premium customer experiences and also the basis for the establishment of a trustworthy company. We strive to develop and optimize privacy and data lifecycle management, carry out responsible marketing, and gradually improve the recall management system, to protect the legitimate rights and interests of customers at multiple levels and in an all-round way.

3.3.1 Privacy and Data Security

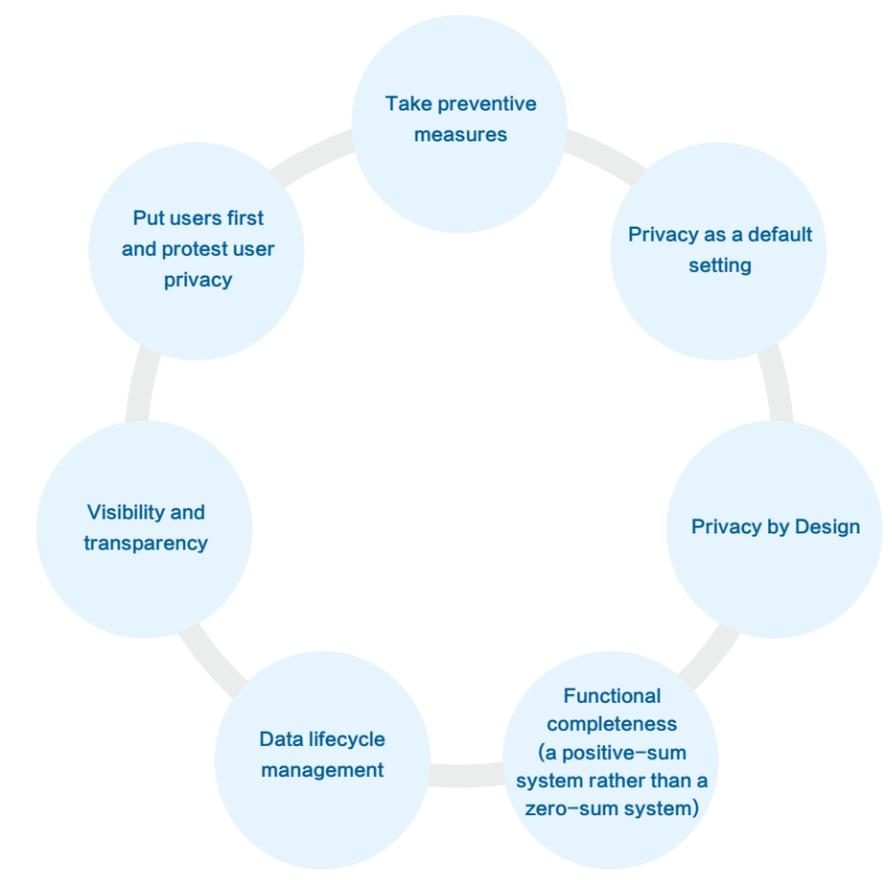
As China accelerates progress towards a networked, data-driven, and intelligent society, data has become a driving force of social and economic development. For an enterprise, data has become an important factor of production. For an individual, data security is a prerequisite for personal property security and privacy protection. At TAL, we believe that customer privacy protection and data security are indispensable to the development of reliable learning products and solutions, improvement of customer experience, and adequate safeguards of the legitimate rights and interests of our stakeholders. We require that every app we develop adopts an open and transparent privacy policy. We will continue the effort to enhance the standardization and fairness of our privacy policy.

◎ **Privacy Guidelines**

TAL has strictly abided by laws and regulations pertaining to privacy protection and data security, and benchmarked against the various Chinese standards, international standards, society and association standards, as well as best practices. Based on the actual situation of TAL, we have sorted out scientific and reasonable data security and privacy protection policies, and issued privacy design and default privacy protection principles, so as to consolidate the foundation of our privacy and data security management.



Information Security and Privacy Protection Guidelines of TAL



Seven Guidelines for Privacy Design and Default Privacy Protection at TAL

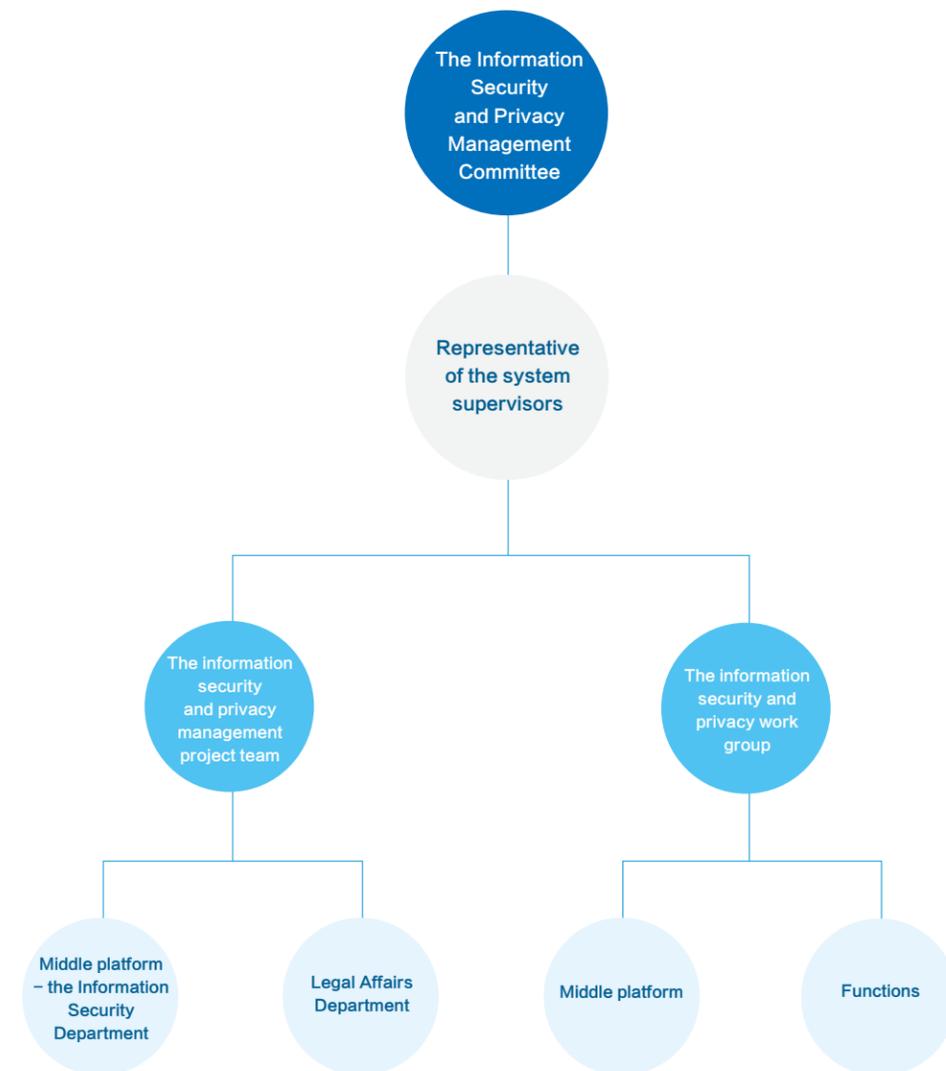
Case: Xueersi app Implements Effective Privacy Protection and Data Security

Xueersi app collects user information in strict accordance with the guidelines – clear purpose, opt-in consent, and minimum necessary rule, and takes the following measures to implement TAL's privacy protection and data security policies.

- * The app provides a complete and standard user privacy policy and terms and conditions agreement. We disclose to users the *User Privacy Policy Summary, User Privacy Agreement, Children's Privacy Agreement, User Agreement, Personal Information Collection List, Third-party Information Sharing List, and Application Permission Description*. The content of the agreement has been certified by China Cybersecurity Review Technology and Certification Center. We also give an update notice on the pop-up screen on the app homepage when the agreement is updated;
- * We collect users' personal information in strict accordance with the guidelines – clear purpose, opt-in consent, and the minimum necessity rule;
- * We perform encrypted storage and transmission of users' personal information, including but not limited to mobile phone numbers, passwords, and transactions;
- * When a user's personal information exceeds the retention period, we delete or anonymize it in accordance with the relevant laws and regulations;
- * Enquiry and sharing of users' personal information: For user's personal information enquiry in our system, we adopt a minimum access control policy, which just allows the authorized personnel to access the minimum necessary personal information required for their duties, and gives the minimum data operation permissions required to perform their duties. Besides, we require that third-party product and service providers have strong personal information security management, and inspect third-party products and services regularly;
- * Multiple rounds of compliance review and testing before an app launch. Before product development, we review and confirm technical plans for practices that may involve user's personal information collection, including the introduction of third-party libraries and API security best practices, all of which need to be reviewed for reasonableness and necessity to minimize rational collection of users' personal information. During the development and testing stages, we carry out tests to make sure our business is compliant with the data privacy policy. Before we launch an app, we first submit it to our information security center for penetration testing to ensure that each release is safe and compliant.

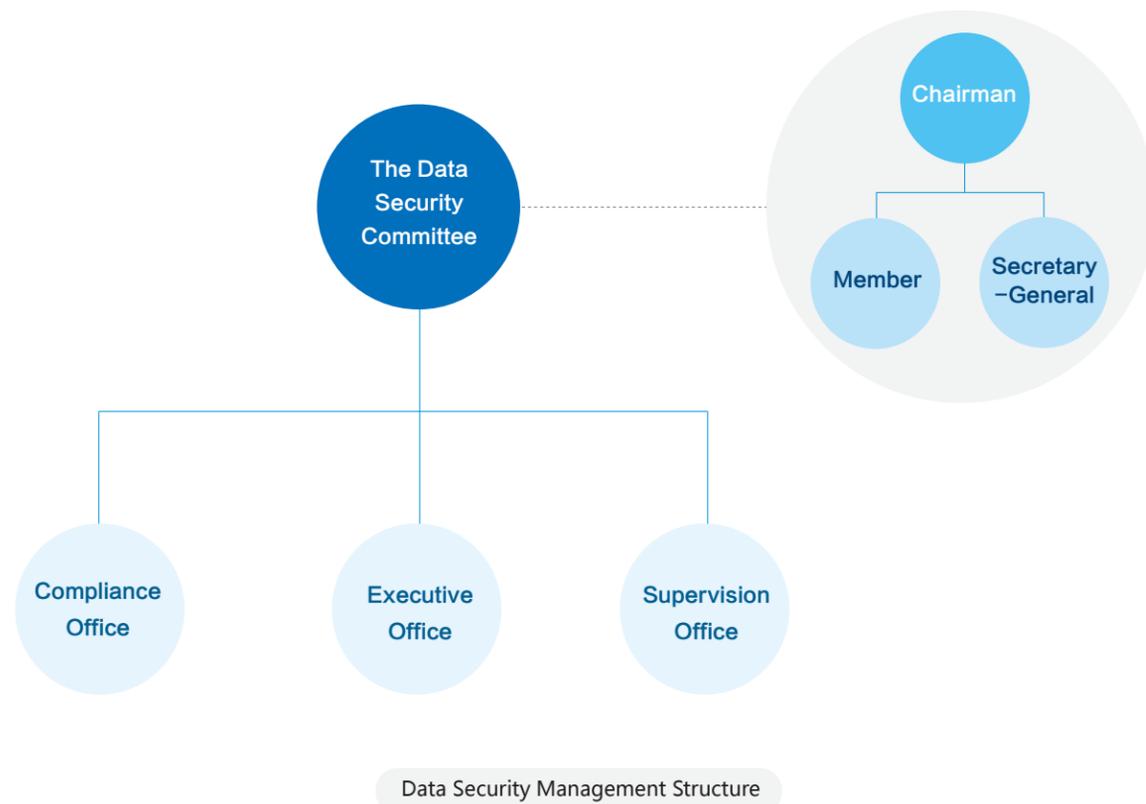
Executive Management Structure

The Information Security and Privacy Management Committee of TAL is the executive body and decision maker of the operations and improvement of Information Security Management System (ISMS) and Privacy Information Management System (PIMS). Members include the representative of the system supervisors, the information security and privacy management project team, and heads of business units and functions. CTO serves as the chairman of the committee. The committee is responsible for appointing head of the security department as the representative of the system supervisors, and operating the information security and privacy management project team and the information security and privacy work group, to promote efficient operations of the information security compliance system and ensure effective information security and privacy protection.



Information Security and Privacy Management Structure of TAL

The Data Security Committee is the decision maker and executive body of data security management and personal information protection at TAL. It is responsible for reviewing and approving TAL's data security management measures, data transfer, and other systems and processes, uniformly authorizing the hierarchical use of data, and making decisions on disagreements about data security management. As the final decision maker on TAL's data security, the committee consists of a compliance team, an executive team, and a supervision team from functions including security, human resources, legal affairs, policy & media, internal control, finance, and front desk.



During the reporting period, we have acted in accordance with the instructions of the Information Security and Privacy Management Committee and the Data Security Committee, as well as the relevant rules and regulations and the latest industry standards. Specifically, to ensure that we meet the compliance requirements during the collection and use of product and service data, we have conducted timely and regular evaluations of the effectiveness of our data security management system, and revised the *TAL Data Security Management System*, *TAL Information Security Vulnerabilities and Punishment Regulations*, *TAL Guidelines for Personal Information Security Impact Assessment*, *TAL Guidelines for Classification and Grading of Data and Personal Information*, *TAL Guidelines for Data Access Control*, and other relevant documents on the basis of the internal and external business environment and the latest developments in security technology.

Specific Measures

To ensure effective privacy protection and data security, we have launched a broad range of privacy protection and data security initiatives, which are centered on improvement of management skills, training, and practice, and aim to enhance employees' privacy protection and data security management skills and awareness about data leakage prevention. During the reporting period, no major data breaches have occurred at TAL.

Security Certifications	The Account Center of TAL has been certified by ISO 27001 and ISO 27701. Xueersi APP and Xueersi Online School APP have been certified by Associate Protection Professional
Strengthen Technical Measures	We have made timely adjustment of our basic information security strategies according to our business development and security threats. We have detected, intercepted, and blocked about 2 million scans and attacks that might lead to data breaches. Meanwhile, we have improved our defense against security threats on the employee terminals and office networks. We have also used UEBA to detect security risks and prevent data breaches
Strengthen Induction Training	We have kept updating our onboarding program including information security, data security, and office security, to familiarize every new employee of TAL with the basic requirements of our information security policy, the red lines, and penalties for violations. We insist that each employee of TAL acquires basic information security knowledge and skills to effectively prevent data breaches
Regular Phishing Attack Simulation Training	During the reporting period, we have organized two phishing attack simulation training sessions, during which we simulated phishing email attacks to test our employees' ability to defend against phishing attacks, and enhanced security awareness training for employees that are likely to incur a security risk. We have uncovered problems from the perspective of attackers and improved our policies and practices accordingly
Regular information security awareness campaign	The Information Security Department of TAL has put up information security awareness posters in public spaces like elevators, elevator waiting areas, rooms, coffee break areas, stairwells, and office areas, to bring our information security awareness policy to every employee timely and effectively and remind them to avoid common risk-taking behaviors that might lead to data breaches

Privacy Protection and Data Security Management Measures

Quantitative Results:

The online training program on information security launched by TAL E-learning platform, the employee training platform of TAL, has offered training for more than 63,000 persons and has been viewed more than 370,000 times.

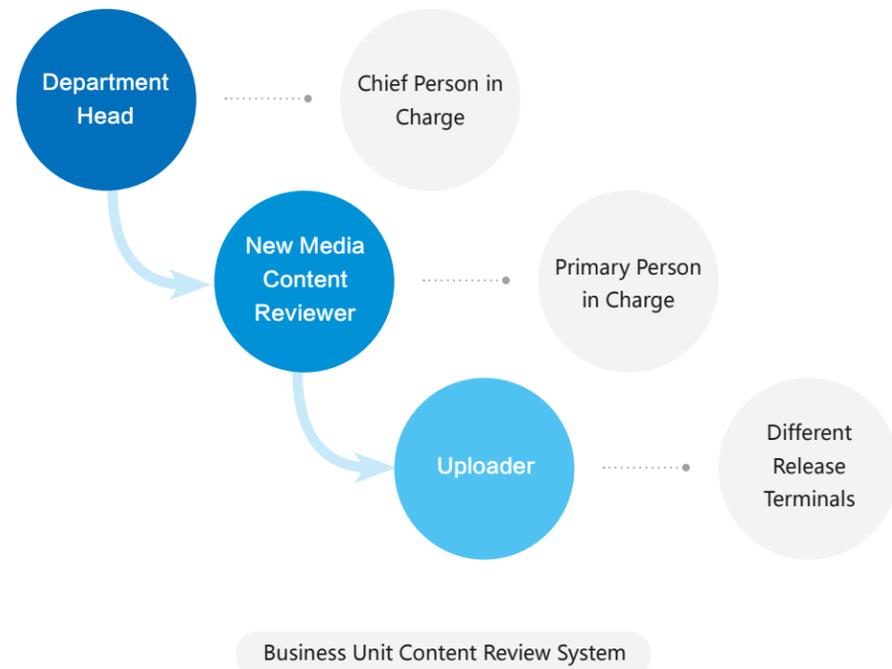
3.3.2 Responsible Marketing, Advertising, and Sales

We strive to deliver quality, innovative products and services, and also practice responsible marketing, advertising, and sales on a daily basis. Through the establishment of a comprehensive management system and implementation of effective measures, we have exerted the best effort to provide valid and objective information during branding and marketing.

Management System

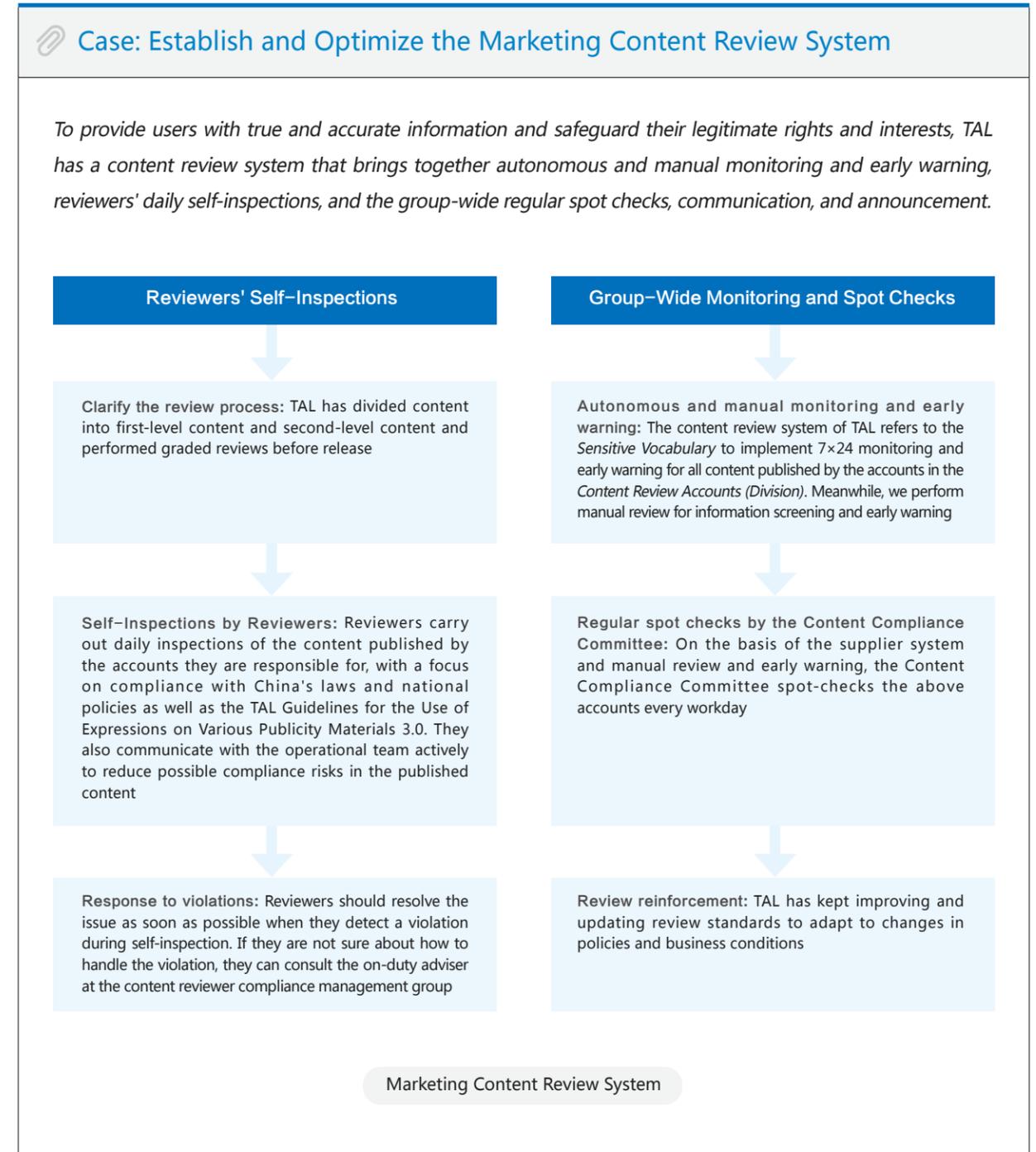
To ensure that our marketing, advertising, and sales comply with the relevant laws and regulations as well as business ethics, heads of the Media & Public Relations Department, Policy Research Department, Legal Affairs Department, and other departments of TAL have formed the Content Compliance Committee. To promote content compliance review, the committee has set up the content reviewer compliance management group, led in the development of the Chief Reviewer plus Reviewer Self-Inspection system, and carried out daily spot checks, communications, compliance policy announcement and implementation for all the content, hundreds of accounts on various platforms, and posters and copywriting during branding and marketing in accordance with *TAL Guidelines for the Use of Expressions on Various Publicity Materials*.

Besides, we have clarified responsibilities and developed a unified control framework. Accordingly, head of the department concerned is designated as the chief person in charge of new media marketing and a new media content reviewer as the primary person in charge, who is responsible for new media content management, operation, collaboration, etc. Both positions are directly responsible for the output.



Specific Measures

We have taken a variety of measures across TAL and within a business unit to ensure compliance and validity in our marketing, advertising, and sales activities.



Case: Keep Improving the Marketing Content Review Process and Prioritize Review to Ensure Compliance

To meet the requirements of TAL for responsible marketing, advertising, and sales, Xueersi Online School has a systematic, comprehensive review process in place as well as preventive measures to avoid compliance violations.

A professional review team and the designated person in charge in each department form a supervision network

Our professional review team is dedicated to content review and compliance policy training. Together with the designated person in charge in each department, Xueersi Online School has established a review process that covers all departments

Detail-Oriented Materials Review

Every sentence in a publicity material is reported and recorded in an online document every day to ensure traceability of all materials during materials review

Organize quarterly content compliance training across the group

Keep polishing and updating online documents, including:

- * Summary of common material compliance guidelines: sensitive vocabulary and scenarios, material compliance guidelines for each base, and compliance aggregation
- * High-frequency compliance violations early warning summary: including frequently occurring problems and case studies every month
- * Compliance guidance from the group: including frequently asked questions, risky vocabulary, and case studies

Monthly Compliance Report

The monthly compliance report covers four aspects: summary of material submission of each department, classification of compliance problems, compliance problem cases, and compliance dos and don'ts

Develop a triple review process

- * Preliminary review by Xueersi Online School
- * Second review by Xueersi Online School
- * Final review by the group

Marketing Content Review Process of Xueersi Online School

Case: Take Multiple Measures to Ensure the Legality and Compliance of the Content of Publications and Protect the Rights and Interests of Juveniles

Bearing in mind that users of our publications are mostly juveniles, Xueersi Smart Content Center requires that all outputs should not only strictly abide by the Advertisement Law of the People's Republic of China and other laws and regulations, but also protect the rights and interests of juveniles, so as to eliminate causes of parental anxiety during use of our learning products and solutions.

Xueersi Smart Content Center requires that all employees participate in group-wide training on laws and regulations regularly, and insists that all content should be examined by the writer, content person in charge, and the relevant departments together. Meanwhile, Xueersi Smart Content Center puts users first, safeguards parents' rights to stay informed during marketing, prevents abusive use of user information, makes no commitment to the effect of learning, prevents exaggeration in advertising, and makes no compromise on user rights and interests for the sake of short-term interests.

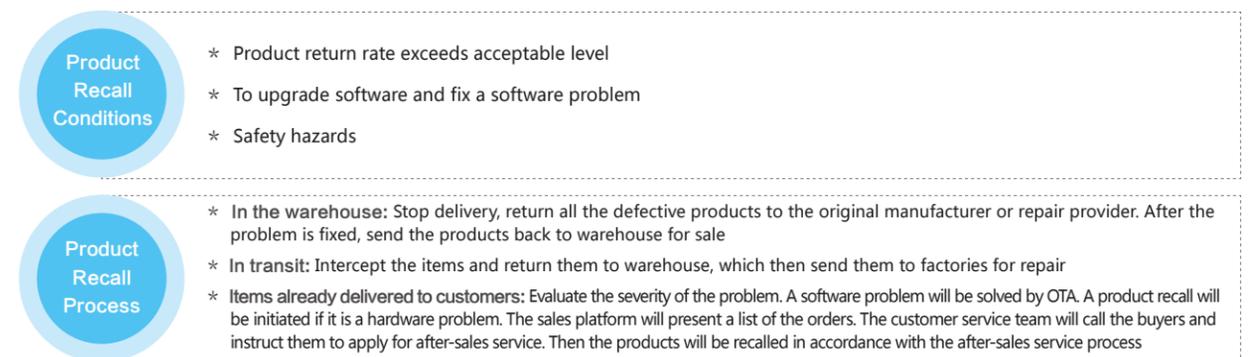
Quantitative Results:

As of the end of the reporting period, the Media & Public Relations Department, Policy Research Department, and Legal Affairs Department have delivered 20 online and offline training sessions on responsible marketing compliance for more than 5,000 persons.

3.3.3 Product Recall Management

We have attached great importance to the protection of consumer rights and interests, and taken every precaution against possible violations. We have gradually built a product recall management system to improve our response to product safety accidents, ensure complete and timely recall of products that do not meet our safety standards, and safeguard our product reputation as well as consumer rights and interests.

During the reporting period, we are drafting a smart hardware product recall system, which specifies the recall conditions and processes, so as to ensure efficient and safe product recalls, and reduce user complaints.



Smart Hardware Product Recall Process (to be determined)

4. Gain Momentum in Digital Transformation

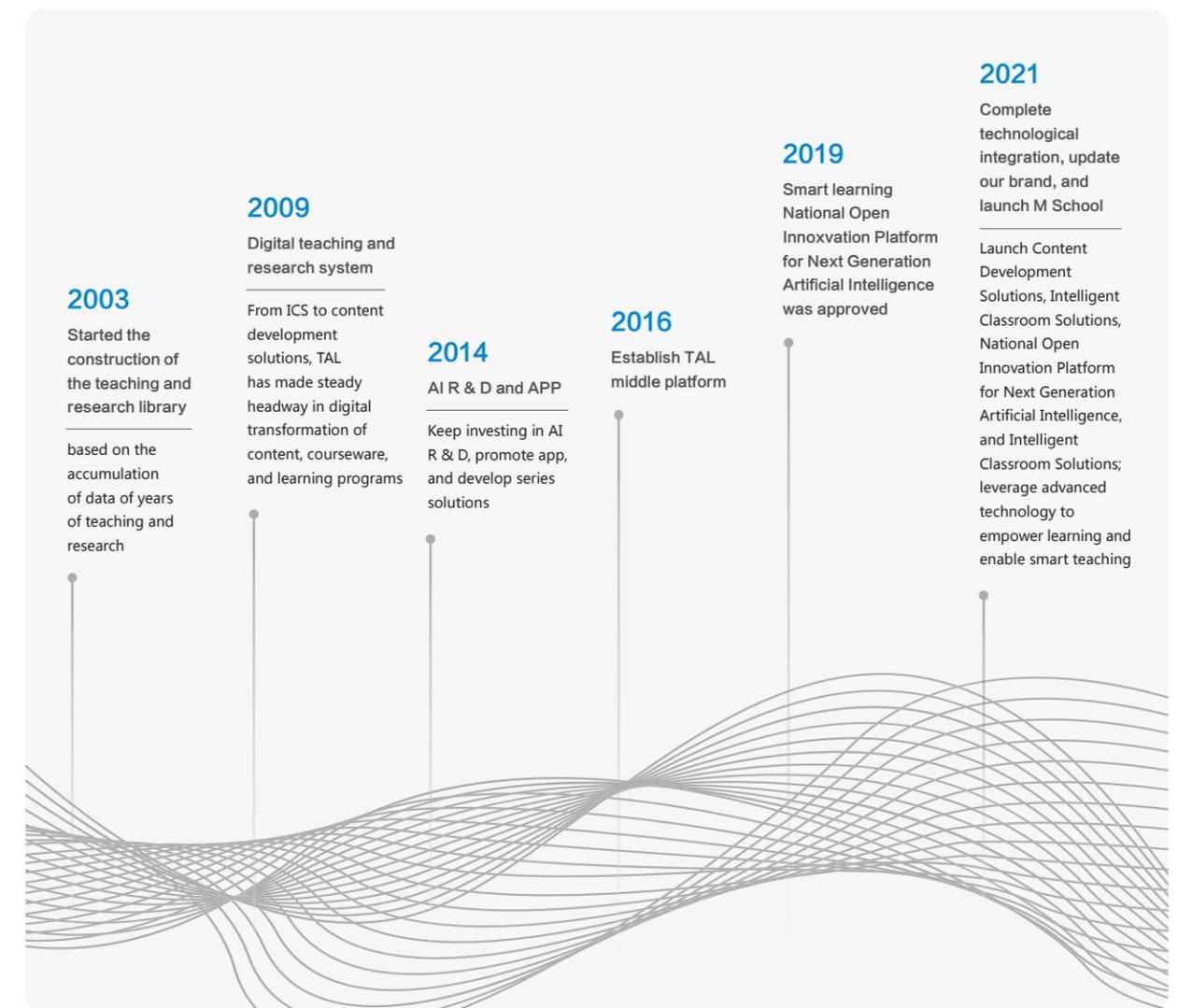
As an "edtech" company dedicated to future-oriented learning and teaching, TAL is committed to digital and intelligent development of education, for which we have been actively building a smart learning environment, transforming cutting-edge technology into our business development, making steady progress in digitalization of corporate management, and gaining momentum in digital transformation.

- > Focus on Intelligent Learning Products and Solutions
- > Speed up Digital Management



4.1 Focus on Intelligent Learning Products and Solutions

Intelligent learning products and solutions are not only approaches to modernization of education but are also core characteristics of modern education. We are committed to promoting education and focused on education equality, quality, and other education issues. Through continuous development of integrated smart learning solutions, we have been contributing to the progress towards information-based, digital and intelligent education.



Milestones in TAL's Digital Transformation

4.1.1 Build a Smart Learning Environment

Smart education is a new form of education in the digital era, and is also an inevitable process for intelligent development of digital resources and education industry in the new era. We have been exploring and stepping up the development of a smart learning environment, and contributing our resources and expertise to high-quality development of digital education through the establishment of the National Open Innovation Platform for Next Generation Artificial Intelligence.

Open Innovation Platform for Smart Learning

The establishment of the National Open Innovation Platform for Next Generation Artificial Intelligence is an integral part of the *National Next Generation Artificial Intelligence Development Plan*. As a leader in artificial intelligence, the platform aims to address application needs, deepen integration of artificial intelligence with the real economy, promote R&D, facilitate openness and sharing, sustain innovation and entrepreneurship, and drive innovations in artificial intelligence and development of an artificial intelligence ecosystem in China.

As a leading education company in China, TAL has been authorized to establish the National Open Innovation Platform for Next Generation Artificial Intelligence. TAL will focus on technology, solutions and industrialization services that address major needs in the education industry, develop education-oriented artificial intelligence algorithm, applications, solutions, and basic software and hardware systems, promote open source technology, data, and resources in education, build a national edtech innovation platform, and drive the intelligent upgrading of the education industry.

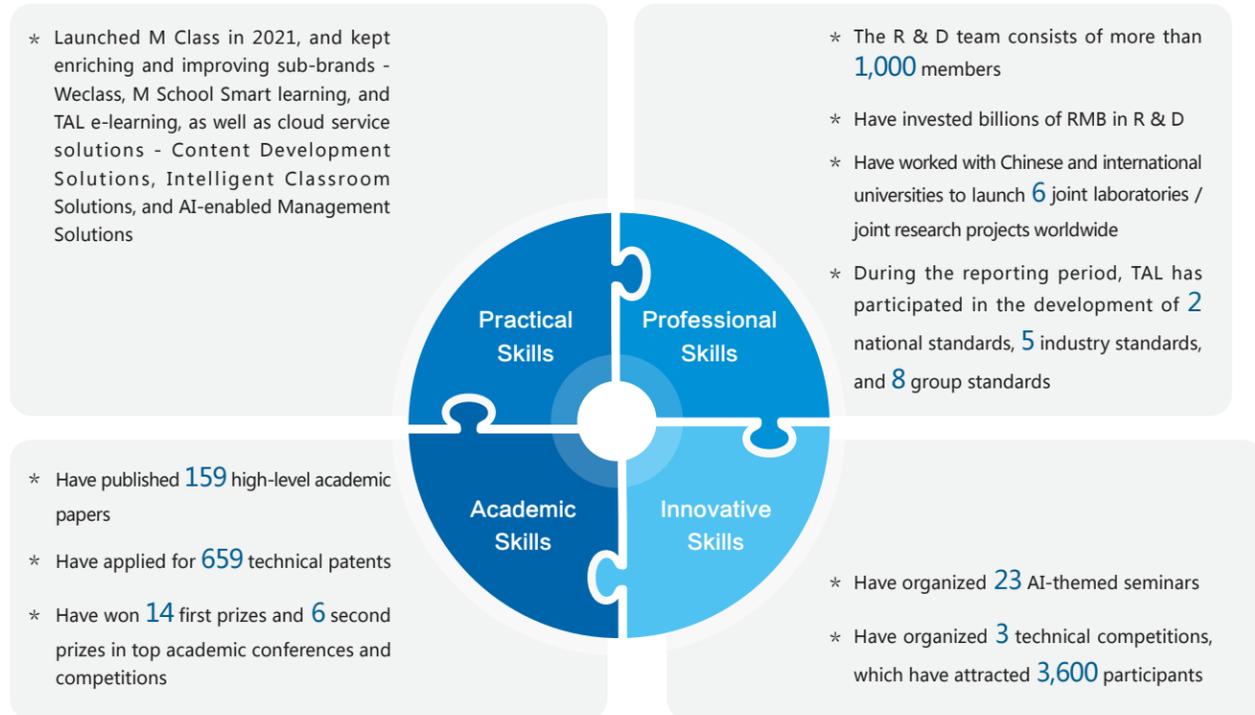


Smart Education - National Open Innovation Platform for Next Generation Artificial Intelligence

Create an Open Industry–University–Research–Application Environment

We have relied on our technological achievements to draw parties engaged in smart learning to the platform and create an open industry-university-research-application environment and integrate the talent chain, value chain, innovation chain, and industry chain. Meanwhile, we have been working closely with universities and research institutions to establish an edtech community and a postdoctoral research workstation. We have also provided open-source research results to empower universities and businesses.

We remain at the forefront of technological innovation and keep increasing investment in digital infrastructure construction and cutting-edge edtech. We develop intelligent learning solutions and contribute our professional, innovative, academic and practical skills to the development of smart education and enrichment of education ecology.



Outcomes of Exploration in Intelligent Learning Service

We have stepped up efforts and increased investment in AI, big data, and other technical fields, and have joined relevant associations to strengthen cooperation throughout the smart education supply chain, promote resources sharing and technical exchanges, give full play to our strengths, and participate in the development of industry standards. During the reporting period, we have participated in the development of 2 national standards, 5 industry standards, and 8 group standards. Meanwhile, we have actively participated in the compilation of technical white papers to help more people deepen understanding of industrial development.

Association / Federation	Identity
China E-Learning Technology Standardization Committee (CELTSC)	Member
Artificial Intelligence Industry Alliance	Member
Beijing Sci-Tech Education Promotion Association	Standing Director
Beijing Artificial Intelligence Industry Alliance	Deputy Director

Participation in Sci-Tech Associations/Federations/Alliances

Development of Technical Standards	Authorities
Security Requirements for Online Teaching Platforms	Ministry of Education of the People's Republic of China
Interface of Artificial Intelligence Audio and Video and Image Analysis Algorithm	
Multimedia Learning Terminal Test Method	National Technical Committee of Audio, Video and Multimedia System and Equipment Standardization
Technical Requirements for Multimedia Learning Terminal	
General Technical Specifications for Intelligent Recording Equipment	
Video Cloud Storage System Interface Requirements	
Video Cloud Storage System Test Method	
Guidelines for AI-Powered Networks for Juveniles	China Federation of Internet Societies (CFIS)
Online Juvenile Protection Management System of Internet Companies	Internet Society of China
Functional Requirements and Test Methods for Dictionary Pen	
General Functional Requirements and Test Methods for Artificial Intelligence Machine Learning Platforms	China Academy of Information and Communications Technology (CAICT)
Artificial Intelligence Explain ability Evaluation System	
Large Model Standard - Model Application	
Large Model Standard - Security and Reliability	
Technical Specifications for Companion Robots for Children	

Table: Development of Technical Standards

Case: Smart Learning - Innovation

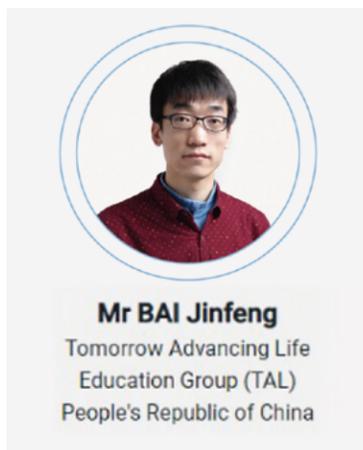
* TAL has organized AI and EDU seminars such as AAAI2021, AAAI2022, and IJCAI2021. We invited experts and scholars from Alibaba, Tencent, Microsoft, Chinese Academy of Sciences, Tsinghua University, Shanghai Jiao Tong University, Fudan University, Sichuan University, Northwestern Polytechnical University, Harbin Institute of Technology, Michigan State University, University of Kentucky, to give lectures on education and AI both online and offline.



* The Center for Language Education and Cooperation and Chinese Plus jointly organized the International Chinese Education Digital Development Forum in December 2022. About 200 people including Chinese and international experts in the field of international Chinese language education and representatives of teachers and students attended the forum online and offline. Mr. Tian Mi, CTO of TAL, delivered a keynote speech entitled "Technology Enabling and Innovation Driven – Promoting the High-Quality Development of International Online Chinese Language Education", and shared TAL's practices.



* The 2022 International Forum on AI and Education kicked off online and offline simultaneously in December 2022. The theme of the forum was "Steering AI to Empower Teachers and Transform Teaching". Mr. Bai Jinfeng, head of TAL M School AI-enabled Management Solutions, was invited to deliver a speech on *AI Virtual Tutors*.



Case: Smart Learning – Academic Strength

To drive technological innovation and transform traditional learning into smart learning, TAL has conducted R&D in optical character recognition, images, natural language processing, audio, multimodal learning, and many other technologies involving learning scenarios. These efforts have achieved fruitful results and enabled us to stand out in a number of top academic conferences and competitions.



Some of the Certificates of Achievement Awarded by CVPR 2022

During the reporting period, the TAL-AI team has published 35 papers and obtained 17 patents.

Case: Smart Learning – Practice

Establish the National Open Innovation Platform for Next Generation Artificial Intelligence

TAL launched ai.100tal.com, the website for Smart Education - National Open Innovation Platform for Next Generation Artificial Intelligence, to provide data, AI solutions, business incubation, training, and one-stop solutions for the education industry, and contribute data of real-life learning scenarios to promote AI-powered education.

Besides, the website provides platform access and API function calls as well as related instructions and guidelines to promote open source data and resources of the platform, and boost the overall improvement of the smart education environment.

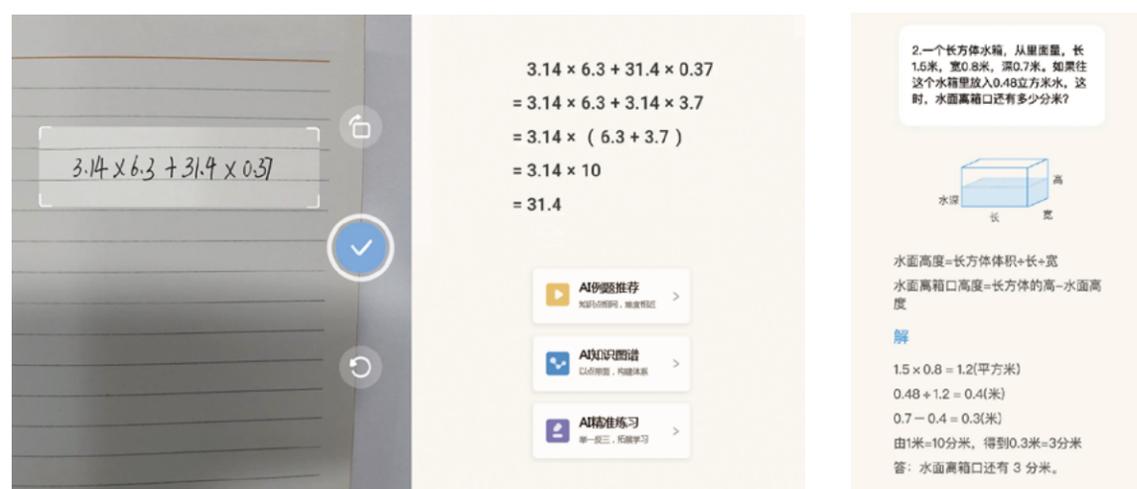


Tal National Open Innovation Platform for Next Generation Artificial Intelligence

Launch AI Learning Robot

To meet the needs arising in independent learning scenarios such as explanation for exercise problems, TAL equips Xueersi Xpad with an AI learning robot and also an AR mirror. This solution uses a large model based on deep learning to build a text-concept transformation system in the entire problem-solving exercise system, and uses automated reasoning to complete positioning from concepts through relational algebra expressions.

The AR mirror recognizes handwritten and printed mathematical exercise problems. The AI learning robot breaks down and analyzes those exercise problems and at the same time generates logical and explicit expressions, which explain the exercise problems in a much more easily understandable manner and also increase the coverage of practice questions markedly.



The AI Learning Robot Explains Exercise Problems

4.1.2 Promote Smart Learning Services

We translated two decades of technical expertise and content development experience into M School, on the basis of which we innovated and launched the sub-brands Weclass, M School Smart Learning, and TAL E-learning platform, as well as the cloud service solutions called Content Development Solutions, Intelligent Classroom Solutions, and AI-enabled Management Solutions. We provide scenario-based solutions for individuals, public schools, training service providers, as well as large and medium-sized enterprises, and contribute to the digital transformation and intelligent upgrading of the education industry.

M School Smart Learning

With teaching and research as the core, technological innovation as the driving force, and expertise and experience as the basis, M School Smart Learning delivers intelligent products and technical services for government departments and schools, and promotes learning innovation through quality, open source learning content and leading-edge edtech.

AST Services	<ul style="list-style-type: none"> * Provide an integrated solution that brings together a management platform, curriculum and operating services * To meet diverse needs for enrichment learning, TAL provides systematic AST services and enrichment learning programs that encompass six subjects: history and culture, natural sciences, elementary knowledge, arts and aesthetics, literature, and technological innovation
Smart Exercises	<ul style="list-style-type: none"> * Provide comprehensive exercise solutions that integrate contents, tools and services * Enable schools to unify exercises, grade exercises and personalize exercises * Adopt the dot matrix paper and pen technology to realize imperceptible collection of learning data, thanks to which teachers and students do not have to change the habits of grading assignments and answering practice questions with paper and pen * This solution adopts AI to help teacher grade assignments and provides guidance for teaching through learning data analysis. It enables schools to improve teaching practice and offer personalized instructions that suit students' level in accordance with the guiding principles of Alleviating Burden Opinion Regarding Compulsory learning
Smart Lesson Preparation	<ul style="list-style-type: none"> * Provide solutions to lesson preparation and classroom scenarios * This platform provides question searching, intelligent exam papers, lecture preparation, interactive courseware, video recording and editing, courseware playback and other features, to enable teachers to prepare classes efficiently * Our smart lesson preparation solution has been adopted by about 100 schools in Beijing, Zhejiang, Shaanxi, Guizhou and other provinces in China

M School Smart Learning Products

Case: M School Exhibited Smart Exercise System at Mianyang High-Tech Expo 2022 and Demonstrated Learning Service Innovation Strengths

More than 600 enterprises and institutions exhibited at and attended the 10th China (Mianyang) Science & Technology City International High-Tech Expo ("Mianyang High-Tech Expo 2022") online and offline. The theme of the expo was "technology-centric approach, innovation and entrepreneurship, cooperation and sharing". M School Smart Learning, a sub-brand of TAL, exhibited the smart exercise system, a new product of the brand, at the expo. This edtech product is tailored for exercises scenarios and demonstrates our strength in learning service innovation.



M School Smart Learning Exhibited the Smart Exercise System at Mianyang High-Tech Expo 2022

Case: Develop Xiaohuashi Intelligent Adaptive Learning app to Cultivate Interest in Learning and Independent Thinking Skills

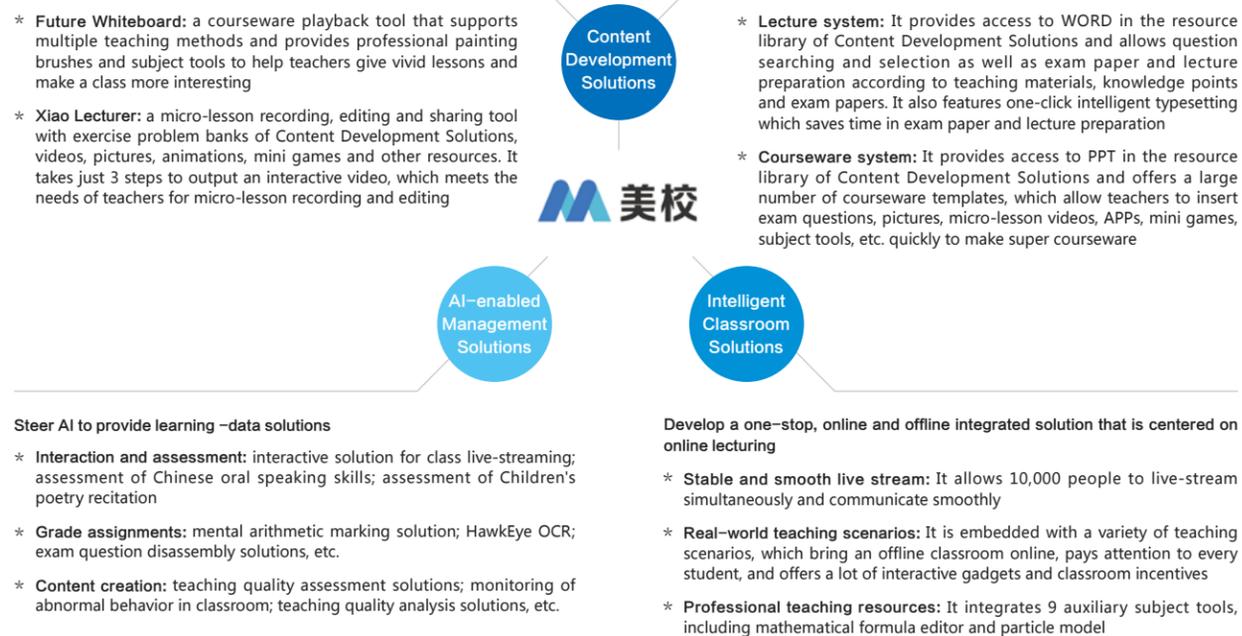
Xiaohuashi Intelligent Adaptive Learning app was jointly developed by M School Smart Learning and East China Normal University. With self-adaptive learning theory as the basis and PAD as the carrier, the app makes learning plans for each student according to their knowledge graph and enables students to complete pre-class preparation and post-class review through micro lessons and fun question games. This app was designed in accordance with the new curriculum standards for compulsory education, to cultivate students' interest in learning and independent thinking skills. It has been introduced in pilot programs we have carried out in collaboration with 18 schools across China.



Xiaohuashi Intelligent Adaptive Learning app

M School Cloud Service Solutions

In an effort to leverage advanced technology to empower learning and enable smart teaching, TAL has combined teaching, research, live stream, big data, and AI into cloud service solutions including Content Development Solutions, Intelligent Classroom Solutions, and AI-enabled Management Solutions.



Case: Content Development Solutions are Helpful Tools for Teachers During Preparing and Giving Lectures

Content Development Solutions are a one-stop teaching, research, and learning services platform. They epitomize our 20 years of experience in teaching and research and cover tens of millions of high-quality teaching resources for all subjects in primary school, junior high school, and high school. They also feature intelligent exam papers, lecture preparation, interactive courseware, intelligent assessment, and subject tools to help teachers prepare and give good lectures in every class.



Examples of Content Development Solutions

Case: Launch TAL E-learning platform and Provide One-Stop Solutions

TAL E-learning platform is a one-stop training service solution of TAL dedicated to corporate training. In view of inefficient corporate training management, low employee engagement in training, and difficulty in quantifying training effectiveness, TAL E-learning platform established a one-stop corporate training management platform, to provide key training tools such as live stream, course preparation, and examination, and cover online, offline, and OMO scenarios. Meanwhile, TAL E-learning platform launched a diverse range of learning and application scenarios, including learning modules, practice modules, and communication centers, to make learning more convenient and efficient for the trainees. Besides, TAL E-learning platform enables enterprises to conduct comprehensive data management, acquire the data of the platform's operations easily, and assess its operations.

Multiple Terminals	User			Teacher		Management		
	APP	Webpage	Corporate APP	Windows		Webpage		
User	Training Supervisor	Tutor	Counselor	Expert	Manager	Student		
Employee training	Course	Subject	Learning path	Hybrid project	Learning program live stream	Knowledge base	Learning game	
Training management	Training needs management		Training plan management	Training implementation management	Training evaluation management		Training resources management	
Learning support	Platform resources management				Platform operations management			
	Organization management	Personnel management	Role management	Tutor management	Learning time management	Credit management	Points management	Learning circle
	Materials management	Course Management	Exam questions management	Exam papers management	Competition and interaction	Outstanding tutors	News & information	Personalized platform decoration
Data management	Training data board				Training data report			
	Platform data board	Learning module data board	Role data board	Custom fields	Data burial point	Multi-format export		

TAL E-learning platform Solutions

4.2 Promote Management Process Digitalization

We vigorously promote the development of smart learning and also the progress of digital transformation. We use data to drive management process optimization and established an efficient communication and collaboration platform as well as a one-stop customer service platform, which, hopefully, achieve information sharing and integration, and help improve the efficiency and quality of communication and decision-making at TAL.

Case: Take Multiple Measures to Manage Data Products and Use Organizational Data to Drive Management Improvement

We are fully aware of the importance of performance and management process appraisal through technology and data quantification. We developed data-based management solutions to promote information transparency and improve management efficiency.

For Executives

- * **Drive management:** Instead of searching for information, it provides information to the designated person automatically. It sends abnormal data directly to the person in charge, who can act timely and effectively in response. It also optimizes way of information acquisition.
- * **Avoid Go-Slow:** It synchronizes and pushes information hierarchically. In other words, if a problem is not solved timely by the designated person in charge, it will be reported to an executive at a higher position. A problem that has not been addressed within the specified period of time or a more serious problem will be turned into "to-do" matters for further reminders and necessary actions.

For Employees

- * **Nip Harmful Tendencies in the Bud:** It detects a violation timely, admonishes the employee concerned before further violations occur, and guides him/her to fix a mistake.

Product	Daily management report Identify key indicators; on a daily basis; person in charge for key steps	Weekly management report Monthly summarization of abnormalities and organization diagnosis; every Monday; person in charge for key steps	Personal assistant Peer care; abnormalities prompts; every day; all employees	Weekly summary Summarization of core data; weekly overview; every Friday; all employees		
Content	Abnormal data & behavior Problem-driven action	Statistics Organizational management & business indicators	System Training & Guidance Prompt risks in a scenario and guide actions	Notice Synchronous CC		
Service	DLKHSR business service; data processing; productize	Open platform	Push service; user service			
Data	BI data bin					
Upstream	Ride-hailing system Didi	HR system	Business travel system	EHR system	Procurement system	Other systems

Structure of Data-Based Management Process

Case: Launch Yach to Improve the Efficiency of Office Work and Smoothen Communication

TAL launched Yach, an efficient, collaborative office platform that helps smoothen communication and reduce information noise.

- * Improve collaboration among employees through synergy between human resources, finance, legal affairs, procurement, and other functions, and integration of various schedules such as work arrangement, class scheduling, vacation, and meetings. As of the date of the end of FY23, TAL has integrated 268 business apps to provide employees with a one-stop work interface.
- * First, improve the exposure of important conversations and messages through features such as quick browsing of messages, highlights of important conversations, and special contacts. Second, reduce information noise through features such as conversation boxes and blocking of repetitive messages. Third, rich text messages, serial replies and other features allow users to focus on communication scenarios, which improves message acquisition and communication efficiency.



Yach Office Platform

Case: Launch Miss Yach, a One-Stop Customer Service Platform

We have established and continuously improved Miss Yach, a one-stop customer service platform, to help the operations and customer service teams solve problems, promote the iteration of policies and systems, enable the business units to improve service skills, and on this basis realize data-driven management process optimization.

- * **For employees:** Miss Yach provides end-to-end intelligent customer service and answers enquiries about the company's and department's rules and regulations, processes, business and application systems and other related issues, such as year-end bonus and promotion.
- * **For customer service teams:** Customer service team has to answer a large number of enquiries, which are a huge workload and also contain a large number of repetitive questions. An intelligent customer service robot can effectively improve efficiency and also customer satisfaction.



Miss Yach

During the reporting period, Miss Yach has helped reduce manpower input and improve work efficiency markedly, with about 20,000 valid visits to the system monthly and a customer satisfaction degree of up to 98%.

5. Continuous Social Value Creation

TAL always upholds the concept of creating value driven by love and is committed to continuously creating social value. We embrace our corporate social responsibility with a continued focus on charity, rural revitalization and other social causes. In addition, we promote equity in learning by providing learning support to underdeveloped areas as a useful complement to the public learning system, to achieve both business and social values.

- > Corporate Social Responsibility Strategy
- > Promote Equity in Learning
- > Active Participation in Charity
- > Promoting Rural Revitalization



5.1 Corporate Social Responsibility Strategy

Dedicated to creating value driven by love, we established the Corporate Social Responsibility Department in 2012 to focus on the development of charitable causes, and have successively established several charitable foundations to create social value in learning equity, child care, emergency response and disaster relief, rural revitalization, and other fields. We strive to build a sustainable charity environment to help improve social welfare.



TAL Charitable Foundations

TAL established the first charity foundation in China's education and training industry in 2013, with the purpose of "helping more people access learning resources equally", and harnessing the power of technology to promote balanced development of learning through the "AI Tutors" mandarin teaching system, dual-teacher classroom, Starting Point Program, Chunya Online Learning Welfare Platform, and other projects

Yuanshan Charity Foundation

TAL teamed up with XDF.CN to establish Yuanshan Charity Foundation in 2017. It is an open charitable learning platform that brings together the strengths of both parties, engages more learning service providers, and leverages technology to promote equity in education

Beijing Xingbang Charity Foundation

The founding team of TAL established the foundation in 2018. Through the foundation, we joined hands with other charitable learning service providers to bring education informatization services and quality learning products and solutions to areas with scarce learning resources, and help students in rural areas access quality learning resources through online and offline learning programs

Charitable foundation established by TAL Learning Group

In addition, during the reporting period, TAL joined the "Spread Love in Dongsheng", a charitable business association in Dongsheng Town, Haidian District, Beijing, becoming one of the first 21 member units of the association. Going forward, we will work with "Spread Love in Dongsheng" to carry out a series of charity projects, including the "Love and Co-creation" workshop, the "Love and Cross Border" services, the "Love and Holding Hands" fundraising project, and the "Love and Kindness" charity salon, to promote the healthy development of charitable community causes through donations, assistance, volunteer service, initiatives, mutual aid and support and other aspects.

5.2 Promote Equity in Learning

As a supplement to the public learning system, TAL regards learning advancement as is responsibility. In addition to providing enrichment learning, we also focus on learning equity. We promote learning inclusion and sharing, as well as the balanced development of learning through three dimensions: learning support, learning innovation and contribution to industry development.

Quantitative results:

In FY23, TAL invested nearly RMB 4 million in charity to launch the dual-teacher AI classrooms, promote programming learning, encourage reading in schools, and improve the scientific literacy of teachers and students, with the hope of promoting the balanced development of learning and contribute to rural learning development.

RMB 4 Million
Charity Fund

Case: Launch of the Chunya Online Learning Welfare Platform to promote balanced learning development of learning

The Chunya Online Learning Welfare Platform, initiated by TAL Charitable Foundation, jointly launched the "Internet + learning" public welfare model with local education departments to make high-quality learning resources accessible to more regions and more students. This allows students in rural areas to enjoy diversified learning resources and forms a solution for online teaching and remote learning, thereby promoting balanced learning development.

By the end of the reporting period, the Chunya Online Learning Welfare Platform had covered 1,740 schools in 19 provinces including Hebei, Yunnan, Gansu, Guizhou and Sichuan, benefiting about 220,000 teachers and students.



Chunya Online Learning Welfare Platform

Case: Support twinned counties and increase local learning levels with the M School AI-enabled dual-teacher classroom

TAL leverages artificial intelligence to empower smart learning and share high-quality learning resources. We have assisted the various twinned counties of the Ministry of Science and Technology for the Twinned-Up Assistance project, including Jinggangshan City and Yongxin County in Jiangxi, Zhashui County and Jia County in Shaanxi and Pingshan County in Sichuan. The assistance provided to these underdeveloped areas includes launching M School smart teaching and research classrooms and donating 6 sets of AI-enabled dual-teacher classroom hardware and curriculum resources. This not only improves the learning level of the twinned counties, but also contributes to rural revitalization.

At the same time, the M School AI-enabled Dual-teacher Classroom project was included in the China National Computer Congress 2022 (CNCC 2022) "Tech for Good Cases" collection activity and was selected as one of the CCF 2022 Tech for Good Annual Cases by CCF Expert Committee on Tech for Good.



M School AI-enabled Dual-teacher Classroom charity certificate

Case: Empower Learning informatization in Nayong County through the Chunya Online Learning Welfare Platform

Nayong County, Guizhou Province is one of the 160 key counties for national rural revitalization. The TAL Charitable Foundation introduced high-quality online courses and teaching products from its Chunya Online Learning Welfare Platform to Nayong County to provide it with high-quality learning resources. This effectively fills the gap in high-quality learning resources in Nayong County and helps improve Learning quality in rural areas. During the reporting period, the TAL Charitable Foundation has provided Learning informatization training for nearly 500 teachers in Nayong County to help improve the competencies of local teachers.

Case: Promote the sustainable development of the learning environment in Pingtang County and Luodian County together with other companies

In 2022, TAL teamed up with other companies to roll out a rural learning pilot project in two counties of the Twinned-Up Assistance Program, Luodian County and Pingtang County in Qiannan, Guizhou Province. The project is designed to improve the teaching quality and promote the sustainable development of the local learning environment in these two counties through three aspects, which are learning informatization development, teacher training, and introduction to programming.

Introduction to Programming

As part of the "Whole-Person Learning" efforts, TAL provides innovative Scratch and Python programming courses for five schools in these two counties. By the end of the reporting period, 1,164 students in the two counties had participated in the study. Going forward, we will continue to expand the coverage of the courses. In addition, TAL further improved students' technology literacy by launching two special programming projects on "3D printing" and "sorting robots" in Pinghu No. 1 Primary School in Pingtang County to provide students with hands-on learning opportunities and gradually drive the development of artificial intelligence learning in the school.



Programming classroom in Pingtang County and Luodian County

Case: Launch of the "Beautiful School Read for Dreaming Bookshelf" Project in Tongnan district with CFRD

TAL and the China Foundation for Rural Development (CFRD) jointly launched the "Beautiful School (Tongnan) Read for Dreaming Bookshelf" Project in Chongqing Tongnan District to help nurture a love of reading in primary school students. The purpose of the project is to provide bookshelves filled with recommended books by children's learning experts to ten rural primary schools in Tongnan District. In total, the project installed 30 customized bookshelves and donated 3,000 children's books for primary school students in grades 1-6.

As part of the project, TAL also carried out training for "Read for Dreaming Bookshelf" rural children's reading advocates and librarian. Project volunteers explained the management of the book lending process to local teachers and students, and provided training on book maintenance and repair.

By the end of the reporting period, TAL had held 31 themed activities, including training and reading groups, and had participated in volunteer services for 188 person-times and provided more than 750 hours of volunteer service. 3,360 students and rural teachers directly benefited from the project.



Read for Dream Bookshelf donation ceremony



Librarian training

5.3 Active Participation in Charity

While comprehensively promoting equity in learning, we are also dedicated to charitable causes, pursuing the traditional virtues of poverty alleviation and spreading love. We actively work toward our philanthropy mission, participate in natural disaster relief and prevention, and send love and warmth to those in need. During the reporting period, TAL was included in the 2022 China Top 500 Charity List for its social welfare and philanthropy contributions.



TAL was included in the 2022 China Top 500 Charity List

5.3.1 Charity Practices

TAL actively organizes and participates in various charity activities, encouraging employees to devote themselves to charitable causes. We strive to bring warmth to more people by initiating or participating in a variety of projects, including "The Healing Power of Learning", "TAL Charity Canteen", "Reading Lights up the World", and the Wave Library book sorting volunteer activities.

Quantitative results:

In FY23, TAL actively practiced philanthropy with a total direct charity investment of RMB 150,000.



Case: Launch "The Healing Power of Learning" season 2 campaign to inspire hope among seriously ill children

According to the *World Cancer Report 2020* published by the World Health Organization, leukemia and lymphoma are the most common types of cancer in children. Compassion Relief Tzu Chi Foundation currently provides living expenses, rent subsidies and spiritual comfort services to more than 100 sick children (mostly pre-school and primary school students). Sick children often lack contact with the outside world due to a weak immune system after chemotherapy. In response, TAL Charitable Foundation collaborated with Beijing Jing-Si Book and Cafe, a Compassion Relief Tzu Chi Foundation subsidiary, to launch the "The Healing Power of Learning" to engage physically capable children in online and offline learning activities.

In November 2021, the first season of "The Healing Power of Learning" was officially launched. During the two-month event, we organized 8 offline activities for seriously ill children in Beijing. In November 2022, TAL Charitable Foundation held the "The Healing Power of Learning" season two again with Beijing Jing-Si Book and Cafe, inspiring hope among seriously ill children in Beijing through online charity courses that cover a variety of topics, such as humanities, science, paleontology, and aerospace.

Case: Launch of the "TAL Charity Canteen" to improve children's nutrition and health

Good nutrition is the bedrock of early childhood development. Malnutrition can lead to stunted growth, weight loss, and even reduced immunity. Currently, rural and urban differences in child nutritional status are substantial in China, and child nutrition issues are particularly prominent in some underdeveloped rural areas.

During the reporting period, TAL Charitable Foundation provided nutritional support to children in underdeveloped rural areas by jointly launching the TAL Charity Canteen Project with the Amity Foundation. Through the project, it has donated RMB 50,000 worth of breakfasts to Ji Chuang Zhe School in Daliangshan, Sichuan Province, contributing to the healthy growth of children in the district.



Children benefiting from the "TAL Charity Canteen" project

Case: Organize the "Reading Lights up the World" charity reading initiative to encourage students to read and donate braille books

In August 2022, Xueersi Online School Humanities and Aesthetics Learning held a large-scale charity reading initiative, "Reading Lights up the World", to encourage children to read and develop good reading habits during the summer vacation, while practicing philanthropy and lighting up the world with love. This initiative aims to motivate students in Xueersi Online School Culture and Arts Learning to read more. Students' reading volume can be redeemed for hard copy braille books, which will be donated by Xueersi Online School to blind children in the name of the students. Students will be awarded a donation certificate by Xueersi Online School and have the opportunity to go to Beijing to have a face-to-face meeting with writer Su Tong and exchange thoughts about reading.

By the end of August 2022, Xueersi Online School students had reached 56.85 billion words of reading, of which 26,608 students had read over one million words, and 504 students had read more than 5 million words. This initiative has donated 1,500 braille books worth RMB 100,000 to eight braille libraries and schools for the blind across the country.



"Reading Lights up the World" Charity Reading Initiative

Case: Participating in the book-sorting volunteer activities organized by Wave Library

As a private school that mainly serves the children of migrant families in Beijing, Mingxin School has very limited learning resources. Since October 2020, Wave Library has brought together volunteers to provide library services to Mingxin School. As the school library is open every school day, it's inevitable to have wear and tear on the books. Also, the constant addition of new library collections leads to a chaotic book classification. As a result, it's essential to have volunteers carry out library-wide book sorting to relabel books and modify shelf numbers.

During the reporting period, TAL called on employee volunteers and actively participated in the book-sorting activities organized by Wave Library. During the volunteer activity, the participating TAL employees were responsible for labeling, writing shelf numbers of books in Mingxin School's library, and entering the shelf numbers for inventory. Their efforts have contributed to a well-organized library environment for students.



Wave Library book sorting volunteer activities

5.3.2 Responding to Natural Disasters

We showed loving care to our compatriots in the face of disasters. On September 5, 2022, a 6.8-magnitude earthquake struck Luding county in Ganzi Tibetan Autonomous Prefecture, Sichuan Province, which inflicted serious loss of life and property on local people. In fulfilling its corporate social responsibility, TAL immediately donated RMB 2 million to the earthquake-stricken areas for disaster relief and post-disaster reconstruction.



The "9.5" Luding earthquake donation certificate and a certificate of appreciation

5.4 Promoting Rural Revitalization

We strive to promote the development of rural industries through X Premium, our live-streaming e-commerce platform. We tap into local cultural heritage and special products, and introduce these products to a larger audience through live streaming to effectively advance rural revitalization.

Case: X Premium reveals the beauty of nature and culture in the Miao Village of Chengbu

Due to inconvenient transportation and limited sales channels, agricultural products in Chengbu, a Miao Village located on the southwestern border of Xiangxi, are "hidden in the deep mountains" and left unknown to people. There exists a gap between production and sales information. To drive the industry development in Chengbu and increase farmers' income, TAL held the first live-streaming sales with X Premium platform to help farmers, in which total sales of Chengbu specialty goods via live streaming reached RMB 1.92 million.

The X Premium team went to Chengbu to select local specialty goods and visit local businesses. During the live streaming, live streamers introduced the local agricultural products and explained the local culture and stories behind the products to share the unique culture of Chengbu. In addition to local natural goods such as honey, sweet potatoes and goat's milk, X Premium also sells Miao-style gourd-shaped sterling silver pendants and handmade sterling silver earrings and other special products, showcasing the craftsmanship of Miao-styled silver jewelry and its historical and cultural charm.

While searching for unique local products, the X Premium team also immersed themselves in the local culture and customs. They captured the local scenery, culture and cuisine with cameras and showed them to the world through live streaming and short videos to attract more attention and support for the development of Chengbu.

In addition, X Premium also collaborated with the local fashion brand "Qiyu Qishi" (七语七诗) to launch a business backpack with Miao embroidery elements. TAL will continue to support local brands, actively build the bridge between the urban and the rural areas, and create job opportunities in Chengbu to promote economic development in rural areas.



Local agricultural products of Chengbu



A Live Stream of X Premium

6. Strengthen Corporate Governance & Legal Compliance

Good corporate governance is the cornerstone of the healthy and sustainable development of enterprises, and a guarantee for maximizing the interests of all stakeholders. TAL has always been committed to maintaining high corporate governance standards, continuously improving risk management and business ethics standards, and improving intellectual property protection and the construction of a responsible supply chain, strengthening corporate governance and compliance to safeguard the company's long-term success.

- > Optimize corporate governance
- > Strengthen risk management and control
- > Uphold business ethics
- > Protect intellectual property
- > Build a responsible supply chain



6.1 Optimize Corporate Governance

Building a modern corporate governance system that combines management and control, integrates standards, and unifies power, responsibilities and interests is the fundamental guarantee for safeguarding the long-term interests of all corporate stakeholders. We are committed to maintaining a high level of corporate governance and ensuring that major decisions and other actions are legal, compliant, true and valid by continuously optimizing the construction and standardized operation of the Board of Directors and giving full play to the supporting functions of the special committees under the Board.

6.1.1 TAL Board of Directors

As of the end of the reporting period, the TAL Board of Directors had 5 members, including 3 independent directors (accounting for 60%) and 1 female director (accounting for 20%). We believe a diverse Board of Directors contributes to corporate governance and decision-making. It can bring a wide range of professional backgrounds, skills, and experiences, effectively promoting cooperation and communication among Board members. Our Board members have rich experience in corporate affairs. They can bring extensive industry experience and a wide range of expertise to ensure the company's long-term success.

6.1.2 Special Committees of the TAL Board of Directors

The TAL Board of Directors has three special committees: The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. In addition, in FY2023, we established an ESG Management Committee at the group level for the management of our corporate ESG.

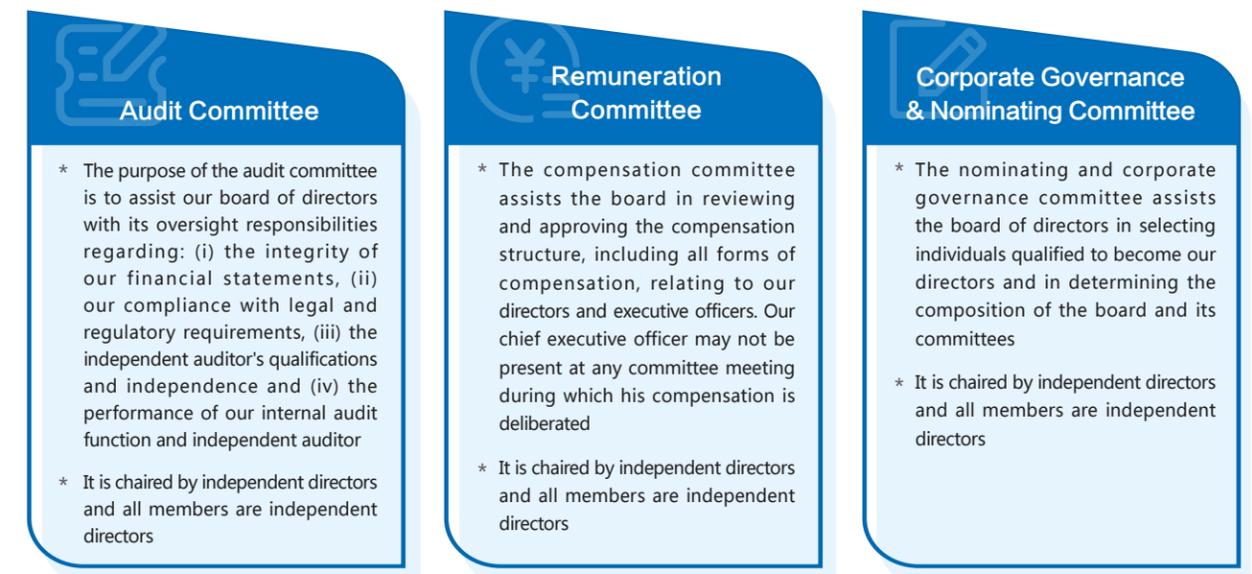


Diagram: The governance structure of the special committees of the TAL Board of Directors

Please refer to the Company's Financial Report for further detail.

6.2 Strengthen Risk Management and Control

To achieve the Company's strategic goals and maximize corporate value, it's necessary to establish a science-based, effective and accurate risk management system and continuously improve the Company's compliance management capabilities. In terms of risk management mechanism construction, we have formulated the *Risk Management Regulations*, which clarify the risk management departments and responsibilities, risk information collection, risk management strategies, and so on. We make risk management part of the operational and management process, and all functional departments and business divisions are responsible departments for risk management.

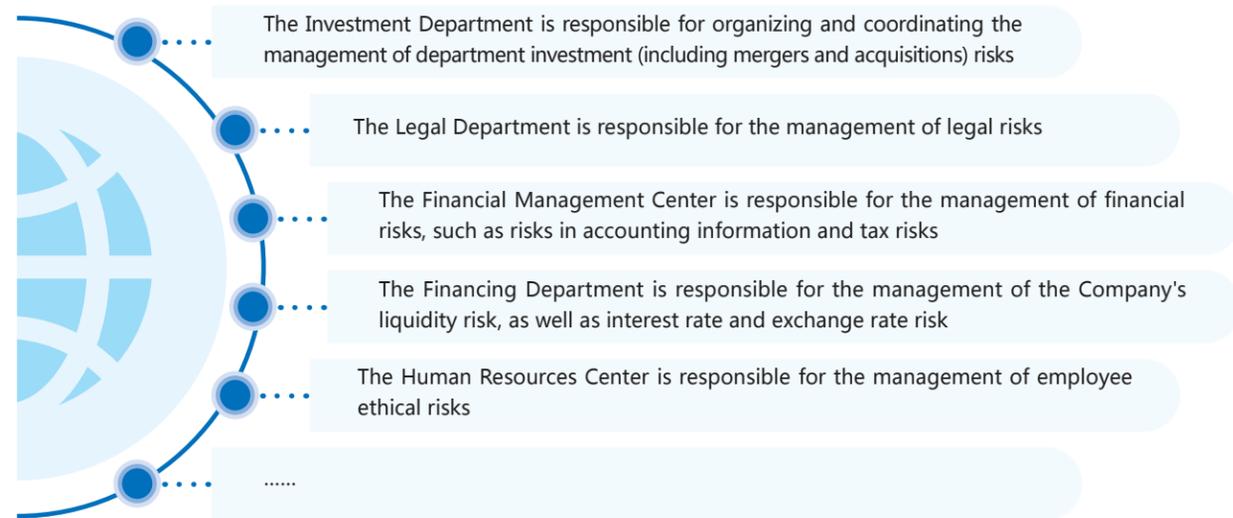


Diagram: Risk management responsibilities of certain functional departments and business divisions

In addition, TAL has set up a Legal Compliance Committee and regularly holds meetings to discuss and resolve the Group's compliance-related matters. The chairman of the Legal Compliance Committee is the Company's Chief Compliance Officer. The committee members consist of heads in the back office, including the departments of Internal Control, Legal Affairs, Finance, Procurement, Security, Development & Construction, Human Resources, Organization Efficiency & Process enhancement, administration and so on; The head of Group's internal audit also attends the meeting.

Quantitative results:

During the reporting period, TAL has held 40 weekly Legal Compliance Committee meetings to discuss and decide 81 issues raised by different departments, and has made 63 additions or updates to the management mechanism, including issuing revised versions of the *Insider Trading Policy*, *General Provisions of TAL Group's Anti-Corruption Compliance Policy*, *Procurement Management Policy*, and an updated *Financial Reimbursement, Borrowing, and Third-Party Payment Policy*.

6.3 Uphold Business Ethics

Adhering to business ethics and integrity management is our long-term philosophy and our guideline and bottom line in our interaction with every customer, partner and competitor. Every employee is required to maintain the highest standards of compliance, honesty and integrity at work. We make concerted efforts to create a wholesome business environment by improving the management system, the policy development, and the implementation of specific measures.

6.3.1 Management System

The Group Audit Department is responsible for handling group-wide reports. Reports received by each department can be submitted to the Group Audit Department for investigation or follow-up. The Group Supervision Department is responsible for the investigations and follow-up of corruption and criminal cases. The Group Human Resources Department is responsible for report-related rewards and penalties based on the results of the investigation.

6.3.2 Policy Development

We have built a complete set of science-based and effective policy management systems, and have a series of policies and specifications in place, which include the *Code of Business Conduct and Ethics*, *TAL Group Whistleblowing System*, *TAL Group Conflict of Interest Management Rules*, *TAL Employee Seven Red Lines*, *TAL Gift Declaration Management Rules*, and *TAL Learning Confidentiality Rules*, aiming to encourage employees to carry out business operations within the strict *Code of Business Conduct and Ethics*. In addition, we will continuously update and improve the business ethics system in accordance with regulatory laws and company development needs, to create a healthy, corruption-free and honest internal environment for the development of the Company.

6.3.3 Reporting and Investigation Management

In accordance with the *Code of Business Conduct and Ethics*, *TAL Group Reporting Policy* and other policies and specifications, and based on the principles of "respecting, rewarding and protecting whistleblowers", we encourage employees and external companies and personnel to report wrongdoings in the Group relating to illegal, dishonest, undisciplined or fraudulent practices by a variety of means. We have clearly stated the management methods for accepting and handling whistleblowing reports with rules and regulations, to create a wholesome and transparent business environment with internal and external stakeholders. In addition, investigators are required to strictly keep the information of the whistleblower and the reported matter confidential. Investigation work should be carried out without revealing the identity of the whistleblower. For investigators that violate confidentiality regulations or perform their duties improperly, serious disciplinary actions may be taken based on the circumstances and consequences.



Diagram: TAL whistleblowing report acceptance and handling process

While improving the management mechanism for accepting and handling reports, we also identify the risks or loopholes in the investigation, and require relevant departments to take immediate corrective measures, and prevent similar incidents from happening again. In FY23, we investigated 16 internal fraud cases, which involved 11 employees and have been handled according to relevant company policies. Among the 11 employees involved in the fraud cases, 2 have been transferred to the judicial branch to pursue criminal liability; for the suppliers involved, we have terminated the cooperation relationship and the suppliers will be blacklisted for future cooperation. These cases did not have a serious impact on the Company's business as they were discovered and handled in a timely manner.

Whistleblowers can report by email, in person, etc., and remain anonymous:

- * Whistleblowing Email address: jubao@tal.com
- * Whistleblowing office: The Group Audit Department



6.4 Protect intellectual property

With the rapid development of network technology, digital technology and information technology, the growing impact of intangible assets, especially intellectual property, on all aspects of social development is apparent. As a technology-driven Learning company, we attach great importance to intellectual property protection. We strengthen intellectual property management and encourage invention and creation through a series of management policies, such as the *TAL Learning Intellectual Property Management Policy* and *TAL Group Intellectual Property Management Rewards and Red Line Regulations*, to ensure the regulated use of TAL's intellectual property as well as respect and the legitimate use of the intellectual property of others in teaching, training, marketing and other business operations by TAL units at all levels.

6.4.1 Protection Measures

We effectively increase intellectual property protection from the source and stimulate innovation vitality from multiple dimensions, including the transformation of intellectual property achievements, early warning of intellectual property risks, and an alternative dispute resolution system.

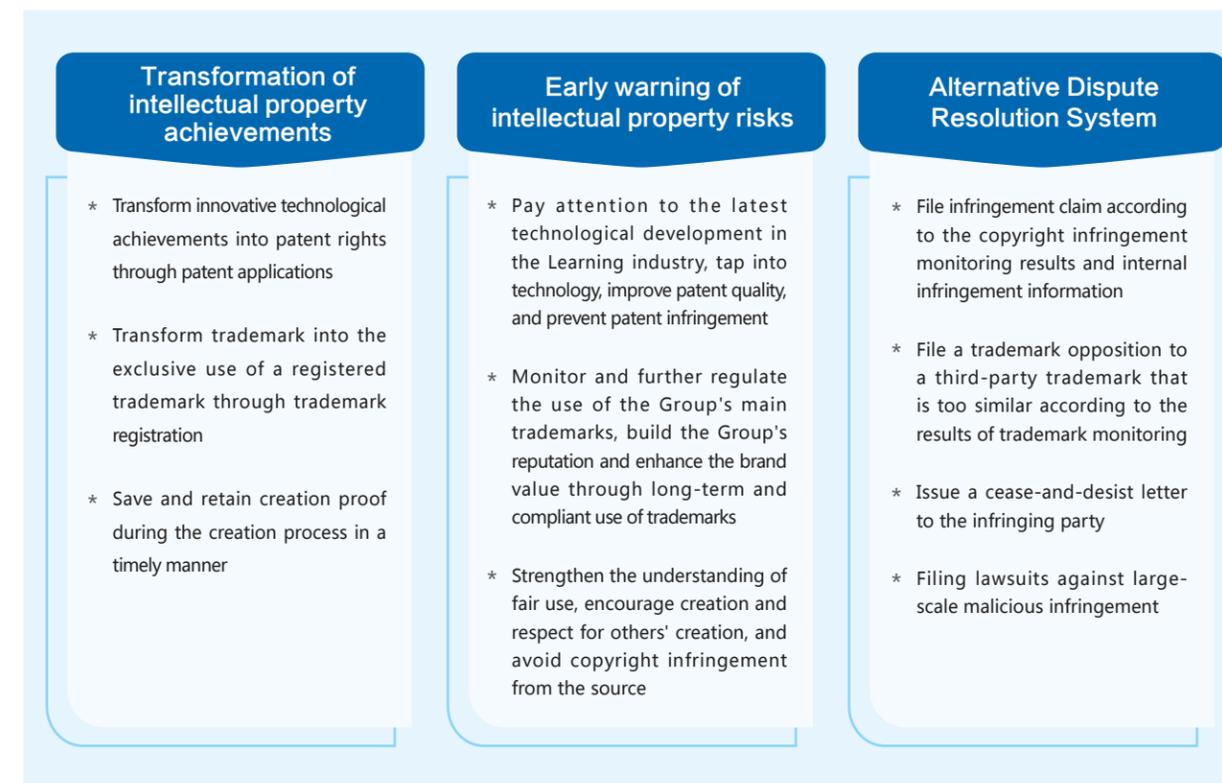


Diagram: Intellectual property protection measures

In addition, during the reporting period, we have organized a number of online and offline training sessions on intellectual property, which cover trademark registration, trademark strategy, copyright research, PCT application, remedies for copyright infringement, and other fields. We have also carried out legal training programs on the third-party training platform of the Legal Affairs Department to raise awareness of the use and management of intellectual property rights among our employees and improve intellectual property protection and management at TAL.

6.4.2 Invention Incentives

To encourage employees to carry out scientific and technological innovation and invention, the *TAL Group Intellectual Property Management Rewards and Red Line Rules* clearly state that employees who participate in work-related inventions will be given monetary incentives and honorary awards in accordance with the *TAL Patent Application Management Measures*. The Company has long attached great importance to increasing the number of patents. In recent years, TAL has maintained a high level of patent applications and new patent holders every year.

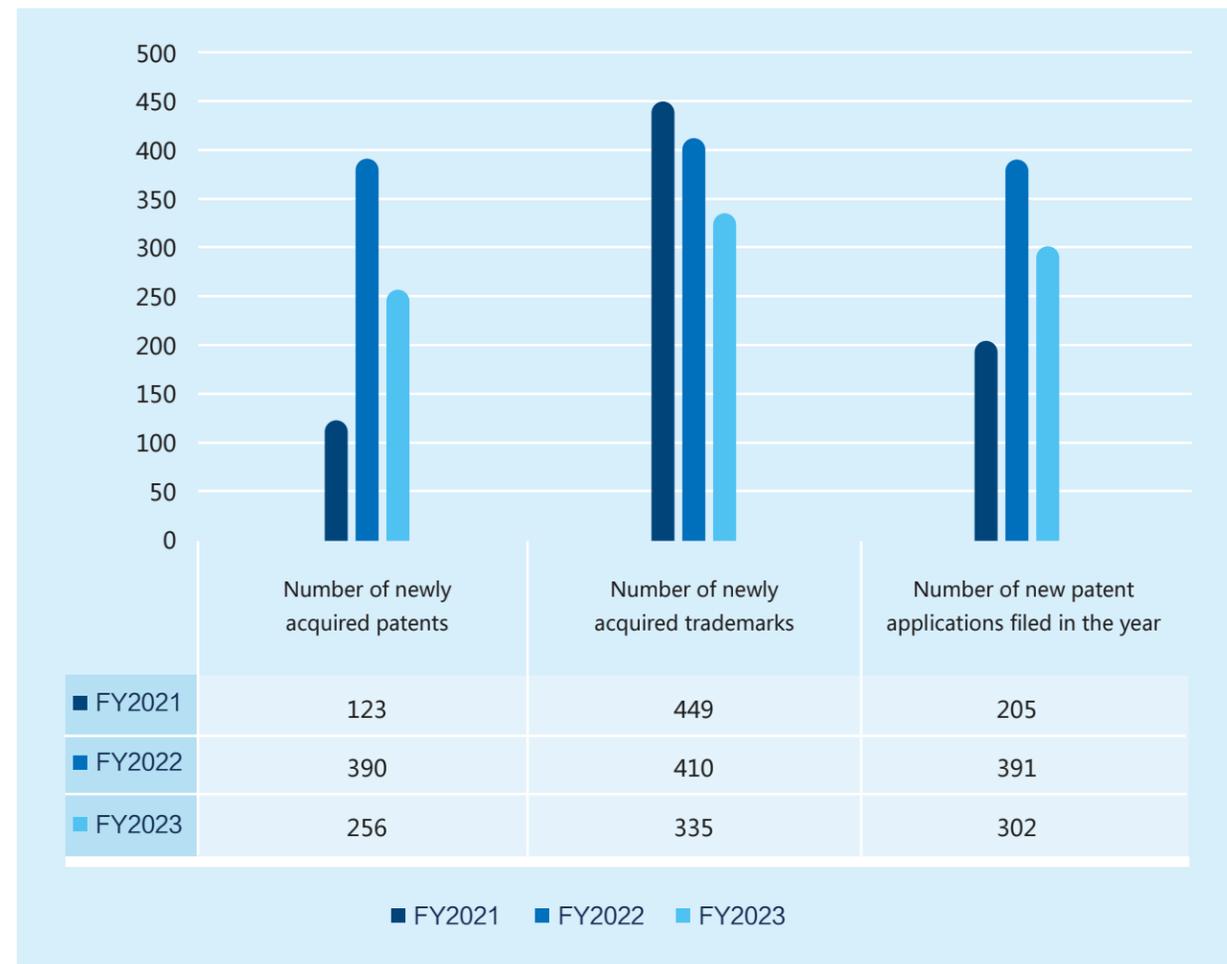


Table: Intellectual property data

6.5 Build a Responsible Supply Chain

Suppliers are important stakeholders in the Company's development and the connecting links in production and operations. To achieve the ESG goal of sustainable development and win-win cooperation with suppliers, we have always managed the procurement and supply value chain based on the principles of fairness, full and open competition, honesty, separation of duties, appropriate delegation and the 5R Rule (Right Time, Right Quality, Right Quantity, Right Price, Right Place), and gradually open up and promote the systematic and whole-process control construction.

6.5.1 Due Diligence

In terms of supplier due diligence, we have carried out comprehensive risk assessment and control and related system construction that covers the whole process from the introduction of suppliers in the procurement category, participation in sourcing competition and cooperation, cooperation evaluation and withdrawal to ensure the raw material quality, safety performance and service quality of the Company's high-quality products.

Key suppliers of printing, course materials etc.

User health and safety are at the core of our business. Our suppliers are required to have relevant qualifications and take responsibility for the procurement of upstream raw materials. For example, printing suppliers must have business licenses and licenses for printing operations, and depending on project requirements, China Environmental Labeling product certification (the Green product label), Environmental Management System Certification, Quality Management System Certification, printing equipment list and other qualification documents

Other types of suppliers

We always ensure our supplier competition and selection comply with national and industry standards

Diagram: Management of supplier compliance and qualification

In addition, we carry out annual supplier evaluations to continuously strengthen the screening and management of suppliers. Based on the evaluation results, category responsible employees and the supplier manager will communicate with the suppliers to create improvement plans, and decide if the termination of the supplier contract is necessary based on the evaluation results and the actual performance of the improvement plan.

In FY23, the Company had 5,926 suppliers in the procurement category in its supplier base. In the current fiscal year, we have cooperated with 666 suppliers in the procurement business.

6.5.2 Regulated Procurement

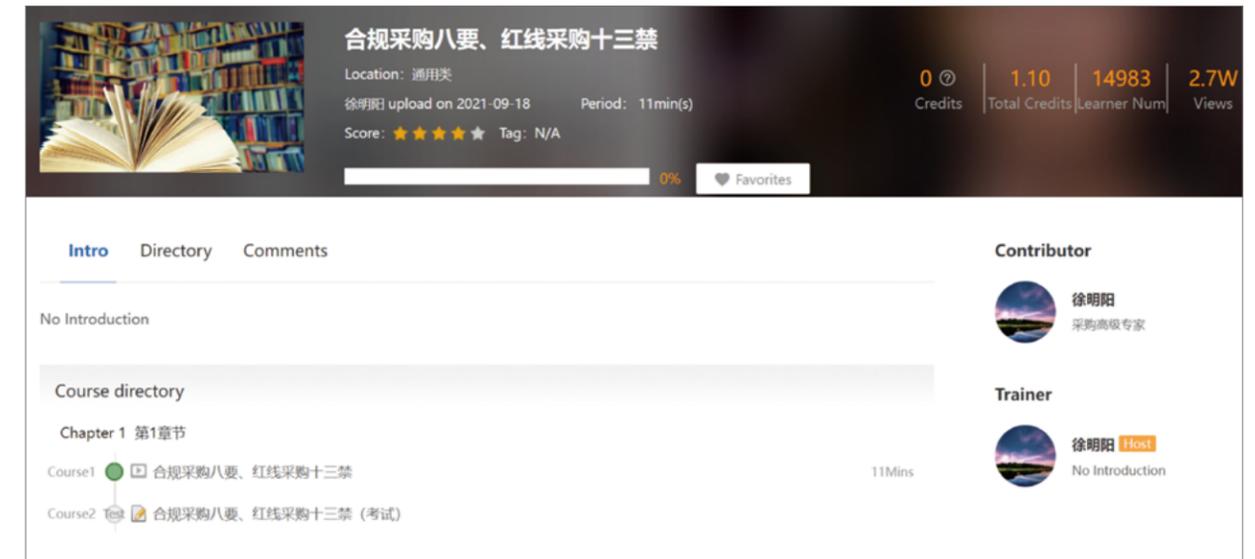
We strive to improve procurement policies and regulations, create a procurement environment compliant with laws and regulations, and promote fair competition among suppliers, safeguarding the legitimate interests of buyers and suppliers. We work to continuously increase stakeholders' awareness of regulated procurement by promoting communication with external suppliers and strengthening internal compliance and integrity training on regulated procurement. By the end of the reporting period, all registered suppliers in the procurement category have signed the *Fair Trade Pledge* and *Confidentiality Statement* with the Company or agreed to the anti-corruption, bribery, and confidentiality terms in their contracts.

Policy and System Construction

In order to create a regulated, transparent and efficient procurement environment and protect the legitimate rights and interests of both buyers and suppliers, in recent years, the Company's Procurement Department has continuously optimized and revised its *TAL Procurement Code of Conduct*, *TAL Procurement Management Policy* and *TAL Supplier Management Policy* to establish the basic principles of procurement management and promote the compliant and wholesome development of procurement.

Integrity Training for Compliant Procurement

The Company's Procurement Department has conducted group-wide online training to ensure that every employee understands the importance of compliant procurement and behavior prohibited by the procurement red-line rules. By the end of the reporting period, approximately 15,000 employees across the Group have completed the training, and the total views of the course videos have reached 27,000.



The "8 Dos and 13 Don'ts of Compliant Procurement" Training Course

Open and Fair Recruitment of Suppliers

To effectively build a professional, fair, impartial and credible procurement system, allowing more suppliers to stay informed about the Company's ongoing procurement projects and compete fairly, we have established a WeChat account called TAL Procurement, to openly recruit suppliers.

Honoring the Spirit of the Cooperation and Contract

To safeguard the legitimate rights and interests of both buyers and suppliers, and establish a legal relationship in procurement, we have declared the *Announcement on the Effective Cooperation Basis with Suppliers* to all suppliers in the supplier base to encourage suppliers to report procurement-related violations to TAL's procurement audit group. This group will carry out cross-department collaboration with supervision, internal control, audit, and other departments to effectively protect the legitimate rights and interests of buyers and suppliers.

ESG Key Performance Indicators Sheet

Environmental Data¹

GHG emissions²

Indicators	Unit	FY23
Total GHG emissions	tCO ₂ e	10,549.72
GHG emission density	tCO ₂ e per capita	0.81
Direct emissions (Scope 1) ³	tCO ₂ e	81.24
Indirect emissions (Scope 2) ⁴	tCO ₂ e	10,468.49

Waste Disposal

Indicators	Unit	FY23
Total amount of hazardous waste	ton	32.08
Hazardous waste density	kg per capita	2.45
Discarded electronic equipment	吨	31.47
Including: servers	吨	11.03
hosts	吨	7.66
switches	吨	2.49
printers	吨	2.01
projectors	吨	1.32
laptops	吨	1.18
other electronic devices	吨	5.77
Discarded toner cartridges	吨	0.61
Total amount of non-hazardous waste ⁵	吨	1,025.87
Non-hazardous waste density	千克/人	78.39

¹ The scope of the environmental data includes data from all TAL operation facilities in the mainland of China, i.e. the headquarters of the Group, as well as all online school bases and branches. The number of employees used in the calculation of the environmental density indicators is the total number of employees in TAL as of the end of FY23.

² Greenhouse gas inventory include carbon dioxide and hydrofluorocarbons, which are mainly from the consumption of outsourced electricity, gasoline and refrigerants. GHG is measured in carbon dioxide equivalent.

Energy Consumption⁶

Indicators	Unit	FY23
Total Energy Consumption	MWh	18,357.94
Energy consumption per capita	MWh per capita	1.40
Direct energy consumption: gasoline	MWh	1.84
Indirect energy consumption: outsourced electricity	MWh	18,356.10

Resource Utilization

Indicators	Unit	FY23
Total paper consumption	ton	55.37
Total water consumption	cubic meter	109,943.33
Water consumption per capita	cubic meter per capita	8.40

Employee Data

Employment Status

Indicators	Unit	As of February 28, 2023
Total number of employees ⁷	person	13,100

³ Direct emissions (Scope 1) include GHG emissions, primarily from the consumption of gasoline and refrigerants, emitted by businesses directly controlled or managed by TAL. The accounting of GHG emissions takes reference from the National Development and Reform Commission's *Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Other Industrial Enterprises (Trial)*.

⁴ Indirect emissions (Scope 2) include indirect emissions generated by TAL's outsourced electricity. The emission factor is calculated based on the 2022 national grid emission factor of 0.5703 tCO₂/MWh released by the Ministry of Ecology and Environment of the People's Republic of China.

⁵ Non-hazardous waste is converted according to the per-capita emission factor with reference to the *2021 Beijing Municipal Notice on Releasing Information on the Prevention and Control of Environmental Pollution by Solid Waste in Beijing*.

⁶ Energy consumption includes direct energy consumption and indirect energy consumption. Direct energy consumption comes from the use of gasoline, which is mainly used for company vehicles; indirect energy consumption comes from electricity consumption in offices and other activities. The accounting of energy consumption takes reference from the National Development and Reform Commission's *Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Other Industrial Enterprises (Trial)* for conversion.

⁷ Total number of employees does not include part-time employees.

Indicators		Unit	As of February 28, 2023
Percentage of employees by gender	Male	%	39.02
	Female	%	60.98
Percentage of employees by age	<30	%	63.21
	30-40	%	34.74
	≥ 41	%	2.05
Percentage of employees by region	The Mainland of China	%	98.63
	Hong Kong, Macao and Taiwan	%	0.37
	Overseas regions	%	1.01
Number of employees with disabilities		person	73
Employee turnover rate ⁸		%	41.5

Diversity

Indicators		Unit	As of February 28, 2023
Percentage of female employees in the workforce		%	60.98
Percentage of females in promoted employees		%	49.54

Employee Health and Safety

Indicators		Unit	FY23
Number of work-related fatalities ⁹		person	1
Number of work-related injuries		person	9

Training

Indicators		Unit	As of February 28, 2023
Number of employees participating in training		participation	16,976
Employee training participation rate		%	47
Average training time per person		hour	5.27

⁸ Employee turnover rate = Number of employees who left during the reporting period / [(Number of employees at the beginning of the reporting period + Number of employees at the end of the reporting period)/2] × 100%.

⁹ During the reporting period, one employee had a traffic accident on the way to work for which he was considered not at fault. The accident resulted in the death of the employee on the spot, which has been recognized as a work-related injury.

¹⁰ Since the investment in learning assistance includes the converted amount of material and manpower, this is a conservative estimate.

Supplier Data

Indicators		Unit	As of February 28, 2023
Number of suppliers in the procurement category by regions	The Mainland of China	unit	5,852
	Overseas	unit	74

Charity Data

Indicators		Unit	FY23
Total investment in charity		RMB 10,000	615
Including: learning assistance ¹⁰		RMB 10,000	400
Child Care		RMB 10,000	15
Emergency Response and Disaster Relief		RMB 10,000	200
Total participation of employee volunteering		Participation	592
Total hours of employee volunteer activities		Hour	651

Corporate Governance Data

Board of Directors

Indicators		Unit	As of February 28, 2023
Number of board members		person	5
Independent directors		person	3
Female directors		person	1

Intellectual Property Management

Indicators		Unit	FY23
Number of new patents		piece	256
Number of new trademarks		piece	335
Number of new patent applications annually		piece	302

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Reader Feedback		

Reader Feedback

Your feedback is important for continuously improving TAL's environmental, social, and corporate governance performance and will serve as an important reference for our ESG management.



Please scan the QR code to fill out the questionnaire

Thank you for taking the time to provide your feedback on the themes and issues of this Report and the FY24 ESG report (March 1, 2023 to February 29, 2024).

1. Which of the following types of stakeholders do you fall into?

- Government and regulatory authorities
- Shareholders and investors
- Customers
- Employees
- Suppliers
- Trade or commercial associations
- Media
- Local Community
- Others: _____

2. Do you think this Report fully reflects TAL's ESG performance?

- Agree
- Somewhat agree
- Disagree

3. Do you think this Report fully addresses the expectations and demands of TAL stakeholders?

- Agree
- Somewhat agree
- Disagree

4. Do you think the quantitative information disclosure in this Report is objective, truthful and valid?

- Agree
- Somewhat agree
- Disagree

5. Do you think the textual representation of this Report is clear and easy to understand?

- Agree
- Somewhat agree
- Disagree

6. Do you think the layout of this Report facilitates understanding of the information?

- Agree
- Somewhat agree
- Disagree

7. Which content do you wish to see more of in the TAL FY24 ESG report?

- Management approach illustrations
- Charts and Data
- Cases
- Features
- Pictures
- Others: _____

8. In the TAL FY24 ESG report, you would like to add the following topics:

- Environmental protection, specifically: _____
- Corporate social responsibility, specifically: _____
- Corporate governance, specifically: _____
- Economic growth, specifically: _____
- Other topics, specifically: _____

9. Do you have any other comments and suggestions on TAL ESG management and ESG reporting?
