



# 2022

| China Wan Tong Yuan (Holdings) Limited

## Environmental, Social and Governance (ESG) Report



萬桐園

股票代碼：6966.HK

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# About This Report

This report is the sixth 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 2022.

## Reporting Period

This report mainly covers the Company's performance in the areas of environment, society and governance from 1 January 2022 to 31 December 2022. In order to strengthen the report's comparability and foresight, parts of the content and data have been extended.

## Reporting Scope

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

## Preparation Basis

This report is mainly prepared in accordance with the "comply or explain" provisions of the Environmental, Social and Governance (ESG) Reporting Guide (the ESG Reporting Guide for short) of The Stock Exchange of Hong Kong Limited.

## 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 materiality, quantitative, balance, and consistency in the ESG Reporting Guide.

## Name Explanation

For better expression and readability, "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 viewed and downloaded on our website [www.chinawty.com](http://www.chinawty.com). This report is available in Chinese and English versions. For any ambiguity in the interpretation of the content, the Chinese version shall prevail.

## Chairman's Statement

Looking back on 2022, our commitment of "to the satisfaction of people in both worlds" remained unwavering. We continued to provide professional burial services, and created cultural sanctuaries that allow visitors to appreciate, rest and honor their loved ones, realizing coordinated development between ourselves and society.

**Inheriting quality and promoting prudent management with sincerity.** We govern ourselves in accordance with the law, and have improved our systems and governance structures. By strictly controlling business risks and fostering a culture of integrity, we facilitate the steady corporate development. Meanwhile, we attach great importance to the management of social and environmental risks of suppliers. 100% of our suppliers have signed the Clean Procurement Agreement. By the end of 2022, our total assets reached RMB 302.3 million, an increase of 8.3% over 2021.

**Promoting family ties and delivering customer-oriented services with genuine care.** We continue to achieve customer satisfaction through innovative customer service models and diversified services. We have enhanced our burial service packages and introduced a range of new tomb-sweeping services. Our goal is to create a peaceful and dignified final resting place for the departed, while offering solace and support to their families and beloved. In addition, we prioritize customer feedback, protect their rights, and continuously improve our services.

**Pursuing green development by protecting ecology.** To be more eco-friendly, we have incorporated green concepts into our operations and management, focusing on managing exhaust gases, solid waste, and carbon emissions. Our efforts have contributed to park-like ecological cemeteries, leading to sustainable development.

**Generating value and giving back to the society.** As we continue to drive business development, we remain committed to our company's founding principles. In the spirit of traditional festivals like Tomb-sweeping Day, Dragon Boat Festival, Double Ninth Festival, and Children's Day, we organize a variety of public welfare activities to give back to society and fulfill our responsibilities. We also promote patriotic education and actively spread positive social energy to sustainably pass on our patriotic genes. Prioritizing the well-being of our employees, we provide a win-win development platform that provides professional training, promotion opportunities, and support for their personal growth.

Moving forward, we will focus on the holistic development of the funeral industry chain to foster a diversified development system that continually innovates and enhances services while taking on social responsibilities, so as to contribute our share to the sustainable development of the funeral industry.



## 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, specialized in cemetery operation, funeral services, and cemetery maintenance services. Wan Tong Yuan has now developed up to 21 traditional and artistic burial areas to meet the diversified demands of our customers. We principally engage in the sale of burial plots and columbarium units, and provide other burial-related services, and cemetery maintenance services in Langfang which is one of the fastest growing cities in Hebei Province. Boosted by the Beijing-Tianjin-Hebei city cluster, we plan to achieve full-fledged development of the burial industry, therefore establishing a diversified development system to foster the rapid growth of the Company.



Burial service

- Sale of burial plots and columbarium units, including 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.

- On going cemetery maintenance services to maintain its beautiful landscape, regularly clean and check of the cemetery and maintain the facilities to ensure the environment is clean and safe for customers.

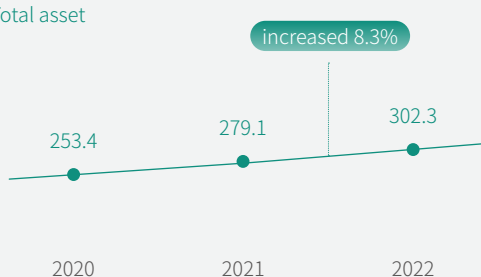


Cemetery maintenance services

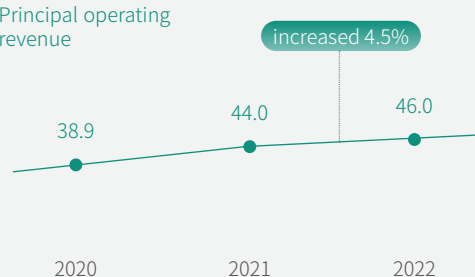
### Business performance

Unit: RMB million

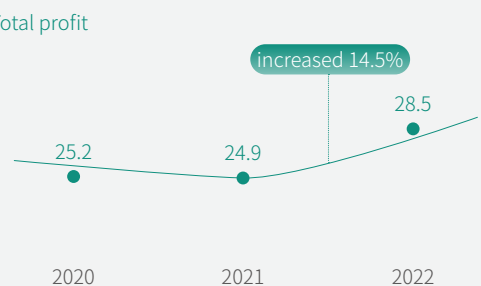
◇ Total asset



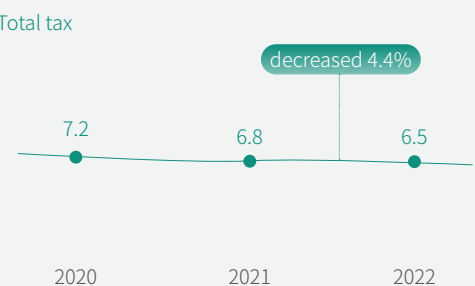
◇ Principal operating revenue



◇ Total profit



◇ Total tax



# CSR Management

## CSR Governance

The Company seamlessly integrates environmental, social, and governance factors into its daily operations and risk management system. By implementing and supervising comprehensive ESG policies, we secure the sustainable corporate development.



Received the **ESG Outstanding Enterprise Award** at the 2022 Hong Kong Listed Company Development Summit Forum and the 10th "Top 100 Hong Kong Stocks" Awards Ceremony

### The Board

The Board will regularly review the preparation of ESG report and the arrangement of business operation and internal audit every year. The Board actively considers hiring an independent internal auditor to assist in reviewing and planning the annual plan of the Company's internal audit, as well as in reviewing whether the Company's internal environmental control complies with the ESG Reporting Guide and work arrangements, and reports the arrangement and performance at the board meeting annually.

### ESG Working Group

The Group is led by one of the executive directors of the Company to implement and supervise the ESG policies set by the Board; and identify ESG related risks in the cemetery, evaluate work performance, and report relevant issues to the Board. Employees in the cemetery shall collect relevant information and implement tasks under the leadership of the executive director.

## Stakeholder Communication

To ensure effective communication and engagement with our stakeholders, we have established diversified communication mechanisms and channels to understand their needs and feedback. We strive to maintain open and timely communication regarding our development status, earn the trust and support of our stakeholders, and achieve win-win outcomes between ourselves and stakeholders.

Stakeholders	Expectations and Requirements	Measures
 <b>Government</b>	<ul style="list-style-type: none"> <li>Realize compliance operation</li> <li>Pay taxes according to the law</li> <li>Protect the local environment</li> </ul>	<ul style="list-style-type: none"> <li>Follow policy changes</li> <li>Pay taxes according to the law</li> <li>Implement green burials</li> </ul>
 <b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Standardize business risks</li> <li>Good information disclosure</li> <li>Receive return on investment</li> </ul>	<ul style="list-style-type: none"> <li>Manage and control operation risks</li> <li>Maintain growth of business and ensure profitability</li> <li>Issue 2022 interim and annual reports</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>Obtain due consumption rights and interests</li> <li>Effective response and resolution of complaints</li> <li>Ensure information security</li> </ul>	<ul style="list-style-type: none"> <li>Protect customers rights</li> <li>Improve customers feedback channels and customers complaints procedures</li> <li>Protect customers privacy</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Honor contracts in accordance with the law</li> <li>Admittance criteria for suppliers</li> <li>Promote mutual development</li> </ul>	<ul style="list-style-type: none"> <li>Maintain fair and transparent procurement processes</li> <li>Build a responsible supply chain</li> <li>Provide fair opportunities to promote cooperation and win-win outcomes</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Salary and welfare guarantees</li> <li>Occupational health and safety</li> <li>Fair promotion and development</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Improve the remuneration system</li> <li>Provide employees physical examination</li> <li>Establish a long-term mechanism for talents</li> <li>Develop employees recreational activities</li> </ul>
 <b>Environment</b>	<ul style="list-style-type: none"> <li>Energy conservation and emissions reduction</li> <li>Waste disposal</li> <li>Protect the ecological environment</li> <li>Energy conservation</li> <li>Addressing climate change</li> </ul>	<ul style="list-style-type: none"> <li>Implement green burials</li> <li>Reduce environmental impact of business activities</li> <li>Protect and afforest the cemetery environment</li> </ul>
 <b>Communities and the Public</b>	<ul style="list-style-type: none"> <li>Promote community development</li> <li>Care about vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>Support patriotic education</li> <li>Engage in public welfare</li> <li>Provide voluntary services</li> </ul>

## Materiality Analysis

In accordance with the *ESG Reporting Guide*, we have identified 30 topics related to our development, based on external environmental factors, industry trends, and our own development plans. After extensive research and survey of stakeholders, we prioritize those topics, and draw a materiality matrix in response to the concerns and expectations of our stakeholders.

### Assessment process of material topics

Identify stakeholders	Identify potentially material topics	Launch evaluation engaged by stakeholders	Analyze and verify material topics	Disclose the topics
We identify stakeholders closely related to us according to their business scope and nature of production and operation.	We refer to the disclosure guidelines of regulators, to identify material topics in the industry through peer benchmarking, and then form an topic library.	We carry out a questionnaire survey to understand the importance of each topic to the development of the Company and to stakeholders, form a prioritized topic matrix, analyze and identify highly important topics.	External experts are invited to review material topics, and the Board reviews whether it responds to material topics concerned by stakeholders and discusses future plans.	After approved by the Board, important material topics will be mainly disclosed in this report.



No.	Topics	No.	Topics	No.	Topics
1	Strengthen corporate governance	11	Green office	21	Employees development and training
2	Strengthen Party building	12	<b>Guarantee service quality</b>	22	Employee care
3	Anti-corruption	13	Protect customer privacy	23	Supplier's environmental and social risk management
4	<b>Improve business quality</b>	14	Properly handle customer complaints	24	Business ethics
5	Manage and control business risks	15	Protect the rights of customers	25	Protect human rights and avoid child labor and forced labour
6	Risk identification, energy use, and greenhouse gas emissions	16	<b>Create satisfactory service</b>	26	<b>Contribute to industry development</b>
7	Resource use	17	Diverse and equal opportunities	27	Create jobs, optimize the living environment in the community, etc
8	Emission management	18	Compensation and benefits	28	Support patriotic education
9	<b>Green burials</b>	19	Democratic management	29	Charity
10	Ecological planning, vegetation protection, cemetery environmental protection and greening	20	Ensure occupational health and safety	30	Volunteer services

Note: The topics in green are the material topics.



## Deliver Value and Excel with Determination

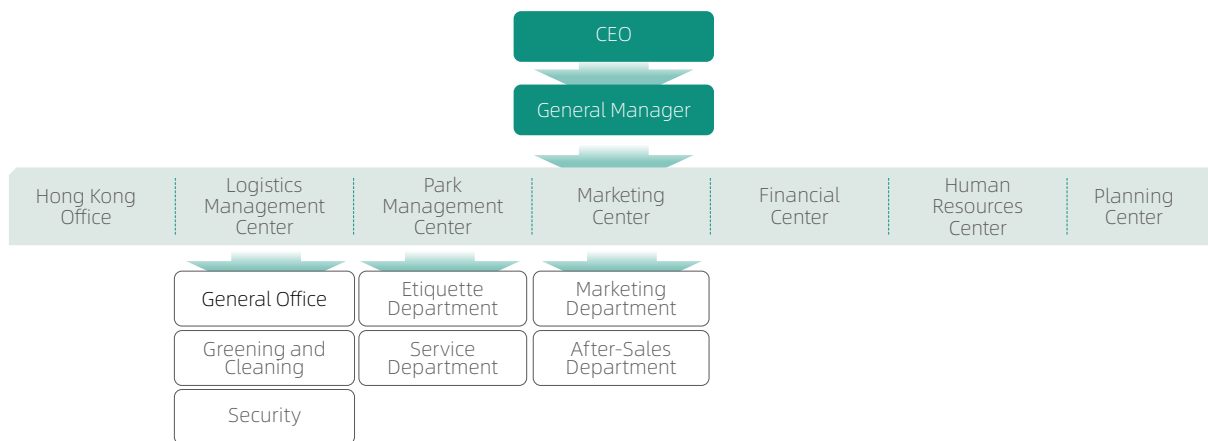
To improve our management mechanism and corporate governance capabilities, we strengthen risk management, and ramp up efforts on anti-corruption and integrity to ensure compliance with the law. Additionally, we prioritize the management of social and environmental risks of our suppliers, improve the quality of our business development, and strive for efficient, smooth, and sustainable corporate operation.



## Improve Corporate Governance

In strict accordance with national laws and regulations, the provisions of our company's Articles of Association, and the relevant normative documents of The Stock Exchange of Hong Kong Limited, we have established a relative sound corporate governance structure tailored to our needs and the realities of our industry, ensuring that it is well-defined and effectively implemented through established systems and work processes. Our unwavering commitment to corporate governance has resulted in a continuously improving level of governance.

### Organizational Framework



### Shareholder's Meeting and Board of Directors

The Board of Directors (the Board) currently consists of seven directors, including one non- executive director, three executive directors and three independent non-executive directors. The power and duties of the Board include convening the Shareholders' Meeting and reporting the work of the Board, determining business and investment plans, preparing annual financial budget and annual report, formulating profit distribution plans, and exercising other power, functions and duties conferred by the articles of association.

The Board is responsible for overseeing the management, businesses, strategic directions, financial performance and monitoring business and performance. The Board provides high-level guidance and effective supervision to the management, and holds regular meetings to discuss the business and operation of the Company. All directors shall perform their duties in good faith, abide by applicable laws and regulations, make objective decisions, and act in the interests of the Company and shareholders at all times.

Each director has entered into a three-year service agreement with the Company. According to the articles of association, at each annual shareholders' meeting, one third of the directors in office at that time shall retire by rotation.

The Board has established three board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to be responsible for supervision of the respective fields. All committees of the Board shall report their decisions or recommendations to the Board.

The Shareholders' Meeting, held every year at a place designated by the Board, provides communication opportunities for shareholders of the Company and the Board. In addition to the annual shareholders' meeting, each shareholders' meeting is referred to an extraordinary shareholders' meeting.

**4**  
Regular Board meetings were organized and held

**3**  
Audit Committee Meetings

**1**  
Remuneration Committee Meeting

**1**  
Nomination Committee Meeting

**16**  
Announcements were issued

# Control Operation Risks

We maintain our commitment to improving our risk management and internal control system. Specifically, we enhance our risk management capabilities, strengthen internal audit management and advance the fostering of a culture of integrity that provides a healthy internal environment for our operations and effectively ensures our sustainable and healthy development.

## Risk prevention

We have comprehensively strengthened our risk prevention and control system by enhancing risk identification and evaluation and operational risk process control. In accordance with the principles of prevention, in-event control, and post-event response, we actively improve our systems, review contracts, and provide legal advisory services and legal knowledge training to employees to enhance employee awareness in the workplace. All these efforts have effectively prevented business risks.

### 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 regularly reviews and evaluates relevant procedures, monitors risks, and reports to the Board and the Audit Committee regarding any changes and measures taken in response to the changes and identified risks.

### 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 for any major issue of internal control.

### Emergency response mechanism

We have defined the early warning standards and formulated emergency plans for major risks or emergencies that may occur with standardized response procedures, designated responsible personnel, to ensure that emergencies are handled timely and properly.

### 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 establishment of the project management system, we clarify the management responsibilities, key points, and contents of the Company, the direct supervising department, and the construction side.

## Internal audit

With the aim of supervising services, correcting errors, and promoting effective management, we take a highly responsible approach to rectifying problems. To strengthen our management and supervision system and promote the implementation of various systems, we conduct daily supervision and special audits in a focused and phased manner. One semi-annual audit of each department and one follow-up audit are also launched to leverage the supervisory and service functions of internal audit.

## Integrity and anti-corruption

In strict compliance with the Chinese laws and regulations, including the *Criminal Law*, *Company Law*, and *Anti-Unfair Competition Law*, we closely monitor internal risks related to corruption and continually reinforce managers' awareness of anti-corruption legal systems. We have implemented an effective system for fostering an integrity culture and preventing legal risks to deter corruption.

Furthermore, we keep improving our anti-corruption reporting mechanism and publicize the hotline to enable effective social supervision in promoting integrity development. This ensures the timely disclosure, processing, follow-up, and feedback of reporting results. We also provide regular training sessions on anti-corruption and integrity systems to raise employee awareness, promoting mutual supervision, self-discipline, and a clean working environment.

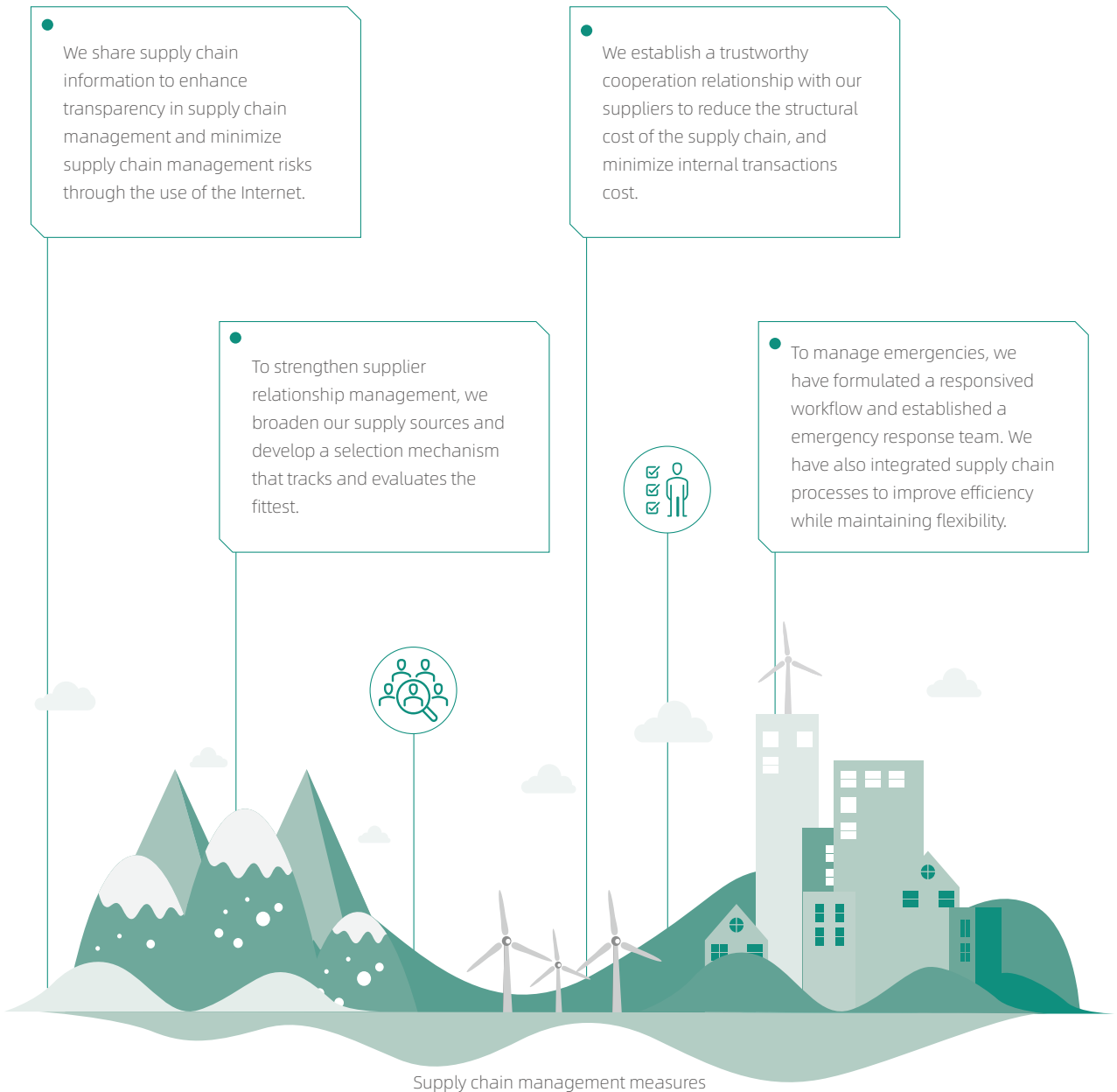
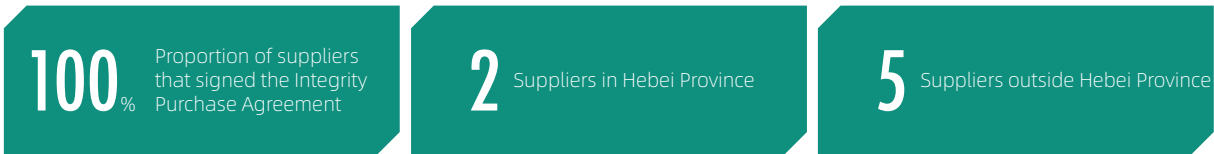
0  
Corruption-related litigation cases

100%  
Anti-corruption training coverage

0  
Major violations occurred

## Strengthen Supply Chain Management

The Company enhances supply chain management, establishes a transparent procurement mechanism and improves supplier management. Our supplier screening involves strict qualification reviews and environmental/social performance requirements, prioritizing eco-friendly products and promoting environmental protection concepts. Credit investigations and dynamic management of long-term major suppliers are conducted to manage supply chain risks, which lays a solid foundation for the sustainable supply chains.





## Honor Family Ties and Respect Life

We prioritize the values of honoring family ties and passing love, constantly innovate to create a more caring and professional service atmosphere for our customers. While providing satisfactory service, we protect the rights of our customers, listen to their feedback, and build a bridge between the two worlds with professional services to satisfy people in both worlds.

## Provide Satisfactory Services

Honoring the commitment of "to the satisfaction of people in both worlds", we provide high-quality and considerate products and services that are demand-oriented. The customer satisfaction has always driven our growth.

### Innovate in customer service

To improve the digitization and intelligence of our funeral management, we have developed a smart cemetery management system that enables us to provide faster, more efficient, and reassured services. In addition, we have improved our burial packages and launched several sacrifice services to meet the diverse burial service needs of our customers, including valet sacrifice, incense, wine sacrifice, and tomb decoration. We seek to alleviate the regret of absent relatives and convey the thoughts of their loved ones in a timely manner.

We have upgraded the burial service packages, set up ritual management posts, and provided crane carriages and golden coffin services, continuously improving the service standards.



During the COVID-19 control period, we offered online and valet sacrifice services to help customers fulfill their wishes when they couldn't attend the rituals in person, and to provide closure to the family and loved ones of the deceased.



Crane carriage service



Golden coffin service



Valet sacrifice

### Provide diversified services

To enhance the tomb-sweeping experience for customers, we have established a lounge area in the parking lot that provides free boiled water and snacks for customers to rest conveniently. Additionally, we offer free water sources, buckets, and brushes in the service area for customers to use in rituals. Shuttle bus services are provided on a daily basis, and more vehicles and dedicated drivers are provided to serve customers during festivals.



We held a co-sacrifice event during the Dragon Boat Festival in 2022 to allow customers who were unable to attend in person due to COVID-19 restrictions to convey their blessings and sentiments.



We also provided free rice dumplings to customers who made an appointment on Dragon Boat Festival to attend the event in person, so they could experience our attentive service firsthand.



Free tomb-sweeping supplies



Case

Passing love with considerate service on Chinese Ghost Festival

During the Chinese Ghost Festival in 2022, we aimed to enhance our service by focusing on even the smallest details. We established a comfortable customer rest area where they can avail themselves of free drinking water, snacks, and even sunstroke prevention medicine. Additionally, we improved our guards to optimize customer service experience. Through these efforts, we guided citizens towards more civilized forms of sacrifice and significantly enhanced customer satisfaction.



Case

Honoring deceased teachers with a moonlit tribute



To honor the traditional virtues of respecting teachers and education in Chinese culture, we organized a tomb-sweeping event on September 9, 2022, when Teacher's Day coincided with the Mid-Autumn Festival. We expressed our gratitude and nostalgia for late teachers by coordinating with their family members to carefully clean the tombstone and offer flowers with deep respect and gratitude. Our staff paid tribute to the teachers' selfless dedication with deep bows, and shared photos of the tomb-sweeping process with the deceased's family. Our sincere and heartfelt approach was well-received and praised by customers.

Improve service quality

To improve our service quality, we have standardized various work processes and service standards, resulting in an efficient and orderly approach to our work, and improving service quality.

<p>We have set up corporate image posts to serve customers quickly while showcasing our company's image.</p>	<p>Optimizing systems and processes</p>	<p>We have developed a detailed range of job responsibilities specifications according to work requires and strictly adhere to them when serving customers.</p>	<p>Strengthening inter-departmental collaboration</p>
<p>Enhancing service efficiency</p>	<p>We have established a standardized working process in line with our rules and regulations. We also provide standardized uniforms to our staffs which is differentiated according to their working position to enhance the corporate image .</p>	<p>Fulfilling job responsibilities</p>	<p>To ensure that all work is carried out in an orderly and standardized manner, we encourage collaboration among departments according to the needs of the work.</p>

## Protect the Rights of Customers

We maintain a transparent and open price policy while prioritizing the protection of customer data privacy and information of the deceased during the service process, ensuring that customers' rights are fully safeguarded.

### Open and transparent product information

The photos of burial types posted online and offline are showing the factual information, reflecting true material and color. And the rates are matched for both online and offline purchases, which reassures customers.

### Protection of customer privacy

The customer data shall be kept strictly confidential. A dedicated staff shall be responsible for the arrangement of review, registration and archiving of relevant archives, so as to ensure that the customer information will not be leaked.

Besides, we strengthen the staff's awareness of post responsibilities and follow the customer's requirements to protect the legitimate rights and interests of customers.

### Legitimate and reliable consumption

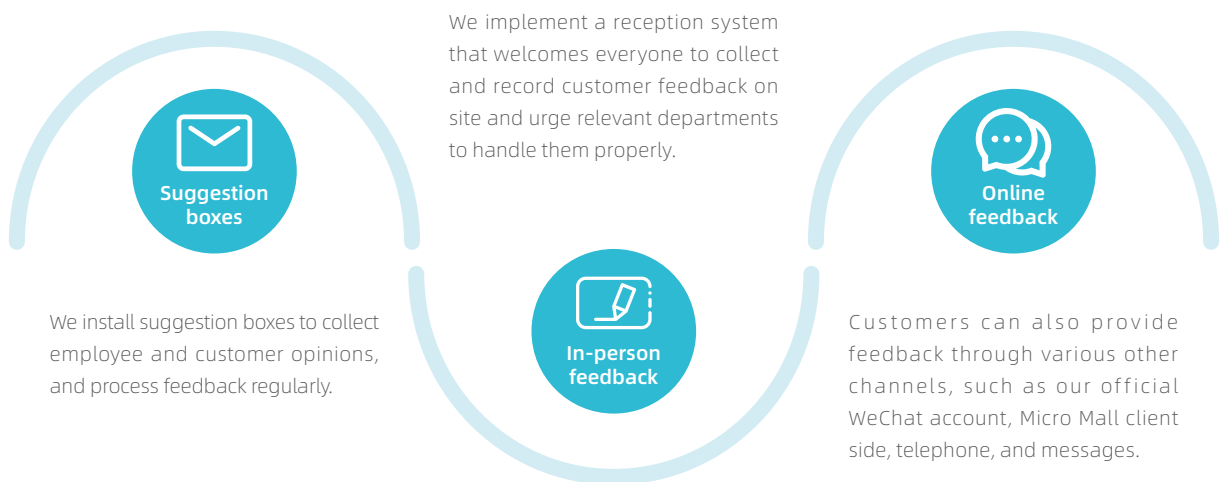
We guarantee safe consumption. All customers receive printed invoices issued by national tax departments for each purchase.

### Complete service details

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

## Listen to the Feedback of Customers

The Company has established a variety of communication channels and complaint handling processes, as well as a closed-loop management mechanism to respond promptly to customer complaints and ensure that they are handled properly to the satisfaction of customers.



Customer satisfaction

**100**%

Consumer complaint

**0**

Complaint handling rate

**100**%



## Care for Nature and Promote Green Development

Wan Tong Yuan has always integrated the concept of sustainable development into its corporate operations, actively responding to China's 30·60 Decarbonization Goal. We strictly abide by ecological protection laws and regulations, continuously improve our environmental management system, and practice green operations. For example, we practice green sacrifices and build park-like ecological cemeteries, helping the funeral industry achieve the decarbonization goal and contributing to sustainability.



## Strengthen Green Operations

To realize green development, we strictly comply with the *Environmental Protection Law of the People's Republic of China* and other related laws and regulations, paying close attention to key environmental issues like climate change. We continuously implement energy conservation and emission reduction measures, save resources, and effectively reduce environmental risks in our operations.

Indicators	Base year	Goals for 2030	Progress in 2022
<b>GHG emissions</b>	2022	200 tons	232.77 tons
<b>Hazardous wastes discharge</b>	2022	0 tons	0 tons
<b>Non-hazardous wastes discharge</b>	2022	3 tons	5 tons
<b>Overall energy consumption</b>	2022	74.14 tons	97.35 tons
<b>Water consumption</b>	2022	300 tons	300 tons

### Tackle climate change

We take proactive measures to address the challenges of climate change. Dedicated personnel are assigned to monitor weather conditions and adjust our services accordingly. We also prioritize safety prevention and control measures in cases of extreme weather to ensure the safe operation of our cemeteries.

### Strengthen emission management

Pollution control and emission reduction is a key part of our environment protection. Strictly adhering to relevant laws and regulations, we minimize the discharge and environmental impact of wastewater, exhaust gases, and solid waste, and strive to achieve green management and sustainable development.

### Reduce waste gases emission

During funeral ceremonies, incense burning, paper burning, and transportation vehicles are the primary sources of exhaust emissions. However, we have significantly reduced emissions by investing in environmental protection equipment, using environmentally friendly incinerators, and promoting civilized sacrifices.



Eco-friendly equipment

Nitrogen oxides mission

**34.52** kg

Particulate matter emission

**3.31** kg

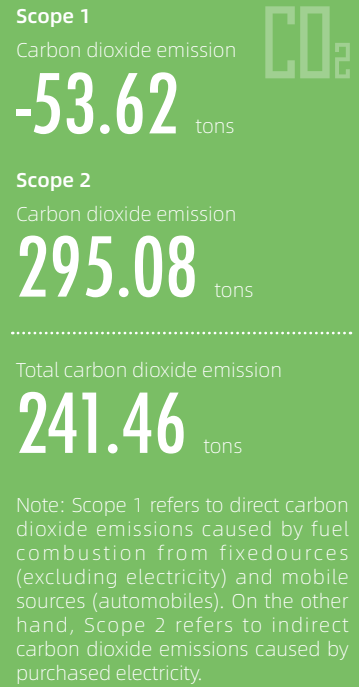
Sulphur oxides emission

**0.09** kg

### Energy saving and carbon reduction

Our greenhouse gas emissions mainly come from fuel combustion and outsourced electricity. We proactively promote various measures to reduce emissions, such as cutting down on the use of administrative vehicles and reducing electricity consumption. Our actions are geared towards green and low-carbon development, with the aim of minimizing the impact of greenhouse gases on the environment.

Battery-charged shuttle buses are used for customer transportation in the cemetery, significantly reducing exhaust and carbon dioxide emissions from private cars.



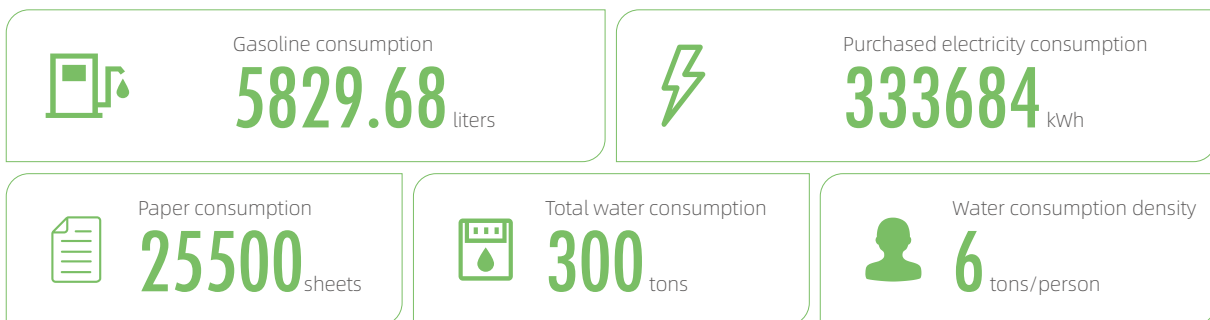
### Solid waste management

No hazardous waste is produced in our production and operation, our operation mainly generates non-hazardous waste, including sacrificial garbage, agricultural, domestic, and garden waste, as well as some construction debris. We classify and manage waste in accordance with local government regulations and entrust municipal sanitation for centralized and legal disposal, making them meet environmental protection standards. Besides, we advocate civilized sacrifices, such as using only a bouquet of flowers or three bows to conduct simple rituals, to reduce excessive solid waste. Moreover, we guide our employees to improve the reuse rate of resources and minimize the environmental impact of waste in daily life.



### Save resources

To reduce the resource consumption by our operations, we promote efficient vehicle use, and save electricity and paper, build natural water reservoirs and reuse domestic waste water for plant conservation in the park by spray irrigation system. Employees are encouraged to save water in daily life.



## Promote Green Burials

The environmentally-friendly burial methods are encouraged, such as flower bed, tree, lawn, ecological, and sea burials. We also offer online, flower and valet sacrifice services to reduce environmental impact. Through these services, customers can remember their loved ones in a more eco-friendly and low-carbon way, minimizing the need for travel to the park. Together with them, we strive to create a green and sustainable homeland.



Flower bed burial



Honoring the ancestors with flowers

## Optimize the Cemetery Environment

We constantly strive to enhance the vegetation coverage of our cemeteries by maintaining and trimming the plants, and regularly clean the roads to ensure that the park environment remains clean and refreshing. Our efforts aim to provide a comfortable and peaceful environment for both the deceased and tomb-sweepers.



**3000**  
Trees planted



Tree planting



Park cleaning



## Boost Happiness and Create a Better Future

Wan Tong Yuan values its employees and strives to create a positive and fulfilling workplace that allows employees to achieve personal growth while contributing to and sharing the Company's success. We also provide patriotic education to employees to pass on the red genes and inspire their fighting spirit. To give back to society, we regularly engage in public welfare activities to spread warmth and love.

# Create a Stage that Fulfills Dreams

We believe that talent is the most valuable asset of any enterprise. Committed to creating a safe and healthy, positive and pleasant workplace for our employees, we allow employees to achieve their personal growth while creating value for the Company.

## Protect the rights of employees

### Fair employment



Our recruitment process is fair and transparent. In strict accordance with the labor laws and regulations of China, including the *Labor Law*, the *Labor Contract Law*, the *Trade Union Law*, the *Law on the Protection of Minors*, and the *Provisions on Prohibiting the Use of Child Labor*, we take a strong stance against illegal practices such as child labor, forced labor, and discrimination in employment. We are proud to report zero labor disputes and high employee satisfaction in 2022.

Total employees

**77**

persons

New recruits

**36**

persons

Days of paid leave per employee

**6**

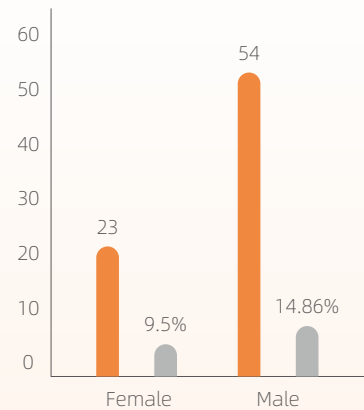
days

Labor contract signing rate

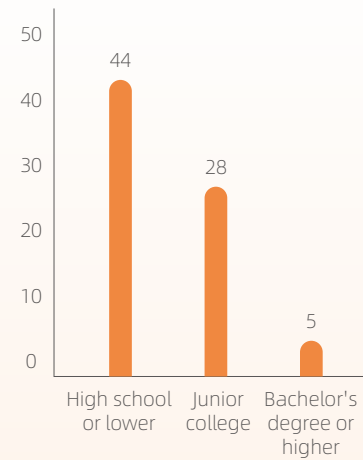
**100%**

● Number of people ● Turnover rate

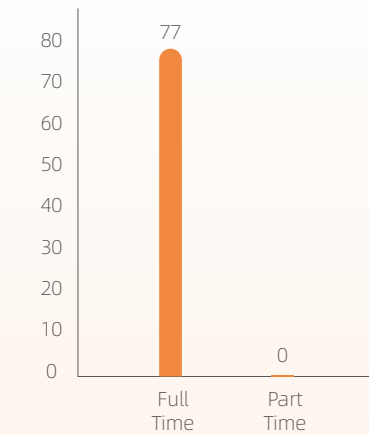
By gender



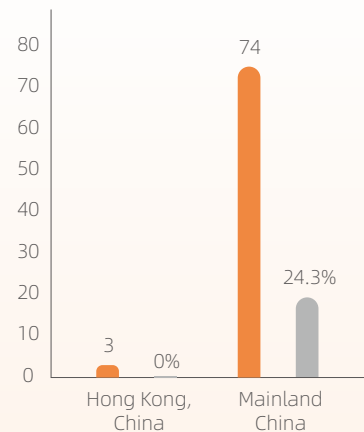
By educational background



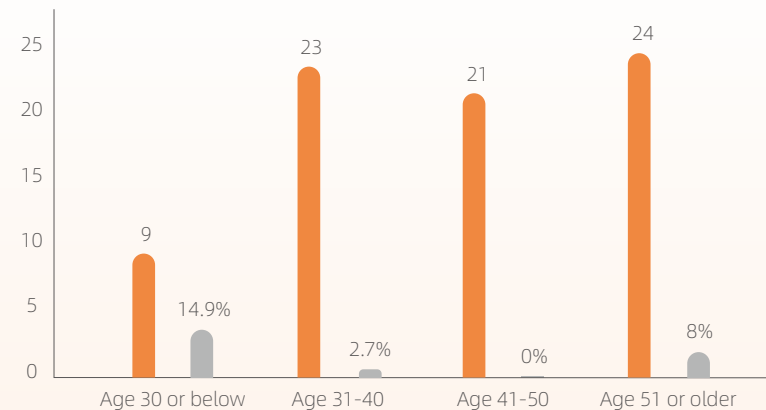
By employment type



By geographical region



By age group



Compensation and benefits



We strengthen salary management and standardize welfare distribution. Employee compensation includes a basic salary, performance salary, commission salary, and seniority salary, along with additional benefits such as skills subsidies, education subsidies, telephone bill subsidies, and room and board subsidies. We also provide social insurance and commercial supplementary insurance for all eligible employees. During the COVID-19 epidemic in 2022, we showed our commitment to corporate responsibility by paying our employees their regular wages for an extended period of time, even if they were unable to return to work.

Democratic management



An employee advice box is set up in the company to encourage employees to give suggestions and provide feedback on the Company's development on the premise of protecting their confidentiality of personal information. This system fully mobilizes employees' enthusiasm to participate in the Company's affairs, strengthens their sense of ownership and responsibility.

Occupational health and safety



We prioritize the occupational health and safety of our employees, regularly organizing professional physical examinations and encouraging exercise and mental health counseling to prevent various diseases. We also offer fire safety training to raise their safety awareness and create a safe and healthy work environment.

During the epidemic, we strictly adhered to national and local policies and control measures, sterilized the working environment, and distributed protective equipment such as protective gowns, N95 face masks, and disposable gloves to our employees to ensure their safety and health at work. We also limited the number of customers entering the cemetery, and implemented temperature checks and health code scanning to maintain a clean environment to prevent safety risks caused by overcrowding.

Work-related fatalities from 2020 to 2022

0

Days lost due to work-related injury

0

Physical examination coverage

100%

Occupational disease patient

0



Employee temperature check



Disinfection of outdoor surfaces

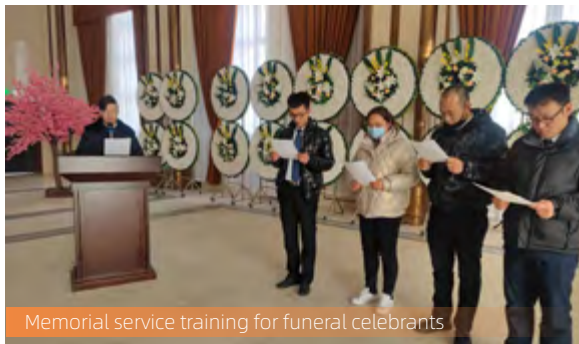
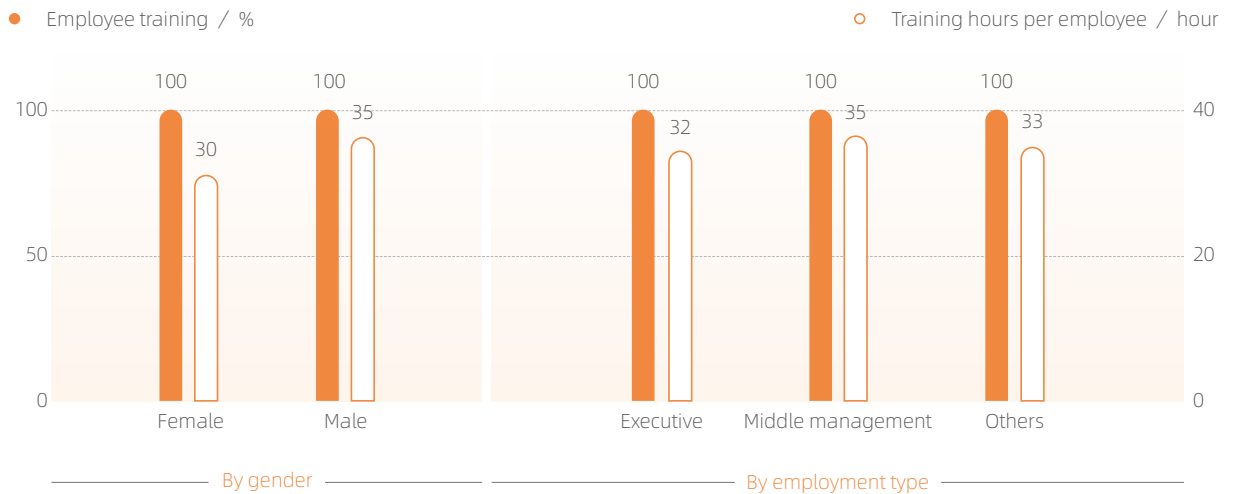


Fire safety training

### Foster employee growth

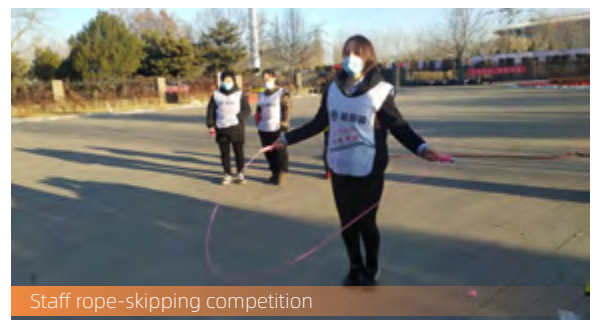
From a developmental standpoint, we consistently dedicate ourselves to building and enhancing our employee training system. Professional, general, and management skills training sessions are launched through lectures, visual materials, and hands-on practice to empower employees for self-development.

In 2022, we secured a partnership with the new Langfang Funeral Parlor's expanded funeral service project through public bidding. To elevate our institutional and operational standards and ensure exceptional funeral service quality, we provided comprehensive training on service procedures, professional etiquette, operational guidelines, equipment use, and management system prior to the new funeral parlor's opening. Since the inauguration, the business operations have been stable and the services well-executed, earning unanimous approval from customers.



### Care for employees

Fostering a harmonious and amicable work atmosphere is crucial for bolstering company cohesion and employee satisfaction. We view our employees as essential stakeholders, organize a range of group activities and offer more communication channels, in an effort to stimulate enthusiasm and energy, and cultivate a warm and supportive work environment.



## Inherit Red Genes

As a national defense education base in Langfang City, we wholeheartedly accept our duty to provide revolutionary education and uphold the revolutionary spirit. During the Tomb-sweeping Festival in 2022, our employees took part in floral tributes to honor and remember the heroes and martyrs interred in the cemetery, safeguarding the enduring legacy of the revolutionary spirit.



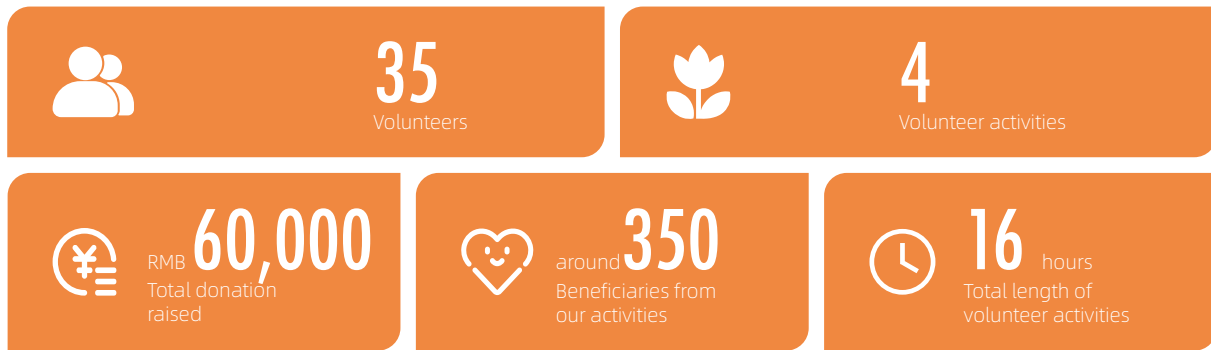
Commemorating the revolutionary martyrs together with the public security department



Organizing employees to worship the revolutionary martyrs

## Pass Love and Warmth through Public Welfare Initiatives

We value seasonal visits and expressions of greetings as key methods of fulfilling our social responsibilities. Over the years, we have provided ample material support for this effort. Throughout important festivals, such as the Dragon Boat Festival, Children's Day, and Double Ninth Festival, we deliver warmth and care to the elderly and children, giving back to society.





During the Double Ninth Festival, we mobilize volunteers to visit Fuyuan and Boya Elderly Apartments, extending holiday greetings and sending gifts to the elderly. The volunteers engage in meaningful conversations and attentively listen to the seniors' life stories.



On the Children's Day, our staff volunteers visit the Langfang Welfare Home, sharing sincere wishes with the children, letting them feel the nurturing embrace of a caring community and fostering their growth and development.



## ESG index

Aspect	Indicator Description	Pages/ Remarks	Description
<b>A. Environmental</b>			
<b>A1: Emissions</b>			
General Disclosure	Information on the policies 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.	P17-18	
A1.1	The types of emissions and respective emission data.	P17-18	
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	P18	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	P18	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	P18	
A1.5	Description of the emission targets set and steps taken to achieve them.	P17-19	
A1.6	Description of how hazardous and non-hazardous waste are handled, and a description of reduction targets set and the steps taken to achieve them.	P17-18	
<b>A2: Use of Resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P18	
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).	P18	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P18	
A2.3	Description of the energy efficiency targets set and the steps taken to achieve them.	P17-18	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them.	P17-18	
A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	-	(N/A)
<b>A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	P18-19	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P18-19	
<b>A4: Climate change</b>			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P17	
A4.1	Description of significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P17	

<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>B1: Employment</b>			
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.	P21	
B1.1	Total workforce by gender, employment type (i.e. full-time or part-time), age group and geographical region.	P21	
B1.2	Employee turnover rate by gender, age group and geographical region.	P21	
<b>B2: Health and Safety</b>			
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.	P22	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P22	
B2.2	Lost days due to work injury.	P22	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P22	
<b>B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Descriptions of training activities.	P23	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P23	
B3.2	The average training hours completed per employee by gender and employee category.	P23	
<b>B4: Labour Standards</b>			
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.	P21	
B4.1	Description of measures to review employment practices to avoid child and forced labor.	P21	
B4.2	Descriptions of steps taken to eliminate such practices when discovered.	-	(N/A)
<b>Operating Practices</b>			
<b>B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P11	
B5.1	Number of suppliers by geographical region.	P11	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P11	

B5.3	Description of practices used to identifying environmental and social risks along the supply chain, and how they are implemented and monitored.	P11	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P11	
<b>B6: Product Responsibility</b>			
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, labeling and privacy matters relating to products and services provided and methods of redress.	P13	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	-	(N/A)
B6.2	Number of products and service-related complaints received and how they were dealt with.	P15	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P10	
B6.4	Description of quality assurance process and recall procedures.	P14	
B6.5	Descriptions of consumer data protection and privacy policies, how they are implemented and monitored.	P15	
<b>B7: Anti-corruption</b>			
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.	P10	
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.	P10	
B7.2	Description of preventive measures and whistle blowing procedures, how they are implemented and monitored.	P10	
B7.3	Description of anti-corruption training provided to directors and employees.	P10	
<b>Community</b>			
<b>B8: Community Investment</b>			
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.	P24-25	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture and sport).	P24-25	
B8.2	Resources allocated (e.g. money or time) to the focus area.	P24	

## Feedback Form

Dear readers:

Thank you for reading the Environmental, Social and Governance Report 2022 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 3707A, 37th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong

Tel: (852) 39967597

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?

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

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

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萬桐園

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