



萬桐園

股票代码: 6966.HK



2024

Environmental, Social and Governance (ESG) Report

China Wan Tong Yuan (Holdings) Limited

About This Report

This report is the eighth 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 2024.

Reporting Period

This report primarily covers the Company's performance in the areas of environment, society and governance from January 1, 2024 to December 31, 2024. In order to strengthen the report's comparability and forward-looking nature, certain 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, the provision of other burial-related services, the cemetery maintenance services and the funeral services.

Preparation Basis

This report is primarily prepared in accordance with the "comply or explain" provisions of the Environmental, Social and Governance (ESG) Reporting Code (hereinafter referred to as the Code) of The Stock Exchange of Hong Kong Limited (HKEX).

Content Choice

All data and cases used in the report are from the Company's formal documents, statistical reports or, relevant 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 Code.

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 downloaded and viewed on our website 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.

contents

Chairman's Statement	01
Company Overview	02
ESG Management	03



Improving Corporate Governance	07
Stringently Controlling Operational Risks	08
Strengthening Supply Chain Management	09



Providing Satisfactory Services	12
Protecting the Rights of Customers	15
Listening to the Feedback of Customers	16



Implementing Green Operations	19
Promoting Green Burials	22
Optimizing the Cemetery Environment	22



Growing with Employees	24
Co-creating a Better Homeland	28

ESG index	30
Feedback	33



Chairman's Statement

The year 2024 witnessed Wan Tong Yuan's deep cultivation and forward progress. We have consistently upheld our service commitment "Satisfying People in Both Worlds", guided by our corporate motto "Respect Life, Return to Nature, Display Humanity, Memorialize Forever". By deeply embedding the ESG principles into every aspect of our operations and management, we strive to be a proactive and responsible contributor to society.

Commitment Honored, Service Perfected

We continuously innovate our service models and provide diversified services to achieve customer satisfaction. By optimizing funeral service packages and launching a variety of memorial services, we are committed to ensuring the deceased rest in peace while the living find solace. Simultaneously, we listen attentively to our customers' feedback, effectively safeguard the legitimate rights and interests of customers, and promote the steady improvement of our service standards.

Sustainability Pioneered, Low-carbon Driven

We consistently integrate green principles into our daily operations and management, vigorously promoting green burials. Actively promote ecological burials in Fengqi Garden to reduce the impact of traditional burials on the environment. At the same time, eco-friendly materials are prioritized in the construction and maintenance of cemetery facilities. We continue to enhance environmental protection training and awareness campaigns for staff members, comprehensively implementing green and sustainable development principles across all operations.

Moving forward, we will always stick to our original aspiration, keep cultivating a cultural sanctuary that can be visited, appreciated, enjoyed, and used for memorial ceremonies. While continuing to deliver sincere service excellence to our clients, we will continuously optimize our work methods and systems. Additionally, we will persist in actively engaging in public welfare initiatives and collaborating with industry partners to drive sector development, as we steadfastly advance toward a prosperous future together.

Operate Steadfast, Cast Quality

We continue to improve our corporate systems and governance framework, rigorously control operational risks, implement internal training programs, and cultivate the concept of compliance, thereby laying a solid foundation for the enterprise's steady development comprehensively. We also place great emphasis on the management of suppliers to foster shared growth with industry partners and the local communities.

Purpose Preserved, Compassion Sustained

We stay firmly committed to our original aspiration to advance together with all internal and external stakeholders. We rigorously adhere to compliant employment practices, providing professional training and career advancement opportunities to ensure employees share in the fruits of corporate growth. During traditional festivals, we organize various public welfare initiatives to convey warmth and care to the elderly and children. In 2024, we established the Memorial Garden of Deceased Organ Donation, fostering broader social understanding and support for this noble cause, while promoting the spirit of life continuation through compassionate actions.

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 22 burial areas sections for both traditional and artistic cemeteries 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, cemetery maintenance services and provision of funeral services in Langfang which is one of the fastest growing cities in Hebei Province. With the deepening integration of the Beijing-Tianjin-Hebei metropolitan area, we will focus on the entire burial industry chain to establish a diversified development system that drives the rapid growth of the Company.

Burial Service

Sale of burial plots and columbarium units, including the usage rights for burial plots, tombstones, and other supplementary products associated with the plots, as well as the usage rights for columbarium units.



Other burial-related services, such as the organization and conduct of interment rituals, the design, construction, and landscaping of the burial plots, and the engraving of inscriptions and ceramic photographs on the tombstones.

Cemetery Maintenance Service

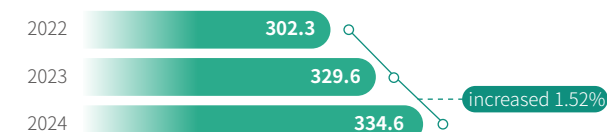
Ongoing cemetery maintenance services to maintain its beautiful landscape, regularly clean and inspect of the cemetery and maintain the facilities to ensure the environment is clean and safe.

Funeral Service

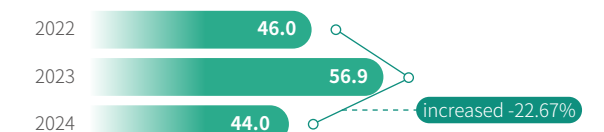
Provide funeral services by offering one-stop packages that include options for ceremonies, ritual arrangements, wakes, farewells, floral tributes, and more, to meet the customers' diversified, personalized modern mourning needs.

Business Performance

Total Asset/RMB million



Principal Operating Revenue/RMB million



Profit before tax/RMB million



Income tax expense/RMB million



ESG Management

ESG Governance

We seamlessly integrate Environment, Social, and Governance (ESG) principles into our daily operations and risk management system. Through a comprehensive and rigorous supervision mechanism, we strictly implement ESG policies at all levels to ensure the company's long-term stable and sustainable development, ensuring a steady growth trajectory.

► Board of Directors

The Board of Directors assumes responsibility for ESG matters within the Company, including ESG risk assessment, strategy development and ESG report approval. It conducts routine reviews of the Company's ESG report preparation process, the implementation plan for business operations and internal audits. Meanwhile, independent internal auditors verify that the Company's internal control measures comply with the Code and work requirements. The Board receives detailed annual reports on these reviews and their corresponding implementation status.

► ESG Working Group

The ESG Working Group reports to the Board of Directors on the implementation of ESG projects. They gather data on ESG performance indicators and prepare ESG reports. An Executive Director will be appointed to lead the ESG efforts by coordinating with various departments to implement and supervise the Board's ESG policies, identifying ESG-related risks in the park and assessing the effectiveness of these initiatives. They will then report relevant issues to the Board. Under the leadership of the Executive Director, colleagues within the park will collect relevant information and implement the assigned tasks.



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. Simultaneously, 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
 Local government and regulatory authorities	<ul style="list-style-type: none"> Realize compliance operation Pay taxes according to the law Protect the local environment 	<ul style="list-style-type: none"> Follow policy changes Pay taxes according to the law Implement green burials
 Shareholders and Investors	<ul style="list-style-type: none"> Standardize business risks Good information disclosure Receive return on investment 	<ul style="list-style-type: none"> Manage and control operation risks Maintain growth of business and ensure profitability Issue 2024 interim and annual reports
 Customers	<ul style="list-style-type: none"> Obtain due consumption rights and interests Effective response and resolution of complaints Ensure information security 	<ul style="list-style-type: none"> Protect customers rights Improve customers feedback channels Improve customers complaints procedures Protect customers privacy
 Suppliers	<ul style="list-style-type: none"> Honor contracts in accordance with the law Admittance criteria for suppliers Promote mutual development 	<ul style="list-style-type: none"> Maintain fair and transparent procurement processes Build a responsible supply chain Provide fair opportunities
 Employees	<ul style="list-style-type: none"> Salary and welfare guarantees Occupational health and safety Fair promotion and development Work-life balance 	<ul style="list-style-type: none"> Improve the remuneration system Provide employees physical examination Establish a long-term mechanism for talents Develop employees recreational activities
 Environment	<ul style="list-style-type: none"> Energy conservation and emissions reduction Protect the ecological environment Addressing climate change 	<ul style="list-style-type: none"> Implement green burials Practicing Green Operations Protect and afforest the cemetery environment
 Communities and the Public	<ul style="list-style-type: none"> Promote community development Care about vulnerable groups 	<ul style="list-style-type: none"> Support patriotic education Engage in public welfare Provide voluntary services

Materiality Analysis

In accordance with the *ESG Reporting Code*, we have identified 31 topics related to our development, based on external environmental factors, industry trends, and our own development plans. Through extensive stakeholder research, we have prioritized these topics and developed a materiality matrix to promptly and effectively respond to the concerns and expectations of our stakeholders.

Assessment process of material topics



Perpetuating Excellence through Steadfast Governance

Wan Tong Yuan continuously optimizes our governance framework to fully unleash the effectiveness of our corporate governance, establishing a multi-dimensional risk prevention and control system while vigorously advancing mechanisms for ethical business practices to ensure that all operations strictly comply with regulatory requirements. In this process, Wan Tong Yuan pays close attention to and strengthens the supervision and management of ESG risks of our suppliers. Through a series of strategic enhancements, we comprehensively improve the compliance level and operational efficiency of business activities, thereby ensuring the stable, coordinated and sustainable development of the enterprise.

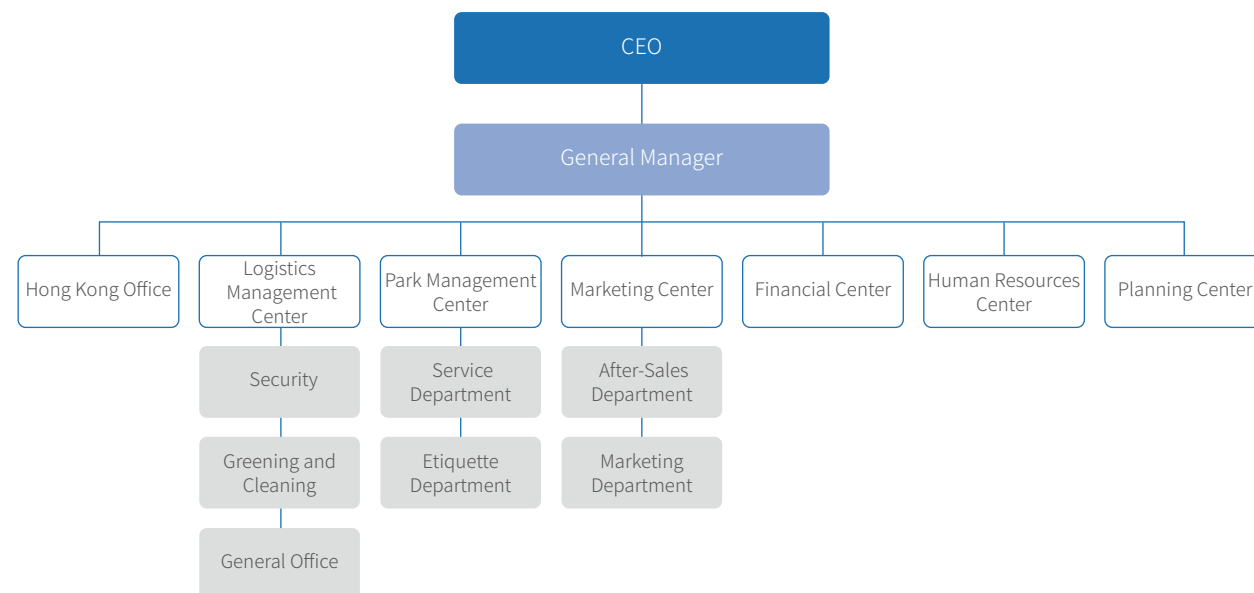
○ Improving Corporate Governance

○ Stringently Controlling Operational Risks

○ Strengthening Supply Chain Management

Improving Corporate Governance

We strictly comply with national laws and regulations, our Company's Articles of Association, as well as the provisions and requirements of relevant regulatory documents of the HKEX. Based on our own actual situation, we have established a complete corporate governance framework. By formulating a well-organized system of rules and standardized work processes, we further enhance our corporate governance level, ensuring that all our operational activities are carried out in accordance with established regulations.



Organizational Framework of Wan Tong Yuan

Shareholders' 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.

The Board has established three board committees, namely the Audit Committee, the Nomination Committee, and the Remuneration Committee, to oversee specific areas. All committees of the Board shall report their decisions or recommendations to the Board.

Our Shareholders' Meeting provides a platform for communication between our shareholders and the Board. The annual shareholders' meeting is held at a venue designated by the Board. Apart from the annual shareholders' meeting, any other shareholders' meeting is referred to an "Extraordinary Shareholders' Meeting".

4

Regular Board meetings organized and held

3

Audit Committee Meetings

1

Remuneration Committee Meeting

1

Nomination Committee Meeting

21

Announcements issued



Stringently Controlling Operational Risks

Wan Tong Yuan continuously optimizes our risk management and internal control systems, focuses on enhancing our risk control capabilities, strengthens internal audit supervision, and vigorously promotes the construction of an integrity culture. By doing so, we create a favorable internal operating environment, provide safeguards for the our business operations, and effectively ensure our sustainable and healthy development.

Risk prevention

We are committed to enhancing an integrated risk management framework through continuous refinement of risk identification and evaluation mechanisms, enabling precise analysis of potential risks and strengthening end-to-end operational risk controls. Guided by the principles of preventive measures, real-time monitoring, and post-event optimization, we improve relevant systems and carefully review contracts in advance; closely monitor business operations during the process to control risks in a timely manner; and conduct post-event reviews to optimize measures. At the same time, we regularly provide legal knowledge training and legal consultation services to enhance employees' awareness of legal risk prevention.

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.

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 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.

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* of the People's Republic of China, we closely monitor internal risks related to corruption and continually reinforce managers' awareness of anti-corruption legal systems. By establishing a complete mechanism for the construction of a clean and honest work style and a legal risk prevention and control system for employees' corruption, we have built a robust defense to safeguard corporate integrity, ensuring that our operations proceed steadily in full compliance with the law.

At the same time, we continuously optimize our anti-corruption reporting mechanism by publicly disclosing our reporting hotline, ensuring that reports are processed and followed up in a timely manner, and providing feedback on the handling results to whistleblower. We fully leverage the power of social supervision to support the construction of a clean and honest party spirit. Additionally, we regularly organize training for employees on anti-corruption and integrity policies for our employees, fostering a strong sense of ethical awareness, encouraging self-discipline, and promoting mutual supervision to collaboratively create a clean working atmosphere.

Strengthening Supply Chain Management

We continuously strengthen our supply chain management, establish a transparent procurement mechanism, and improve supplier management policies. During the selection of suppliers, we rigorously examine their qualifications and strictly enforce entry requirements, while also setting clear requirements for suppliers' performance in environmental and social aspects, giving priority to those who can provide environmentally friendly products. In addition, we focus on cultivating environmental awareness among our existing suppliers, conduct information research on our long-term key suppliers, and implement dynamic management measures to reinforce supply chain risk management.

Enhance information sharing across the supply chain and fully leverage the Internet and digital tools to achieve transparent supply chain management.

Establish trustworthy and collaborative relationships within the supply chain to reduce both supply chain structural costs and internal transaction costs.

Strengthen supplier relationship management, expand supply channels, and establish a selection mechanism based on tracking and evaluation to ensure that only the most competitive suppliers thrive.

Strengthen ESG risk management in the supply chain:

Establish a comprehensive environmental and social risk assessment system, and conduct regular assessments of the ESG performance of all suppliers;

Formulate a code of conduct for suppliers, which explicitly requires suppliers to comply with environmental protection regulations and social responsibility norms;

Advise suppliers on environmental and social responsibility issues to help them improve their production processes and reduce their environmental impact.

Measures for Supply Chain Management

0

Corruption-related litigation cases

100%

Anti-corruption training coverage

0

Major violations occurred



100%

Proportion of suppliers that signed the Integrity Purchase Agreement

4

Suppliers in Hebei Province

3

Suppliers outside Hebei Province



Supplier Evaluation Criteria

Product quality

Strictly control the quality of products and regularly measure the quality of products according to the quality pass rate and average pass rate.

Product price

Measured by comparing with the average and lowest price of similar products in the marketplace.

Delivery timeliness

Whether the supplier can deliver the goods on time and the quantity of deliveries to meet the delivery requirements.

Service level

Suppliers' performance in terms of support, cooperation and service, such as communication means, time for feedback, cooperative attitude, participation in improvement and development projects, after-sales service, etc.

Compliance

Compliance with legal and relevant institutional requirements.

Safety awareness

Have a sense of safety and responsibility.

Environmental awareness

Priority will be given to suppliers who use environmentally friendly products or provide quality services. The cultivation of environmental concepts of existing suppliers will be strengthened. Non-environmentally friendly products will be gradually eliminated.

Supplier scale

Provide sufficient supply support.



Spreading Warmth Through Quality Service

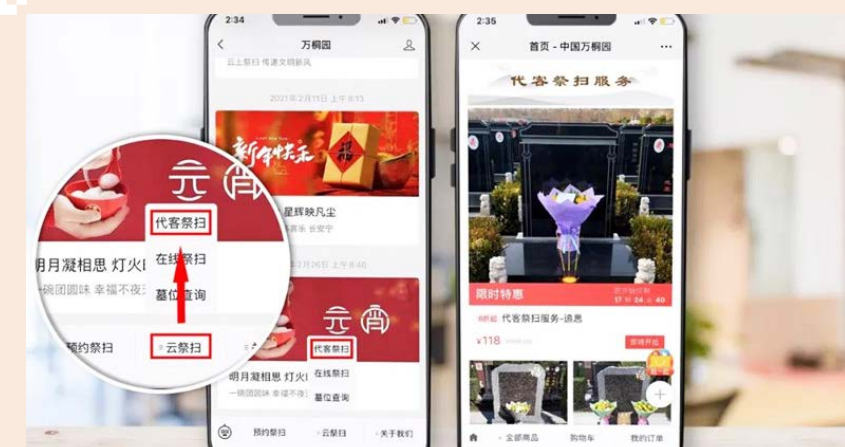
Wan Tong Yuan steadfastly upholds the concept of honoring family ties and passing love, continuously innovating our service models to create warmer and more heartfelt experiences for clients. In fulfilling our service commitments, we prioritize safeguarding client rights, attentively addressing their needs, and leveraging professional, meticulous care to build an emotional bridge between the living and the departed, thereby fulfilling our promise of "Satisfying People in Both Worlds".

Providing Satisfactory Services

Wan Tong Yuan always adheres to the commitment of "Satisfying People in Both Worlds", guided by client needs, and is dedicated to providing higher-quality, more thoughtful products and services. By transforming customer satisfaction into the core driving force behind the Company's growth, we propel the enterprise forward, ensuring that our unwavering focus on dignity, care, and empathy continues to redefine excellence in memorial care.

Innovating the Service Model

We uphold the concept of "ensuring dignity for the departed and warmth in farewells", by establishing a professional team that accurately understands the personalized needs of our clients and meets the diverse requirements of those in mourning. We provide services that integrate modern funeral etiquette norms and traditional characteristics, and make every effort to ensure that our customers feel secure, well cared for, and reassured in all aspects — from burial to tomb sweeping.



Exclusive proxy service for the Dragon Boat Festival

For customers who are unable to the garden to tomb-sweeping, we launch a proxy tomb-sweeping service via our internet platform. Additionally, we include a complimentary serving of incense dumplings with our standard service, and provide photo documentation of the entire process to the customer.

A solemn and dignified send-off service

The ceremonial staff use cranes or golden coffins to send the bones to the burial place.



Providing Attentive Service

We are committed to creating a safe and orderly environment for memorial services. In the parking lot area outside the park, we set up convenient service points such as lounges; In the office area, customers are provided with free hot water, snacks, wheelchairs, medical kits, etc.; in the service area of the park, we provide water sources, buckets, brushes and other necessary tools free of charge. During each peak period of tomb-sweeping, to facilitate our customers' memorial activities, we adjust our operating hours, increase our service staff, and promote staggered scheduling for tomb-sweeping. In addition, during traditional festivals, we hold a series of public welfare prayer events to further enhance the quality of our customers' tomb-sweeping experiences.



Provide customers with cleaning tools such as buckets, brushes, and brooms.



Offer zongzi and sachets as gifts during the Dragon Boat Festival.



Offer free yellow ribbons and wish cards.

Improving Service Quality

We rigorously adhere to established operational protocols and service standards, continuously optimizing our service processes based on practical insights. Every workflow stage is executed in strict accordance with regulations, ensuring orderly and precise operations. Through standardized practices, we enhance our service quality, delivering professional, efficient, and client-centric services that consistently inspire trust and satisfaction.

Enhancing service efficiency

We have set up corporate image posts to serve customers quickly while showcasing our company's image.

Fulfilling job responsibilities

We have formulated detailed job responsibility specifications according to work needs and strictly adhere to them when serving customers.

Optimizing systems and processes

We have established a standardized work process in line with our rules and regulations. We also improve the uniforms worn by our staff and require them to dress uniformly, to better our reception service.

Strengthening inter-departmental collaboration

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.



Implementing Standardized Service Training

Colorful Lotus Lanterns Carry Hearts of Remembrance

Case

During the Ghost Festival, Wan Tong Yuan held a public welfare prayer activity, offering free lotus prayer lanterns to participating customers. By inscribing the names and wishes of their loved ones on the lanterns, they express their feelings of longing, conveyed hopes for tranquility, and jointly shared their heartfelt blessings.



Protecting the Rights of Customers

Wan Tong Yuan strictly complies with the *Personal Information Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers*, among other legal frameworks. We uphold transparent pricing principles, implement rigorous information security management policies, and prioritize the protection of client privacy and sensitive data throughout all service stages. From initial consultations to post-service follow-ups, we comprehensively safeguard client rights, ensuring that families can entrust us with confidence and peace of mind.

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 the identical for both online and offline purchases, which reassures customers.

Protection of customer privacy

Formulate policies covering privacy protection, information management, and strictly implement the confidentiality management and encrypted storage of customer data. A special person shall be responsible for the review, registration and archiving of relevant archives, so as to ensure that the customer information is not 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.

Formal and reliable consumption

After purchasing goods, a unified and standardized electronic invoice is issued by the national tax authorities, ensuring the safety of consumer transactions..

Complete service details

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

Customer Privacy Protection

We set up a special file room for storing customer files, with a full-time archivist to manage the entry, modification and filing of daily files.

We have improved our archive management system to ensure traceability by ensuring that registration forms and relevant identification are provided when documents are borrowed.

Customer information on the employee side is assigned by the departmental administrator. Employees who are not in this position do not have the right to access customer information not related to this position.

Customer electronic information is stored in AliCloud servers to ensure cloud information security.

Conduct regular security audits of information systems and fix potential security vulnerabilities in a timely manner.

Formulate an information security emergency plan to improve the speed and ability to respond quickly to information leakage incidents.

Listening to the Feedback of Customers

Wan Tong Yuan has established multi-channel communication platforms and a comprehensive complaint management framework, ensuring prompt responses to customer complaints. Every complaint is addressed with professional accountability until full resolution is achieved, thereby forming an efficient and standardized closed-loop customer complaint management system.

Customer Communication Channels

Suggestion boxes

We install suggestion boxes to collect employee and customer opinions, and process feedback regularly.

On-site feedback

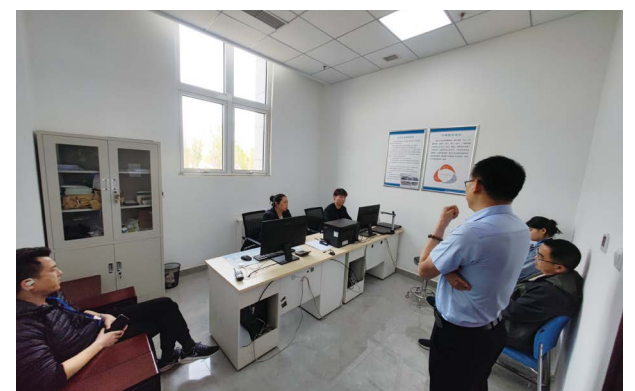
We implement a reception system that welcomes everyone to collect and record customer feedback on site, and urge relevant departments to handle it properly.

Online feedback

Customers can provide feedback on related issues through online channels such as our official WeChat account, micro-mall client, and telephone customer service.



Business Reception Training

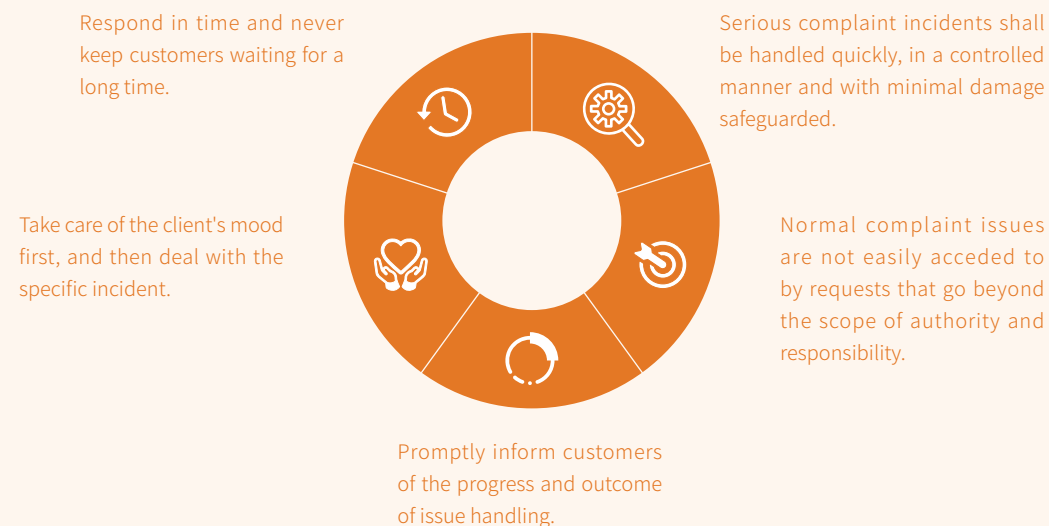


Assessment of Business Handling



Customer Complaint Handling Mechanism

For customer feedback problems submitted to the management system, the relevant department takes appropriate action to resolve the issues and provides a detailed explanation of the solution back to the management system. The people who raise the issue will give feedback to the customer on the solution. Upon receiving satisfactory feedback from the customer, the complaint is marked as complete, ensuring a closed-loop management process.



Normalize the problem handling mechanism

We conduct regular data analysis and scheduled follow-up visits concurrently. By analyzing customer feedback data to identify common issues, we implement improvement measures and consistently follow up to ensure that all problems are thoroughly resolved.

100%

Customer satisfaction

0

Consumer complaint

100%

Complaint handling rate

Deliver Sustainability with Green Concerns

We adhere to the laws and regulations pertaining to ecological and environmental protection and continuously optimize our environmental management system. We make every effort to implement a green operational model, vigorously promote green funeral practices, meticulously build a park-like ecological cemetery, and create an environment conducive to sustainable development and operations, while actively responding to the call of China's Carbon Peaking and Carbon Neutrality Goals.

○ Implementing Green Operations

○ Promoting Green Burials

○ Optimizing the Cemetery Environment

Implementing Green Operations

Wan Tong Yuan strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations, as part of our commitment to sustainable development and proactively responds to China's Carbon Peaking and Carbon Neutrality Goals. Building on 2021 as our baseline year, we have established measurable green development indicators and annually update our progress to ensure accountability.

Indicators	Base year	Goals for 2030	Progress in 2024
GHG Emissions	2021	200 tons	197 tons
Hazardous waste discharge	2021	0 tons	0 tons
Non-hazardous waste discharge	2021	3 tons	6 tons
Overall energy consumption	2021	74.14 tons	78.12 tons
Water consumption	2021	300 tons	200 tons

Tackling Climate Change

We actively address the challenges of climate change by designating dedicated staff to closely monitor weather conditions and provide attentive services based on temperature variations. For windy conditions, we promptly mobilize our personnel to implement response measures, such as notifying customers in the park, broadcasting fire prevention alerts, and increasing patrols. By continuously monitoring real-time weather changes and enhancing safety prevention measures for extreme weather, we make advance preparations to ensure that the park operates safely during severe weather and that the safety of all individuals on-site is maintained.

Strengthening Emission Management

We focus on achieving green management and resource-efficient development, strictly adhering to relevant laws and regulations, and implementing the national requirements for precise and scientific pollutant management. By continuously monitoring and employing technological measures to reduce the disposal and discharge of wastewater, waste gas, and waste, and by strengthening waste management and recycling, we minimize the environmental impact of our business and production activities.

▶ Reducing waste gases emission

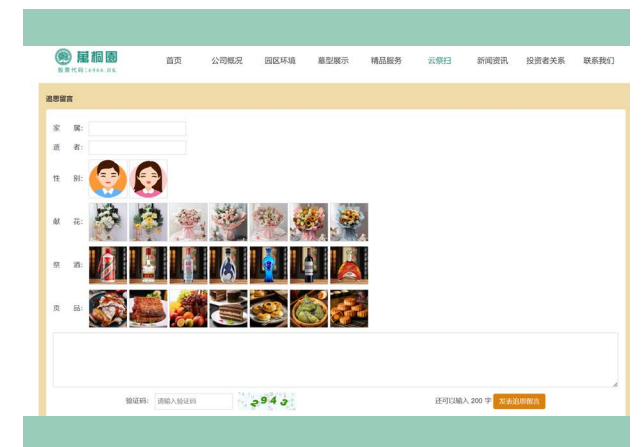
In funeral rituals, traditional practices such as burning incense and paper money, along with transportation vehicles, are the primary sources of exhaust emissions. To address this, we are vigorously promoting and continually enhancing the "Online Sacrifice" online service to guide clients towards more eco-friendly memorial practices. Additionally, we are actively advocating for the modern practice of using fresh flowers to replace joss paper. Simultaneously, we are constructing and putting into use new environmentally-friendly incinerators to conduct concentrated and standardized processing of items that need to be burned. Through these measures, we have significantly reduced the amount of exhaust emissions.

NO_x emissions41.18_{kg}

Particulate Matter emissions

3.83_{kg}SO_x emissions0.067_{kg}

Eco-friendly equipment



"Online Sacrifice" services

▶ Reducing solid waste

During our operations, the solid waste generated is mainly non-hazardous, consisting primarily of sacrificial waste, domestic garbage, a small amount of construction waste, as well as dead branches and weeds. We strictly comply with the *Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution of the Environment* and all relevant local government laws, regulations, and requirements regarding the treatment and disposal of solid waste. By controlling waste generation at the source, we strive to minimize the production of solid waste.

In solid waste management, we always adhere to the "Three Rs" principle: Reduce, Reuse, Recycle. We strictly comply with municipal waste sorting regulations, implementing systematic categorization and management of all waste types. Making sure that all solid waste is disposed of by the municipal sanitation legally, and guarantee full compliance with environmental protocols throughout our waste-handling processes.

At the same time, we actively promote the new trend of civilized sacrifices, advocating the method of "a bunch of flowers and three bows" to guide citizens to honor their ancestors and mourn the deceased in a healthy, civilized and green way, and reduce sacrificial garbage from the source. Within the Company, we focus on guiding employees to improve resource utilization and minimize the negative impact of solid waste on the environment in their daily life and work.

Hazardous waste discharge

0_{tons}

Non-hazardous waste discharge

6_{tons}

Hazardous waste per capita

0.15_{tons}

Non-hazardous wastes disposal rate

100_%

Optimizing waste water management

Our daily operations generate wastewater primarily from domestic sources, including staff office, catering services, and cleaning activities within the park. Living wastewater is discharged through the municipal pipeline network by the local sewage treatment plant after reaching the standard.

Saving energy and reducing carbon emission

The combustion of fuels and the purchase of external electricity constitute the main sources of the Company's greenhouse gas emissions. We procure and strongly promote the use of electric vehicles within the park, and reduce carbon emissions by reducing the operation of private and official vehicles. In addition, we conduct employee training on the theme of energy conservation and environmental protection, and are committed to minimizing greenhouse gas emissions.

We attach great importance to resource consumption in our operations and have implemented a range of energy-saving and water-conserving measures to promote a comprehensive green office environment. We have replaced paper documents with electronic materials to reduce electricity and paper usage, installed water-saving devices and energy-efficient light bulbs, constructed natural water reservoirs, and collected domestic wastewater and rainwater for sprinkler irrigation of the park's greenery, thereby achieving water resource recycling. At the same time, we encourage our employees to conserve water and embrace the concept of water conservation.



Provide free pick-up and drop-off service for customers to maximize the utilization of official electric vehicles

Scope 1 CO₂ emission 10.99tons

Scope 2 CO₂ emission 243.61tons

Total CO₂ emission 162.60tons



GHG reduction from planting new trees 92 tons

Note: Scope 1 refers to direct CO₂ emissions including fuel combustion from stationary sources (except electricity) and mobile sources (automobiles); Scope 2 includes indirect CO₂ emissions from purchased electricity. The emission factor for purchased electricity was calculated based on the 2022 provincial-level average CO₂ emission factor of 0.7252 kgCO₂/kWh for Hebei Province, as referenced in the Announcement on the Publication of 2022 Electricity CO₂ Emission Factors for Electricity issued by the Ministry of Ecology and Environment of the People's Republic of China on December 26, 2024.



Gasoline consumption

4,558.16 liters



Purchased electricity consumption

355,928 kWh



Paper consumption

9,300 tons



Total water consumption

200 tons



Water consumption density

4.878 tons/person

Promoting Green Burials

We steadfastly guide customers toward embracing green, ecological, and modern memorial practices. We advocate for diverse eco-conscious burial options, while offering proxy memorial services to accommodate families' needs. Through Fengqi Cemetery, we pioneer innovative models, like flower bed burials and memorial wall interments, so as to better meet the diversified needs of the masses for funeral services while promoting the green burial method of "returning to nature".

Blossoms Guide the Way Home to Nature



Flower bed burial is a method that replaces traditional graves with flower beds. Special biodegradable containers for ashes are placed in the flower beds, and fresh flowers are planted, highlighting the concepts of "land conservation, greenness, and public welfare". It encourages and guides people to adopt burial methods that occupy little or no land and consume fewer resources. Meanwhile, it also conforms to the traditional Chinese concept of "finding peace after being buried in the soil". On April 2nd, Wan Tong Yuan held a collective burial ceremony for ecological flower bed burials in Fengqi Cemetery, enabling life to continue amidst the blooming flowers.



Optimizing the Cemetery Environment

We regularly carry out park renovation, guided by the principle of "convening the community for worship and providing quality services," focusing on beautifying the park and ensuring safety to optimize the park environment. The company actively attends to the maintenance and adjustment of green plants within the cemetery, carefully designs various functional areas of the park, and implements daily maintenance; simultaneously, it strengthens fire hazard inspections and conducts regular checks on facilities and equipment such as electric vehicles and incinerators; actively carrying out fire safety inspections on a daily basis and eliminating fire hazards through methods such as hanging warning signs, increasing fire-fighting equipment, and enhancing park patrols.



In 2024,
4000
small-leaved trees planted



Spreading Harmony with Genuine Hearts for the Common Good

Wan Tong Yuan builds a platform for every employee to fully realize their self-worth, assisting them in achieving personal values while harmoniously progressing alongside the enterprise and sharing developmental achievements. At the same time, we continuously promote charitable causes and the spread of cultural education, always adhering to the principle of giving back to society. We regularly carry out various public welfare activities, showcasing our commitment as a responsible corporate citizen.

- Growing with employees
- Co-creating a Better Homeland

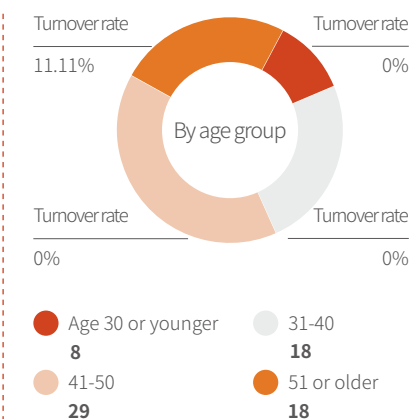
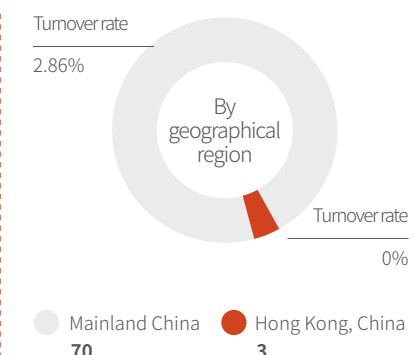
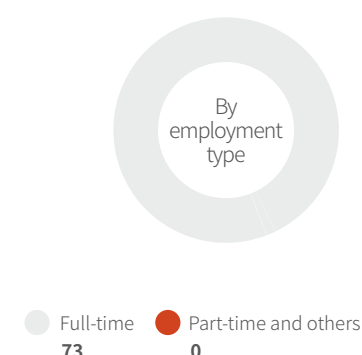
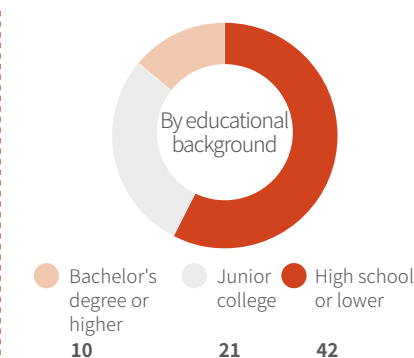
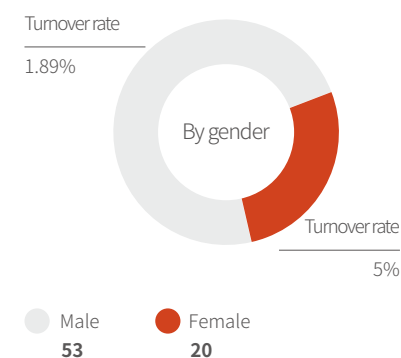
Growing with Employees

Wan Tong Yuan places great importance on employee rights and interests. From improving labor protection systems to creating a rich and diverse training and promotion system, we fully establish a solid platform for employee growth and development, fostering a positive environment where both the enterprise and its employees progress together and grow in sync.

Protecting Employees' Rights and Interests

► Compliant and equal employment

Wan Tong Yuan complies with Chinese laws and regulations including the Labor Law, the Labor Contract Law, the Trade Union Law, the Law on the Protection of Minors, the Regulations on the Prohibition of Child Labor, and conventions including the United Nations Universal Declaration of Human Rights, the International Covenants on Human Rights etc. We always place the rights and interests of employees in a key position, effectively implementing basic principles such as equal employment. We adhere to the principles of openness, fairness, and justice, resolutely resisting all forms of discrimination, and provide equal employment opportunities and career advancement opportunities for employees of different genders, ages, cultural backgrounds, and religious beliefs. We firmly eliminate illegal employment practices such as child labor and forced labor. In 2024, there were no child labor or forced labor incidents.



Salary and welfare system

Under the guidance of the concept of "matching value distribution with value creation", we earnestly consider employee interests and legally establish a compensation and performance system that maintains both internal equity and external competitiveness.



A "staff behavior points" mechanism will be established within the funeral service items to reward employees who demonstrate outstanding overall behavioral performance at work through performance bonuses, paid leave, and other means.



We provide employees with basic benefits such as communication allowances, meal and accommodation subsidies, paid leave, and shift adjustments. Additionally, we actively participate in social insurance programs established by government agencies, covering policies in areas such as pension, work injury, medical care, annuity, maternity, and unemployment, while also purchasing additional commercial supplementary insurance.

Democratic communication management

Wan Tong Yuan values every employee's opinion and prioritizes listening to their voices. We established a suggestion box for employees to collect feedback, actively encouraging employees to contribute ideas and strategies for the Company's development. We respect any opinions and suggestions put forward by employees that are beneficial to the Company's growth, fully stimulating their initiative.

Occupational health and safety

We place great emphasis the health and safety of our employees, strictly adhering to the *Work Safety Law of the People's Republic of China*, the *Prevention and Control of Occupational Diseases Law of the People's Republic of China* and other relevant laws and regulations. We adopt systematic measures for occupational health protection to ensure that employees can work in an orderly fashion within a healthy and safe environment. Regular professional health checkups for employees are arranged, and routine activities such as occupational health promotion and fire safety drills are conducted. Additionally, we periodically organize psychological health counseling for employees, striving to cultivate a strong safety culture and effectively enhance employees' safety awareness and response skills.



Request a professional for firefighting training

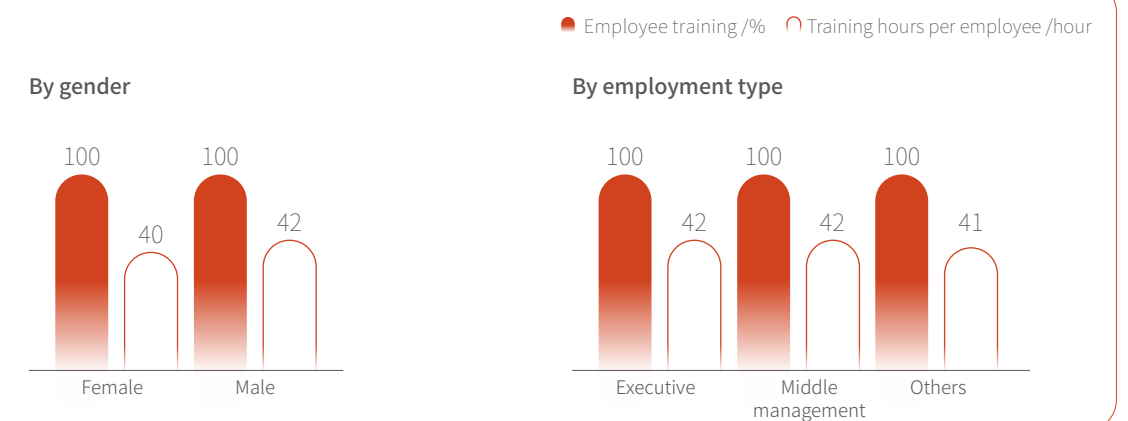


Fire safety training

Empowering Employee Development

We strive to enhance the comprehensive abilities and skills of our employees by integrating the core strengths of our internal team and leveraging industry resources and social training. This allows us to build a diversified, multi-level platform for observation, learning, and self-improvement, covering areas such as vocational skills, industry trends, comprehensive management, and fire safety. We regularly organize internal service quality improvement training, adhering to the principle of using examinations to promote training and organizing competitions to replace training. We conduct post-service skill competitions tailored to different job requirements, allowing employees to compete in specialized categories, consolidating and improving service levels through practical drills. Additionally, the company encourages employees to engage in on-the-job training for relevant professional qualifications and provides financial support for those who obtain job qualification certificates.

We proactively engage with industry partners and vocational colleges, becoming one of the first member enterprises after the establishment of the National Funeral Industry Production-Education Integration Community. This collaboration enriches the channels for introducing and reserving professional talents in the funeral sector, while solidifying the foundation for internal talent development and employee capability enhancement.



Outstanding employee honored with the National Excellence Award

Case

In 2024, we selected outstanding employees to participate in external training programs such as the "National Civil Affairs Industry Vocational Skills Competition Coaching Personnel Training" and "Hebei Province Cemetery Manager Training", and represented the company in the National Civil Affairs Industry Vocational Skills Competition and its Hebei Province selection competition, achieving excellent results including a first prize in the Hebei Province competition and a winning award in the national finals.





Etiquette service practical competition



Master of ceremony service practical competition

Focusing on Employee Care

We recognize the critical role employee satisfaction plays in the cohesion of our company. Focusing on the actual needs of employees, we organize a variety of cultural and recreational activities, such as outdoor team-building exercises, fun competitions, and group outings, to enrich employees' leisure time, strengthen team cohesion, and create a platform for communication through thematic events. These activities allow employees to interact, build stronger relationships, and significantly enhance their sense of well-being.



Spring team-building activities

Co-creating a Better Homeland

Wan Tong Yuan strongly supports charitable causes, collaborating with various partners to create a memorial garden for organ donors, and continuously engaging in public welfare initiatives. We organize employee representatives to participate in community outreach and charity work during significant traditional festivals such as the Dragon Boat Festival and Mid-Autumn Festival, caring for those in need and contributing to society with acts of kindness, thereby enhancing the warmth of our community.



7
Volunteer activities

89,000_{RMB}
Total donation raised

1,100
Beneficiaries from our activities

30
Volunteers

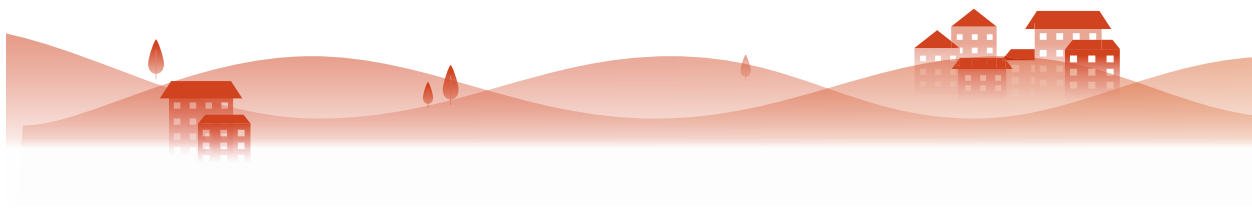
20_{hours}
Total length of volunteer activities

1,100
Volunteer service recipients

In May 2024, the completion ceremony and memorial activities for the Langfang City Organ Donation Memorial Garden were held at Wan Tong Yuan. This memorial garden was donated and constructed by us, aiming to express respect for life and to encourage more people to develop a comprehensive understanding of and support for the "life relay project" of body and organ donation.



On the occasion of Children's Day on June 1st, Wan Tong Yuan organized a volunteer activity titled "Love Nourishes Children's Hearts, Warm 'Tong' Actions" at the Langfang City Social Welfare Institute. Volunteers brought snacks, fruits, and beloved stationery for the children, and they also gained a detailed understanding of the children's living and learning conditions, paying tribute to the dedicated teachers while providing warmth to the children.



During the Double Ninth Festival, we organized volunteers to visit the Fuyuan Elderly Apartment's main campus and the Kangzhuang district. We presented various food items and heartfelt wishes for a healthy life to the elderly, conversed with them, listened to their stories, shared moments of life, and embodied the traditional virtue of "respecting and loving the elderly" through our actions.



ESG Index

Aspect	Indicator Description	Pages	Description
A. Environmental			
Aspect A1:Emissions			
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.	P19	
A1.1	The types of emissions and respective emission data	P20	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	P20	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	P20	
A1.5	Description of the emission targets set and steps taken to achieve them.	P19-20	
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.	P19-21	
Aspect A2:Use of Resources			
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P19-21	
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).	P21	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P21	
A2.3	Description of the energy efficiency targets set and the steps taken to achieve them.	P19 、 P21	
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.	P19 、 P21	
A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	—	Inapplicable
Aspect A3:The Environment and Natural Resources			
General disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	P22	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P22	
B. Social			
Employment and Labour Practices			

Aspect	Indicator Description	Pages	Description
Aspect B1:Employment			
General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P23-25	
B1.1	Total workforce by gender, employment type (e.g. full-time or part-time), age group and geographical region.	P24	
B1.2	Employee turnover rate by gender, age group and geographical region.	P24	
Aspect B2:Health and Safety			
General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P25	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P25	
B2.2	Lost days due to work injury.	P25	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P25	
Aspect B3:DeveloPment and Training			
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Descriptions of training activities.	P26	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P26	
B3.2	The average training hours completed per employee by gender and employee category.	P26	
Aspect B4:Labour Standards			
General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	P24	
B4.1	Description of measures to review employment practices to avoid child and forced labor.	P24	
B4.2	Descriptions of steps taken to eliminate such practices when discovered.	—	No violations during the reporting period.
Operating Practices			
Aspect B5:Supply Chain Management			
General disclosure	Policies on managing environmental and social risks of the supply chain.	P9	
B5.1	Number of suppliers by geographical region.	P9	
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.	P9-10	
B5.3	Description of practices used to identifying environmental and social risks along the supply chain, and how they are implemented and monitored.	P9-10	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P9-10	

Aspect	Indicator Description	Pages	Description
Aspect B6:Product Responsibility			
General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	P15-17	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	—	Inapplicable
B6.2	Number of products and service-related complaints received and how they were dealt with.	P17	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	—	Inapplicable
B6.4	Description of quality assurance process and recall procedures.	—	Inapplicable
B6.5	Descriptions of consumer data protection and privacy policies, how they are implemented and monitored.	P15	
Aspect B7:Anti-corruption			
General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P9	
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.	P9	
B7.2	Description of preventive measures and whistle blowing procedures, how they are implemented and monitored.	P9	
B7.3	Description of anti-corruption training provided to directors and employees.	P9	
Community			
Aspect B8:Community Investment			
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P28-29	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture and sport).	P28-29	
B8.2	Resources allocated (e.g. money or time) to the focus area.	P28	
D: Climate-related Disclosures			
Metrics and Targets	Disclose absolute gross greenhouse gas emissions generated during the reporting period, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions.	P21	
	Disclose the approach used for measuring greenhouse gas emissions, including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	P21	

Feedback

Dear readers:

Thank you for reading the Environmental, Social and Governance Report 2024 of China Wan Tong Yuan (Holdings) Limited. To better satisfy your needs, provide you with more valuable information, help us to improve our ESG 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 6A02, 6/F, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong
Tel: (852) 39967597

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

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

Which parts of the Report are you most interested in?

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

Do you have any suggestions for our future ESG report?



萬 桐 園

股票代碼：6966.HK

Unit 6A02, 6/F, Wah Kit Commercial Centre,
302 Des Voeux Road Central, Hong Kong

www.chinawty.com



This report uses environmental-friendly paper printing.