



萬桐園

股票代码: 6966.HK

2020 Environmental, Social and Governance (ESG) Report

China Wan Tong Yuan (Holdings) Limited



About This Report

This report is the fourth Environmental, Social and Governance (ESG) report released by China Wan Tong Yuan (Holdings) Limited. For all stakeholders of the company, this report comprehensively discloses the company's concepts, practices and effects in the area of environment, society and governance in 2020.

Time Period

This report mainly covers the company's performance in the areas of environment, society and governance from 1 January 2020 to 31 December 2020. In order to strengthen the report's comparability and foresight, parts of the content and data have been extended.

Report Scope

This report covers the overall business of China Wan Tong Yuan (Holdings) Limited, including the sale of burial plots and columbarium units, the provision of other burial-related services and the provision of cemetery maintenance services.

Reference Basis

This report is mainly prepared in accordance with the requirements of the "Interpretation for Non-compliance" present in the "Environmental, Social and Governance Reporting Guide" (ESG Guide) of the Hong Kong Stock Exchange.

Content Choice

All the data and cases used in the report are from the company's formal documents, statistical reports or related public data. We have fully communicated with the stakeholders to ensure the report information conforms to the requirements for principles of significance, quantization, balance, and consistency in the "ESG Guide".

Name Explanation

For the convenience of expression and comprehension, "China Wan Tong Yuan (Holdings) Limited" in this report is also referred to "Wan Tong Yuan", "the Company" and "We".

Report Acquisition

The report has been issued in electronic format and can be downloaded and viewed on the website of the company www.chinawty.com. This report is available in Chinese and English versions. If there is any ambiguity in the interpretation of the content, references from the Chinese version shall prevail.

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Chairman's Statement



The year 2020 marked the 20th anniversary of Wan Tong Yuan's foundation. Upholding its sincere ideals for the past two decades, Wan Tong Yuan has pressed ahead with services concerning cemetery operations, funeral services, and cemetery maintenance. By constantly optimizing our service system and procedure, we have built a culturally enriched cemetery to allow people to visit, rest, and worship, and achieved coordinated development with the society.

Inheritance of Quality to Increase Corporate Value

The combination of comprehensive corporate governance and internal control holds the key to the company's business efficiency improvement and sustainable development. We strictly abide by the country and industry laws and regulations, and actively improve our internal management system, strengthen the supply chain management, and strive to enhance the value creation ability of the company and its upstream and downstream enterprises. The collaboration with Langfang Xinhangcheng Real Estate Development Co., Ltd., we began the JV Cemetery Project of Beijing New Airport (Langfang Region) relocation and resettlement zone, contributing to the accelerated construction of the airport economic zone. We continue to strengthen the management of corporate operating risks, improve the corporate culture of integrity, and promote the common development of the Company, the industry, and the region. In 2020, we overcame the impacts of the COVID-19 pandemic and made every effort to promote a stable development of various businesses. At the end of 2020, our total assets reached RMB 253.4 million, a 7.7% increase from 2019.

Inheritance of Our Mission to Satisfy the Diverse Needs of Customers

Committed to "to the satisfaction of people in both worlds" we listen to customers' demands, protect their rights and interests, and continuously upgrade the cemetery environment, strive to create a better burial service system. In 2020, a total of over 2,000 columbariums in the Langfang Airport Economic Zone were deposited, effectively satisfied the local needs. To coordinate the normalized pandemic control, we promoted the integration of online and offline businesses, and improved customers' experience through convenient, high-quality, and diversified services. We also protected the health and safety of employees and the general public, and further improved customers satisfaction.

Inheritance of Green Actions for Green Practices

To achieve energy conservation and emission reduction in our daily operation, we keep improving the efficiency of energy and water resources to reduce environmental risks. We have increased the vegetation coverage rate in the park by building a park-style ecological cemetery, and reduced burial service's consumption of resources and impacts on the environment. By constantly improving our environmental management, we are committed to leading the new trend of green, civilized, low-carbon, and eco-friendly sacrifice.

Inheritance of Devotion to Public Welfare for a Loving World

As a national defense education base, we commit to patriotic education. We commemorate the heroes at our cemetery to inspire the younger generation to carry their spirit forward. To engage in public welfare cause, we uphold the traditional virtues of respecting the old and caring for the young and visit welfare institutions, senior care apartments, and elderly care centers regularly to deliver the love of the Company. In addition, we protect the basic rights and interests of our employees and provide professional training and development opportunities, strive to the common growth of employees and the company.

Going forward, we will remain true to our original aspiration, carry the traditional Chinese culture forward, and fully leverage our advantages as a listed company and strong resource integration capability to build a better burial service system and empower the high-quality development of the industry in Jing-Jin-Ji megalopolis. Meanwhile, we will strive to improve our CSR ability and quality to provide more valuable contributions to the sustainable development of the society.



Company Overview

China Wan Tong Yuan (Holdings) Limited (stock code: 6966.HK), founded in Langfang, Hebei in November 2007, is a leading burial service provider in Langfang, business including cemetery operation, funeral services, and cemetery maintenance services. Wan Tong Yuan has now developed up to 21 burial areas featuring traditional and artistic burial area, which all serve in meeting the different demands of our customers. Our company principally engages in the sale of burial plots and columbarium units, the provision of other burial-related services, and the provision of cemetery maintenance services in Langfang. Langfang is one of the cities with the fastest growth in Hebei Province and boosted by the Jing-Jin-Ji metropolitan Integration, we plan to achieve industrywide chain development centred on burials, therefore establishing a diversified development system to foster the rapid development of the company.



Burial service

- Sale of burial plots and columbarium units, which includes the right to use the burial plots and tombstones and other supplementary products to be used on the burial plots, and the right to use the columbarium units.
- Other burial-related services such as the organization and conducting of interment rituals, the design, construction and landscaping of the burial plots, and the engraving of inscriptions and ceramic photographs on the tombstones.

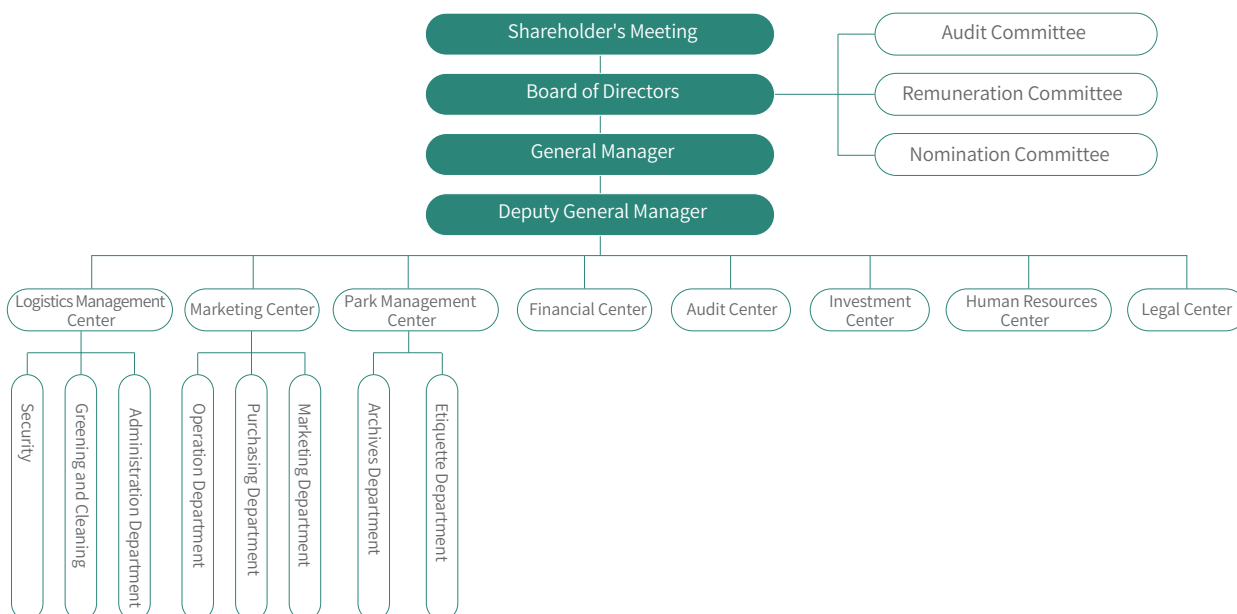


Cemetery maintenance services

Provide ongoing cemetery maintenance services to maintain its beautiful landscape, regularly clean and check of the cemetery to ensure the environment maintain its cleanliness and safety for customers.

Corporate Governance

By strictly following the regulations and requirements of the standard documents related to the Hong Kong Stock Exchange, we have established a relatively seamless framework of corporate governance based on the actual situations of Wan Tong Yuan. This has been further enhanced at the governance level to ensure sustainable, steady and sound development by formulating well-defined institutional systems, and work procedures.



Responsibility Management

Responsibility Governance








We have integrated environmental, social and governance aspects into the company's daily operation and risk management systems, established a strong corporate governance structure. This has gone far in monitoring and implementing comprehensive environmental, social and governance policies to ensure the company's sustainable development.

Board of Directors: Responsible for environmental, social and governance risk assessment, strategy development and environmental, social and governance reporting approvals related to the company.

ESG Working Group: Report to the Board of Directors on the implementation of environmental, social and governance projects, collate data on environmental, social and governance performance indicators, and prepare environmental, social and governance reports.

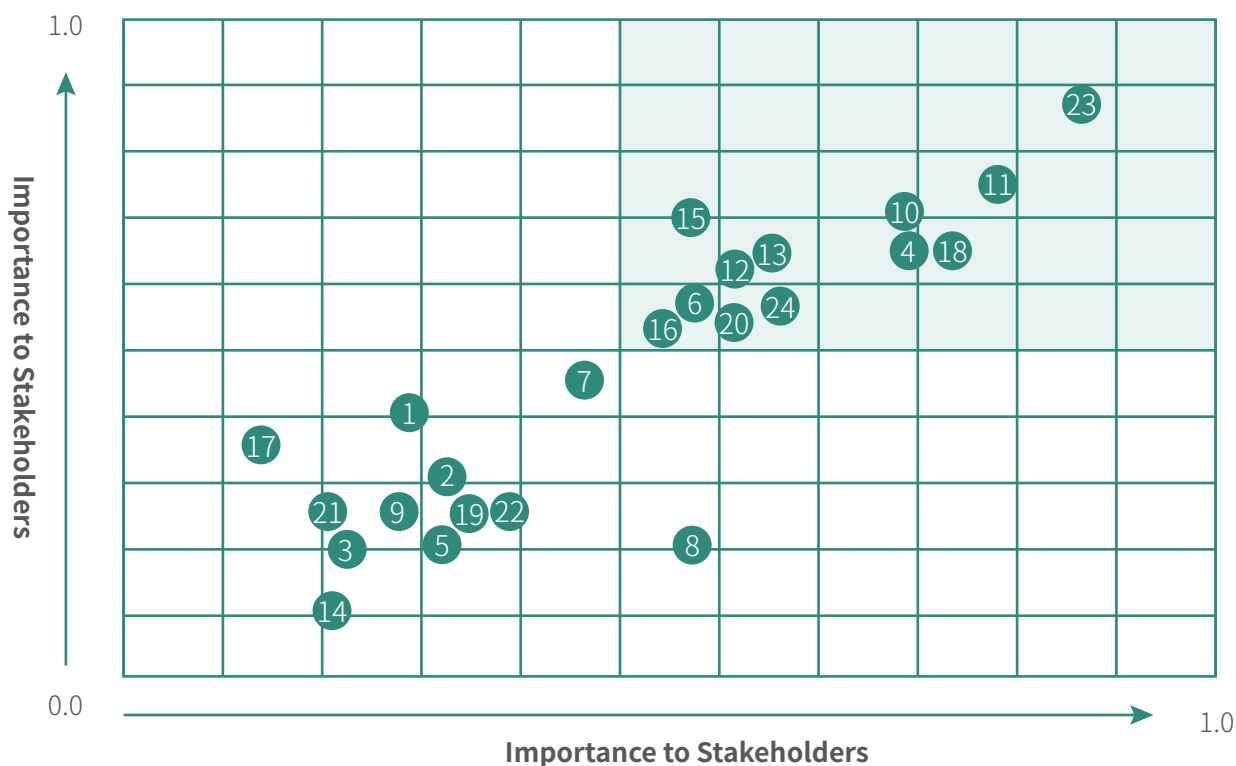
Communication of Stakeholders

By positively responding to the sustainable development trends and by taking the breakthroughs of meeting demands and expectations of government, public, customers, employees, and other stakeholders, Wan Tong Yuan has constantly enhanced sustainable development awareness. Considering this, the company has also applied a sustainable development concept to daily management and operations and taken practical steps to accelerate the mutual sustainable development of enterprises and society.

Stakeholders	Expectations and Requirements	Responding Measures
 Government	Operate in compliance with the law Pay taxes in compliance with the laws Protect the local environment	Follow policy changes Pay taxes in compliance with the laws Implement green burials
 Shareholders and Investors	Standardize business risks Standard information disclosure Receive return on investment	Manage and control operation risks Maintain growth of business and ensures profitability Issue 2020 interim and annual reports
 Customers	Obtain due consumption rights and interests Effective response and resolution of complaints Ensure information security	Protect customers rights Improve customers feedback channels and customers complaints procedures Emphasize the protection of customers privacy
 Suppliers	Performance of contract in accordance with law Admittance criteria for suppliers Promote mutual development	Maintain fair and transparent procurement processes Create a responsibility supply chain Provide fair opportunities to promote cooperation and win-win outcomes
 Employees	Salary and welfare guarantees Occupational health and safety Fair promotion and development Work-life balance	Improve the remuneration system Carry out employees physical examination Establish a long-term mechanism for talents Develop employees recreational activities
 Environment	Energy conservation and emissions reduction Waste disposal Protect the ecological environment Energy conservation	Implement green burials Reduce environmental impact of business activities Impose environmental friendly measures and greening of cemetery
 Community and the Public	Promote community development Care about vulnerable groups	Support patriotic education Service for public welfare Develop and provide voluntary services

Analysis of Substantive Issues

Based on the "ESG Guide", according to industry trends and media reports, the company has sorted out 24 issues related to corporate development. Through extensive related party research, the company has ranked them according to "the importance to related parties" and "the importance to company development", identified key issues in the report and disclosed them in detail to effectively respond to concerns and expectations of the related parties.



<p>1.Promote the rule of law</p> <p>2.Strengthen risk management</p> <p>3.Improve Party conduct and building clean governance</p> <p>4.Enhance operation performance</p> <p>5.Strengthen suppliers management</p> <p>6.Facilitate the development of industry</p>	<p>7.Energy conservation and carbon reduction</p> <p>8.Resource and energy conservation</p> <p>9.Strengthen emission management</p> <p>10.Advocate green burials</p> <p>11.Environmental Protection and greenery of the cemetery</p> <p>12.Protect customers rights and interests</p>	<p>13.Control services quality</p> <p>14.Customers privacy protection</p> <p>15.Properly handle customers complaints</p> <p>16.Create satisfactory services</p> <p>17.Diverse and equal employment</p> <p>18.Ensure the salary and benefits</p>	<p>19.Occupational health and safety</p> <p>20.Employees training and development</p> <p>21.Employees care</p> <p>22.Support patriotic education</p> <p>23.Service for public welfare</p> <p>24.Participate in voluntary services</p>
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Note: The topics in green are the material topics.

Inheritance of Quality for Value Creation

Under the philosophy of "respecting life, returning to nature, displaying humanity and upholding eternal commemoration". Wan Tong Yuan follows a law-based management approach to prevent any kind of risks. We also have optimized the supply chain management mechanism to constantly enhance the value creation ability of the Company and our upstream and downstream enterprises, and stride toward the common development with the industry and region.



Operation Risks Control



Improve Operating Efficiency







Strengthen the Supply Chain Management



Facilitate Regional Development

Operation Risks Control

According to the principles of ex-ante prevention, interim control, and expost response, we continue to improve our law-based management approach, and constantly optimize our risk management and internal control system while advancing our internal audit and the corporate culture of integrity. These efforts have provided a sound environment for our rapid, efficient, and sustainable development.

 4 Regular meetings of the Board of Directors are organized and held	 3 Meetings of the Audit Committee	 1 Meeting of the Remuneration Committee	 1 Meeting of the Nomination Committee
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Promote Legal Construction

Abiding by national and industrial laws and regulations

We strictly adhere to the laws and regulations of the state and the provisions of the "Corporate Governance Code stipulated in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" (the Listing Rules). Moreover, we closely follow the updates in the laws and regulations of the burial service industry to ensure that the Company operates in full compliance with the law.

Improving corporate regulations

We have perfected the regulations on the rule of law, standardized procedures of contract review and trademark registration to guarantee legal operation, and guard against legal risks, such as violation of intellectual property rights.

Raising employees' sense of law

By actively organizing the training on the rule of law, we aim to build an atmosphere of learning and understanding the law as well as a sound development environment in which we constantly enhance the awareness of risk prevention and law-abiding ability of our employees.

Improve Risk management

Building a risk management framework

The Board of Directors oversees the overall responsibility to establish, maintain, and review the risk management and internal control system. As such, the senior management reviews and evaluates relevant procedures, monitors risks, and reports to the Board of Directors and the Audit Committee regarding any changes and identified risks.

Establishing an internal control and approval system

Acknowledging the importance of internal risk control management, we have identified the procedures, conditions, scope, quota, and documents required for approval, as well as the departments and personnel in charge and their corresponding responsibilities.

Setting up major early warning system and emergency response mechanism



By defining the early warning standards and formulating emergency plans for major risks or emergencies that may occur, we are able to identify the responsible personnel, standardize response procedures, and ensure that emergencies are handled timely and properly.

Improving investment risk management system

Based on our experience in investment project management, we assist enterprises in the pre-study of projects, strictly control risks, and make prudent decisions. During the construction of the project management system, we clarify the management responsibilities, key points, and contents of the Group Company, the direct supervising department, and the construction side.

Strengthen Internal Audit

Following the principles of "supervising services, correcting malpractices, and promoting management," we have strengthened our management and supervision system, with prioritized daily supervision and special audits held in a phased manner. Thus, we have facilitated the implementation of all system, increased business benefits by fully unleashing the supervision and service functions of internal audits.

 1 Semiannual audit for each department	 1 Semiannual follow-up audit
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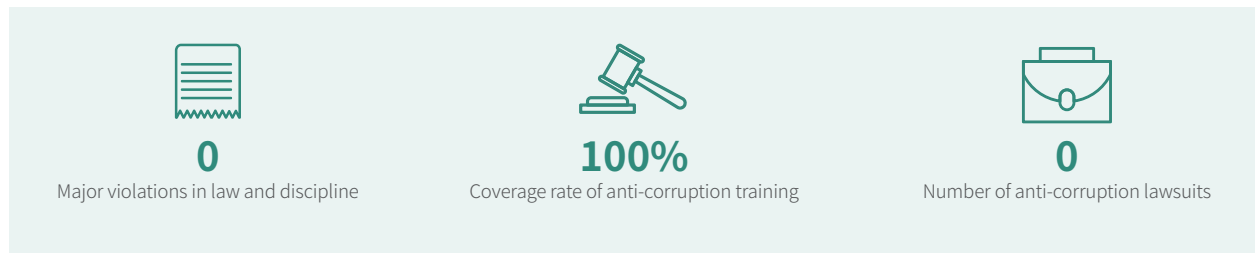
Anti-corruption

Improving anti-corruption report mechanism

Through public telephone reporting, timely processing, and follow-up and feedback on the results, we have ensured that public supervision plays a key role in improving the Party conduct and building clean governance.

Enhancing employees' anti-corruption awareness

We organize employees training regarding the anti-corruption mechanism to inform employees of the necessary requirements, restrain their behaviors, supervise other employees, and jointly maintain a clean workplace.

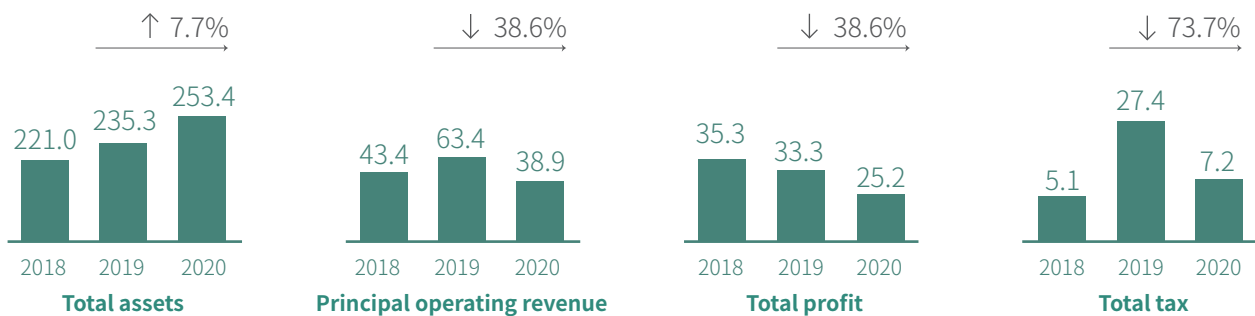


Improve Operating Efficiency

The year 2020 witnessed the 20th anniversary of our foundation and the 3rd year of our listing. Over the past two decades, we have secured stable and strong growth in business revenue through professional service and high-quality operation.

Indexes

(Indicators: RMB million)



Strengthen the Supply Chain Management

Upholding the principles of open, fair, and just procurement procedures, we keep improving our supply chain management mechanism by establishing an honest partnership with our suppliers, incorporating their social and environmental risks into our risk management system, and tightening risk control throughout the supply chain, which guarantees sustainable supply chains.

Strengthen the Supply Chain Management

We have strengthened the management of supplier-customer relationships, expanded supply channels across regions, and lowered structural and internal transaction costs.

We pay regular visits to our partners, reward them according to their performance, and send them holiday greetings.



We have increased the information sharing with our suppliers and customers throughout the supply chains to guarantee transparency and reduce supply chain management risks.

We have developed detailed procedures and specialized teams for emergency response. We also integrate supply chain flows to build a more efficient and resilient supply chain.

Improve Supplier Selection Mechanism



Established the selection mechanism of tracking evaluation and only the fittest can survive, which not only fully unleashes their advantages through competition and cooperation but also boasts low cooperation cost and high flexibility.

To select and evaluate suppliers, we have established a solid and reliable supply base, and constantly seek new suppliers to ensure an uninterrupted supply of materials.

We prioritize suppliers with green products and services, strengthen their environmental consciousness, and phase out non-eco-friendly products.

To reduce comprehensive procurement costs, we adopt a bidding system for bulk and unified procurement and purchase cost-efficient goods.

We carry out credit investigation on long-term and key suppliers, register and evaluate their credibility regularly, and make adjustments when necessary.



100%

Proportion of suppliers that signed the Integrity Purchase Agreement



3

Suppliers in Hebei province

2

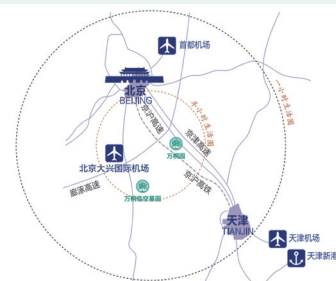
Suppliers otherwise

Facilitate Regional Development

Based in Langfang, Hebei, we have advanced the comprehensive construction of Langfang Airport Economic Zone, and driven the reform and development of the burial service industry, striving to achieve the common progress of the society, ecology, and regional economy.

Collaborating with Langfang Xinhangcheng Real Estate Development Co., Ltd. for the JV Cemetery Project of Beijing New Airport (Langfang Region) relocation and resettlement zone

On July 6, we signed a cooperation agreement with Langfang Xinhangcheng Real Estate Development Co., Ltd. to establish a joint venture company that will be responsible for the development and construction of the JV Cemetery Project of Beijing New Airport (Langfang Region) relocation and resettlement zone. With the concept of "building a park-like cemetery" in mind, we will analyze the history of advanced cemetery construction both locally and abroad, continuously develop innovative burial products and services, and strive to build a modern-theme cemetery that is green, land-saving, beautiful, and convenient to promote the high-quality development of the burial service industry in the Jing-Jin-Ji megalopolis.



Sketch map of the JV Cemetery Project of Beijing New Airport (Langfang Region) relocation and settlement zone

Inheritance of Quality for Value Creation

Inheritance of Our Mission for Best Satisfaction

Inheritance of Green Actions for Eternal Ecology

Inheritance of Devotion to Public Welfare for a Harmonious Future

Inheritance of Our Mission for Best Satisfaction

We always strive to provide high-quality products and considerate services. Customer-centric, we protect customers' rights and interests, cater to their demands, and enhance our services to meet their satisfaction, in an effort to deliver commitment of "to the satisfaction of people in both worlds".



Protect Customers Rights and Interests



Value Customers Feedback



Provide Satisfactory Customers Services

Protect Customers Rights and Interests

We spare no effort to strengthen customers service management, optimize customers service systems and procedures, and enhance employees' sense of responsibility to protect the customers' fundamental rights and interests, such as their privacy security and freedom of consumption.

Strengthen Service Management

Implementing job responsibilities

We formulate detailed responsibility specifications for each post and strictly follow the requirements to improve our customers' service.

Upgrading policies and procedures

According to corporate rules and regulations, we have standardized our work process, required employees to wear uniforms, and encouraged them to fulfil their given duties.

Regulating daily operation

We have strengthened the leadership accountability in frontline service departments to coordinate daily work arrangements and ensure compliance with work orders and standards.

Strengthening department collaboration

We coordinated all departments and advocated a sense of responsibility to ensure effective solutions to any problems of the customers.



Columbarium Storage services

A total of over **2,000** columbarium units in the Langfang Airport Economic Zone were deposited. Daily storage management and visits were also operated smoothly.

Improve Service Quality

Open and transparent product information

The photos of burial types posted online are showing the factual information, reflecting true material and color. And the rates are the identical for both online and off-line purchases ensuring customers confidence.

Customer privacy protection

Customers' information can only be accessed and modified by the contractor. One must enter the name of the deceased and the mobile phone number of the contractor for confirmation when inquiring about a burial's location. A designated personnel are in charge of reviewing, registering and filing of the borrowed files. As such, they shall not divulge customers' information without permission, and any violation of corporate regulation is punishable in accordance with the management procedures.

Legitimate consumption

We guarantee safe and legitimate consumption. Thus, all customers receive printed invoices issued by national tax departments for each purchase.

Complete service details

We provide a hard copy of the services' details containing all relevant items to protect the consumers' right to know.

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Value Customers Feedback

Valuing customers feedback is the main force of sustaining our high-quality services and driving the innovation of our products and services. As such, we highly value our customers' advice and opinions, continue to upgrade our feedback mechanism, and open multiple channels to deliver timely responses to provide a better customer experience.


Properly Handle Customers Complaints

 **Ensuring promptly response** ▶


We communicate with customers as soon as a complaint is filed to ensure efficiency.

 **Upholding empathy** ▶

In the case of an accident, we empathize with a customer's position and listen to their demands to understand their concern.

 **Controlling process** ▶


We keep close contact with customers to inform them of the handling progress and final results.

 **Providing solutions** ▶

We avoid making promises but respond as quickly as we can instead in the case of a complaint. Moreover, we intend to solve problems within the shortest period to minimize the loss of our customers.


Feedback Channels

On-site feedback




Customers can provide feedback and file a complaint to the sales manager or on-site service personnel in the business hall.

Telephone feedback




We include the complaint hotline number in the service guidelines. Customers are welcomed to call for help.

Opinion box



We set up opinion boxes in the cemetery's public areas where customers can submit suggestions in writing.

WeChat feedback



Customers can report problems they encountered or give their opinions regarding our services via our WeChat official account.

A Timeframe for Handling

We make immediate remedies and changes as needed in light of customers complaints.

For problems that cannot be solved in time, we provide solutions within 24 hours in principle.

Provide Satisfactory Customers Services

We made thorough preparations of our services amid the COVID-19 outbreak and strived to provide convenient and high-quality services to meet the diverse needs of customers and improve their experience during this period.

Services under the COVID-19 Pandemic



Off-line workshops

We put forward work plans for peak periods that involve appointment, QR code scanning, visitor flow control, mask-wearing, temperature measurement, and registration to prevent the spread of COVID-19 and ensure customer safety.



Reservation and visitor flow control



Online workshops

According to customers' demands, we held collective tomb-sweeping activities to worship the deceased on behalf of customers who cannot show up in person during COVID-19 to convey their grief and respect.



Valet tomb-sweeping service to convey love

Provide Diversified Services



Services upgrades

We provide customers with various options, such as the Fifth Seven-day Observance, memorial services on anniversaries, cemetery memorial services, and other ceremonies, and constantly innovate in our services.



Parking service

To improve customers experience, we assign reception personnel at the parking lot to offer timely assistance to customers.



Online appointment

Customers can make an appointment via our WeChat official account for tomb-sweeping, saving time for queues and registration on site.



Online "Cloud Tomb-sweeping" Service

We provide various sacrifice and tomb-sweeping packages by uploading photos or videos of the sacrifice through the mall to provide convenience to customers who cannot worship the deceased in person during the pandemic.



100%

Customer satisfaction



0

Customer complaint

Tea party celebrates our foundation and traditional Chinese culture

On September 27, a tea party celebrating the 20th anniversary of Wan Tong Yuan's foundation and the 3rd anniversary of our listing was successfully held in Langfang, Hebei. We invited our long-term customers who have been with us for over 20 years to gather and review the progress and endeavors of the Company, witness the service upgrades in the system, and uphold the customer-oriented principle.



Reunion with our long-term customers

Inheritance of Quality for Value Creation

Inheritance of Our Mission for Best Satisfaction

Inheritance of Green Actions for Eternal Ecology

Inheritance of Devotion to Public Welfare for a Harmonious Future

Inheritance of Green Actions for Eternal Ecology

The harmonious coexistence between man and nature is the pursuit of every enterprise. As such, we integrate the concept of sustainable development into our business operation, constantly strengthen environmental management, reduce environmental risks, and actively promote green tomb-sweeping. By building a park-like ecological cemetery and continuously optimizing the cemetery environment, we hope to contribute our efforts to ecological civilization.



Strengthen Green Operation



Advocate Green Burials



Optimize Cemetery Environment

Strengthen Green Operation

In accordance with the "Environmental Protection Law of the People's Republic of China" and other laws and regulations, we highlight energy conservation and emission reduction in our daily operations and improve the efficiency of energy and water resources to honor our green development commitment.

Addressing Climate Change

We actively respond to the challenges of climate change by assigning special personnel to follow up weather conditions, strengthen safety control during extreme weather events, and tailor our services for temperature changes.

Strengthening Emission Management

We shoulder the responsibility of environmental protection by reducing the discharge of wastewater, exhaust gas, and solid wastes to pursue a green and intensive management style and limit the negative impacts of our business operation on nature.

Emission reduction

Firecrackers, incense, joss paper, and relics are the main sources of exhausts during sacrifices. In 2020, we continued to advocate civilized sacrifice and low-pollution incineration. Thus, by using a new type of ecofriendly incinerator, we significantly reduced the emission of smoke and dust. Meanwhile, by managing vehicles better, we reduced the direct emissions of fossil fuels (gasoline and diesel).



Inheritance of Quality for Value Creation

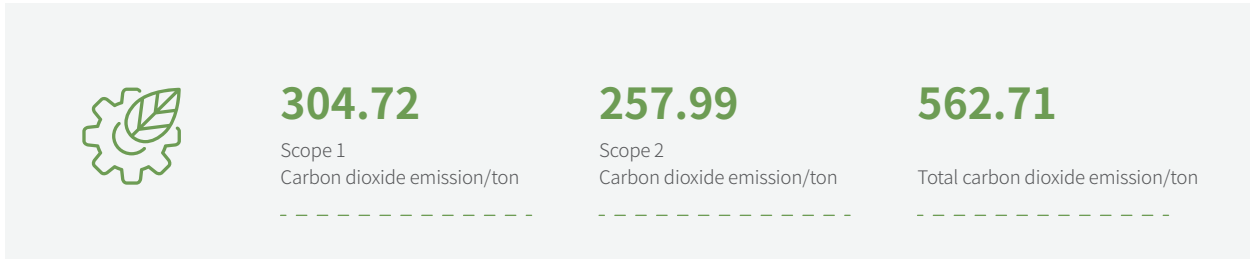
Inheritance of Our Mission for Best Satisfaction

Inheritance of Green Actions for Eternal Ecology

Inheritance of Devotion to Public Welfare for a Harmonious Future

Energy conservation and carbon reduction

We actively respond to the challenges of climate change, pay attention to the impacts of greenhouse gas emissions on the environment, and vigorously tighten emission control in the cemetery to relieve the burden on the natural environment.



Note: Scope 1 refers to direct carbon dioxide emissions caused by fuel combustion from fixed sources (excluding electricity) and mobile sources (automobiles). On the other hand, Scope 2 refers to indirect carbon dioxide emissions caused by purchased electricity.

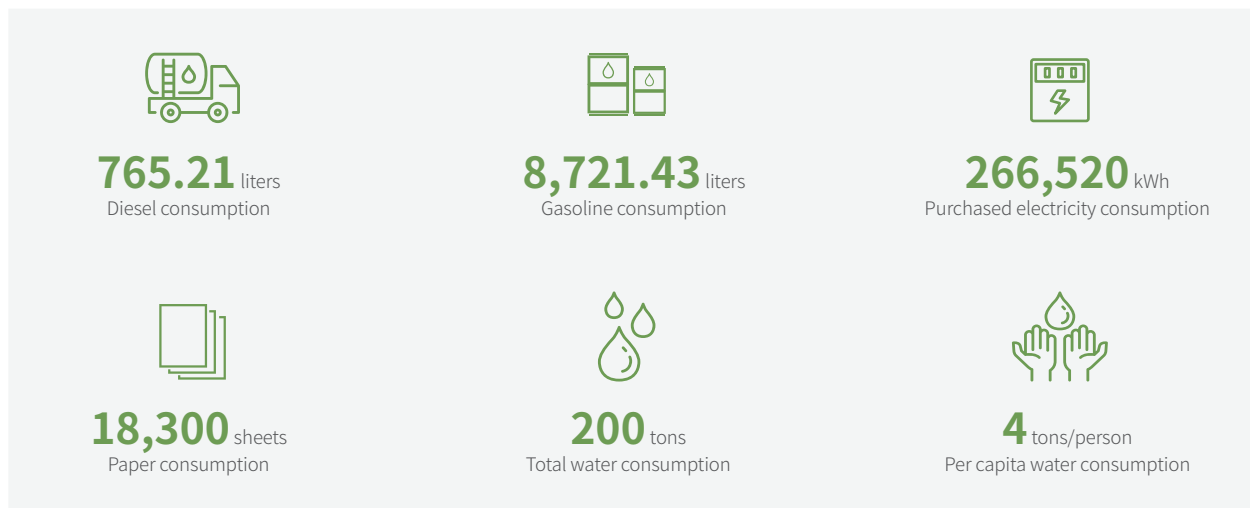
Strengthen solid waste management

In strict accordance with relevant national laws and regulations, the wastes generated during operation were classified into domestic, kitchen and sacrificial wastes to make sure that our waste discharge meets relevant standards and avoids environmental impacts.



Saving Resources

To contain the operational impacts of resource consumption and pollution incurred thereof, we devote continuous efforts to energy management through efficient vehicle use and water conservation at offices and cemetery areas, through the natural water reservoir and spray irrigation system. In the meantime, we strengthen the recycling of wastewater to improve energy efficiency.



Advocate Green Burials

We actively respond to the national policies on environmental protection, we have been continuously practicing and advocating civilized sacrifices and green burials through banners, radio broadcasting systems, newspapers, and mass media. Also, we introduce ecological alternatives, such as flower burials, tree burials, grass burials, and sea burials, and launch an innovative online "Cloud Tomb-sweeping" Service to set the trend for green, civilized, low-carbon, and eco-friendly burial services. We also guide the citizens to conduct concentrated burning and green sacrifices by offering incineration bags to reduce the impacts on the environment, protect biodiversity, and build a better ecology.



Online "Cloud Tomb-sweeping" services

Optimize Cemetery Environment

We continue to develop high-quality burial services in Jing-Jin-Ji megalopolis by building the culture-themed cemetery, increasing vegetation coverage in cemetery areas, and maintaining existing plants. We also increase the frequency of road cleaning to maintain a clean environment. Moreover, the introduced electric shuttle buses for transportation in the cemetery to reduce exhaust emissions and carbon dioxide release by private vehicles. In addition, we endeavor to create a comfortable and peaceful environment for the deceased and their family by building a multifunctional cemetery with blooming flowers, green lawns, clear water, and lush forests. In 2020, the comprehensive maintenance project, incinerator relocation and construction project, incinerator relocation and hydro-power line installation, and wall construction project, and road construction project of Wan Tong Cemetery were concluded, and all facilities have been functioning well.



Greening of the cemetery

Inheritance of Quality for Value Creation

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Inheritance of Devotion to Public Welfare for a Harmonious Future

We hold significance to the corporate culture of "Let Love Live On". As such, we commit to revolutionary education, care for vulnerable groups, including the elderly and children, safeguard the legitimate rights and interests of our employees, and support their capacity building and career development to spread the love to all sectors of society.



Support Patriotic Education



Service for Public Welfare



Achieve Employees Development

Support Patriotic Education

As a revolutionary education base, we vigorously carry the spirit of dedication forward and organize our employees to launch the "Wan Tong Spring Sacrifice" activity on Tomb-Sweeping Day to commemorate the heroes who perished in the fight against COVID-19. Through this activity, we passed on revolutionary traditions, expressed our grief and respect, and inspired the younger generation to carry the spirit of dedication forward and contribute to social development.



Commemoration of the martyrs in the fight against COVID-19

Service for Public Welfare

We insist on carrying forward the traditional Chinese culture of respecting the elderly, through regular visits to welfare institutions, senior care centers, and the Longhe Care Center. We call for society-wide engagement in public welfare activities for vulnerable groups, including the elderly and children.



Teacher's Thanksgiving Day and Remembrance Activity



3

Sessions of welfare activities participated by Wan Tong Yuan



RMB **20,000**
Total donation raised



300

Beneficiaries from our activities

Inheritance of Quality for Value Creation

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Inheritance of Devotion to Public Welfare for a Harmonious Future

Sending love to the elderly

To further promote the traditional Chinese virtues of respecting the elderly, at the Double Ninth Festival on October 25, China Wan Tong Yuan organized volunteers to visit the Longhe Care Center and Fuyuan Senior Apartment, bringing greeting gifts such as milk, fruits, and daily necessities such as washing machines. We also offered our festive greetings to the seniors as a token of our love and care for the elderly group.



Wan Tong Yuan volunteers in the Longhe Care Center



Wan Tong Yuan volunteers in the Fuyuan Senior Apartment

Lighting up children's life

Children carry the future of a nation. In 2020, the coronavirus interrupted our tradition of celebrating the International Children's Day. Hence, instead of visiting and playing with the children in welfare institutions, we prepared gifts, cakes, and other blessings in the hope of preserving their nature and lighting up their life amid COVID-19.



Lighting up the children's life



Achieve Employee Development

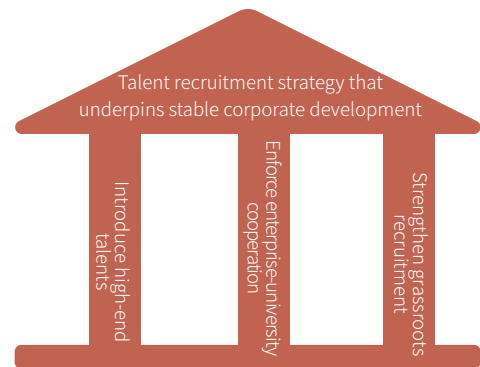
In strict accordance with laws and regulations, we provide employees with competitive welfare by building a science-based compensation system as well as professional training and development channels to ensure sound and stable team building.

Employees Rights and Interests



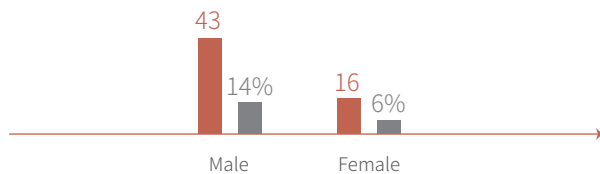
Diversity and equal employment

We firmly abide by relevant laws and regulations, such as the "Labor Law" and "Labor Contract Law", and uphold the principles of equal, open, and fair employment. Thus, we bear zero tolerance toward discrimination against ethnicity, race, gender, and age, as well as child labor and forced labor. Moreover, we attract high-level management talents and strive to build a long-term talent recruitment strategy that underpins stable corporate development and guarantees an equal employment environment. With our efforts, no labor disputes occurred in 2020, and employees satisfaction remained high.

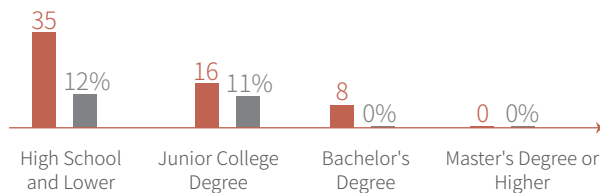


■ Total Number of Employees ■ Employee Turnover Rate

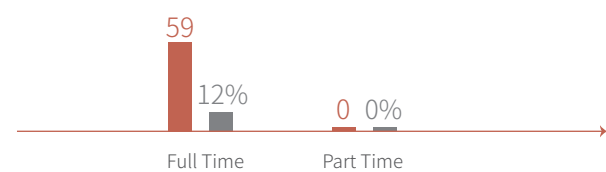
By Gender



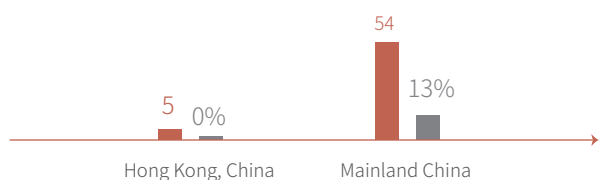
By Educational



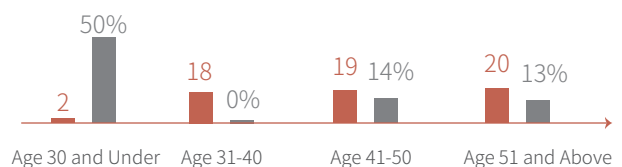
By Type of Employee



By Geographical Region



By Age Group



Inheritance of Quality for Value Creation

Inheritance of Our Mission for Best Satisfaction

Inheritance of Green Actions for Eternal Ecology

Inheritance of Devotion to Public Welfare for a Harmonious Future



Salary and benefits

We formulate a salary management system consisting of basic salary, merit pay, commission, wage for seniority, etc. We also purchase social insurance and commercial supplementary insurance for every eligible employee and provide them with subsidies for skill development, education, accommodation, and festivals. As a responsible enterprise, we always pay employees on time and in full, even during the COVID-19 outbreak when employees were not able to perform their duties as usual.



Democratic management

The Company sets up suggestion boxes that ensure confidentiality for employees to offer their advice and suggestions as needed.



Occupational health

To provide a safe and healthy workplace, the Company arranges professional physical examination for employees and encourage them to exercise more to prevent occupational diseases.



COVID-19 containment

Amid the COVID-19 outbreak, the Company established a pandemic response working group responsible to handle government policies and documents on COVID-19 control, tracked and timely reported the travel footprints of employees as required, managed medical supplies, registered and controlled outside visitors, disinfected public areas, developed travel record inquiry App, and posted COVID-19 prevention posters and banners.



100%

Labor contract signing rate



5

New recruits through social recruitment, recommendation, and campus recruitment



100%

Social security coverage



11

Days of paid leave per employee



59

Full-time workers (Total employees)



0

Occupational disease patient



100%

Physical examination coverage



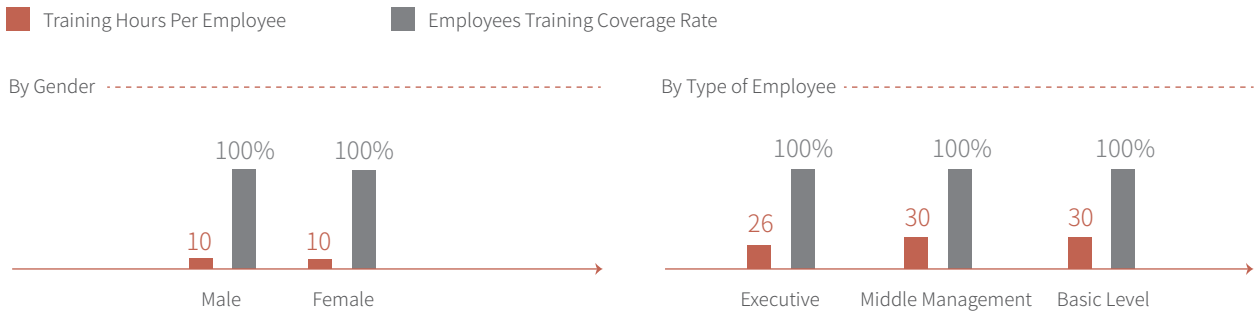
0

Work-related death (2018-2020)

Employees Training and Development

Employees training

We encourage all departments to hold training on corporate regulations, service etiquette, cemetery cleaning, fire safety, and professional and generic skills through lectures, exchange sessions, and hands-on sessions to elevate their professional and individual abilities. In particular, we focus on grooming management talents, encourage employees to study professional skills and read management books, and in the meantime, build a competent management team and train outstanding managers.



Fire safety training



Service etiquette training

Employees development

We evaluate employees performance monthly with a twofold meaning. On the one hand, we aim to praise outstanding employees and drive overall work enthusiasm. On the other hand, we intend to encourage the underperformers and help them make improvements in their professional skills. At the end of each year, our top management would select three outstanding employees of the year based on annual task accomplishment, monthly performance evaluation results, and daily performance, in the hope of helping employees evaluate themselves in time and managing talents in an equal, fair, and humane approach to stimulate their enthusiasm for participation and strengthen unity across the Company.

Employees Work and Life Care

To build a happy atmosphere in the workplace, we have launched diverse team building activities and prepare gifts for employees during festivals, such as Women's Day and Mid-Autumn Festival, thus elevating their sense of happiness and belonging.



Annual meeting



Team building activities

Inheritance of Quality for Value Creation

Inheritance of Our Mission for Best Satisfaction

Inheritance of Green Actions for Eternal Ecology

Inheritance of Devotion to Public Welfare for a Harmonious Future

ESG Index

Aspect	Indicator Description		Pages/ Remarks	Description
A. Environmental				
A1: Emissions				
General Disclosure	Information on policy and 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.	●	P14-15	
A1.1	The types of emissions and respective emissions data.	●	P14	
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	●	P15	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity ((e.g. per unit of production volume, per facility).	●	P15	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	●	P15	
A1.5	Description of measures to mitigate emissions and results achieved.	●	P14-15	
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	●	P15	
A2: Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	●	P15	
A2.1	Direct and/or indirect total 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).	●	P15	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	●	P15	
A2.3	Description of energy use efficiency initiatives and results achieved.	●	P15	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	●	P15	
A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	●	-	(N/A)
A3: The Environment and Natural Resources				
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	●	P15-16	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	●	P15-16	
B. Social				
Employment and Labour Practices				
B1: Employment				
General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	●	P20-21	
B1.1	Total workforce by gender, employment type, age group and geographical region.	○	P20	
B1.2	Employee turnover rate by gender, age group and geographical region.	○	P20	
B2: Health and Safety				
General Disclosure	Information on the policies and 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.	●	P21	
B2.1	Number and rate of work-related fatalities.	○	P21	
B2.2	Lost days due to work injury.	○	P21	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	○	P21	

B3: Development and Training				
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	●	P22	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	○	P22	
B3.2	The average training hours completed per employee by gender and employee category.	○	P22	
B4: Labour Standards				
General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	●	P20	
A4.1	Description of measures to review employment practices to avoid child and forced labor.	○	P20	
A4.2	Description of steps taken to eliminate such practices when discovered.	○	-	(N/A)
Operating Practices				
B5: Supply Chain Management				
General Disclosure	Policies on managing environmental and social risks of the supply chain.	●	P8	
A5.1	Number of suppliers by geographical region.	○	P8	
A5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	○	P8	
B6: Product Responsibility				
General Disclosure	Information on the policies and 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.	●	P10	
A6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	○	-	(N/A)
A6.2	Number of products and service related complaints received and how they are dealt with.	○	P11	
A6.3	Description of practices relating to observing and protecting intellectual property rights.	○	P6	
A6.4	Description of quality assurance process and recall procedures.	○	P10	
A6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	○	P10	
B7: Anti-corruption				
General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	●	P7	
A7.1	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.	○	P7	
A7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	○	P7	
Community				
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 to take into consideration the communities' interests.	●	P18	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	○	P18-19	
B8.2	Resources contributed (e.g. money or time) to the focus areas.	○	P18	

Note: the icon of ● means "comply or explain" provisions, the icon of ○ means recommended disclosure provisions.

Feedback Form

Dear readers:

Thank you for reading the Environmental, Social and Governance Report 2020 of China Wan Tong Yuan (Holdings) Limited. To better satisfy your needs, provide you with more valuable information, help us to improve our social responsibility performance, and enhance our ability and standards in fulfilling our social responsibility, we sincerely hope you provide your valued opinions by giving us feedback in the following ways.

Our contact information:

Address: Unit 3508, 35th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong

Tel: (852) 39967597

Fax: (852) 83431723

Your evaluation to our report: (Please tick in the corresponding boxes)

	Very good	Good	Fair	Bad	Very bad
What do you think about this Report in reflecting the Company's economic, environmental and social performance and its significant impact?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
What do you think about the clarity, accuracy, and completeness of information and indicators disclosed in the Report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
What do you think about the content arrangement and style design of the Report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Which parts of the Report are you most interested in?

Which information do you think should be reflected but not included in the Report?

Do you have any suggestions for our future social responsibility report?



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