



福壽園國際集團

FU SHOU YUAN INTERNATIONAL GROUP
01448.HK



2019

SUSTAINABILITY REPORT

福壽園國際集團有限公司

FU SHOU YUAN INTERNATIONAL GROUP LIMITED

Stock code: 01448

Incorporated in the Cayman Islands with limited liability

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Summary of the Report

This report (the “Report”) is the fourth annual sustainability report of Fu Shou Yuan International Group Limited and its subsidiaries (hereinafter referred to as “We”, “the Group” or “Fu Shou Yuan”). It covers our work during the Reporting Period from January 1 to December 31, 2019. The Report provides a focused discussion of stakeholders’ concerns, and a comprehensive description and explanation of Fu Shou Yuan’s performance and management policy in environmental and social areas. Also, the Report illustrates how Fu Shou Yuan lives up to the commitments to sustainable development.

During the preparation of the Report, we spared no efforts to ensure the information covered in the Report meets the four reporting principles as required by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), namely, materiality, quantitative data, balance, and consistency.

Scope of the Report

The scope of the Report is the same as that of the Group’s 2019 Annual Report and covers Fu Shou Yuan International Group Limited and its subsidiaries.

Reporting Guidelines

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange (hereinafter referred to as “ESG Reporting Guide”) and considering the concerns of Fu Shou Yuan’s stakeholders. The preparation procedures for the Report included identifying and listing important stakeholders, identifying material issues related to sustainability, deciding the boundaries of the sustainability report, collecting relevant materials and evidence, preparing the Report based on the collected information, and examining the data in the Report. The Group has complied with the “comply or explain” provision of the ESG Reporting Guide.

Information Sources and Reliability

The information and examples used in the Report are mainly extracted from the Group’s statistics and related documents. The Group has pledged that the Report does not contain any false information or misleading statements, and we are responsible for the authenticity, accuracy, and completeness of the Report.

Confirmation and Approval

The Report was confirmed by the management of the Company, and then approved by the Board of Directors of the Company on March 13, 2020.

Report Access and Feedback

The Report is available in Traditional Chinese and English for reference. The electronic version of the Report can be found in the “Financial Statements/ESG Information” section of the announcement on the website of the Stock Exchange or on the official website of Fu Shou Yuan.

We value the suggestions of stakeholders and encourage readers to contact us through the following contact information. Your suggestions will help us further improve our reporting and enhance the overall sustainability performance of the Group.

Email: ir@fsygroup.com
Address: Unit 709, 7/F, K. Wah Center, 191 Java Road, North Point, Hong Kong
Or: Room 1306, Charity Plaza, 88 North Caoxi Road, Xuhui District, Shanghai

Message from the Management

Since its establishment 25 years ago, Fu Shou Yuan always adheres to the original intention of “run a good enterprise and change the entire industry”, upholds the sustainable development philosophy of “transforming cemeteries into parks, farewells into beautiful moments and traditional ceremony into modern commemoration”, sticks to the belief of “supporting the elderly with care while holding the funeral with respect as well as making people pass away respectfully with relief and dignity”, commits to breakthroughs in concepts, products, services, culture, art, technology and so on, promotes Chinese traditional culture, and leads the development and reform of China’s modern death care industry. On behalf of the Board of Directors of Fu Shou Yuan International Group Limited, I hereby express my gratitude to the shareholders and stakeholders for the long-term attention and support to the Company.

The Group adheres to the concept of “people-oriented, culture-based”, actively participates in social public welfare undertakings, and relies on the “Shanghai Fu Shou Yuan Public Welfare Development Foundation” officially operated in 2019 to bravely assume corporate, social, industry, historical and public responsibilities, and build a warmer life service system for the whole society. Through the activities launched by Life Service Academy, the Group actively promotes life education and pre-need caring, and leads society’s life education. In addition, the Group deepens school-enterprise cooperation, assists in death care vocational education, and promotes the international and standardized development of the Chinese death care industry. The Group is committed to promoting the spirit of sages, popularizing the history of the city, continuing the spiritual wealth of mankind, and advancing the construction of ecological civilization.

The Group strictly abides by national and local laws and regulations, advocates the concept of people-oriented and diversified development, promotes an equal and just corporate culture, initiates innovative recruitment methods to gather talents, provides targeted career development routes and training systems for employees, improves employee welfare by maintaining the health and safety of employees, and creates a career platform for employees to show their talents and realize value. At the same time, the Group integrates the concept of green and environmental protection into each link of the industrial chain, and builds an ecological civilization development strategic framework centered on lean operations, environmental cremation, green funeral, ecological tombs, low-carbon ceremony, and landscape cemetery to promote low-carbon, low energy consumption and efficient operation, promoting ecological symbiosis and leading the industry in green and sustainable development.

Guided by national policies, Fu Shou Yuan always keeps its mission in mind, updates in traditional industries, concentrates on innovation, and insists on providing high-quality life services for the people. We adhere to the “Customer first” and 100% contribution in exchange for customer satisfaction. Although the sudden outbreak during the 2020 Spring Festival challenged our services, Fu Shou Yuan responded with unswerving confidence and fully thoughtful measures. We focus on high-quality, high-value-added services, continuously innovate service values, and improve the entire chain of high-standard service systems. At the same time, the Group advocates green, centralized and localized procurement to continuously improve the sustainable development performance of suppliers.

In the future, we will continue to maintain the steady development of the core burial service sector and deep plough the death care service sector, in addition to innovate and optimize products. We will continue to serve the people’s livelihood, continue to carry forward the red spirit, strengthen the inheritance of urban context, and establish more scientific and standardized development goals and ecological civilization construction goals. At the same time, the Group will continue to fulfill its corporate social responsibility, contribute to the society, and spread a new life culture that “respects life and reflects humanity”. The Group will continue to improve the quality of services, build high-standard facilities, provide people with better quality of services, contribute to the development of the Chinese death care industry, and make unremitting efforts to achieve beautiful life of the people!

Bai Xiaojiang

Fu Shou Yuan International Group Limited

Chairman of the Board of Directors and Executive Director

Wang Jisheng

Fu Shou Yuan International Group Limited

Executive Director and President

Acting in Epidemic Prevention and Control

During the Spring Festival of 2020, a novel coronavirus epidemic affected people across the country. At this critical moment when all people are united to overcome the difficulties, Fu Shou Yuan made use of its own strength to participate in the national containment of coronavirus.

Establishment of Prevention and Control Emergency Leadership Team

The Group established an emergency leadership team as soon as possible after the outbreak, to coordinate the Group's epidemic prevention work. We formulated and issued prevention and control documents including the Guidelines on Strengthening Epidemic Prevention and Control and Work Stable Promotion (No. 1 to No. 4) and the Emergency Proposal on Novel Coronavirus Prevention and Body Treatment for Death Care Segment. At the same time, we require all operations and offices to strictly and quickly respond to the epidemic prevention and control requirements of the provinces and cities in which they are located, issuing tips for preventing novel coronavirus with keywords "decentralization, simplification and isolation" as the key to create a safe and hygienic public service and office environment for customers and employees to the maximum extent, and spare no efforts to prevent and control the epidemic. Prior to the issue of the Report, no infection has occurred in the Group.



Tips for prevention and control for companies in various regions

Introduction of "Valet Guarding" and "Valet Ceremony" Services

With the further strengthening of prevention and control measures of the epidemic, we carry out more stringent disinfection work in the park, while providing "valet ceremony" services to meet the needs of the masses to remember their loved ones and express their grievances, and protect the health and safety of customers and employees to the largest extent. In order to ensure the safe development of funeral activities, the funeral service made reference to the "valet ceremony" model of the cemetery section and launched the "valet guarding" service. At this



"Valet ceremony" service

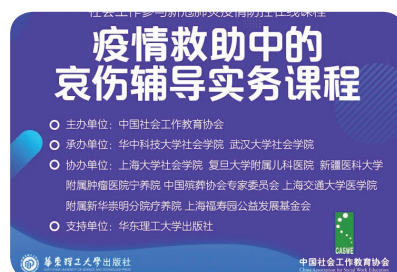


"Valet guarding" service

moment of self-isolation for all people, our funeral services adopted an innovative working model to ensure the dignity of each farewell, which not only protect the safety of family members of victims during the epidemic, but also ensure the warmth of the farewell moment. Love is not isolated under epidemic. In this unusual time, we have been serving attentively and striving for innovation, so that the bereaved loved ones will not be disregarded on special days.

Supporting the Launch of "Grief Counseling Practical Courses in Epidemic Relief"

After the epidemic outbreak, the "Social Work Participation in Epidemic Prevention and Control Online Curriculum Plan", which was participated and supported by the Expert Committee of China Funeral Association and Shanghai Fu Shou Yuan Public Welfare Development Foundation, decided to launch a series of "Grief Counseling Practical Courses in Epidemic Relief" and invited the experts and scholars at home and abroad in grief counselling field to teach relevant knowledge and share practical experience for related personnel. The course is composed of three phases: grief counselling during epidemic, post-epidemic trauma and grief intervention and life education. It aims to provide comprehensive assistance to people who have suffered from the epidemic during the epidemic prevention and anti-epidemic process.



Grief Counseling Practical Courses in Epidemic Relief

Organizing Charity Donations and Various Voluntary Services

Since the launch of the novel coronavirus epidemic prevention and control, the demand in different regions in the PRC for epidemic prevention materials such as disinfectants and protective equipment has surged. Shanghai Fu Shou Yuan Public Welfare Development Foundation has paid close attention to the epidemic prevention and control, responded voluntarily and consciously, and actively donated epidemic prevention materials to the funeral units of Shanghai, Wuhan, Tianmen and social welfare institutions to support epidemic prevention and control and front-line medical staff. The Group's branches in regions actively developed the community volunteer service, welfare institutions caring visits and other local work, and actively donated materials to the organizations and groups in need. At present, the Shanghai Fu Shou Yuan Public Welfare Development Foundation and the Group actively demonstrate their commitment and take practical action to participate in this war without gunpowder.



Epidemic prevention materials donation

Sustainability Highlights

Revenue :	RMB 1,850.6 million increase of 12.1 % YoY
Total Number of Customers Served :	55,297
Regional Coverage :	more than 30 cities in 16 provinces, autonomous regions and municipalities
Water Consumption :	2.30 tons/ten-thousand RMB revenue, Decrease of 16.97 % YoY
Purchased Electricity :	4.62 GWh/million RMB revenue
Total Energy :	12.28 GWh/million RMB revenue
Innocuous Waste :	2.08 tons/million RMB revenue Decrease of 6.73 % YoY
Greenhouse Gas Emissions :	5.15 tCO ₂ e/million RMB revenue
Total Number of Employees :	2,349 increase of 5.10 % YoY
Gender :	Female employee 42.18 %
Training hours per employee :	43.13 hours/employee increase of 112.67 % YoY
Customer Satisfaction Rate :	Service window: 93.40 % Burial service: 96.46 %
National Public Welfare Covenant Government Procurement Contract :	1,870 increase of 388.25 % YoY
Total Number of Suppliers :	567 in 7 provinces and cities across China

ECONOMIC ISSUES



ENVIRONMENTAL ISSUES



LABOR ISSUES



SOCIAL ISSUES



1. Company Governance

1.1 About Us

Fu Shou Yuan was established in 1994 and was listed on the Stock Exchange in 2013, and currently has become a leading enterprise in the domestic death care service industry. As a responsible enterprise, Fu Shou Yuan accumulates good traditional values of Chinese culture and provides a reliable guarantee for people to preserve memories and emotions. We have also been at the forefront of industry innovation, committed to breakthroughs and innovations in concepts, products, services, culture, art, technology and other aspects, leading the development of China's modern death care service industry.

At present, the Group covers burial services, funeral services, machinery, pre-need services, landscape design, Internet+Death care, life education and other segments. With the corporate spirit of "innovation, truth-seeking, peace of mind, and sincerity", we adhere to the business philosophy of "farewell of physical life and continuation of spiritual life" to provide death care and other services for individuals and enterprises. The Group's business has been expanded to more than 30 cities in 16 provinces, autonomous regions and municipalities in China including Shanghai, Henan, Chongqing, Anhui, Shandong, Liaoning, Jilin, Fujian, Zhejiang, Jiangxi, Jiangsu, Guangxi, Beijing, Guizhou, Inner Mongolia, and Hubei. Fu Shou Yuan has cooperated with governments in many places to actively explore forms of public welfare services and participate in various public welfare activities. We continue to pay attention to the people's livelihood focuses of "make people pass away respectfully with relief and dignity", build a warm life service for the whole society, and expand international exchanges and cooperation to build a community of life.

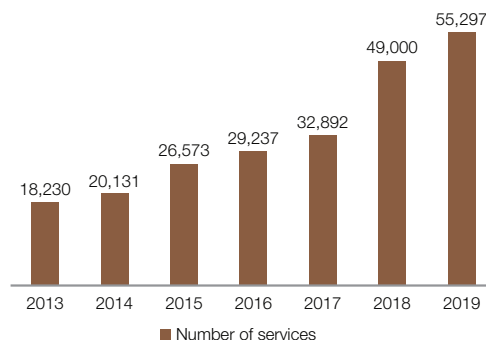
2020 is the beginning of the second "five-year strategic development" of the Group. We will continue to promote industry change with the new culture, adhere to the construction of a humane memorial park that comforts the soul, persist in concentrating resources to support and enter for the death care business, and provide high quality life services to the people.

1.2 Performance

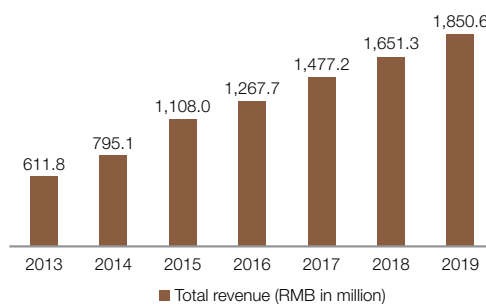
We continue to optimize the product structure, expand the proportion of ecological land-saving products and art tombs, reduce the proportion of tradition tombs, and improve land use efficiency and greening. While achieving stable growth in Shanghai, we are actively expanding business development outside Shanghai, and constantly optimizing the regional income distribution structure of the Group.

The Group's revenue in 2019 continued to grow steadily, reaching RMB1,850.6 million, representing an increase of 12.1% compared to the same period in 2018. The number of services in 2019 reached 55,297, representing an increase of 12.9% as compared to the same period in 2018.

Number of services from 2013 to 2019*



Revenue from 2013 to 2019



*Note: The number of services is the sum of the number of funeral service customers and the number of burial plots for ordinary business purpose.

At the capital market level, Fu Shou Yuan closely follows the industry and market concerns and its own business characteristics to actively improve its ESG management and the transparency of disclosure. In 2019, the Group received an AA rating from MSCI (Morgan Stanley Capital International)'s ESG rating (rating range is CCC-AAA), which takes a leading position among its international peers.

1.3 Corporate Governance

Aiming at the sustainable development of the Company, Fu Shou Yuan insists on building a sound, complete and transparent corporate governance environment, and establishes a corporate governance system which clearly defines its rights and responsibilities. Fu Shou Yuan adopts the Code of Corporate Governance in Appendix 14 to the Listing Rules as the Group's corporate governance guidelines. The Board of Fu Shou Yuan meets

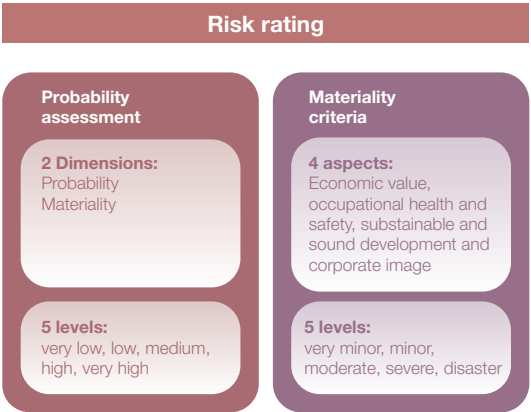
regularly and guarantees to hold board meetings at least four times a year to formulate the Group’s development strategies and monitor operational and financial performance. The Compliance Committee under the Board of Directors is responsible for approving and discussing the Group’s compliance issues and risk management, including the issues of Environmental, Social and Governance (ESG). The Group’s senior management is responsible for implementing the Board’s strategy, managing the day-to-day operations, and meeting regularly with the Executive Directors to adjust management initiatives. The Company’s committees, centers, departments and subsidiaries shall perform their duties in a manner consistent with applicable laws and regulations and in accordance with the interests of the Group and its stakeholders.

Risk assessment

Fu Shou Yuan adopts a three-tier risk management and internal control authorization system, including the Board of Directors, senior management, the management centers of the Group’s headquarters and subsidiaries. The Board of Directors, as the highest decision-making institution for risk control, is responsible for strategic evaluation, decision-making and supervision of risk control, and controls and guides the direction of risk control. The senior management and the management centers of the Group’s headquarters are responsible for identifying and assessing risks, formulating risk control policies and measures, and managing risk control. Each subsidiary executes, tracks and responds to risk control strategies and implements risk control management measures.



During the Reporting Period, we regularly carried out risk control, formulated clear and definite risk control procedures, completed risk assessment, identification, analysis and response, etc., continuously tracked and supervised the response measures of each department, and provided timely feedback on implementation to achieve the Group’s closed-loop risk management to ensure the compliance of the Group. We assess risk levels through two dimensions, the probability and materiality of risk occurrence, and comprehensively evaluate the dimensions and levels of risks that the Group may face, providing a basis for the formulation of the Group’s subsequent risk control strategies.



During the Reporting Period, a total of 80 questionnaires were distributed in the risk survey. The risk is graded based on the two dimensions of “probability assessment” and “materiality criteria” of the risk, and the top 10 material risks faced by the Group are identified.

The Group actively took measures to deal with related risks and established a sound risk management and control mechanism to ensure effective and safe operation of the Group through triple control before, during, and after the relevant work has been conducted. The Fu Shou Yuan internal control center regularly collects the latest policy information and conducts studies to evaluate the impact of policy risks, improve the Group’s existing system, and ensure that the system level is in line with the latest national regulatory requirements. In addition, the internal control center conducts internal control audits on the branches and subsidiaries in accordance with the annual audit plan, continuously monitors the compliance and efficiency of the operations of the branches and subsidiaries, and urges all branches and subsidiaries to strictly implement relevant systems.

Anti-corruption and integrity management

Fu Shou Yuan strictly abides by relevant laws and regulations, and resolutely resists all kinds of corruption. The Anti-Corruption Work System formulated by the Group clearly defines and regulates corruption acts that violate national laws and the Group’s system, and refines the management duties, processes and methods of anti-corruption and reporting. Fu Shou Yuan actively carried out supplier anti-corruption training sessions, restrained supplier behavior, and strictly controlled corruption that may occur in the procurement and land application processes. According to the Anti-fraud Work System, we have formulated countermeasures and penalties for frauds by management, employees and third parties. Meanwhile, we have improved the channels for corruption complaints. Reporting staff can make complaints through a dedicated complaint mailbox and hotline to monitor corruption. During the Reporting Period, the Group had no corruption lawsuits.

Fu Shou Yuan always adheres to honest operation, pursues fair competition, actively promotes the industry development, strictly abides by the relevant provisions of the Law of the PRC against Unfair Competition, and resolutely opposes monopoly and other unfair market behavior. We will actively promote the normalization and standardization of the industry development and promote the innovative development of China’s death care service industry.

1.4 Diversity of the Board

Fu Shou Yuan adopts a diversified board policy. In order to ensure the rationality of Board decisions, the Company’s Board of Directors is composed of 10 members with different cultural and educational backgrounds, genders, ages, professional knowledge, experience and skills, taking full account of the factors and composition of the Board of Directors. The Board of Directors includes 3 founders of the Group, 3 non-executive directors with reputable experience in the manufacturing, insurance and financial sectors and 4 independent non-executive directors with reputable authority in their respective industries. Our independent non-executive directors include the former president of International Federation of Thanatologist Association, senior financial and legal experts, and the former board secretary of the China Eastern Airline which is listed in 3 markets, who has nearly 15 years of management experience. By ensuring the professionalism, independence and diversity of the independent non-executive director’s background in terms of gender, region, cultural background, professional knowledge and experience, it provides guidance for the overall corporate development and governance. On November 29, 2019, the Board of Directors appointed Ms. Liang Yanjun as an independent non-executive director and the chairman of the Compliance Committee of the Company. The joining of Director Liang Yanjun has lowered the average age of the Board of Directors. It is expected that with her professional legal background, she will lead the Group’s future compliance work to penetrate into the grassroots level and further improve the overall compliance level of the Group.

Fu Shou Yuan always adheres to the original intention of “run a good enterprise and change the entire industry” and leads the death care service industry to develop in the direction of civilization, science, humanities, environmental protection and standardization, and dedicates itself with hard work. We disseminate a new life culture that “respects life and reflects humanity”, contributes to the development of the death care service industry in China and contributes to structural reforms, and meets the people’s growing demand for better death care services.

2. Governance of Sustainable Development

The death care service industry is a special public service industry with endogenous social public welfare, and is an important cornerstone for protecting people's livelihood, a harmonious society, and a beautiful life. In the new era of creating a better life for the people and making the progress of social civilization, China's death care service industry is becoming a modern public service that has received much attention, and has become an important part of the construction of material civilization and spiritual civilization.

In our view, funeral is not only about the farewell of the deceased, but also to care for the history, family emotions and social tenderness in a respectful, admired and prudent way. Therefore, adhering to "people-oriented and culture-based", Fu Shou Yuan volunteers to assume the corporate, industrial, social, historical and public responsibilities, and devotes itself to be "the provider of people's livelihood services, the echo of family emotions, the leader of life education, the preserver of city memory and the bearer of social responsibility".

2.1 Strategy of Sustainable Development




We believe that the foundation of the death care service industry is to meet people's expectations of living rights. To make contributions in the death care service industry "colorful, warm and powerful", Fu Shou Yuan follows the sustainable development concept of

"transforming cemeteries into parks, farewells into beautiful moments and traditional ceremony into modern commemoration", advocates the modern life philosophy of "learn to say good bye", upholds the belief of "run a good enterprise and change the entire industry". We take high-quality death care services as the foundation, and take the etiquette service of multi-level and humanistic as a breakthrough, strive to promote the standardization of the death care service industry, and carry forward the excellent Chinese traditional culture to guide the society to think about the meaning and inheritance of life.

In response to the higher expectations of the public for the sustainable development of Fu Shou Yuan, during the Reporting Period, we integrated and enhanced the sustainable development strategy from the three dimensions of industry, public and society:

We strive for a good beginning and a good ending. In the future, we will take a new step in integration and development, update the traditional industries, and dedicate ourselves to the death care business of "make people pass away respectfully with relief and dignity", and promote the industry towards a more civilized, scientific, humanistic, environmental and standardized development.



 Industry "Physical ecology"	 Public "Spiritual ecology"	 Society "Serve the whole social ecology"
<ul style="list-style-type: none"> Pursue the conservation of land resources and the environmental protection of tombstone facilities, and establish a positive relationship with the natural environment for green, harmonious and sustainable development. Deepen the green concept into all aspects of operation, implement the management requirements of lean operation, environmental cremation, and green funeral, and strive to make the cemetery a beautiful space for life and harmony between man and nature. 	<ul style="list-style-type: none"> "Shrank tomb while expanded memory". Through the continuous enrichment of funeral spiritual products, we promote the ideology and culture of paying a careful attention to the funeral rites to parents as well as commemorating the ancestors and filial piety and respect for relatives. Break the taboo of death through death care service and create an education platform for the concept of living and life cognition. Farewell of physical life and continuation of spiritual life have led to deeper thinking about the value of individual life. 	<ul style="list-style-type: none"> The understanding, development and inheritance of life culture, and then advancing social civilization, which has become an important part of the spiritual civilization construction. The positive interaction between government governance and social regulation in serving the country, society, industry and the public.

2.2 Governance of Sustainable Development

In order to consolidate and continue to deepen the sustainable development governance level of Fu Shou Yuan and realize the closed-loop of management, the Group continued to adopt a three-level governance structure-the Board of Directors, the Environmental,

Social and Governance (hereinafter referred to as “ESG”) Implementation Committee and the ESG working team. This governance structure helps us to fulfill our social commitment, comply with relevant laws and regulations, and guide our operational activities responsibly.

Board of Directors	<ul style="list-style-type: none"> Responsible for assessing and determining Fu Shou Yuan's environmental, social and governance (ESG) risks Ensuring that Fu Shou Yuan sets up appropriate and effective ESG risk management and internal control systems Approving ESG policies Approving ESG reports
ESG Implementation Committee	<ul style="list-style-type: none"> Led by the Compliance Committee Implementing ESG risk management and internal controls Directing the work of the ESG working team Reviewing ESG policies Reviewing ESG reports and confirming the accuracy of performance indicators
ESG working team	<ul style="list-style-type: none"> Led by the office of the secretary to the Board and deeply participated by heads of each headquarter centers and branches and subsidiaries Facilitating different departments' implementation of ESG policies Reporting to the Implementation Committee on the implementation of ESG projects Compiling ESG performance indicators Preparing ESG reports

Governance aspect

We use this governance structure to promote the implementation of sustainable development strategies. ESG working team regularly reports the ESG report to the Compliance Committee, and the chairman of the Compliance Committee reports the sustainable development results to the Board.

During the Reporting Period, the Company held 5 Board meetings and 2 Compliance Committee meetings. In each meeting of the Compliance Committee, the ESG working team made formal reports to members. In Board meetings, directors also conducted in-depth discussions and actively provided suggestions on the strategic goals, cultural concepts, internal control, information management and industry development promotion of Fu Shou Yuan.

Management aspect

In order to implement the ESG management requirements for branches and subsidiaries in different operating locations and different business types and to improve their risk management level by identifying ESG risks, the Fu Shou Yuan ESG working team conducts on-site ESG inspections of branches and subsidiaries on an annual basis. As of the end of the Reporting Period, we have conducted ESG special inspections and trainings for 10 branches and subsidiaries to ensure the uniformity and effectiveness of the sustainable development management of Fu Shou Yuan.

We also conducted the first management workshop on climate change risks during the Reporting Period. Through the workshop, we identify and assess climate change risks involved in the Group's operation, and share information on national and industry policies on climate change. The management has actively discussed the possible physical and transitional risks due to climate change, and explored practicable measures aimed at transforming the crisis into opportunity. The success of the workshop has laid a foundation for rationally responding to climate change risks in the future and seizing opportunities from climate change.



Management workshop on climate change risks

2.3 Stakeholder Communication

Fu Shou Yuan highly values its communication with stakeholders, and hopes to truly understand the expectations and concerns of stakeholders and respond to the demands of stakeholders in a timely manner. The issues of concern to different stakeholder groups and the communication channels used are as follows:

Stakeholder Groups	Issues of Concern	Communications Channels	Frequency/Times
Employees	Employment and employee retention Employee benefits and wages Education and training	— Employee performance reviews and interviews — Internal publications: Fushou Humanism Magazine Fushou Daily	— Every quarter — Every quarter — Every two months
Shareholders/Investors	Industry trends and policies Economic impact Risk and crisis management	— Annual general meetings — Extraordinary general meetings — Roadshow/Reverse roadshow — Investor meetings — Performance conferences — Press releases/Announcements — Field investigations	— Annually — On an irregular basis — On an irregular basis — Annually — Semi-Annually — On an irregular basis — On an irregular basis
Customers	Service quality and customer complaints Customer privacy information protection Product and service compliance	— Official website — Service managers — Instant communication software — Social media platforms — Marketing activities	— On an irregular basis — On an irregular basis — On an irregular basis — Usually daily — On an irregular basis
Government and regulatory authorities	Product and service compliance Service quality and customer complaints Legal compliance	— Field investigations — Meetings and interviews	— On-demand on an irregular basis for each channel
Partners (including suppliers and service providers)	Supply chain management Raw materials procurement Industry trends and policies	— Field investigations — Meetings and interviews	— On-demand on an irregular basis for each channel
Community residents/ Organizations/Non-governmental organizations	Traditional cultural heritage Community development Charity and donation	— Field investigations — Meetings and interviews — Community activity — Instant communication software	— On-demand on an irregular basis for each channel
Media	Traditional cultural heritage Charity and donation Economic impact	— Press releases/Announcements — Press conferences	— On-demand on an irregular basis for each channel
Capital Market Rating Index	Staff issues Product and operation issues Governance issues	— Regular email communication — Questionnaire response	— On-demand on an irregular basis for each channel

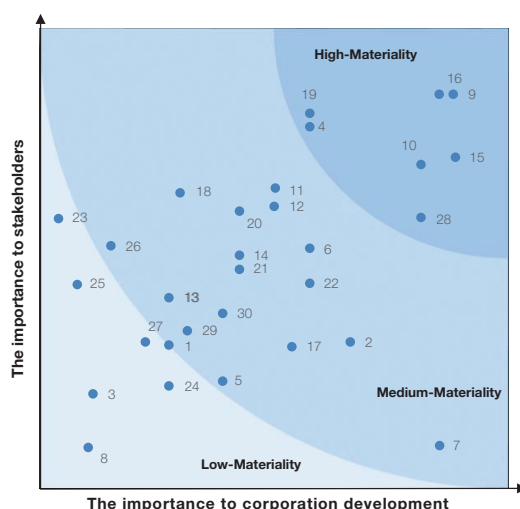
In addition to maintaining close daily communication, we also carried out multiple sessions and multi-dimensional stakeholder ESG related communications based on the overall deployment of ESG governance by the Board of Directors and the Compliance Committee. During the Reporting Period, the Group conducted nearly 20 in-depth on-site discussions and telephone interviews with internal and external stakeholders, and demonstrated to investors the achievements made by Fu Shou Yuan in ESG management in recent years through over 220 institutional investor meetings, roadshows and reverse roadshows, and exchanged views on Fu Shou Yuan's ESG management and disclosure..

On November 29, 2019, the Second Social Responsibility Conference 2019 was successfully held in Beijing with the theme of "Talking to Responsible Brands and Building a Responsible Future Together". The Group participated in the Social Responsibility Conference for the first time on behalf of the Chinese death care service industry, and was reviewed by the media evaluation and review committee, and won the "2019 Sustainable Development Contribution Award" for its outstanding public brand image, public welfare contribution and social evaluation.



2.4 Materiality Analysis

In response to the Board of Directors and various stakeholders' opinions and expectations on ESG of Fu Shou Yuan this year, we adjusted and updated the matrix based on the results of the major issues in the previous year. The matrix of material issues in 2019 is as follows:



Environmental Issues

1. Energy utilization
2. Natural resources consumption
3. Sewage discharge (water for daily use)
- 4. Sewage discharge (water for the remains)**
5. Solid waste treatment
6. Park greening
7. Land use and ecological impact
8. Greenhouse gas emissions and climate change

Product and Operating Issues

- 9. Service quality and customer complaints**
- 10. Customer privacy information protection**
11. Product and service compliance
12. Technology and innovation
13. Supply chain management
14. Raw material procurement

Governance Issues

- 15. Governance structure**
- 16. Sustainable development policy and strategy**
17. Anti-corruption
18. Risk and crisis management
- 19. Legal compliance**

Labor Issues

20. Occupational health and safety
21. Employment and employee retention
22. Employee benefits and wages
23. Education and training
24. Diversity and inclusion
25. Human rights

Economic and Social Issues

26. Economic impact
27. Industry trends and policies
- 28. Traditional cultural heritage**
29. Community development
30. Charity and donation

Compared with the results of the previous year's materiality order, we have included the traditional culture heritage and sewage discharge (water for the remains) as high-materiality issues of the year. We hope that through this sustainable development report, we can be more responsive to the considerations of stakeholders on key issues, and pay close attention to relevant issues in future work as a direction for further development and improvement.



**Bringing Warmth to the
Society with Love**

3. Bringing Warmth to the Society with Love

Fu Shou Yuan adheres to the philosophy of “people-oriented and culture-rooted” as driven by our inherent social responsibility and public welfare commitment. The Company stays committed to building dynamic connections between life and life, the present and the future through death care services to advocate the rooted culture of national emotions. We take “culture” as our mission and serve for “life”. On December 29, 2018, as promoted by Fu Shou Yuan International Group and approved for registration by Shanghai Civil Affairs Bureau, Shanghai Fu Shou Yuan Public Welfare Development Foundation was established and the kick-off ceremony was organized on April 2, 2019. Through the foundation, we endeavored to help impoverished families, the elderly, poor students and other disadvantaged groups improve their living conditions; and aimed to connect the talents in the business circle, public welfare circle and all sectors of the society to co-build a charitable platform gathering and conveying love, and establish a warm charitable people's livelihood ecological system for the whole society. Mr. Tan Leon Li-an, an executive director, also donated all of his remuneration as a director in 2019 to Fu Shou Yuan Public Welfare Development Foundation in order to support its development and aid social welfare undertakings.

Looking back, Fu Shou Yuan actively undertook our duties of people's livelihood assurance, organized and participated in various social public welfare activities, covering ten fields including cultural education, poverty alleviation, charitable donation, pre-need care, ecological and environmental protection, etc.

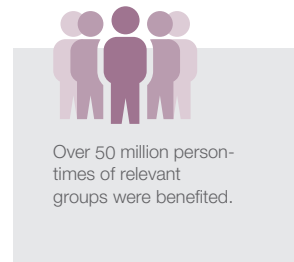
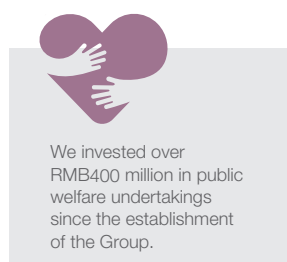
3.1 Expansion of People's Livelihood Services

As an enterprise full of sense of social responsibility, we continued to adhere to the philosophy of “people-oriented and culture-rooted”, the core value of “perception of life and blooming of life” and advocate the concept of “making people pass away respectfully”. Fu Shou Yuan actively cooperated with the government and social organizations to provide warm charitable people's livelihood services and one-stop services and assistance to the society and individuals, and care and respect each life. Meanwhile, Fu Shou Yuan advocated public welfare spirits, and actively organized a variety of charitable and voluntary activities, cared the elderly and repaid the society, to make contributions to the construction of a harmonious society.

Practicing responsibility and caring community

With the support from Shanghai Fu Shou Yuan Public Welfare Development Foundation, Fu Shou Home Life Care Community Service Center cooperated with the government to launch the Life Care — Pre-need Planning Special Public Welfare Project — Pre-Planning Consultancy — Public Welfare Contract Security Services. By integrating resources of death care service industry and leveraging the standard death care service team of Fu Shou Yuan, we provided quality public welfare palliative care and death care services to the elderly group in difficulty in the community.

In 2019, Fu Shou Home, as a driver for community development, coordinated with the team from each subsidiary to explore a mechanism, which is rooted in community and people's livelihood, for communication and cooperation with street offices, resident committees, care homes, nursing homes, social welfare center and other civil affairs institutions in each place. Such mechanism relies on the “public welfare contract” project and focuses on the demands of the elderly in the community, who is living alone, or loses his or her only child, or is exceptionally impoverished, for palliative care and death care services, and displays the advantages of “charitable people-benefiting” and “professional services” to provide “pre-need planning of funeral arrangement” security services to the aforesaid elderly. The public welfare contract project effectively responded to the palliative care problems of the difficult elderly groups, which gained recognition and support from various communities and civil affairs departments, and gradually became a pilot project for innovative grass-root civil affairs services, making promising the collective procurement of public welfare contract by the government. As of December 2019, 34 public welfare contracts were entered into through national collective procurement by the government, offering funeral security services for a total of over 1,870 difficult elderly groups, which effectively relieved the worries of the “community” and the “elderly”; at least 200 life care and pre-need planning community activities were conducted in the communities of the street and township which was constructed based on the contracts, benefiting over 3,500 persons in aggregate.



Performing public welfare contract to better the community together- Jinyang Xincun Street Community, Pudong New Area, Shanghai

In September 2019, as Jinyang Xincun Street Community, Pudong New Area, Shanghai, Shanghai Fu Shou Yuan Public Welfare Development Foundation and Fu Shou Home reached a consensus and “Pre-Planning Consultancy” project was introduced to provide public welfare contract security services for 150 seniors living alone in their jurisdiction. Meanwhile, the project team actively organized life care and aging care activities, advocated the concept of preplanning in the community and integrated volunteer resources within the community with a view to developing a life care volunteer team for the community, and carrying out voluntary services for the elderly’s spiritual care.

“Pre-Planning Consultancy” public welfare contract co-construction project carried out in Jinyang Xincun Community adopted the “Trinity” model to take root in the community, and provided services in an in-dept and sustainable manner in three directions, namely “public welfare contract security coverage”, “co-construction of three wills site” and “fostering of community volunteer services”, in an attempt to promote the innovation of aging services in the community.

Co-construction of
public welfare
contract

Supporting services
for Pre-Planning
Consultancy

Volunteer team
fostering

There are two counseling offices of “Pre-Planning Consultancy” being set up in the community, which provided routine consultation services, appointment and procedure handling; meanwhile, a variety of activities were carried out in the area, such as “Three Wills Planning Class”, public consultation, and visits to the elderly in need activities etc.; “Fu Yuan Care” pilot volunteer teams were organized at the community volunteer construction level, and elderly psychological care and professional escort empowerment training were provided for elder caregivers, volunteer cadre, etc., to provide spiritual comfort services for the elderly.



“Pre-Planning Consultancy”
Jinyang signing ceremony



Pre-Planning
Consultancy life care
volunteering services



Pre-Planning class

Committed to charity and welfare with love

Fu Shou Yuan was dedicated to the establishment of a public welfare platform, through which, it did its utmost to propagate the spirit of public welfare, advocate humanistic care, promote public welfare actions, display positive influence, cooperate with various social groups, and actively conduct and participate in various charitable activities and voluntary services.

Pre-need contract signing for eye cornea donors

On June 20, 2019, Hefei Fu Shou Home Care Service Center (referred to as Hefei Fu Shou Home) joined hands with Anhui Red Cross Cornea Library to agree to provide “Fu Shou Pre-need Contracts” for 18 eye cornea donors for free, as a way to express appreciation. We look forward to displaying positive influence to the society in this way of mutual care, and call on more kind-hearted people to move forward the development of charity donations in terms of remains and organs (cornea). After signing the “Fu Shou Pre-need Contracts”, Hefei Renben Funeral Service Company Limited will provide funeral services to donors within 24 hours, so that donors will receive the dignity and decency at the end of their lives while giving help to others.



Signing
Ceremony for
Cornea Donation



Letter of Intent of Fu
Shou Pre-need
Contracts

Bloomy public welfare cause

Fu Shou Yuan Hefei Renben Funeral Company Limited played an active role in public welfare projects. For example, in the “Yaohai Crowdfunding for Charity” activities, we also took the initiative to take charge of the “Care for the Lonely Elderly People” service project in Yaohai District, through which we provided public welfare services worth RMB4,000 for 20 people to help the poor people in the urban areas of Yaohai District get rid of poverty and made a contribution to society. Meanwhile, we held 5 public seminars in various communities and recreation centers in Luyang District, as well as senior apartments with the number of participants reaching 400, the contents of which covered law, health preservation, and longevity. We also preserved the good moments and happy memories for the elderly through public welfare activities such as public haircuts and taking pictures of the elderly.



Voluntarily Taking Charge of the Public Welfare Project



Public Seminars



Public Haircuts

3.2 Promoting Industry Development

Fu Shou Yuan's commitment to social responsibility is also reflected in our continuous deepening of the reform and development as well as continuous innovation of domestic death care service industry. Fu Shou Yuan is committed to promoting the standardization and organized development of the death care service industry and broadening the death care service system with rich Chinese cultural elements. We actively cooperated with relevant schools, associations and enterprises in the death care service industry, established strategic alliances, promoted industry exchanges, and promoted the industry's continuous progress in various areas such as technological innovation and talents training. At the same time, we actively engaged in international exchange activities and promoted strategic cooperation in the death care service industry at home and abroad. We had conducted field inspections, exchanges and strengthened business cooperation with institutions in different countries and regions such as Japan, Russia, Australia and the United Kingdom, with a view to developing and expanding the international influence of China's death care service industry. In addition, the Group focused on modern vocational education for talents in the death care service industry, building an industry education platform, while leveraging on the Fu Shou Yuan Life Service Academy to provide industry-related lectures and trainings across the country to cultivate more outstanding professional and technical talents.

Strategic alliance for school-enterprise cooperation

In order to promote the development of the death care service industry, the Group actively participated in school-enterprise cooperation events, and has become the executive governing unit of China Funeral Vocational Education Group, formed a school-enterprise cooperation strategic alliance with Funeral Institute of Changsha Civil Administration Vocational Technology College and Life Culture Institute of Beijing College of Social Administration, etc. providing students with learning opportunities such as visits and internships, as well as industry lectures, thus promoting exchanges between the two sides and fostering industry innovation and development through school-enterprise cooperation.

- 1 Set up “Base for Internship of Students and Study of Teachers in Technical Colleges” to provide opportunity for internship and study
- 2 Scheduled teacher and student visits on a regular basis
- 3 Offered scholarships and job opportunities
- 4 The school recommends teachers and experts to support professional research or consulting services for life care business
- 5 Both parties agree on cooperations of teaching, research, innovation and development, and book resources, etc.
- 6 “Coordination Meeting of Industry School Cooperation Strategic Alliance” was held irregularly

Mutual understanding on cooperation
of strategic alliance for school-enterprise cooperation

In 2019, Fu Shou Yuan Life Service Academy organized several professional trainings to inject fresh power into the development of the industry. A total of 11 external trainings were completed, including 1 customized training (14 trainees) and 2 industrial training courses (200 trainees), 8 courses for the industry association and life education socialization. At the same time, Fu Shou Yuan actively participated in exchanges among relevant associations. On the domestic side, its activities mainly involved the connection and communication with the Chinese Cemetery Association Cemetery Working Committee and expert member of the committee, and on the overseas side, routine connection and communication with ICCFA, NFDA, ACCA, AFE and International Federation of Thanatologist Association.

During the Reporting Period, industry association exchange activities organized or participated by Fu Shou Yuan included:

Domestic exchange activities

Attended the 2019 China Enterprise Training and Development Annual Conference
Attended the 2019 Annual Meeting of Shanghai Communist Party History Society
"China Funeral Association's 2019 Cemetery Work Exchange"
Participated in the organization of the "Beijing Qingming Forum"
The first and second meetings of directors of the Expert Committee of the China Funeral Association
The release and publicity activity in respect of "Fearless in Peace"

Domestic training activities

The 40th National Modern Cemetery Construction Training Session
The 41st National Modern Cemetery Construction Training Session

International exchange activities

Attended the 2019 Asian Funeral and Cemetery Expo & Conference
Attended the 2019 NFDA Annual Conference and Expo held in the US
Participated in the 32nd Australian ACCA Annual Conference and Expo
Attended the 2019 Japan ENDEX International Funeral Industry Exhibition
China-US Funeral Exchange 2019
ICD Conference of International Federation of Thanatologist Association held in the United Kingdom
Visited "Belt and Road" countries, such as Russia
The unveiling ceremony of the "Friendly Cemetery" between Fu Shou Yuan and Australian Springvale Cemetery was held in Melbourne
Paid a back visit to Friendly Cemetery at Springvale Cemetery, Melbourne, Australia
Participated in the advanced funeral training course at the Tokyo Institute of Life and Culture held in Japan for four times

3.3 Leading Life Education

Fu Shou Yuan respects life and believes in the thinking of eternity. We actively promote the concept of life culture and advocate the values of "living in the present and living to death", so as to play a leading role in life education and spread life culture. Fu Shou Yuan cooperated with universities and professional associations to carry out different types of life education activities, which helped people learn to respect life, understand the meaning of life, realize the maximum value of life, and talk about and face death with a more open mind. To explore the confusion of life and death, and inspire the serious attitude towards living, life and death, they can feel life and cherish the present.

Life culture salon with the theme of "Talking about Life and Death"

In 2019, a series of life culture salon with the theme of "Talking about Life and Death" hosted by the "Professional Committee on Life and Death Philosophy and Life and Death Education" of Beijing Cancer Prevention & Treatment Society and undertaken by Fu Shou Yuan were organized in Shanghai Fu Shou Yuan.

In order to spread the culture of life, promote life and death education, discuss the topic of death in an open manner, and provide response in depth to confusions about life and death, experts and scholars in various fields such as philosophy, medicine, law, ethics, anthropology were invited to interact with the public on the topic of specific topics on death and respond to people's confusion on death. More than one hundred experts and scholars from Peking University, Tsinghua University and other guests from all walks of life were engaged to facilitate the formation of the Chinese Life Education Community.



Guests of Life Culture Salon and participants

Death cafe

From April to August 2019, Fu Shou Home Life Care Community Service Center (referred to as “Fu Shou Home”) carried out life and death education salon activity at the “Death Cafe” offline at Huangpu Store. As a non-profit community platform dedicated to promoting life culture, exploring the dignity of life, practicing life education, and popularizing hospice, Fu Shou Home organized the “Death Cafe” event to encourage people to talk about life and death in a relaxed and joyful way, and to face death with positive attitude. Our hope was that through the launch of a series of activities, more people would be able to face death, accept death, and live a more dignified and meaningful life. During the Reporting Period, the Fu Shou Home in Shanghai Huangpu Store has launched a total of 9 “Death Cafes” with direct participants of nearly 100 people.



Death Cafe Sadness
Counseling Event

3.4 Treasuring the City Memory

Fu Shou Yuan is not only a place where people memorize the deceased, but also an imprint of history and culture. Fu Shou Yuan strives to preserve the city's history and humanity memory, and gradually builds a platform of urban humanity history with integration of modern memorial parks, humanities memorial halls and humanities research institutes, while promoting the integration and collision of traditional culture and innovative ideas. We uphold the belief of “helping the living find warmth and strength and take on a life full of hope from past memories of lives through humanity memory”, advocate the culture and education concept of “learning while walking, and self-cultivation of one's character while studying”, and are committed to promoting the spirit of sages, spreading the history of the city to the general public, and inheriting the spiritual wealth of mankind. Through visits and studies as well as various publicity activities, Fu Shou Yuan helps the citizens to learn the fine character and spiritual power of the martyrs and sages, and promotes the red culture, inherits the red spirit, while enhancing the national pride and patriotism of the general public.

Inauguration for General Ye Ting's memorial statue – statue of unyielding patriotist erected in Memorial Square

On October 12, 2019, with the great support from Ye Ting's descendants, on the 14th anniversary of Shanghai New Fourth Army Plaza, the construction of the statue of General Ye Ting and his wife was officially completed and erected in the New Fourth Army Square. General Ye Ting was “the pioneer of the Northern Expedition and a famous commander in the Anti-Japanese War”, as well as the first army commander of the New Fourth Army. As two New Fourth Army commanders, Ye Ting and Chen Yi stood in line, the veterans fulfilled their wish of “reporting to the commander”. More than 700 people including leaders and guests from the Shanghai New Fourth Army Historical Research Association, Shanghai Civil Affairs Bureau, Shuangyong Office of Qingpu District, Civil Affairs Bureau of Qingpu District, and others from all walks of life gathered in Shanghai Fu Shou Yuan to pay tribute to the martyrs of the revolution and praise the great motherland.

General Ye Ting was the first army commander of the New Fourth Army, a well-known military strategist with high reputation both at home and abroad, and one of the founders of the Chinese People's Liberation Army. During the Anti-Japanese War, Ye Ting's independent regiment, headed by himself, was invincible and achieved many major victories, thus winning the title of “Iron Army”. The statues of General Ye Ting and his wife were designed by the team of Fu Shou Yuan Art Creation Center. The statues vividly depict General Ye Ting's general demeanor, military temperament, and the ladylike temperament of General's wife, Ms. Li Xiuwen.



The statues of General Ye Ting and his wife



The opening ceremony of the memorial
statues of General Ye Ting and his wife



**Making Progress Together
and Dream for Future**

4. Making Progress Together and Dream for Future

Talent is the most valuable asset of the Company. Fu Shou Yuan is committed to creating a fair and just working environment for employees. We have achieved fairness and authenticity from the talents recruitment to the open competition in the promotion process to the formulation of employee reward and punishment measures. We do our best to create a good working environment for employees and create a sense of belonging.

We fully respect and protect the basic rights and interests of every employee, promote the concept of people-oriented and diversified development, implement a multi-channel and multi-directional talent development strategy, and create a career platform for employees to show their talents and realize value. At the same time, the Group actively maintains operational safety, eliminates potential safety hazards, and protects the occupational health of employees.

4.1 Gathering Talents Everywhere

In accordance with the requirements of laws and regulations, including the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Employment Promotion Law of the People's Republic of China (《中華人民共和國就業促進法》), the Trade Union Law of the People's Republic of China (《中華人民共和國工會法》) and Labour Dispute Mediation and Arbitration Law of the People's Republic of China (《中華人民共和國勞動爭議調解仲裁法》), Fu Shou Yuan perfects and unifies the human resources management system of the Company. During the Reporting Period, we have formulated a unified Labor Contract, Confidentiality Agreement, and Employee Handbook of Fu Shou Yuan to protect the legitimate rights and interests of employees in the areas of recruitment, induction, promotion, compensation and benefits.

Equality and Diversity

In the process of employment, we actively respond to international bills and initiatives such as the Universal Declaration of Human Rights and the United Nations Sustainable Development Goals, and actively promote the realization of the sustainable development goals that "employees are self-reliant and everyone gets decent work". We resolutely prohibit the employment of child labour, and strictly examine the identity of applicants during the induction process. Besides, we prohibit forced labour and any other illegal employment. During the Reporting Period, there was no case of child labour or forced labour occurred in Fu Shou Yuan.

We promote a corporate culture of mutual respect at Fu Shou Yuan and employees will never be treated differently due to the gender, age, ethnicity, marital status, family status and religious beliefs. We put an end to discrimination and harassment among employees, so that every employee can work safely in Fu Shou Yuan. We also provide each employee with the same growth and development opportunities at work, and protect the legitimate rights and interests of the disabled and pregnant women.

Innovation in recruitment

Fu Shou Yuan actively creates employment opportunities for the society and treats all candidates with fair standards in the process of recruitment of new employees. We adhere to the principle of meritocracy, and encourage two-way and fair employment choices.

In the campus recruitment process, we actively build the campus employer brand, and enhance students' awareness of corporate culture and style of Fu Shou Yuan. We further organized school-enterprise events for students from colleges with fitted major during the Reporting Period.

School-enterprise Student Aid Cooperation

To help the poor students majoring in funeral of civil affairs academies, the Group planned and launched the "Funnernship Department of Civil Affairs College" bursary project. During the Reporting Period, we signed donation agreements with 3 schools i.e., Heilongjiang Civil Administration Vocational and Technical School, Changsha Social Work College and Beijing Social Administration Vocational College, to provide students of funeral professions who live in poverty, or are deaf-mute or disabled, or with limited mobility, but are excellent in character and learning with special scholarship fund, to improve their lives, complete their studies, and improve their professional skills. A total of RMB90,000 was donated. In addition, we also provided students with internships and training opportunities to actively practice social responsibilities and industry responsibilities. During the Reporting Period, some of the students who performed great in the internship while in difficulties were given the opportunity to become our full-time employees.



Funeral Innovation and Entrepreneurship Competition and Industry Scholarship Awards Conference

During the project implementation period, the Group also sponsored the "Fu Shou Yuan • Temshine Cup" Funeral Innovation and Entrepreneurship Competition of Changsha Social Work College. The competition changed the way of on-site skill display in the past, but reflected in full the ideas and capabilities of the participating student team in the form of design and display of systematic service items.

“Enterprise Day” Activity

The Group continued its “Enterprise Day” activity established in 2018. During the Reporting Period, in addition to continuing the “Enterprise Day” activity at Changsha Social Work College and Beijing Social Administration Vocational College, we also expanded the activity to counterpart professional colleges such as Heilongjiang Civil Administration Vocational and Technical School.

In the future, Fu Shou Yuan will further promote the school-enterprise cooperation, further improve the project design of the “Enterprise Day” and extend it to more funeral professional institutions, making full contribution to the strength of Fu Shou Yuan in the preparation of teaching materials, research on innovative subject projects, introduction of overseas courses, and professional operations of faculty groups.

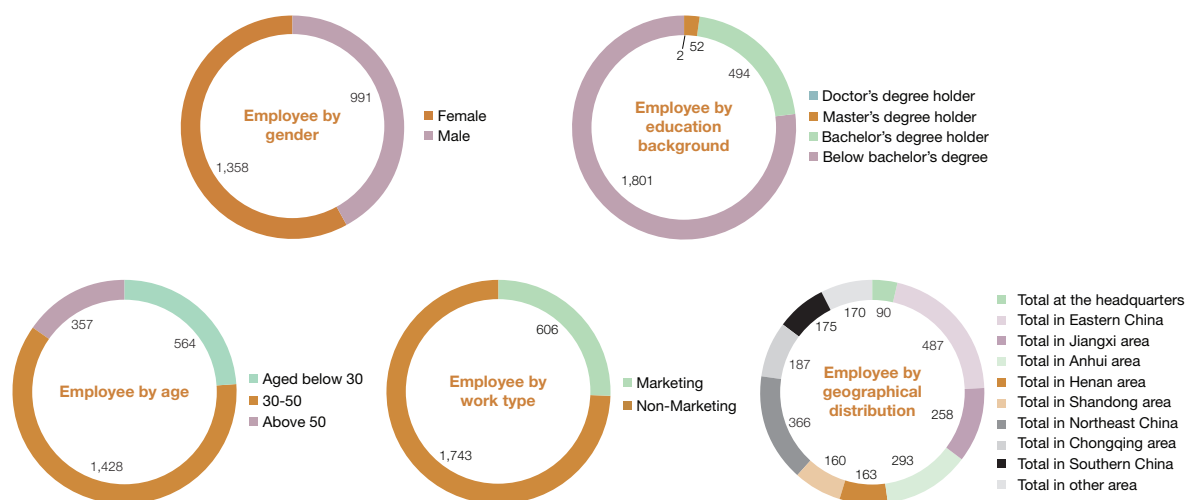


Heilongjiang Civil Administration Vocational and Technical School Issues Certificate of Donation to Fu Shou Yuan International Group

Employee Structure

During the Reporting Period, the Group continued to optimize the employee structure and officially adopted a unified human resources management system. The Group also maintained a consistent caliber so as to manage the overall performance of human resources in real time and dynamically, which laid a foundation for building a human resource sharing centre in the future.

As of the end of the Reporting Period, Fu Shou Yuan employed 2,349 employees, an increase of 5.10% over the previous reporting period.



4.2 Supporting Growth and Development

In order to promote the growth and development of employees and adapt to changing service needs, Fu Shou Yuan provided targeted career development routes and training systems for talents with different specialties.

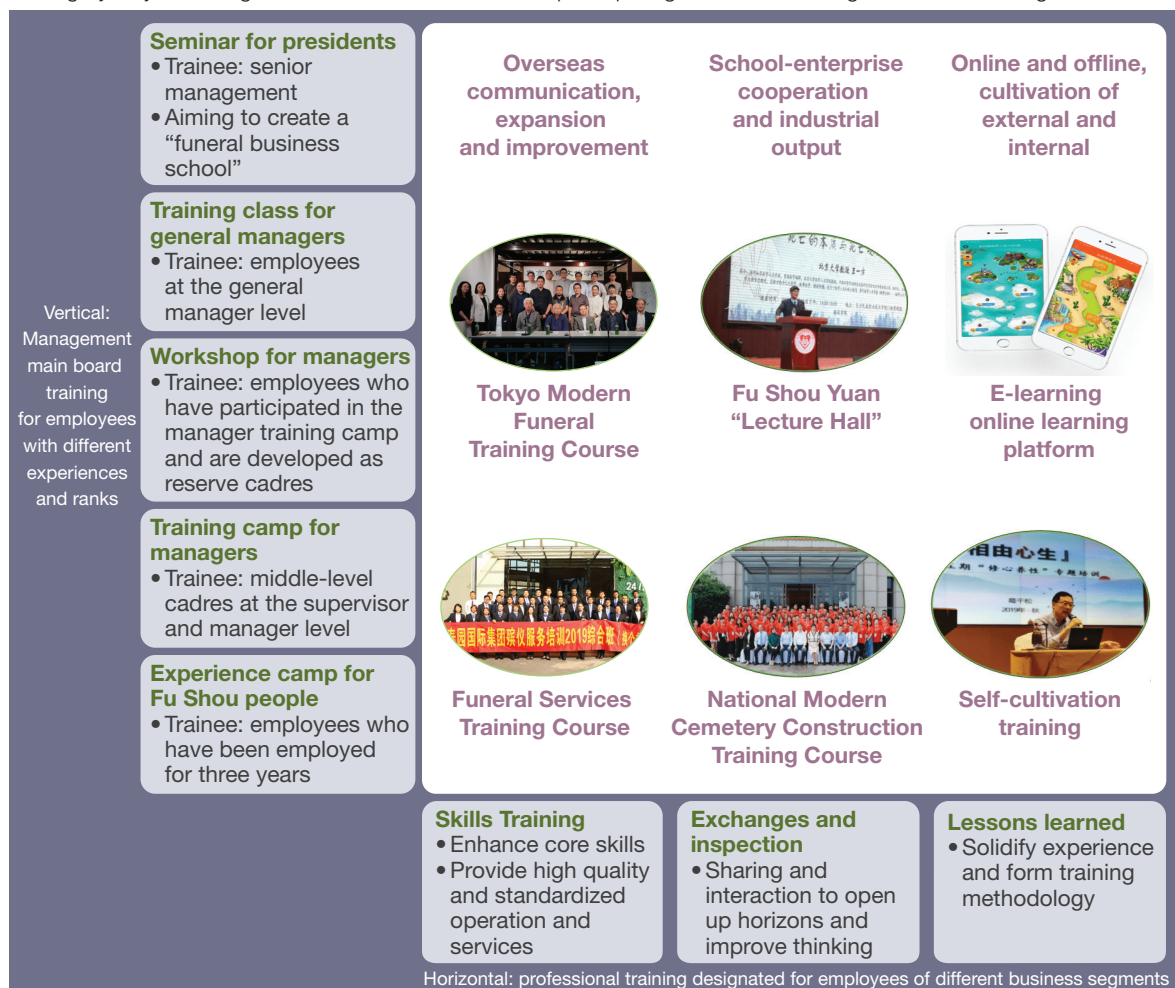
Occupational development

In Fu Shou Yuan, talents may choose their own promotion channels, and realize self-growth from the two dimensions of professional skills and administrative management. We have established a talent inventory system, a reserve talent cultivation system and a rotation mechanism, and a scientific and reasonable reserve of outstanding talents to provide training opportunities for potential management talents.

During the Reporting Period, we further integrated and optimized employee salary management, formulated and issued the Fu Shou Yuan International Group Remuneration Management System, which clarified the salary structure, salary classification and application scope of the Group, and unified salary approval and adjustment permissions and release procedures, updated the rank sequence standards. The implementation of this management system will help employees grow and develop, and optimize and standardize management of physical enterprises.

Training system

Focusing on the training management goal of establishing a learning organization, the Group designed a complete training system with different dimensions, different topics, and different forms in response to the needs of employees at different stages of career development and different business types. According to the annual training plan, we focused on training horizontally (that is, professional training for employees in different business categories) and vertically (that is, management main board training for employees with different experience and ranks) and steadily advanced employee training by way of inviting internal and external lecturers, participating in external training and online learning.

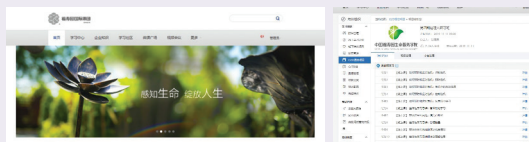


E-Learning Online Learning Platform Plan

To meet the Group’s needs for the cultivation of talents, improve training channels and methods, continue to improve the skills of all employees, unify the corporate culture concept, and effectively implement service standards, Fu Shou Yuan established an online learning platform during the Reporting Period by virtue of information technology, which effectively reduced the difficulty of regional training for enterprises and greatly enriched the course content. Employees can complete compulsory training according to the training plan, and can also flexibly arrange time to choose elective courses according to their interests to achieve rapid sharing of knowledge and open a new pattern of learning.

We have integrated the entire process of designing and planning, implementing and results tracking of online courses into effective management, and introduced the design of “credits” and “points” to encourage employees to actively participate in improving themselves. During the Reporting Period, online learning platform of Fu Shou Yuan had a total of more than 1,000 users, and the annual login and learning rate exceeded 80%.

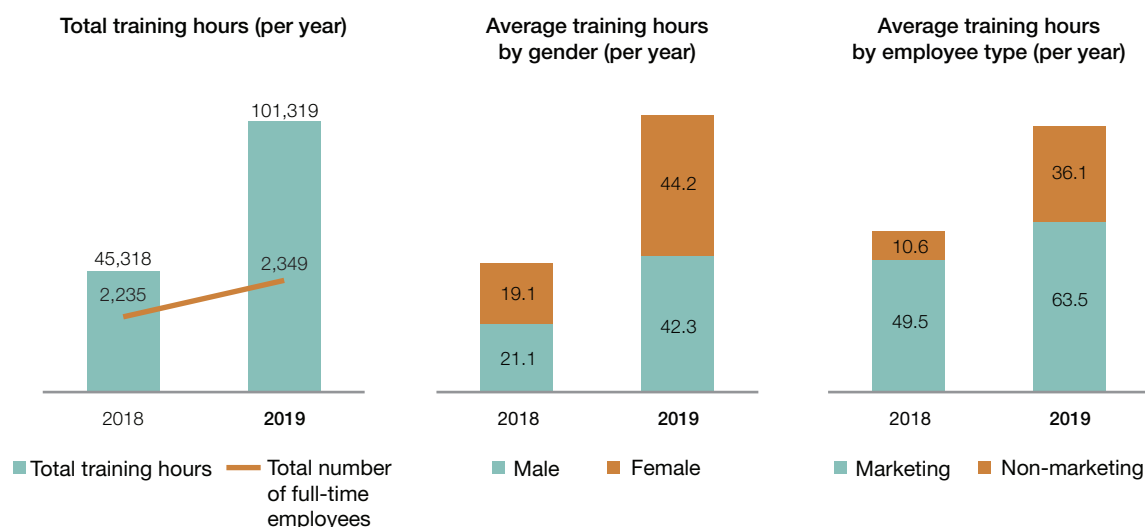
In 2019, the Company’s online learning platform won the “Learning • Win the Future” Cloud Academy-2020 Enterprise Learning Trends List “The Learning Platform Transformation Practice Award”. (云学堂「學•贏未來」-2020企業學習趨勢風雲榜「學習平臺轉型實踐獎」)



During the Reporting Period, we held 14 large-scale training events at the group level, including:

- 9 talent training courses, such as experience camp, including 384 class hours with 229 participants;
- 4 funeral service training sessions with a total of 74 class hours and 113 participants; funeral training topics include “newly opened funeral home operation”, “looking at operations from a different perspective”, “3D printing training”, “funeral ceremony planning”, and training points were set in the corresponding halls to strengthen field exercises and front-line operation training;
- One training session named “Self-cultivation”, with 181 trainees.

Thanks to the expansion of the training system and the launch of online training, during the Reporting Period, the training duration for employees of the Group has greatly increased:



Employee Training Performance

4.3 Safeguarding Health and Safety

The Group attaches great importance to the safety and health of employees and treats the improvement of safety management as an important guarantee for the sustainable development of the Company. The safety and health risks of Fu Shou Yuan mainly concentrate on fire and abnormal weather risks, traffic accident risks, production safety risks at cremator workshop, and canteen food safety risks. Pursuant to the requirements under laws and regulations such as the Law on Prevention and Control of Occupational Diseases of the People's Republic of China (《中華人民共和國職業病防治法》), the Regulations on Work-Related Injury Insurances (《工傷保險條例》), the Opinions on Certain Issues Concerning the Implementation of the Regulations on Work-Related Injury Insurances by the Ministry of Human Resources and Social Security (《人力資源社會保障部關於執行<工傷保險條例>若干問題的意見》), and the Implementation Measures for the Provisions of the State Council on Working Hours of Employees (《<國務院關於職工工作時間的規定>的實施辦法》), the Administrative Measures for Diagnosis and Identification of Occupational Diseases (《職業病診斷與鑒定管理辦法》), the Interim Measures for the Supervision and Administration of “Three Simultaneities” for the Occupational Health of Construction Projects (《建設項目職業衛生「三同時」監督管理暫行辦法》) and the Food Safety Law of the People's Republic of China (《中華人民共和國食品安全法》), we carried out safety management to timely identify and eliminate hidden dangers, and carried out specific management and prevention of key risk points to ensure that operational safety risks are controllable. We also attach great importance to safety education and regularly conduct safety training and drills at each operating site. During the Reporting Period, the Group had a total of 6 work-related accidents, including 3 minor traffic accidents during commuting and 1 accidental sprain when walking up and down stairs. 115 working days were lost in work-related accidents without any fatality. Based on such circumstances, the Group reiterated and strengthened advocating the importance of traffic safety and operational safety management through internal management systems and offline meeting channels, and strengthened corresponding training efforts.



Fire and flood prevention management

Emergency plans for fire and flood accidents have been formulated in each of our operating locations tailored to local conditions based on local climate, hydrology and vegetation to assess safety risks. Safety management team and emergency response team are also established and headed by senior management of the local company, and equipped with corresponding disposal equipment, to strive to detect natural risks in time to prevent human accidents. When necessary, we will also assist local governments and villagers to deal with the dangers outside the park.

Our parks are of a high green rate. In order to ensure operational safety and control safety risks, we hold fire prevention and flood prevention drills every year in a regular manner. Through publicity and practical drills, we demonstrate that employees improve their safety awareness and response capabilities and are familiar with the use of fire and flood protection equipment.



Fire prevention drill

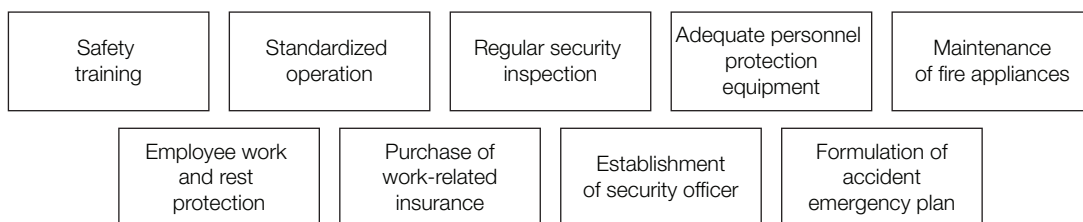


Typhoon and flood prevention exercises

Safeguarding production safety

Fu Shou Yuan Environmental Equipment Company Limited (hereinafter referred to as “Guangde Company”) of the Group is a leading technology manufacturer of energy-saving and environmental protection funeral equipment, which mainly produces “Jiesheng” brand new environment-friendly cremation machines. Guangde Company has formed a solid enterprise safety system and safety culture, and has successively passed the ISO9001 quality management system, ISO14001 environmental management system and OHSAS18001 occupational health and safety management system certifications.

As a production enterprise, Guangde Company has established a management organization for occupational health and safety work in strict accordance with the national Work-Related Injury Management Regulations 《工傷管理條例》, formulated Work-related Accident Management System and implemented a responsibility system for production safety based on the principle that “the general manager is the first person responsible for production safety and is fully responsible for production safety”, and effectively prevented and reduced the occurrence of work-related accidents by means of:



Food safety management

We have canteens that provide working meals for employees in several locations, and certain canteens are open to the public to facilitate customers to eat in the park. The Group strictly implements food safety management in accordance with laws and regulations such as the Food Safety Law of the People’s Republic of China (《中華人民共和國食品安全法》) and Operation Standards Concerning Food Safety for Catering Services (《餐飲服務食品安全操作規範》), and has formulated management systems such as the Regulations for the Management of Canteens. All our canteens have catering service licenses, and all canteen employees have obtained health certificates. We also carry out responsibility-to-person safety risk control for business processes such as procurement, storage, cooking, and sample retention, and conduct regular and random inspections to ensure the health and safety of employees and customers.

4.4 Creating A Better Life

The Group is deeply concerned about the well-being of its employees, and continues to improve its remuneration and benefits system to provide employees with a complete salary and benefits system to help achieve their aspirations for a better life. Fu Shou Yuan made clear regulations on employees' salaries, benefits, bonuses and incentives in strict compliance with laws and regulations such as the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Regulations on Paid Annual Leave for Employees (《職工帶薪年休假條例》), the Decision of the State Council on Establishing a Basic Medical Insurance System for Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》) and the Regulations of the State Council on Working Hours of Employees (《國務院關於職工工作時間的規定》). For female employees, we give preferential treatment and care in accordance with relevant national and local laws and regulations such as the Special Provisions on Labor Protection for Female Employees (《女職工勞動保護特別規定》), the Regulations on the Scope of Prohibited Labour for Female Employees (《女職工禁忌勞動範圍的規定》), Notice of the Ministry of Labor on Several Issues Concerning the Fertility Treatment of Female Workers (《勞動部關於女職工生育待遇若干問題的通知》) and Measures of Shanghai Municipality on Labor Protection for Female Employees (《上海市女職工勞動保護辦法》).

The Group promotes the balance between work and life of employees, and pays full attention to their physical and mental health from material, spiritual and cultural perspective. During the Reporting Period, we organized a variety of activities to promote corporate culture and values, encouraged employees to work and rest, cultivated interest, and carried forward "positive energy" in work and life.

2019 New Year's party

On January 22, 2019, Fu Shou Yuan Group held a 2019 New Year's party, and praised the Group's outstanding employees and group representatives in 2018 at the meeting. A total of 23 outstanding employees were submitted by each branch. After reviewing by the assessment leading group, 10 outstanding employees were selected and commended.



Monthly employee birthday party

In 2019, the monthly employees birthday party activity, which was first initiated by the group headquarters and actively responded by the subsidiaries, was held to improve employee cohesion and increase opportunities for employees to communicate and learn.



Parent-child team building activity

On June 1, 2019, some employees in Shanghai participated in a parent-child team building activity at Qingpu Yuanzu Cake Factory.



Self-cultivation training

From October 15 to 18, 2019, the Group held a new self-cultivation training in Tanning Temple, Zhejiang. The "Self-cultivation" series of trainings that began in 2005 are in line with the industry characteristics of "life-long service, spiritual service, and life perception." It positively promoted each employee to work with a calmer, cool-headed, longer-lasting, sedate and more intelligent attitude.



As we actively adjusted the staff structure, the employee turnover rate of Fu Shou Yuan this year was 9.60%, which was a decrease from the previous year. In the future, Fu Shou Yuan plans to include employee turnover rate management as one of the key directions of human resource management, so as to continuously optimize the human resource management system and further enhance our attractiveness to talents and employee satisfaction.



Guarding the Underworld Life

5. Guarding the Underworld Life

The death care service industry links the past and the future, as well as family memory, social feelings and national emotions. By adhering to the philosophy of “people-oriented and culture-rooted” and bearing a strong cultural mission, Fu Shou Yuan serves “life” with high quality and high-value-added services to create our brand value and develop into a model enterprise.

5.1 Innovative Service Value

Our funeral services uphold the concept of “people-oriented, worthy of entrustment” with respect in heart and solemn ceremony to interpret the thickness of life, and to create industrial value with the warmth of life. Through diversifying service modes, we provide high quality funeral services to the society, improve service warmth, expand service experiences and enhance service quality.

1. Self-built and Self-operation Mode — Chongqing Anle Funeral Parlour



First subsidiary in funeral segment of Fu Shou Yuan established in 2002;

The funeral business is distributed in three areas, namely Yuzhong District, Shapingba District and Baitayuan;

The title of “Anle Funeral Parlour” has become synonymous with indoor mourning places in Chongqing.

2. Full Cooperation Mode — Shanghai Fu Shou Yuan Funeral Service Corporation



Established in 2012 and committed to planning and execution of funeral ceremony;

A professional one-stop death care service institution integrating burial and funeral services;

Having provided a variety of funeral and memorial services to celebrities in all sectors of society.

3. Joint Venture Mode — Ningde Huaixiang Funeral Services



A funeral service brand established and jointly funded by Ningde Funeral Service Center and Fu Shou Yuan in 2017;

In its professional and regulated operations, providing a series of convenient funeral services targeting the citizens in the east of Fujian Province and erecting government credibility, thereby gaining widespread recognition from the public citizens.

4. BOT (Build — Operate — Transfer) Mode — Funeral Service Center Program in Dafeng



Fu Shou Yuan entered into a cooperation agreement with Dafeng Funeral Home in 2015, the cooperation period is 50 years, and it has been completed and put into operation in 2019;

This project is the Group's first BOT cooperation project in Jiangsu province.

Pre-Planning Consultancy Project

Fu Shou Yuan has been promoting the advanced concept of pre-need planning to the public to encourage life review and planning for a worthy life. In April 2019, Fu Shou Yuan officially launched the “Pre-Planning Consultancy” Project through designing and optimizing the three wills, namely public welfare will, pre-need will and pre-need contract, of our pre-need planning services to build a standardized, productized and transmitted service system. For public welfare will service, we strive to get through the collaborative cooperation with local charitable will agencies, law firms and notaries, and set up community-based public welfare will counseling office; in the pre-need will service, we work with Beijing Pre-need Will Promotion Association to promote the will and peaceful treatment concept to the public and provide related consultation; for pre-need contract, we launched services of proper pre-need planning for the public, which have been promoted in part of Shanghai, Chongqing, Jiangsu, Jiangxi, Zhejiang, Anhui and Fujian by way of public welfare procurement. By doing so, Fu Shou Yuan strives to realize the concept-level value for the death care service industry and expand the boundary thereof.

Launch of “Consumables Segment”

During the Reporting Period, the Group held the signing ceremony for the framework cooperation project on research, development and production of ecologically-friendly wooden cremation coffins, which marked the official launch of the consumables segment of Fu Shou Yuan, formed a diversified industry chain combining development, services and consumables, and realized a consumables segment system integrating brand promotion, research and development, and sales. We implemented innovative “virtual operating mode” based on the needs for funeral consumables in our two major segments of funeral and burial services and in combination with market research and resource integration advantages in the Internet era. We cooperated with excellent manufacturing enterprises to connect our leading research and design concept with brand reputation, fully incorporate consumable demands into service scenarios and create customized consumable application mode. Meanwhile, we rapidly built a consumable segment with no warehouse, no workshop, no workers and no inventory through e-commerce platform to satisfy the Group’s need in our rapid business expansion, and we gradually realized brand output of consumables, and advanced industry upgrade to become a model leader in the industry.

5.2 Listening to Customers’ Voices

Fu Shou Yuan is committed to offering the best death care services to the deceased and their families as a “ferryman for farewell of life”. We aim to improve high-standard full-chain life service system through “pre-need” and “funeral” extension services. We shoulder our corporate responsibilities with warm, quality and emotional services, to become the “forerunner” of death care business.

Customer service

It is the original intention of Fu Shou Yuan to serve the deceased. Our services mainly include funeral services and burial services. We show respect for the deceased and respect for humanity during the entire process of our service offerings. In terms of funeral services, Fu Shou Yuan has been a front-runner of innovations in the industry. For the purpose of transforming farewells into beautiful moments and extending spiritual life of human, Fu Shou Yuan explores incorporating cultural, artistic, green, public welfare and technology elements into our services. In terms of burial services, we constructed landscape atmosphere elaborately of the cemetery park and have also established an independent professional planning and design segment to add memorial, educational, research, inheritance and other functions to the cemetery park.

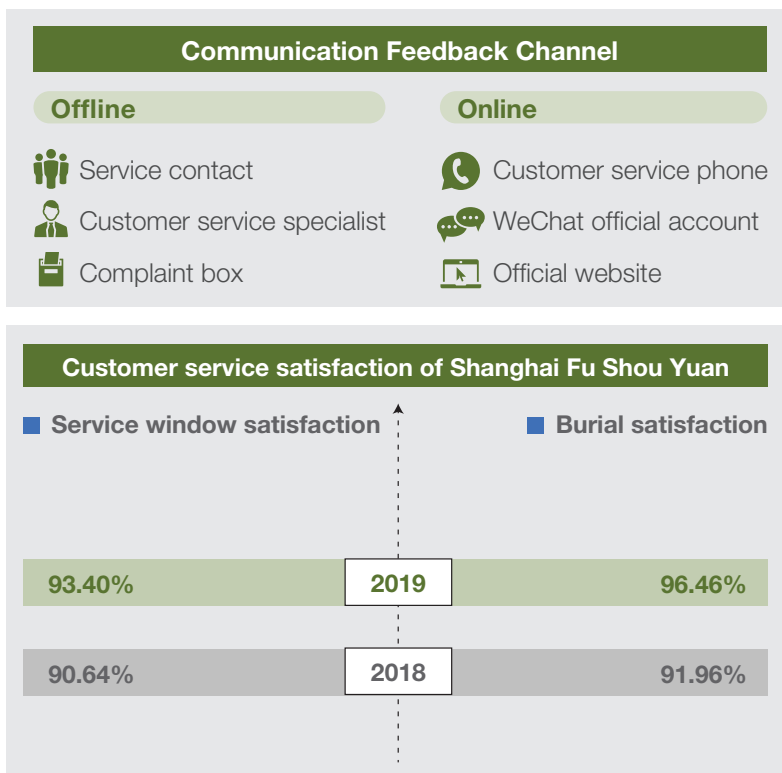
We continuously enhance our sales team building to guide the reform and development of the death care service industry with modernized funeral concept and professional service team. Meanwhile, we attach importance to systematic and flexible services, and adopt emergency plans for funeral services in case of emergency, special weather, etc. to contribute to safeguarding of people’s livelihood and social harmony.

Customer communication

Fu Shou Yuan has a well-established multi-channel online-offline feedback mechanism to collect feedback from customers in an all-rounded way. Meanwhile, we provide quality services beyond users’ expectation to help them realize their wishes, thereby delivering warmth.

We are customer centric to timely respond to customer complaints. Upon receiving a complaint, the involved person-in-charge and responsible person will give response at the first time in strict accordance with the Customer Complaint Guidelines. For frequent problems or suggestions, we will discuss to provide optimization measures to improve our service quality on an ongoing concern.

In 2019, the satisfaction of each service segment of Fu Shou Yuan increased in stability, and the total satisfaction remained at a high level. In particular, the service window satisfaction and burial satisfaction of Shanghai Fu Shou Yuan reached 93.40% and 96.46%, respectively.



Privacy protection

Fu Shou Yuan has been valuing the protection of information of the deceased and customer privacy. During the Reporting Period, we continued to improve our privacy protection information system and enhance our ability to protect customer data through self-built computer room, cooperation with telecom operators, anti-hacking reinforcement measures, etc. The tower buildings adopt multimedia technology to store the information of customers and the deceased, their families may activate the screen with a mag card, which will play the pictures and life stories of the deceased, and stop once there is no action for a certain period of time, to protect the privacy of the deceased. In the meantime, we also lay emphasis on enhancing the employees' privacy security and protection awareness by providing privacy protection awareness training for designated positions and staff and erecting and implementing the concept of "showing respect for the deceased" in our actual work. During the Reporting Period, Fu Shou Yuan was not aware of any complaints due to leakage of customer data.

5.3 Improving Supply Standards

Fu Shou Yuan endeavors to forge a long-term, stable and win-win partnership with our suppliers, and continues to increase the weight of sustainability in supplier procurement decision-making, performance assessment and other links. We make exchanges with suppliers to mitigate supply risk, improve customer satisfaction and strengthen the competitiveness of supply chain.

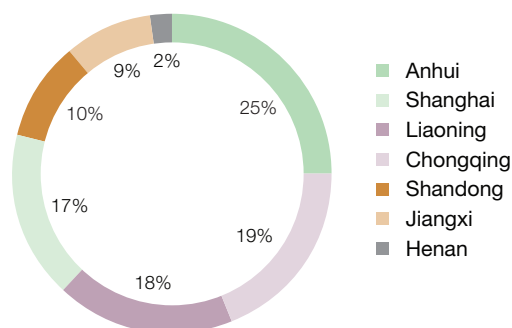
During the Reporting Period, in accordance with the Management Measures for the Suppliers of Fu Shou Yuan International Group, the headquarters and all branches and subsidiaries of Fu Shou Yuan continued to improve supply chain management system, strengthened procurement supervision, increased efforts on open and transparent procurement, and encouraged green, collective and localized procurement to push forward low-carbon and sustainable development of the industry.



First batch of collective procurement of bulk consumables

During the Reporting Period, after extensive research, we determined columbarium units as the products for the Group's first batch of collective procurement of bulk consumables. Columbarium units are characterized by large proportion of sales amount, large demands, diverse types, remarkable price difference in different regions, etc.. We conducted analysis on consumables, analysis on original suppliers, and bidding and tendering in two major pilot regions where our seven subsidiaries are located. Through this pilot collective procurement, we enhanced management of directory and type of columbarium units. Through unified quotation for marketable products of best selling price range, we reduced costs and increased sales of products. This also facilitated and served as a reliance for the Group's subsequent unified procurement of other consumables (collective procurement model construction).

Fu Shou Yuan continued to deepen the cooperation with customers, and aimed to co-develop with the suppliers. Through years of efforts, we turned our suppliers into "win-win partners" which facilitated the healthy and green development of the death care service industry in the PRC. As of December 31, 2019, Fu Shou Yuan had 567 suppliers in total, divided by different regions as follows:





Accompanied by Landscape and Requiem

6. Accompanied by Landscape and Requiem

The rapid economic and social development has brought problems such as resource depletion, environmental pollution and climate change. Fu Shou Yuan adheres to the concept of sustainable development, integrates green and environmental protection concepts into each link of the industrial chain, and relentlessly pursues green, harmonious and beautiful ecosystem. Meanwhile, we call on the entire industry and society to jointly build an ecological civilization.

6.1 Advocating Ecological Civilization

Fu Shou Yuan strives to continuously reduce its adverse ecological impact throughout the entire operation management process. We continue to innovate and optimize lean operating models, and strive to achieve better compatibility in consolidating our business capabilities and protecting the ecological environment to achieve long-term sustainable and healthy development.

Lean operations

Fu Shou Yuan has always practiced the concept of green development, formulated energy conservation and consumption reduction plans and goals, and continuously improved the level of systematic, scientific and informational management of its own ecological environment. During the Reporting Period, Fu Shou Yuan continued to adhere to the strategic framework of ecological civilization development centered on lean operations, environmental cremation, green funeral, ecological tombs, low-carbon ceremony, and landscape cemetery, promoted the green and healthy development of each sector, and committed to leading the industry's green and healthy development.

Environmental cremation

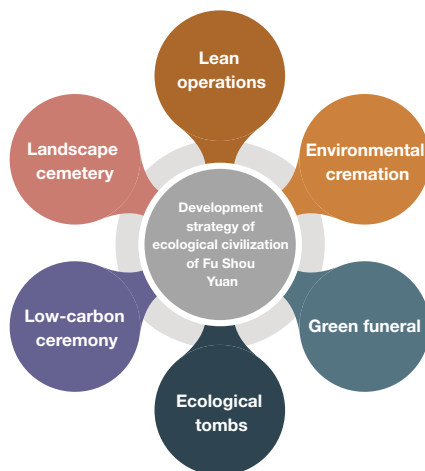
Soot, atmospheric pollutants and even toxic and harmful substances generated during the process of cremation of the remains and the burning of sacrifices will have a certain impact on the living environment and ecological environment. We have always adhered to the goal of achieving green environmental protection funeral and are committed to reducing the pollution of funeral equipment. We strive to use advanced and environmentally friendly products to change the status quo of products in the funeral equipment industry that are backward, pollute the environment, and endanger the physical and mental health of the people. The Group took five years to independently develop the "Jiesheng" intelligent environmentally friendly cremation machine. After continuous technical innovation and process optimization, it has been proven time and time again that it has the advantages of high cost performance and stable quality, etc.

With the accelerated integration of artificial intelligence and the Internet of Things, Fu Shou Yuan has established a global remote monitoring center for environmental cremators. Relying on the real-time remote monitoring system, the staff can accurately view the layout of the cremator sold in various places, the geographical location, and the information of the furnace opening on the day through the super-large monitoring display screen, and can monitor the current operation of a cremator in real time. In May 2019, the Crimean Expedition, 8,000 kilometers away from the Fu Shou Yuan Global Remote Monitoring Center, conducted an online call with Fu Shou Yuan technicians through the monitoring system to co-check the operation status of the cremator, and quickly retrieved related technical parameters.

During the Reporting Period, we upgraded the structure and incineration process of the "Jiesheng" environmental cremation furnace, proactively decomposed and eliminated dioxins, achieving no "re-burning", no "re-synthesis", and no secondary pollution. In addition, we also explored and practiced waste heat utilization technology and denitrification technology, and contributed our strength to defend the blue sky. As of December 2019, focusing on R&D of cremators, Fu Shou Yuan has a total of 28 patent projects, breaking the original development of the industry. Meanwhile, we strictly abide by the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) and the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), fully respect the intellectual property rights of others and safeguards our intellectual property rights through legal actions. In addition, we have formulated the After-sales Service Process and Management System for cremation machines, constantly standardized after-sales service, and improved the standards and requirements of after-sales service. During the Reporting Period, we did not involve in any cremation machine recall.

Green funeral

"When one is alive, be served with propriety; when dead, be buried with propriety and worshipped with propriety (生·事之以禮；死·葬之以禮·祭之以禮)". Taking the people's need of the high-quality of death care services as a guide and the improvement of death care service capabilities as a guarantee, Fu Shou Yuan is committed to solidly implementing a green and safe funeral management model. During the Reporting Period, various funeral homes have launched measures such as electronic candles to replace traditional incense, electronic firecrackers to replace traditional firecrackers, and recycling of silk wreaths. We also introduce personalized venue layouts and surprise services according to customer needs, and continuously improve the professional, green, and refined funeral service capabilities of Fu Shou Yuan, leaving customers a warm and unforgettable farewell moment in life.



Fu Shou Yuan Global Remote Monitoring System

Ecological tombs

Adhering to the concept of “making people pass away respectfully with relief and dignity”, Fu Shou Yuan believes that funeral services with dignity, high standards and high quality are an important part of a better life. Fu Shou Yuan actively promotes the Guiding Opinions on Promoting Land-saving Ecological Burial (《關於推行節地生態安葬的指導意見》) jointly issued by 9 departments including the Ministry of Civil Affairs, and actively promotes land-saving in the entire death care service chain (cemetery planning, tomb product design, material use, peripheral services, etc.), to lead a new style of funeral of “ecological tombs” and enable life to continue in nature.

Participated in the compilation of the Beijing-Tianjin-Hebei Collaborative Standard “Ashes and Land-saving Ecological Burial Specifications”

The “Ashes and Land-saving Ecological Burial Specifications” is the first domestic local standard for land-saving ecological burial, and the first “Beijing-Tianjin-Hebei” three-place standard for the death care service industry. This standard was edited chiefly by Mr. Yang baoxiang, the chief engineer of the R&D and supplies management center of the Company. Beijing Temshine, a subsidiary of the Group, participated in the preparation.

The “Ashes and Land-saving Ecological Burial Specifications” puts forward the classification, basic requirements, and burial requirements of bone-ash land-saving ecological burial. Three-dimensional development, composite utilization, recycling and other technical means are applied to make full use of ecological technology to improve the comprehensive benefits of ashes burial facilities while reducing land occupation and improving land utilization rate. This standard is an important basis for the funeral administrative department to guide the columbarium burial service organization to carry out land-saving ecological burial, and to supervise and evaluate it. It is also an important reference for the public to choose and evaluate land-saving ecological burial.

During the Reporting Period, we continued to promote innovative models such as flower bed burial, forest burial, sea burial, wall burial, lawn burial, water landscape burial, bronze burial, and tower burial as well as to lead composing the “Ashes and Land-saving Ecological Burial Specifications” of “Beijing-Tianjin-Hebei” three-place standard. Meanwhile, by carrying out publicity and education activities, we let customers understand and gradually accept “ecological burial”, let the public realize that “ecological burial” not only entrusts the living person’s desire for the continuation of the new life of the deceased loved ones, but also the frank mindset of treating life in the universe and nature.



Fu Shou Yuan Ecological Burial Mode

Low-carbon ceremony

Fu Shou Yuan practices industry responsibilities and leads a new style of worship. It actively promotes the low-carbon sacrifice trinity advocacy model of “awareness cultivation”, “supervision oversight” and “practice guidance”, continues to implement the forbiddance of setting off the fireworks and firecrackers, to reduce the impact of odor and smoke pollution caused by incineration on the surrounding environment. During the Reporting Period, we promoted the concept of low-carbon sacrifices through channels such as the official website, WeChat, radio, electronic screens, publicity boards, and news media. Meanwhile, we urged all cemeteries to actively launch the “substitution flowers with foil” activity, guided customers to use wind chimes, wish trees, and blessing walls, etc. to set up grief, and set up a self-service flower sales point where the flower cost only 1 yuan (RMB) in the park, which to a certain extent, put an end to firecrackers set-off.

Forbidding setting off the fireworks and firecrackers, leading the new trend of green sacrifice

Fu Shou Yuan has always been committed to providing our customers with a green, safe, ecological, and environmentally friendly sacrifice environment. For many years, we have continued to implement green smoke-free sacrifice activities. We have achieved the complete forbiddance of setting off the fireworks and firecrackers in Guanlingshan Cultural Cemetery, Hefei Dashushan, Shanghai Fu Shou Yuan and other cemeteries, and formulated a complete set of forbiddance of setting off the fireworks and firecrackers management methods.

During the Reporting Period, Hefei Dashushan implemented the forbiddance of setting off the fireworks and firecrackers in real time in all aspects of service. During the tomb purchase phase, we added the relevant regulations on forbiddance of setting off the fireworks and firecrackers to the customer’s full tomb purchase contract; during the burial phase, our staff participated in the whole process to accompany and remind them; during the sacrificial scan phase, the cleaning, security, and staff members of the park will advise and clean up during the tour. Meanwhile, we cooperate with setting up notice boards in the park and carry out various publicity activities to jointly build a smoke-free park.



Landscape cemetery

Adhering to the business philosophy of “transforming cemeteries into parks” and “combining natural and human landscapes”, Fu Shou Yuan is committed to creating a landscape cemetery culture that integrates ecology, gardens and environmental protection. Meanwhile, Fu Shou Yuan combines traditional funeral culture with human geography to continuously improve the quality of the city to meet the needs of the people for modern and civilized death care services. We hope that by creating a cemetery, people will find warmth and strength from past memories of life, and express the highest respect of life with a permanent memory that spans time and space to create a beautiful and happy life.

Beautiful Guanlingshan, post-life garden

Liaoning Guanlingshan Cultural Cemetery is located at the source of Puhe River. The entire garden covers an area of more than 3,500 mu (1 mu=666.67m²) and is one of the largest ecological cemeteries in China. The park fully excavated the historical and cultural connotation of the source of Puhe River, and introduced the advanced concept of tourist art cemetery. The park built a series of ancillary facilities and landscapes such as relevant temples, statues of Confucius, Zhang Xueliang Cultural Park, the 50th Anniversary of the Chinese Anti-Japanese War, Jiutian Lake, Jiutian Waterfall, Jiu Hua Pavilion and Zhang Xueliang's Former Residence and Young Marshal's Mausoleum, which have been built into a high-standard art garden with international advanced level that integrates tourism, mountain climbing, fishing, picking, large collection leisure and sightseeing. It was approved as a national AAA scenic spot. Here, it is not only a sacred place with rich cultural heritage and meaning of life inheritance, but also a humane memorial park that allows the deceased to rest and to remember the living.



The establishment of the Fu Shou Yuan takes into account the landscaping status of plants such as seasonal changes, topographical characteristics, and biodiversity. The goal is to create a space-time landscape with “one step, one scene, one meeting, one life (一步一景、一期一会)”. During actual operation, it strives to realize the green value and ecological civilization effect of comprehensive green management, to continuously lead the green ecology of the cemetery, and create beautiful life.

During the Reporting Period, Shanghai Fu Shou Yuan adopted diversified management measures and actively responded to sustainable development concept of the Group.

Renovation and waste utilization to build garden ecologically

For more than 20 years, the water supply and drainage in Shanghai Fu Shou Yuan have gradually aged. In 2019, we re-arranged the water supply and drainage pipe network in the park, solved the problem of running and dripping caused by the aging of water pipes, and alleviated the phenomenon of water accumulation and water supply shortage in the park.

Innovative technologies improving water quality

During the Reporting Period, we independently developed the “River Surface Impurity Collector”, and with other water measures such as aeration pumps and aquatic plants, the river water quality in our overall park was effectively improved. This innovative project also won the Bronze Medal of the 31st Shanghai Outstanding Invention Competition.

6.2 Practicing Environmental Value

Fu Shou Yuan insists on the sustainable development, continuously strengthens the protection of the environment, and makes continuous efforts to build a low-carbon society. During the Reporting Period, Fu Shou Yuan continued to promote the optimization of the actual operating efficiency and energy consumption level of the equipment system, continuously explored the green and sustainable development of each link of the cemetery operation, comprehensively strengthened energy management, water resources management and waste management, and continued to reduce the impact of business activities on the environment.

Energy efficiency management

The energy consumption of Fu Shou Yuan mainly comes from purchased electricity. We have adopted a series of energy efficiency management measures to guide the establishment of energy management systems and completion of annual energy conservation goals by all of the subsidiaries. At the same time, we use the cemetery management visualization platform to track the power consumption, and basically realized the energy management model from macro to micro, from management to implementation. We are committed to continuously improving the utilization efficiency of electrical energy and other resources, adopting energy-saving equipment and technologies, and continuously monitoring the use and effectiveness of energy. During the Reporting Period, branches and subsidiaries of Fu Shou Yuan actively introduced diversified energy conservation and emission reduction measures to continuously improve energy efficiency. Shanghai Fu Shou Yuan set up an energy conservation and consumption reduction team, which is led by the deputy general manager and is comprised of the material management department manager and other relevant persons in charge to be responsible for the overall energy saving and energy conservation work of the park. Through daily supervision and inspection and regular notifications, all members are encouraged to advocate energy saving and consumption reduction.

Efficient energy use

Intelligent system was laid out throughout the park and switch box mechanism was implemented for electrical equipment, and regional leaders were elected to implement regional management. The temperature and time for starting device was controlled through refined management.



The energy consumption of Fu Shou Yuan in 2019 is as follows:

	Unit	Total amount in 2018	Total amount in 2019
Purchased electricity	mWh	7,251	8,556
Coal	ton	275	217
Kerosene	litre	14,030	17,761
Diesel	litre	96,372	594,612
Natural gas	cubic meter	204,626	308,447
Gasoline	litre	/	398,435
Comprehensive energy consumption	mWh	12,380	22,719
Comprehensive energy consumption intensity	mWh/RMB million revenue	7.50	12.28
GHG scope I	ton CO ₂ e	1,371	3,659
GHG scope II	ton CO ₂ e	4,984	5,876
Total GHG emission	ton CO ₂ e	6,355	9,535
GHG emission intensity	ton CO ₂ e/RMB million revenue	3.85	5.15

- Note: 1. In 2019, the number of cemetery parks in operation increased due to increasing mergers and acquisitions as well as business volume. Therefore the volume of use of electricity, diesel and natural gas increased accordingly.
2. In 2019, Fu Shou Yuan further adopted refined management for energy use, and included gasoline and diesel for vehicle transportation into the management disclosure scope. At the same time, in 2019, our funeral facilities in Tianyuanshan Mountain, Yanshan Mountain, Taishan Mountain and other places have a large amount of cremation, so does the use of diesel.
3. Due to the refined management and the implementation of energy conservation and consumption reduction requirements, the coal consumption in 2019 has decreased.

Water resources management

The water consumption of Fu Shou Yuan is mainly green water and domestic water, of which green water accounts for the main part. When the cemetery is afforested, we optimize the combination of plants to achieve a reasonable layout and multi-layered community, which can meet the needs of the landscape and effectively save water resources. At the same time, we have built a natural rainwater collection pond and set up a rainwater pipe network. Combining with modern irrigation methods such as dripper, sprinkler irrigation and infiltration irrigation, we have gradually formed a scientific and integrated irrigation method in the cemetery. During the operation of the cemetery, we refined the management of use of water resources through the renovation of old facilities and the setting of opening hours for ornamental water. In the field of office and domestic water, we focus on introducing water-saving equipment to reduce the waste of water resources. We also actively promote the water-saving culture of Fu Shou Yuan, create a water-saving atmosphere, and strive to promote the concept of water-saving within the Group.



The water consumption of Fu Shou Yuan in 2019 is as follows:

	Unit	Total amount in 2018	Total amount in 2019
Water consumption	ton	457,229	426,045
Water consumption intensity	tons/RMB0,000 revenue	2.77	2.30

Emission management

Fu Shou Yuan complied with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染防治法》), etc., actively responded to national waste reduction requirements, and effectively reduced the production of wastewater, waste gas and solid waste from various business segments by adopting resource measures, so as to reduce the impact on the environment.

Exhaust gas

The exhaust gas generated during the operation of Fu Shou Yuan mainly includes exhaust gas from all self-operated cremators and unorganized emissions in the cemetery. We continue to reduce various pollutants generated during the incineration of the remains through technological innovation and equipment upgrades. We use remote monitoring for real-time monitoring of emissions data, and we also entrust third-party monitoring agencies to conduct regular monitoring. The unorganized emissions are mainly scattered exhaust gas generated by incense, firecrackers, and burning paper money. During the Reporting Period, we continued to increase environmental advocacy, guided customers to worship with civility and integrity, and stopped paper-burning sacrifices, which basically put an end to firecracker.

	Unit	Total amount in 2018	Total amount in 2019
Exhaust gas emission	cubic meter	/	48,620,000
Nitrogen oxides emission	ton	/	5.64
Exhaust gas emission intensity	cubic meter/RMB0,000 revenue	/	262.73

- Note: 1. In 2019, Fu Shou Yuan refined the management of exhaust gas emission data. The disclosure scope of data relating to exhaust gas is the emissions generated by the operation of the “Jiesheng” brand environmentally friendly cremation machine of the Group.
2. The average concentration of nitrogen oxides in the exhaust gas produced by the environmentally friendly cremation machine is obtained from the test report of the 101Research Institute of Ministry of Civil Affairs.

Waste water

The wastewater generated during the operation of Fu Shou Yuan is mainly domestic wastewater. The wastewater is reused or returned to the ground by natural infiltration. Domestic wastewater is directly discharged to the sewage treatment plant through the municipal pipe network for unified treatment. Funeral wastewater is collected from the wastewater pipe network to the biochemical adjustment tank. After aerobic reaction, biofilm reaction, drug washing and other processes and UV disinfection, the number of fecal coliforms can meet the pretreatment standard of “Water Pollutant Discharge Standards of Medical Institutions”, and then be discharged after reaching the first level standard of “Integrated Wastewater Discharge Standards” upon being treated by sewage treatment stations. During the Reporting Period, we implemented full-procedure control requirements for funeral wastewater, integrated wastewater source prevention, process control, and end-of-treatment into the entire process of funeral services. At the same time, we introduced a disinfection system in all self-built funeral homes. We ensured that the discharged wastewater meets or even exceeds national and local standards through AOMBR (anoxic/oxic membrane bioreactor) integrated wastewater treatment equipment technology.

Wastes

The non-hazardous waste generated during the operation of Fu Shou Yuan mainly includes sacrifice sweeping garbage, domestic waste, and a small amount of construction waste and litter weeds. We actively guide customers in green offerings, launching new offerings of flowers, yellow ribbons, and wish cards, and reducing non-degradable offerings such as silk flowers and plastic flowers. At the same time, we actively responded to the national waste classification policy, took the lead in developing waste classification work in the cemetery, and formulated a waste recycling system to sort and treat organic waste, recyclable waste, and other waste. During the Reporting Period, Fu Shou Yuan produced a total of 3,843 tons of non-hazardous waste.

	Unit	Total amount in 2018	Total amount in 2019
Non-hazardous waste	ton	3,677	3,843
Non-hazardous waste intensity	ton/RMB million revenue	2.23	2.08

Appendix — Main Honors, Awards and Qualifications of Year 2019 for Fu Shou Yuan

Awardee	Name of Award	Awarding Time	Presenting Authority
Fu Shou Yuan International Group Limited	2019 Enterprise Social Responsibility Model Award (2019企業社會責任典範獎)	July 2019	Organizing Committee of the 8th China Finance Summit
	2019 Sustainable Development Contribution Award	December 2019	Organizing Committee of the 2019 Social Responsibility Conference
	2019 Outstanding Member (Unit)	December 2019	Shanghai Public Relations Association
	“Best Corporate Brand Award” at China Enterprise Elite Awards	September 2019	Porda Havas International Finance Communications, AMO Group, Hong Kong-Mainland International Investment Society
	2019 Snowball Most Growing Value Award	September 2019	xueqiu.com
	2018 China IR Best Case Award	January 2019	2019 Investor Relationship Innovation Summit for Listed Companies
	“Learning • Win the Future” — 2020 Enterprise Learning Trends List “The Learning Platform Transformation Practice Award (「學•贏未來」 — 2020企業學習趨勢風雲榜「學習平台轉型實踐獎」)	December 2019	Institute of Enterprise Learning and Talent Development
Fushou Daily	“Shanghai Best Enterprise Newspaper” in 2018 to 2019	December 2019	Shanghai Journalists Association
Shanghai Fu Shou Yuan Humanism Memorial Museum	3A-level social organizations in Shanghai in 2019	July 2019	Shanghai Civil Affairs Bureau (City Administration of Social Organizations)
Shanghai Fu Shou Yuan Industry Group Co., Ltd.	2017–2018 Shanghai Civilized Unit	September 2019	Shanghai Municipal People's Government
	“2018 Special Contribution Award from Shanghai Services Federation”	February 2019	Shanghai Services Federation
	2019 “Application for Public Welfare • Top 10 Public Welfare Partner Enterprises” (2019 “公益之申•十佳公益夥伴企業”)	September 2019	Shanghai Social Organization Administration
	“2017–2018 Shanghai Contract Honoring and Credit-keeping Enterprise”	November 2019	The Market Supervision Administration of Shanghai
Liaoning Guanlingshan Cultural Landscape Cemetery Co., Ltd.* (遼寧觀陵山藝術園林公墓有限公司)	Outstanding Enterprise	January 2019	The Committee of CPC Tieling, the People's Government of Tieling
Xiamen Huaixiang Condolence Services Company Limited* (廈門市懷祥禮儀服務有限公司)	Five-star Faculty's Home	May 2019	Xiamen Federation of Trade Unions
Guangxi Huazu Yuan Investment Co., Ltd.* (廣西華祖園投資有限公司)	Outstanding Organization Award of Funeral Profession Skill Competition	November 2019	Civil Affairs Department of Guangxi Zhuang autonomous region
Guizhou Tianyuanshan Funeral Service Co., Ltd.* (貴州天圓山殯儀服務有限公司)	Model Enterprise for Funeral Reformation	2019	Civil Affairs Bureau of Zheng'an County, Guizhou Province

Appendix — Summary of Major Laws, Regulations and Policies for Fu Shou Yuan

Category	Name
Corporate governance	Company Law of the People's Republic of China
	Law of the People's Republic of China on Enterprise Income Tax
	Anti-Unfair Competition Law of the People's Republic of China
Employment	Labour Law of the People's Republic of China
	Employment Promotion Law of the People's Republic of China
	Labour Contract Law of the People's Republic of China
	Social Insurance Law of the People's Republic of China
	Trade Union Law of the People's Republic of China
	Labour Dispute Mediation and Arbitration Law of the People's Republic of China
	Law of the People's Republic of China on the Protection of Women's Rights and Interests
	Regulations on Paid Annual Leave for Employees
	Decision of the State Council on Establishing the Basic Medical Insurance System for Urban Employees
	Provisions of the State Council on Working Hours of Employees
	Provisions on the Scope of Female Workers' Taboo Labor
	Regulations on the Scope of Prohibited Labour for Female Employees
	Notice of the Ministry of Labour on Several Issues Concerning the Fertility Treatment of Female Workers
Intellectual property rights	Patent Law of the People's Republic of China
	Copyright Law of the People's Republic of China
	Trademark Law of the People's Republic of China
Health and safety	Production Safety Law of the People's Republic of China
	Prevention and Control Law of Occupational Diseases Law the People's Republic of China
	Food Safety Law of the People's Republic of China
	Work-Related Injury Management Regulations
	Regulations on Work-Related Injury Insurances
	Opinions on Certain Issues Concerning the Implementation of the Regulations on Work-Related Injury Insurances by the Ministry of Human Resources and Social Security
	Implementation Measures for the Provisions of the State Council on Working Hours of Employees
	Administrative Measures for Diagnosis and Identification of Occupational Diseases
	Interim Measures for the Supervision and Administration of "Three Simultaneities" for the Occupational Health of Construction Projects
	Food Safety Law of the People's Republic of China
Environmental protection	Operation Standards Concerning Food Safety for Catering Services
	Environmental Protection Law of the People's Republic of China
	Environmental Protection Tax Law of the People's Republic of China
	Law of the People's Republic of China on the Prevention and Control of Water Pollution
	Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution
	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution
	Noise Pollution Prevention and Control Law of the People's Republic of China
	Law on Prevention and Control of Soil Pollution of the People's Republic of China
	Law of the People's Republic of China on Environmental Impact Assessment
	Regulations on Administration of Construction Project Environmental Protection
Funeral	Administrative Measures for Pollutant Discharge Licensing (Trial)
	Regulations on Funeral Management (revised in 2012)
	Guiding Opinions on Promoting Land-saving Ecological Burial
	Guiding Opinion on Further Promoting the Funeral and Burial Reform and Encouraging the Development of the Funeral and Burial Industry

Appendix — Environmental, Social and Governance Reporting Guide of the Stock Exchange

Subject Areas, Aspects, General Disclosures and KPIs

2019 Sustainability Report

A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6.2 Practicing Environmental Value
KPI A1.1	The types of emissions and respective emissions data.	6.2 Practicing Environmental Value
KPI A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.2 Practicing Environmental Value
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous waste is rarely generated during the operation
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.2 Practicing Environmental Value
KPI A1.5	Description of measures to mitigate emissions and results achieved.	6.2 Practicing Environmental Value
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	6.2 Practicing Environmental Value
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.	6.2 Practicing Environmental Value
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	6.2 Practicing Environmental Value
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.2 Practicing Environmental Value
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	6.2 Practicing Environmental Value
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	6.2 Practicing Environmental Value
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Packing material is rarely involved during the operation.
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6. Accompanied by Landscape and Requiem
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6. Accompanied by Landscape and Requiem

Subject Areas, Aspects, General Disclosures and KPIs

2019
Sustainability
Report

B. Social		
Aspect B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4. Making Progress Together and Dream for Future
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Gathering Talents Everywhere
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	4.4 Creating a better life The total employee turnover rate has been disclosed, and the employee turnover rate by gender, age group and geographical will be disclosed in the future
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.3 Safeguarding Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	4.3 Safeguarding Health and Safety No fatalities occurred
KPI B2.2	Lost days due to work injury.	4.3 Safeguarding Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.3 Safeguarding Health and Safety
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training and may include internal and external courses paid by the employer.	4.2 Supporting Growth and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Further disclosure will be provided in the future
KPI B3.2	The average training hours completed per employee by gender and employee category.	4.2 Supporting Growth and Development
Aspect B4	Labor Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	4.1 Gathering Talents Everywhere
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	4.1 Gathering Talents Everywhere No case of child labour or forced labour occurred
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Gathering Talents Everywhere No case of child labour or forced labour occurred

Subject Areas, Aspects, General Disclosures and KPIs

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Aspect B5		Supply Chain Management
General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.3 Improving Supply Standards
KPI B5.1	Number of suppliers by geographical region.	5.3 Improving Supply Standards
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.3 Improving Supply Standards
Aspect B6		Product Responsibility
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.2 Listening to Customers' Voices
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	6.1 Advocating Ecological Civilization
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.2 Listening to Customers' Voices
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.1 Advocating Ecological Civilization
KPI B6.4	Description of quality assurance process and recall procedures.	Quality assurance and product recalls are not involved.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.2 Listening to Customers' Voices
Aspect B7		Anti-corruption
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.3 Corporate Governance
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	1.3 Corporate Governance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.3 Corporate Governance
Aspect B8		Community Investment
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	3.1 Expansion of People's Livelihood Services
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	3.2 Promoting Industry Development 3.3 Leading Life Education 3.4 Treasuring the City Memory
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	3. Bringing Warmth to the Society with Love



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