



ANXIAN YUAN CHINA HOLDINGS LIMITED
安賢園中國控股有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: 00922)

2023
ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

www.anxianyuanchina.com

* For identification purposes only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

METHODOLOGY

Anxian Yuan China Holdings Limited (hereinafter referred to as “Anxian Yuan”) strives to enhance the transparency of the Group in respect of its influence on the environment and society. The mission and values of the Group regard advocating green funeral services and the Group is striving to become a leading operator in the funeral industry in the People’s Republic of China (the “PRC”). Cemeteries of Anxian Yuan spread across Zhejiang, Zunyi and Yinchuan and cover eastern and southern China and areas with prosperous economy and apparent trend of aging population, which form a large-scale strategic layout. In addition to burial services, Anxian Yuan also provides funeral services in Zhejiang. The Group will concurrently develop its funeral and burial services in the future.



Zhejiang Anxian Yuan



Zunyi Dashenshan



Yin Chuan Fu Shou Yuan

While steering towards sustainable development, the Group takes into account numerous short-term and long-term factors, including business challenges, responsibilities to stakeholders, professional ethics, global trends, laws and regulations and risk management. We constantly seek for business opportunities which are beneficial to suppliers, customers and the social environment.

The daily operation of Anxian Yuan is affected by its stakeholders. Through stakeholders, Anxian Yuan is able to understand the expectations of the stakeholders and society on the Group and achieve those expectations through sustainable development. The major stakeholders of the Anxian Yuan include the Group’s customers, investors, shareholders, employees, suppliers, non-governmental organisations and local communities, which have considerable influence on the daily operation of the Group.

The management of Anxian Yuan is carried out on the basis of sustainable development. This report emphasises on achieving a balance between business development, needs of society and environmental relations. Along with nowadays rapid global development, the Group constantly identifies risks and opportunities in its daily operation to satisfy the expectations and needs of all stakeholders. In addition, the Group has a corporate culture of high transparency which steers to maintain good communications with its employees, consumers and other stakeholders.

Last but not least, in order to facilitate sustainable development, the Group has established a top-down management approach which has spread across each level of the Group and the effect of which has influenced communities outside the Group. The Group will maintain communications with all stakeholders concerning all environmental and social issues and solutions.

The Group implements the following sustainable development strategies with a top-down approach:

1. Achievement of environmental sustainability
2. Respect for human rights and social culture
3. Continuous communication with stakeholders
4. Support to employees
5. Preservation of local community development

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



ABOUT THIS REPORT

This report is an Environmental, Social and Governance Report (the “Report”) published by Anxian Yuan China Holdings Limited together with its subsidiaries (the “Group”, “we”, “our” or “us”). The content herein focuses on summarising the environmental, social and governance performance of our main businesses in mainland China and Hong Kong during 1 April 2022 to 31 March 2023. Through the Report, we have carried out thorough review and assessment on our performance in order to achieve a better outcome. The reporting period herein conforms to our financial year.

The Group will continue to attach importance to the most significant issue of stakeholders and focus on the largest cemetery in Zhejiang. The Report also demonstrates the contribution to sustainable development made by Anxian Yuan as a regional leading operator of the funeral industry.

Scope of the Report

The Report is prepared in accordance with “Appendix 27 Environmental, Social and Governance Report Guidelines of the Main Board Listing Rules on The Stock Exchange of Hong Kong Limited”. This report has complied with all the mandatory disclosure requirements and the “comply or explain” provisions, as well as the principles of materiality, quantitative, balance and consistency. The Group has adopted the emission factors and international standards set out in the environmental, social and governance guidance documents issued by the Stock Exchange in preparing this report in the same manner as in the previous year. For more details on the application of materiality reporting principles, please refer to the section headed “MATERIALITY ASSESSMENT” in this Report.

Although the business of the Group covers several cities in the PRC, as the Group’s businesses are mainly located in Zhejiang, Zunyi, Yinchuan in the PRC and Hong Kong, the Report mainly discloses on the environmental and social issues of the aforesaid locations. We plan to expand the disclosures of the Group to its nationwide business in the future.

We adequately understand that the environmental, social and governance policies of the Group have a long-term influence on our future development and business and also affect our future community and environment. Other than focusing on the organisational values, policies and core competitiveness which aim to facilitate our sustainable development, Anxian Yuan also takes into account necessary continuous communications with stakeholders that enable the Group to determine potential sustainable development issues.

The Report discloses the following matters which have or may have significant impacts on the environment, society and governance:

- The impact of the Group on the current and future environment or society; and/or
- Evaluation, decision and action of stakeholders.

The Report was approved by the Board on 30 June 2023.

Feedbacks and Opinions

For details on our financial performance and corporate governance, please refer to our website (www.anxianyuanchina.com) and our annual report. We also value your feedback and opinion on our performance of sustainable development. Please email your feedback and other sustainable development information to our Anxian Yuan China Public Relations Department.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INFORMATION OF STAKEHOLDERS

Anxian Yuan actively seeks all opportunities to understand and attract stakeholders in order to ensure the improvement on our products and services. We believe that our stakeholders are critical for maintaining our success in business.

Stakeholders	Possible matters involved	Communication and response
Hong Kong Stock Exchange	Compliance with the Listing Rules and timely and accurate publication of announcements	Conference, training, seminar, programme, website update and announcement
Government	Compliance with laws and regulations, attention to social welfare and prevention of tax evasion	Interview, governmental inspection and information including tax form
Suppliers	Payment schedule and stable demand	On-site interview
Investors	Corporate governance and system, operation strategy, results and investment returns	Organisation of and participation in seminar, interview, general meeting, financial report or business report of investor, media and analyst
Media	Corporate governance, environmental protection and human rights	Notice/message published on the Company's website
Customers	Product/service quality, reasonable price, service value, labor protection and work safety	On-site inspection and after-sales service
Employees	Rights and interests, staff remuneration, training and development, working hour and working environment	Holding of labor union activity, training and employee interview, distribution of staff manual and internal memorandum, and operation of opinion box
Community	Community environment, employment and community development and social welfare	Development of community activity and staff voluntary activity, social welfare subsidy and donation

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT

Statement of the Board

The Group has established a governance structure to enhance its efforts in environmental, social and governance related works. The Board has overall responsibility for the environmental, social and governance strategies and reporting matters of the Group and fully monitors the related risks and opportunities. The Board will conduct enterprise risk assessment at least once a year to identify, assess and monitor environmental, social and governance related risks in the ordinary course of business. The Board is also responsible for formulating the Group's environmental, social and governance related management approach, strategies and objectives, regularly reviewing the objectives set by the Group and its performance regarding such objectives and revising its strategies as appropriate. To carry through the concept of sustainable development and effectively manage environmental, social and governance matters, the Group has established an environmental, social and governance working group to assist the Board in overseeing and promoting the implementation of various environmental, social and governance strategies. The environmental, social and governance working group is also responsible for assisting the Board to identify and prioritise important issues, reporting to the Board regularly on the effectiveness of the environmental, social and governance system and the performance of the Group in relation to environment and social key performance indicators, and preparing the annual environmental, social and governance report.

Going forward, the Board will continue to oversee and refine the Group's measures and performance on sustainable development in order to create long-term value for all stakeholders and the communities in which we operate.

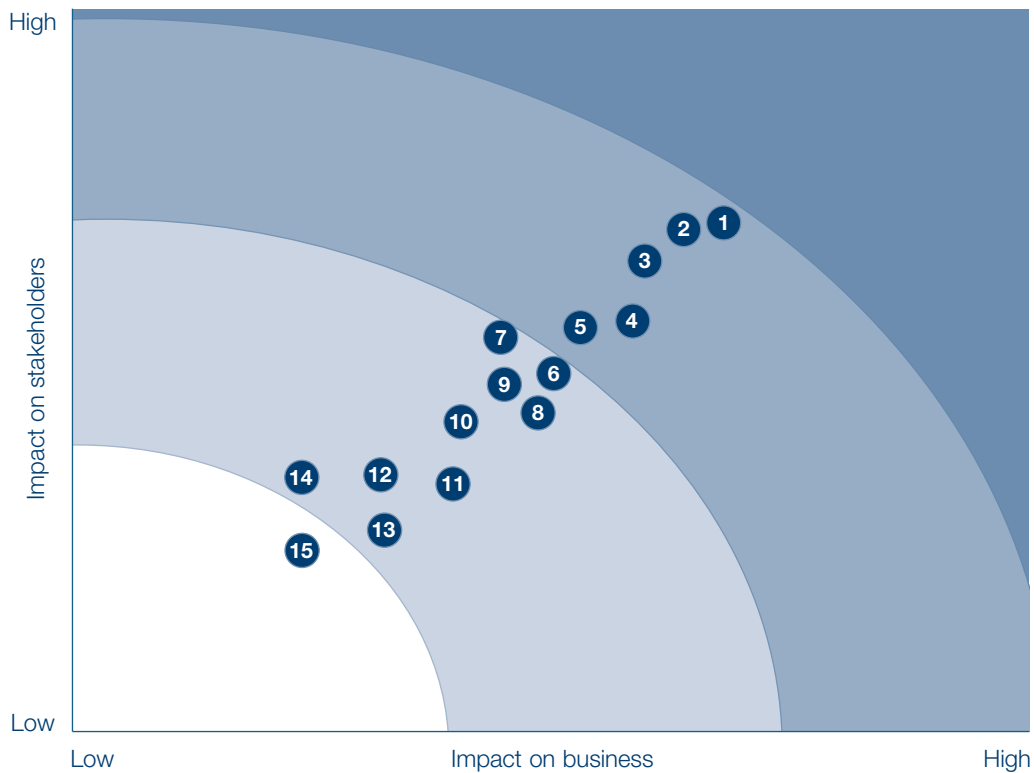
Governance Structure

Board	<ul style="list-style-type: none">The Board is responsible for overseeing environmental, social and governance related matters, including the formulation of relevant policies and strategies.
Environmental, social and governance working group	<ul style="list-style-type: none">The working group is responsible for assisting the Board in implementing various daily management work for environmental, social and governance issues.
Functional departments	<ul style="list-style-type: none">Each functional department is responsible for implementing various measures formulated by the Group in connection with environmental, social and governance issues.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

In order to ensure that this report has comprehensively covered and responded to the key matters of concern to stakeholders, in addition to regular communication with stakeholders, the Group has also made reference to certain information such as the matters covered in environmental, social and governance report of the previous years, internal policies of the company, industry trends and the materiality map introduced by the Sustainability Accounting Standards Board, to identify issues that have potential and practical impact on the sustainable development of the Group. The Group has analysed and prioritised the environmental, social and governance issues based on certain factors such as its strategies, development and objectives, and the results are as follows:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

- 1 Product responsibility
- 2 Employees' health and safety
- 3 Air and greenhouse gas emissions
- 4 Hazardous waste
- 5 Non-hazardous waste
- 6 The environment and natural resources
- 7 Climate change
- 8 Employees' development and training

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

- 9 Employment
- 10 Energy consumption
- 11 Water consumption
- 12 Labor standards
- 13 Supply chain management
- 14 Anti-corruption
- 15 Community investment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENT

Summary

The Group understands that there are apparently increasing concerns by the public over environmental and health issues due to economic development and social advancement nowadays. As the business of the Group is closely related to the environment, the Group attaches considerable importance to its influence on the environment and society. In addition to strict compliance with environmental laws and regulations such as the Environmental Protection Law, we have also built an internal corporate culture to safeguard the interests of all stakeholders. The impacts on the society and environment have been taken into account in management's decision making and the Group's daily operation in order to conserve natural resources and protect the environment.

In recent years, people are paying more attention to environmental protection and are willing to let their bodies return to the nature when their lives end in order to reduce consumption of funeral and burial resources, including simplifying ways of funerals and graveside rituals. The Group is actively promoting the concept of green funerals and updating the "Green Policy" to ensure the enterprise can achieve a balance between sustainable development and environmental protection. During the reporting period, the Group complied with all regulations related to environmental protection and it was not involved in any non-compliance issues in relation to environment protection which have significant impact on the Group.

Emission

The Report is made in accordance with the Reporting Guidance on Environmental KPIs of the Hong Kong Stock Exchange focusing on direct emissions (Scope 1) and indirect emissions (Scope 2), where other indirect emissions (Scope 3) are excluded in the Report.

The source of the gas fuel we use is coal gas. We use coal gas mainly for the cooking stoves in the canteen. During the reporting period, we consumed a total of approximately 68,000 MJ (during the year 2021/22: approximately 53,000 MJ) of coal gas, up 29% from that of last year. With regard to coal gas, the usage of coal gas for the year increased due to the need of more coal gas to serve the increased staff meals as the Group was responsible for providing board and lodging for most of our employees who were temporarily housed in the Group's staff quarters due to the requirement of the Government to avoid cross-mobility among employees and reduce social contacts as the pandemic tended to be more serious in the fourth quarter of 2022.

During the reporting period, the details of the Group's usage of vehicles are as follows:

	Year 2022/23	Year 2021/22
Number of vehicles	23	17
Type of vehicles		
Private cars	8	–
Light vehicles (<=2.5 tons)	5	8
Light vehicles (2.5-3.5 tons)	5	6
Light vehicles (3.5-5.5 tons)	3	1
Mid-sized vehicles (5.5-15 tons)	2	1
Type of fuel used		
Vehicles powered by gasoline	19	15
Vehicles powered by diesel	4	2
Total distance ran by vehicles in km	362,152 km	274,670 km
Gasoline consumed	31,642 litres	35,395 litres
Diesel consumed	4,812 litres	4,544 litres

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The above coal gas consumption and the use of vehicles result in emission of nitrogen oxide, sulphur oxide and particulate matter. The relevant emission data during the year 2022/23 and the year 2021/22 are set forth below:

Emission	Source	Used resource data		Type	Emission figures	
		Year 2022/23	Year 2021/22		Year 2022/23	Year 2021/22
Emission from gas fuel consumption	Coal gas	67,995 MJ	52,754 MJ	Nitrogen oxide ¹ :	271.98 g	211.02 g
				Sulphur oxide ¹ :	1.36 g	1.06 g
				Nitrogen oxide:	297,642.83 g	271,401.77 g
Emission from vehicles	Distance ran by vehicles in km	362,152 km	274,670 km	Particulate matter:	23,032.78 g	24,751.58 g
	Gasoline	31,642 litres	35,395 litres	Sulphur oxide:	542.62 g	593.47 g
	Diesel	4,812 litres	4,544 litres			

With regard to vehicles, the Group provides several shuttle busses for grave sweepers. In addition, the Group also possesses private cars and trucks which are mainly used for pickup and transportation for the Group. In selection of vehicle fleets, the Group takes into account factors such as cost efficiency, fuel efficiency, maintenance costs and satisfaction of its needs in order to reduce its impact on the environment. Fossil fuel is mainly used for the cooking stoves in our staff canteen and cremators.



Yin Chuan Fu Shou Yuan



Zhejiang Anxian Yuan

The funeral parlour of the Group located in Zunyi Dashenshan provides cremation services for customers. Hazardous gases are generated during the cremation process, including dust, carbon dioxide, nitrogen oxide and carbon monoxide. In order to minimise the impact of the aforementioned gas emission on the environment, the Group keeps a stringent supervision and control over the quantity of emission of the aforementioned gases in an endeavour to comply with the requirements of the national standards under the Emission Standard of Air Pollutants for Crematory (GB13801-2015) of the PRC. Meanwhile, cremation involves high-temperature combustion, the process of which requires consumption of diesel to power the cremators for cremation work.

¹ The emissions data from the gas fuel consumption for the last reporting period has been restated based on the available data.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the reporting period, we have carried out a total of 3,971 (year 2021/22: 3,717) cremation projects. The emission data in relation to the cremation process are set forth below:

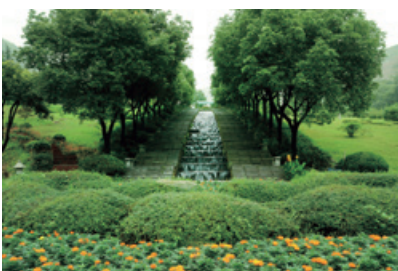
Cremation projects

	Year 2022/23	Year 2021/22
Number of cremation projects	3,971	3,717
	(kg/m³)	(kg/m ³)
Dust	0.21	0.19
Carbon dioxide	0.17	0.16
Nitrogen oxide	0.53	0.49
Carbon monoxide	0.64	0.60

In order to reduce the emission of greenhouse gas, we plant trees proactively. During the reporting period, we planted 108,496 (year 2021/22: 73,972) trees in aggregate, which met the target set in the previous reporting period and substantially reduced our carbon footprint. The Group will continue to strive to reduce the total greenhouse gas emission, and increase or maintain the aggregate number of newly planted trees to a level ranging from 80% to 120% on the basis of that of the year ended 31 March 2023 during the next reporting period. For detailed approaches to reducing total greenhouse gas emission, please refer to the section of "OUR GREEN ACTIONS" of the Report. The indirect gas emissions of the Group are mainly derived from the use of purchased electricity as the power generation process of power companies causes greenhouse gas emission. As such, the Group advocates its employees to conserve energy and reduce power consumption.



Zhejiang Anxian Yuan



Yin Chuan Fu Shou Yuan



Zunyi Dashenshan

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the year 2022/23 and the year 2021/22, the aggregate greenhouse gas emission data of the Group is set forth below:

Total greenhouse gas emission	Year 2022/23			Year 2021/22 ²	
KPI1.2	Source	Unit	Carbon dioxide: (kg)	Unit	Carbon dioxide: (kg)
Scope 1: Carbon dioxide emission					
Stationary sources of greenhouse gas emission	Cooking stoves, cremators and power generators				
	Coal gas	2,320 litres		1,800 litres	
	Diesel	49,030 litres		55,679 litres	
	Gasoline	1,114 litres		738 litres	
	Coal ³	115,510 litres	442,109	194,180 litres	664,720
Mobile source of greenhouse gas emission	Vehicles				
	Gasoline	31,642 litres		35,395 litres	
	Diesel	4,812 litres	97,351	4,544 litres	96,402
Counteraction of carbon dioxide					
Counteraction of greenhouse gas by planting new trees	Planting new trees	108,496 trees	(2,495,408)	73,972 trees	(1,701,356)
Scope 2: Carbon dioxide emission					
Indirect greenhouse gas emission from energy consumption	Electricity	2,167,984 kWh	1,237,058	1,503,809 kWh	874,499
	Total carbon dioxide emission:		(718,890)		(65,735)
	Carbon dioxide emission intensity: (kg/square meter)		(0.62)		(0.06)

² The greenhouse gas emission data for the previous reporting period has been restated on the basis of available data.

³ Coal is mainly used in stoves to keep warm.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Waste

Hazardous Waste

No hazardous waste is generated in the course of operation. Therefore, no relevant data is disclosed.

Non-hazardous Waste

Other emissions of the Group in the course of business also include sewage and solid waste.

Sewage is classified into household sewage and industrial sewage. Household sewage of the Group is mainly derived from the cemeteries and offices. In order to strengthen environmental protection, water purification equipment is installed in cemeteries, through which all household sewage is purified and recycled for the irrigation of plants in the cemeteries. As for industrial sewage, no industrial sewage is produced in the course of the Group's business.



Zhejiang Anxian Yuan



Yin Chuan Fu Shou Yuan

Solid waste mainly includes food waste and general waste in offices. Due to the special nature of the Group's business, solid waste generated in the course of business is rather inconsiderable. Not only is the food waste produced in cemeteries limited, but certain amount of the food waste is also recycled into fertilizer. Regarding to office supplies, the Group advocates conservation and environmental protection and recycles the recyclable materials to the extent possible. The Group urges its employees to use emails and electronic files instead of printed copies and advocates duplex printing and the use of pen refills in order to reduce waste.

The Group advocates green funeral services and appeals grave sweepers to burn less incense and offerings to the extent possible. However, as traditional mindset still prevails in the PRC, some people still choose to burn incense and offerings during graveside rituals. Hence, the Group has set up incense areas and required grave sweepers to burn incense and offerings at specified areas. Incense ash is collected and used for green planting in order to reduce pollution to the environment.

In order to reduce the impact on the environment, cemeteries workers of the Group provide grave sweepers with flowers in replacement of traditional incense on traditional grave sweeping festivals to promote the Group's concept of green funeral. In addition, the Group set up a public account 「彼岸天堂」 (in English, for identification purpose only, "Paratown") on WeChat a few years ago which is used as a We Media platform for spreading the filial piety culture. It also organised the "Scanning QR Code for Flowers" activity at Zhejiang Anxian Yuan—flower giveaway to all Hangzhou citizens and propagandized civilised graveside rituals.

As the Group has recycled or eliminated the disposal of non-hazardous waste, there is no statistics or disclosure of the Group's emission of non-hazardous waste.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

USE OF RESOURCES

The Group's major uses of resources are purchased water and electricity.

Drinking water processing by the government always requires consumption of electricity and most of the electricity is generated from non-renewable fossil fuel such as coal and petroleum. Consumption of water and electricity hence results in emission of carbon dioxide. However, we still wish to minimise our influence on the environment through conservation and effective usage of water resources and electricity.

During the reporting period, effective energy saving measures helped to reduce the Group's energy consumption intensity by 0.2%. However, during the reporting period, the Group's usage of electricity, cooking stove gas and gasoline generator all increased significantly. As the epidemic situation became more severe in the fourth quarter of 2022, the government required our employees to avoid cross-mobility and reduce social contact, so most employees temporarily lived in the Group's staff dormitories at the expense of the Group. Therefore, more energy was used to cope with the increase in staff meals and accommodation, resulting in an increase in energy consumption for the year.

In terms of water resources, during the reporting period, our water consumption intensity increased by 34%. As the epidemic situation became more severe in the fourth quarter of 2022, the government required our employees to avoid cross-mobility and reduce social contact, so most employees temporarily lived in the Group's staff dormitories at the expense of the Group. Therefore, more water resources were used to cope with the increase in staff meals and accommodation, resulting in an increase in water consumption for the year.

The Group will continue its efforts to reduce energy consumption and water consumption, respectively, aiming to reduce or maintain energy consumption intensity and water consumption intensity at a range between 90% and 120% of the benchmark level for the year ended 31 March 2023 in the next reporting period. For detailed methods of energy consumption and water consumption reduction, please refer to the following sections.

Electricity is mainly used in the daily operation of the headquarters and cemetery offices of the Group to sustain the operation of air-conditioning, lighting system, computers and other office equipment. In order to use resources effectively, the Group requires employees to turn off electrical appliances when not in use, including during lunch hour and after work.

As for the consumption of water resources, the water consuming parties of the Group are offices and cemeteries and there is no issue in sourcing water that is fit for purpose. In order to conserve water resources, the Group requires office workers to save water. As all cemeteries are equipped with water purification equipment, all household sewage is recycled upon filtration through purification equipment for irrigating plants in the cemeteries. In addition, the cemeteries also use rainwater for irrigation. For example, Zhejiang Anxian Yuan has an artificial lake for collection of natural rainwater and irrigates the plants in the cemeteries with the lake water extracted from the automatic irrigation system.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For detailed methods of energy consumption and water consumption reduction, please refer to the section headed “OUR GREEN ACTIONS” in the Report.

During the reporting period, the relevant data about the Group’s usage of resources are set forth below:

Energy consumption ⁴	Energy unit	Year 2022/23		Year 2021/22	
		kWh		kWh	
KPI2.1					
	Electricity	2,167,984		1,503,809	
	Coal gas	18,887		14,654	
	Gasoline	317,453		350,182	
	Diesel	576,284		644,585	
	Coal	840,015		1,412,121	
	Total energy consumption (kWh)	3,920,623		3,925,352	
	Energy consumption intensity⁵ (kWh/square meter)	3.37		3.38	
Water consumption					
		Total water consumption (cubic meter)		Water consumption intensity⁵ (cubic meter/square meter)	
KPI2.2					
		Year 2022/23	Year 2021/22	Year 2022/23	Year 2021/22
		28,885	21,590	0.0248	0.0186

OUR GREEN ACTIONS

We have established a comprehensive internal corporate culture to safeguard the interests of all stakeholders and will continue to disclose our results on our website and in the annual Environmental, Social and Governance Report. Although certain parts of our corporate culture are not filed in written record, the internal management and all the staff members consider the environment and the society as their primary concern and they are committed to reducing the use of natural resources and protecting the environment.

⁴ The energy consumption data for this reporting period is disclosed in accordance with the “Appendix 2: Reporting Guidance on Environmental KPIs” of the Stock Exchange, which is different from the calculation method adopted in the previous reporting period. Therefore, the relevant data for the previous year are recalculated according to the calculation method adopted in this reporting period.

⁵ We have collected the data about the area of the offices and cemeteries of Zhejiang Anxian Yuan, Zunyi Dashenshan, Yin Chuan Fu Shou Yuan, Zhong Fu Yuan Lin and Anxian Yuan (Zhejiang) Investment as the basis for calculation of energy consumption intensity and water consumption intensity.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Cemetery Greening

Taking into account the use of electricity resources in the course of business, the solid waste generated and the greenhouse gas indirectly produced, the Group strives to enhance the greening rate of all cemeteries and reduce emission of greenhouse gas by increasing the coverage of green plantation in order to relieve global warming. The Group is currently operating three main cemeteries, namely Zhejiang Anxian Yuan, Yin Chuan Fu Shou Yuan and Zunyi Dashenshan, the greening rates of which are 43%, 70% and 81% (year 2021/22: 65%, 56% and 90%), respectively. The Group endeavours to raise the greening rate of all cemeteries and plans to make every cemetery a green eco-park.



Zhejiang Anxian Yuan



Zunyi Dashenshan



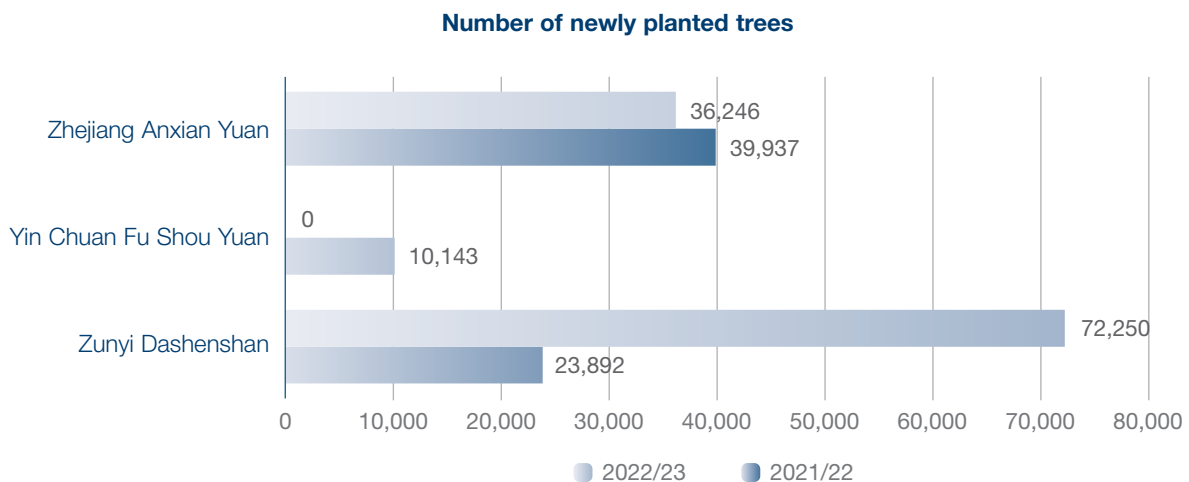
Yin Chuan Fu Shou Yuan

Furthermore, taking into account the air pollution caused by the incense and offerings burnt by grave sweepers during the graveside rituals, the Group provides grave sweepers with flowers to advocate civilised graveside rituals.

We make a greening plan for every year which mainly focuses on planning the greening and plantation for the next year. Furthermore, the Group also organises tree planting activities in the cemeteries and invites customers of Anxian Yuan, primary school students and their parents and other citizens to join every year. In addition to planting new trees to increase the green area of the cemeteries, the Group also wishes to advocate the awareness of environmental protection and stay close to the nature and, at the same time, reduce the emission of greenhouse gas. Due to the impact of the pandemic, there was no newly planted tree in Yin Chuan Fu Shou Yuan for the year.



The data about our newly planted trees during the reporting period are set forth below:



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Civilised Graveside Rituals

Tradition graveside rituals include burning incense and offerings and lighting firework and firecrackers which would release tremendous amount of smoke, particulate matter (PM2.5) and ashes, resulting in air pollution. However, along with the promotion and popularisation of civilised and green graveside rituals, we introduce a brand-new measure for green graveside rituals with a hope to preserve the traditional and religious culture while reducing the damage to health and improving the environmental quality in order to become a smokeless cemetery. We strictly comply with the requirements of the government authorities and forbid customers to burn incense and offerings and light firework and firecrackers in cemeteries and other funeral service facilities. We have also set up a spot at lobby to sell products for graveside rituals and sell plastic flowers to citizens in order to advocate civilised graveside rituals.



Green Burial

We are committed to promoting green burial and advocating diversified burial methods which take up less space and are non-polluting. In addition to traditional burial service, we also provide ecological funerals and burials including new burial methods such as tree-planting burial, flower bed burial, lawn burial and wall burial.



Tree-planting Burial

Modern tree-planting burial is a new way of burial. Tree-planting burial is to bury the bone ashes under a specified tree or scatter the bone ashes on the soil and plant a tree on it as a memorial, replacing grave facilities with memorial trees or natural stones.



Lawn Burial

Lawn burial is to bury the bone ashes under a piece of lawn which not only fulfils the wish of the deceased for returning to nature but also realises a civilised and environmentally friendly way of burial.

Flower Bed Burial

In replacement of tombs, flower bed burial uses specialised degradable casket under a flower bed and flowers are planted thereon. The flower bed is reusable and it takes up a little space. Not only does it conserves land resources, but also brightens up the cemetery.



Wall Burial

Wall burial is a way of burial where caskets are placed in niches which conserves land effectively. Niche walls are of similar heights to normal walls with square niches on the front side where caskets are placed. The niches are sealed with gypsum with the outward appearance as a headstone.

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CLIMATE CHANGE

The Board of Directors of the Group and the ESG working group regularly review the environmental, social and governance strategies and, in response to the recommendations of the Task Force on Climate-Related Disclosures, consider the potential risks associated with climate change in order to identify, assess and monitor the physical and transition risks that could have an adverse financial impact on the Group's business and operations, and to develop and revise strategies as appropriate.

The Group's analysis of the potential financial risks arising from climate change and strategies to address them are as follows:

Risk Type	Potential Financial Risk Low Medium High 	Short Term (The Reporting Period)	Medium Term (1 to 3 years)	Long Term (4 to 10 years)	Mitigation Strategy
Physical Risk	Acute Extreme weather conditions, such as increased flooding, resulting in loss of assets, lower revenues or supply chain disruption				– Develop a safety protocol and emergency response plan to cope with extreme weather conditions
	Chronic The persistent high temperatures have led to an increase in electricity consumption which in turn affects operating costs				– Energy saving policies and green measures are adopted to avoid excessive use of natural resources
Transition Risk	Policies and Regulations More stringent climate policies and regulations (e.g. stricter electricity restrictions) may increase compliance costs and operating costs				<ul style="list-style-type: none"> – Strict implementation of emission reduction measures (e.g. vehicle management measures) to maintain low emission levels – Green burial is promoted to reduce emissions for the transformation and realization of a carbon-neutral economy in line with the 14th Five-Year Plan of the PRC

The Group will continue to review the climate change-related risks on an annual basis and take corresponding measures to mitigate any potential physical or transition risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



SOCIETY

The Group regards talents as the most precious asset. The Group strives to create a safe and comfortable working environment and provide relevant training for its staff, and jointly establish a cooperative and friendly working environment with employees. In addition, the Group provides comprehensive and competitive salary and benefits to attract talents and retain employees with outstanding performance.

Valuing Talents

The Group has strictly complied with the relevant labor laws and regulations of the PRC, including the Labor Law of the PRC, the Labor Contract Law of the PRC and the Social Insurance Law of the PRC.

The Group has formulated Staff Manual and Human Resource Management System in accordance with relevant labor regulations, covering human resources policies and working conditions, such as recruitment and promotion procedures, dismissal procedures, training, performance assessment, remuneration and benefits, working hours, vacations and other holidays (including marriage leave, compassionate leave, and maternity leave), etc.

The Group attaches importance to employees and strives to offer equal opportunities for employees with different backgrounds. The Group recruits and promotes employees based on the performance of employees following the principle of openness, fairness and justice, regardless of the skin colour, descent, race, gender, age, nationality and religion, etc. All the candidates and existing employees of the Group are entitled to equal opportunities and fair treatment. The Group values the diversified backgrounds of employees, and welcomes talents with different characteristics joining the Group to make contributions to the Group. In addition, with emphasis on the rest time of our employees, the Group adopts the working system of 8 hours per day. If there are any needs for overtime work, the Group provides relevant remuneration or arranges the leaves in lieu for employees according to the national regulations. To ensure that employees enjoy their due benefits, the Group also entitles its employees to due public holidays (including national statutory holidays) and other holidays, as well as reasonable remuneration. When employees resign, the Human Resource Department of the Group will calculate the salary for employees who will confirm the final salary, and handle relevant resignation procedures.

The Group deems that employees are the foundation of the Group, and the enterprise achievements and progress shall be attributed to the concerted efforts of all employees. Therefore, the Group will make unremitting efforts to evaluate the internal mechanism, and strives to share its achievements with employees by means of performance incentives, training and promotions.

During the reporting period, the Group has strictly complied with the labor laws and related regulations of the PRC.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our Team

With the aging of the population intensified and urbanisation accelerated in the PRC, the funeral industry in the PRC will sustain a prolonged rapid development in the future as funeral service concerns thousands of households. The Group has always been making significant contributions and implementing diversified management in respect of society, including organising elderly care activities, providing employees with a safe and healthy working environment, offering employees with relevant trainings and jointly establishing a cooperative and friendly working environment with employees.

As of 31 March 2023, our employment structure is as follow:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Total number of employees (person)	265	263
Total number of employees by gender (person)		
Male	150	157
Female	115	106
Total number of employees by age group (person)		
< 25 years old	4	7
25-29 years old	8	14
30-39 years old	61	52
40-49 years old	67	63
≥ 50 years old	125	127
Total number of employees by region (person)		
Mainland China	253	251
Hong Kong	12	12
Total number of employees by employment type (person)		
Full-time	223	221
Part-time	42	42

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the reporting period, a total of 57 employees resigned and the proportion of male and female employee turnover rate is as follow:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Total employee turnover rate (%)	22	13
Employee turnover rate by gender (%)		
Male	19	14
Female	24	11
Employee turnover rate by age group (%)		
< 25 years old	50	57 ⁶
25-29 years old	50	21
30-39 years old	7	6
40-49 years old	3	6
≥ 50 years old	36	16
Employee turnover rate by region (%)		
Mainland China	23	13
Hong Kong	–	17

TALENT RECRUITMENT AND RETAINMENT

We believe that the success and development of the Group's business are attributable to the devotion and contribution of employees. Hence, we proactively invest resources and provide good salary and benefits to attract and incentivize talents.

Annual Salary Adjustment

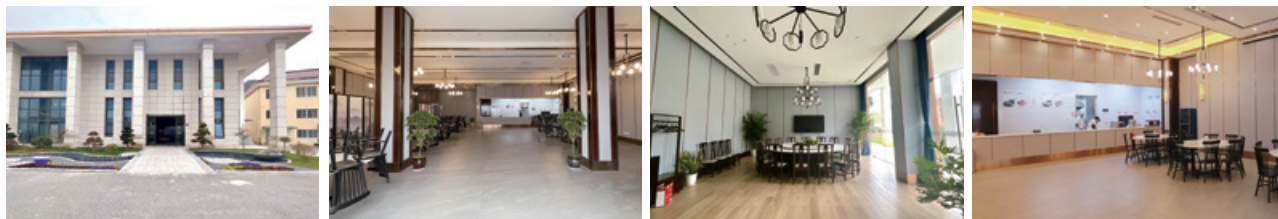
We wish to share the economical achievement of the Group with our employees. We perform a general salary adjustment every year and raise the monthly salary of the employees to commend all employees for their contribution during the year. Annual salary adjustment allows us to ensure the market competitiveness of the salary we offer and attract exceptional talents in the market and retain our capable employees.

⁶ As the Group signed an agreement with Changsha Social Work College during the previous reporting period, it provides students with internship opportunities and establishes a talent cooperation mechanism. If the interns perform well after the internship, and the interns intend to continue their career development in the Group, further employment opportunities will be offered to them. Interns are mainly under the age of 25, and some of them will leave the Group after the internship to continue their studies. Therefore, the employee turnover rate is relatively high in the age group of under 25.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Luncheon Voucher and Staff Canteen

We have established staff canteen which not only provides a comfortable environment, but also a free, healthy and diversified staff lunch to restore employees' energy for the whole day of work. Although there is no canteen in certain project companies under the Group, we provide these employees with luncheon vouchers which allow them to have lunch at the restaurants nearby the companies for free.



Valuing the Physical and Mental Health of Employees

We value the physical and mental health of our employees. Hence, the Group has adopted a standard working hour system which limits the working hours of the employees to be under 8 hours per day. The Group strictly complies with the national requirements and ensure that the employees are able to enjoy all statutory holidays and leaves for visiting relatives, wedding ceremonies and funerals, maternity leaves and paid annual leaves. To ensure the personal health of the employees, all employees are subject to a health check organised by the Group before induction.

STAFF TRAINING

As talent cultivation is critical to the future development of the Group, the Group spares no effort on talent development and training. In order to strengthen the knowledge and skills of the employees necessary for the performance of duties, the Group conducts a survey on its employees every December concerning their feedbacks on the content of the trainings, the results of which would reflect employees' concerned topics for the work training and allow the Group to organise suitable training courses based on the needs of the corporate development. The Group also provides trainings based on the types of occupations in the funeral and burial industry specified by the Ministry of Civil Affairs and Ministry of Human Resources and Social Security in order to ensure relevant employees obtains qualified licenses.

During the reporting period, the total training hours for the Group's employees were 892 hours (year 2021/22: 359.5 hours). For the year ended 31 March 2023, the percentage of employees trained by gender and employee category and the average training hours per employee are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Percentage of employees trained to the total number of employees	59	26
Percentage of employees trained by gender to the total number of employees trained		
Male	54	41
Female	46	59

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	Year ended 31 March 2023	Year ended 31 March 2022
Percentage of employees trained by employee category to the total number of employees trained		
General employees	89	73
Middle management	6	17
Senior management	5	10
Average training hours (hour/number of employees trained)	3.4	1.4
Average training hours of employees by gender (hour/number of employees trained)		
Male	3.2	1.0
Female	3.6	1.9
Average training hours of employees by rank (hour/number of employees trained)		
General employees	3.9	1.3
Middle management	1.7	1.3
Senior management	1.2	1.9

Job-Related Knowledge Training

We understand the importance of inspiring talents' potential through training. We are committed to promoting on-the-job trainings and providing employees with trainings for skills required in their job duties in order to further consolidate their job related knowledge.

Induction Training

We attach importance to every new employee. In order to help our employees integrate into the company environment as soon as possible and recognise our culture, we provide new employees with induction trainings and introduce to them the Group's history, basic workflow, code of conduct and company structure, so that they can promptly throw themselves into work and enjoy it.

Fire Safety Training

Due to the potential fire risk caused by grave-sweeping activities, we regularly provide fire safety trainings and fire drills for employees to raise their awareness on fire safety.

Marketing Skills Training

Leveraging marketing skills trainings, our marketing officers share their marketing skills and experience in order to maintain their competitiveness and enhance their professional and personal development. To facilitate business development, we also hold joint marketing meetings regularly to review performance and praise outstanding employees with a view to enhance the team's morale and build a high-performing team.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Funeral Service Training

We also spare no effort in our service training, striving to cultivate a high-quality service team which can provide premium services. Therefore, to continuously consolidate employees' knowledge about funeral and burial and maintain the service standard, we provide funeral service training regularly, such as "Etiquette Training" and "Training on Funeral Service Quality and Public Satisfaction". The Group also provides trainings based on the types of occupations in the funeral and burial industry specified by the Ministry of Civil Affairs and Ministry of Labor Indemnification in order to ensure relevant employees obtains qualified licenses.

Professional Qualification

We support our staff to pursue continuous education and encourage personnel from the finance department, engineering department and human resources department to participate in vocational qualification examinations to obtain relevant professional qualifications. At the beginning of each year, we plan the total amount of funding for examinations during the year to ensure that eligible employees receive relevant funding. We will also continue to pay attention to the timetable for relevant examinations so as to timely remind or advise our employees to participate in suitable professional qualification examinations. We are also committed to fully subsidise the expense of staff for participation in examinations.

AWARDS AND RECOGNITION

As a member of China Funeral Association, Anxian Yuan was accredited, for several times, as an advanced enterprise for municipal funeral service, standard municipal cemetery, municipal green model enterprise, regional civilised enterprise and regional model cemetery by its own effort under the guidance and support from provincial and municipal government. In 2006, the Group passed the "Three in One" (quality, environment, and health and safety) international standard certification and in 2009, the Group was accredited by Zhejiang Provincial Archives as an outstanding enterprise.

EMPHASIS ON POLICIES

DIVERSITY POLICY

We attach significant importance to the principle of discrimination-free management and strive to create a diversified working environment. For the composition of the Board, the Group has implemented diversity policy and established a nomination committee as of now to regularly review the structure, scale and composition of the Board.

The nomination committee selects members of the Board based on the different aspects set out in the diversity policy, including but not limited to gender, age, culture and education background, professional qualification, skills, knowledge and industrial and regional experience. The finally selected directors shall have certain advantages in the above factors and shall be able to contribute to the Board in order to achieve the diversity purpose of the Board. Currently, the directors of the Group have different backgrounds and possess sufficient relevant experience and professional background, such as financial accounting, which allows them to complement each other for the governance of the Company and form a relatively all-inclusive corporate governance system. The nomination committee is responsible for the continuous review of the composition of the Board to ensure the lasting effectiveness of the diversity policy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EQUAL OPPORTUNITIES AND DIVERSIFICATION AND ACCEPTANCE

The Group is committed to establishing an open, fair, just and reasonable competition for talents. We attach great importance to the appointment of talents and also focus on the training of personnel. We strive to create a stable working environment with diversification and acceptance and provide excellent remuneration and benefits to attract and retain talents.

According to the diversity policy, apart from the members of the Board, we also apply the discrimination-free, diversification and acceptance principle to the working environment of other employees and strive to provide an accepting, harassment-free, non-discriminatory and harmonious working environment. In accordance with the relevant laws and regulations including Employment Ordinance, the Labor Law of the PRC and the Labor Contract Law of the PRC, the Group has formulated staff manual which covers recruitment, remuneration, promotion, dismissal, working hour, holiday, equal opportunity, diversification, anti-discrimination and other treatments and benefits. The Group has strictly complied with the laws and regulations related to employment and labor which have significant impact on the Group. We determine a fair remuneration according to the staff contribution and market standards.

Meanwhile, the Group also undertakes that the recruitment, promotion and dismissal decisions are based on performance through a fair and transparent process and not affected by race, ethnicity, nationality, religion, gender, age and disability, and offers all employees with equal opportunities. Currently, the male and female employees of the Group account for an approximate proportion and both are entitled to the same career development opportunities and benefits. For instance, both male and female employees can receive the same trainings. During the reporting period, the average hours of training completed by male and female employees are close.

At the same time, the Group has zero tolerance towards discrimination or harassment acts at any workplaces. We will take corresponding actions if any act of discrimination or harassment is discovered. In the future, we will continue to deepen the diversity policy to create an inclusive and diversified working environment.

LABOR STANDARDS

To avoid child labor and forced labor, the Group has stringent requirements on the selection of employees. When recruiting employees below the management level, the Group performs background check on applicants in accordance with the Human Resources Management System and requires them to provide identity card, proof of highest education, professional qualifications (such as driver license and engineer license) and certificate of resignation. Foreign applicants are required to present their work permit to verify their identity.

In the event that the management discovered child labor or forced labor against the regulations, the Company would immediately terminate relevant contracts and impose appropriate punishment on the employee ascertained to be responsible for the illegal employment.

During the reporting period, there was no child labor and forced labor in the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HEALTH AND SAFETY

In order to provide employees with a safe working environment and protect employees from occupational hazards, the Group has provided employees with adequate health and safety measures and trainings and purchased sufficient social insurances for all employees. The Group also strictly complies with the safety regulations in all regions, including the Occupational Safety and Health Ordinance and Regulation on Work-Related Injury Insurances.

Save for the aforementioned measures, the Group has purchased group safety insurances for employees of engineering departments to enhance the protection of employees when accidents occur. In addition, other than purchasing social insurances for employees by the Group, Zhejiang Anxian Yuan also purchases commercial accident insurances to safeguard employees' interests. Employees are generally not required to perform overhead work. Whenever working in mountainous areas is necessary, employees are required by the Group to take precautions against accidents. Furthermore, the Group purchases safety equipments necessary for work for the employees to ensure employees' safety.

Given the current situation of wildfire prevention, the Group has taken initiatives to comprehensively enhance the ability of the wildfire prevention team of Anxian Yuan to handle with fires, regularly examine the ability of employees in various departments of the Company to deal with fires, and assess the skills and effectiveness of daily firefighting training and education, in order to improve employees' firefighting, evacuation and self-rescue skills, and the manager's ability to organize, coordinate and take command at the fire site. We try to enable employees to be exercised and educated in fire drill, and further enhance the safety of employees with fire safety awareness.



In terms of health protection, the Group has paid social insurance (including medical insurance, work-related injury insurance, maternity insurance, etc.) for employees in accordance with national and local laws. The Group also regularly arranges employees to do comprehensive health checks in designated hospitals or health centres, so as to effectively protect the occupational safety and health of employees. In order to ensure the safe production of the Company and the health of employees, effectively control infectious diseases and fulfil its social responsibilities, the Group has formulated the Manual for Normalized Epidemic Prevention and Control, Emergency Plan for Prevention and Control of COVID-19, and Instruction Manual for Epidemic Prevention and Control in accordance with the relevant prevention and control requirements of the Chinese government and in light of the actual situation of the Group.

During the reporting period, the Group did not have any workplace accidents, and recorded no working days lost due to work-related injuries, and the number of work-related fatalities in the past three years (including this year) was zero.

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Workplace accidents (case)	0	0	1
Number of working days lost due to work-related injuries	0	0	30

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ANTI-CORRUPTION

The Group adopts zero-tolerant policy against corruption, and strictly abides by the “Criminal Law of the PRC (《中華人民共和國刑法》)”, the “Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》)” and the “Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》)” and prohibits any corruption, defraud, money laundering, bribery and blackmail. We have formulated anti-corruption policies to prevent potential bribery, blackmail, fraud, money laundering and gambling.

The Group has established good communication channels with employees. If employees find out or suspect corruption or immoral behaviours, they may give opinions and report to their superiors and the chief executive officer or express their views directly through emails. The Group also guarantees that the information in relation to the opinions and reports submitted by all employees is kept confidential, and it will carry out investigation and verification according to the report contents, and handle according to actual situations.

In addition, the Group also annually assesses employees’ working competence and psychological quality and has established a penalty and reward system to enhance employees’ sense of belonging to the Company and reduce the possibility of crimes committed by employees.

During the reporting period, the Group was not involved in any legal proceedings in relation to bribery, blackmail, defraud or money laundering. During the reporting period, the Group has not organised any relevant training. However, the Group will continue to closely monitor anti-corruption regulations and will arrange additional relevant trainings for directors and employees when necessary.

EMPHASIS ON SUPPLY CHAIN MANAGEMENT

To enhance the management of environmental and social risks of supply chain, the Group has strict requirements on the selection of suppliers, and has formulated a policy to standardize the supplier management procedures. During the reporting period, the Group purchased from 8 suppliers throughout mainland China.

During the selection of potential suppliers, the Purchase Department firstly conducts preliminary assessment of candidate suppliers to understand their enterprise data, product quality, supply capability, quality management, environmental protection and aftersales service. The Group only selects suppliers which satisfy the following requirements: 1) having industry and commercial and tax registration certificate; 2) having good integrity filing records; 3) complying with national laws and regulations on society and the environment in the course of operation; 4) having certain operation scale and considerable reputation in the industry; 5) being up to standards for the services and products provided; 6) having sound after-sales warranty and emergency management.

In addition, the Group will also require suppliers to provide material samples for quality testing by the Quality Department or Technology R&D Department. Under normal circumstances, suppliers will be included into the list of recognised suppliers after their samples pass the inspection, and suppliers who consider environmental and social compliance will be more conducive to being accepted as recognised suppliers. The Quality Department, Technology R&D Department and Purchase Department will form a supplier investigation team when necessary to conduct on-site investigation of suppliers and submit supplier investigation reports. Newly increased suppliers will only be included into the list of recognised suppliers after being jointly reviewed by the Purchase Department, Quality Department and Technology R&D Department.



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Besides, the Group strictly monitors the performance of suppliers, and appraises the recognized suppliers on a regular basis, in order to guarantee the quality of goods supplied by suppliers. The appraisal standards include the quality, date of delivery, price, service quality, etc. The Group will ask the suppliers that fail to reach the standards of the Group to make rectification, and only continue to make purchase from the suppliers upon completion of corresponding corrective measures.

EMPHASIS ON QUALITY

The Group has completed the trademark registration for its brand “Anxian Yuan” and the brand is thereby under legal protection of intellectual property rights. The prices of the Group’s products and services are open to public and prominently displayed at its office. The Group has also established a feedback and complaint mechanism. Customers who intend to provide feedback or file complaints can fill in the customer’s feedback form and complaint form at the customer reception center. When the customer reception center receives feedback or complaint from customers, it will contact relevant departments and handle the feedback and complaint in a timely manner. During the reporting period, the Group did not receive any complaints.

The services and products provided by the Group are subject to a quality inspection process. For services, the Group provides employees with sufficient trainings and builds up service standard through examinations and inspections. As for products, the Group has formulated the Standardized Acceptance Process of Grave Construction (《規範墓穴建造驗收流程》), pursuant to which, cemeteries shall be constructed based on design requirements and are available to customers only after passing the inspections performed by the engineering team in order to ensure product quality. During the reporting period, the Group did not recall any products for safety and health reasons.

The Group highly recognizes the importance of personal data to business and personal privacy and strictly implements the Personal Information Protection Law (《個人信息保護法》). To safeguard consumers’ information and privacy, the Group has formulated the Staff Handbook (《員工手冊》), stipulating that employees shall fulfil confidentiality responsibilities and cannot divulge any confidential information of the Group to any third parties without permission, and shall store all clients’ information in its archives and establish a customer file for every customer. Should any departments need to check the customer files, they are required to register in the file book and no original copy of any information shall be taken away from the archive. During the reporting period, the Group did not receive any complaints in relation to leakage of clients’ information or identify any infringement or unauthorized use of patents.

EMPHASIS ON COMMUNITY

The Group understands the philosophy of “what is taken from the community is to use for the good of the community”, and is actively giving back to society and sharing its operating results with the community. During the reporting period, the Group supported various charitable activities through donations, and donated a total of approximately RMB103,000 to charity organisations such as Yinchuan Charity Federation (銀川市慈善總會) and Hangzhou Charity Federation (杭州市慈善總會).

In addition, the strategy department of the Group is responsible for preparing community charity activity plans for the next year. Currently, most activities organised by the Group are in collaboration with other organisations.

The activities organised by the Group are mainly classified into two categories: the first category is memorials for celebrities or public figures which allows the public to have in-depth knowledge of those persons who made significant contributions to the country and society; while the second category is caring activities which target elderlies, the underprivileged minorities and families in distress. Those activities aim to care for elderlies, the underprivileged minorities and people in distress through psychological and mental care and to provide help in satisfying their basic needs through material donations. Activities organised by the Group during the reporting period include:

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Elderly Fun Carnival – Anxian Yuan Amusement Activities for the Elderly (老年花樣潮玩節—安賢園惠老樂享活動)

Honouring, respecting, loving and helping the elderly has always been a traditional virtue of the Chinese nation. We, together with Taimiao Community (太廟社區), Hangzhou Lixing Group (杭州利星集團) and a number of elderly universities in Hangzhou, have held the opening ceremony of the first Elderly Fun Carnival – Anxian Yuan Amusement Activities for the Elderly (老年花樣潮玩節—安賢園惠老樂享活動) of 2022 at Lixing Plaza fo Ziyang Street in July 2022, giving a wonderful present to the citizens in Hangzhou for enriching their spirit and life. After seeing such folk activities, some old people and citizens could not help but remember their joyful childhood, and share those beautiful moments with the family members and friends who accompanied them.



Activity for “Remembering the Patriotic Martyrs and Inheriting the Revolutionary Spirit” (「緬懷革命先烈傳承紅色精神」活動)

In order to pass on and carry forward the revolutionary spirit of the patriotic martyrs who are self-sacrificing and dedicated, on 29 July 2022, the party branch of Ningxia Funeral Association (寧夏殯葬協會) together with the party branch of Yin Chuan Fu Shou Yuan launched an activity of “Remembering the Patriotic Martyrs and Inheriting the Revolutionary Spirit” in the Yinchuan Martyrs Cemetery, to commemorate the heroes.



“Anxian Cup” Hangzhou City Retired Cadre Fishing Tournament (「安賢杯」杭州市老幹部垂釣比賽)

We cooperated with the Hangzhou City Retired Cadre Fishing Association (杭州市老幹部釣魚協會) in the Hangzhou City Retired Cadre Activity Center (杭州市老幹部活動中心) to hold the 15th “Anxian Cup” Fishing Tournament for retired cadres in Hangzhou City in October 2022. This activity aimed to provide a platform for retired seniors to communicate, enhance friendship and demonstrate their passion for life. There were first prize, second prize, third prize, outstanding award and friendship award in the tournament. Through this fishing tournament, the retired seniors can train their bodies, entertain themselves and find the enjoyment in fishing.



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GENERAL DISCLOSURE AND KEY PERFORMANCE INDICATOR IN THE INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE STOCK EXCHANGE:

Key Performance Indicator (KPI)	Description	Disclosure Section	Notes
A. Environment			
A.1 Emissions			
General disclosure		Environment – Summary	
	Information on: (A) the policies; and (B) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		
A1.1	The types of emissions and respective emissions data.	Emission	
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions.	Emission	
A1.3	Total hazardous waste produced and intensity.	N/A	No hazardous waste is generated in the course of our operation. Therefore, no relevant data is disclosed.
A1.4	Total non-hazardous waste produced and intensity.	N/A	As the Group has recycled or eliminated the disposal of non-hazardous waste, there is no statistics and disclosure of the Group's emission of non-hazardous waste.
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emission, Use of Resources, Our Green Actions	
A1.6	Description of how hazardous and non-hazardous wastes are handled and a description of reduction target(s) set and steps taken to achieve them.	N/A	As the Group does not generate any hazardous waste in the course of its operations, and has recycled or eliminated the disposal of non-hazardous waste, there is no disclosure of the Group's waste reduction target.

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Key Performance Indicator (KPI)	Description	Disclosure Section	Notes
A2 : Use of Resources			
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources	
A2.2	Water consumption in total and intensity.	Use of Resources	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Emission, Use of Resources, Our Green Actions	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources, Our Green Actions	
A2.5	Total packaging material used for finished products and with reference to per unit produced.	N/A	Our operation process does not involve the use of packaging materials.
A3 : The Environment and Natural Resources			
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Our Green Actions	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Green Actions	
A4 : Climate Change			
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change	
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change	

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Key Performance Indicator (KPI)	Description	Disclosure Section	Notes
B. Social			
B1 : Employment			
General disclosure		Valuing Talents	
Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.			
B1.1	Total employees by gender, employment type, age group and geographical region.	Our Team	
B1.2	Employee turnover rate by gender, age group and geographical region.	Our Team	
B2 : Health and Safety			
General disclosure			
Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Health and Safety	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety	During the reporting period, there were no work-related fatalities in the Group.
B2.2	Lost days due to work injury.	Health and Safety	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety	

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Key Performance Indicator (KPI)	Description	Disclosure Section	Notes
B3: Development and Training			
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Staff Training	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Staff Training	
B3.2	The average training hours completed per employee by gender and employee category.	Staff Training	
B4: Labor Standards			
General disclosure			
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Labor Standards	
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Labor Standards	
B4.2	Description of steps taken to eliminate such practices when discovered.	Labor Standards	

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Key Performance Indicator (KPI)	Description	Disclosure Section	Notes
B5: Supply Chain Management			
General disclosure	Policies on managing environmental and social risks of the supply chain.	Emphasis on Supply Chain Management	
B5.1	Number of suppliers by geographical region.	Emphasis on Supply Chain Management	
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.	Emphasis on Supply Chain Management	
B5.3	Description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored.	Emphasis on Supply Chain Management	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers and how they are implemented and monitored.	Emphasis on Supply Chain Management	

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Key Performance Indicator (KPI)	Description	Disclosure Section	Notes
B6: Product Responsibility			
General disclosure			
Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Emphasis on Quality	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Emphasis on Quality	During the reporting period, there were no cases of recall of sold or shipped products for safety and health reasons or products and service-related complaints received.
B6.2	Number of products and service-related complaints received and how they are dealt with.	Emphasis on Quality	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Emphasis on Quality	
B6.4	Description of quality assurance process and recall procedures.	Emphasis on Quality	
B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	Emphasis on Quality	

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Key Performance Indicator (KPI)	Description	Disclosure Section	Notes
B7: Anti-corruption			
General disclosure			
Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Anti-corruption	
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.	Anti-corruption	During the reporting period, there were no legal cases and accusations regarding corruption in which the Group or the employees of the Group were involved.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption	
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption	
B8: Community Investment			
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Emphasis on Community	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Emphasis on Community	
B8.2	Resources contributed (e.g. money or time) to the focus area.	Emphasis on Community	