



萬桐園

股票代码: 6966.HK



2023 Environmental, Social and Governance (ESG) Report

China Wan Tong Yuan (Holdings) Limited

About This Report

This report is the seventh 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 2023.

Reporting Period

This report mainly covers the Company's performance in the areas of environment, society and governance from 1 January 2023 to 31 December 2023. In order to strengthen the report's comparability and foresight, parts of the content and data have been extended.

Reporting Scope

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

Preparation Basis

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

Content Choice

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

Name Explanation

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

Report Acquisition

The report has been issued in electronic format and can be 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

05
Preserving Original Aspirations and Pursuing Shared Growth

Improve Corporate Governance	06
Control Operational Risks	07
Strengthen Supply Chain Management	08

15
Sustaining Green Practices and Valuing the Nature

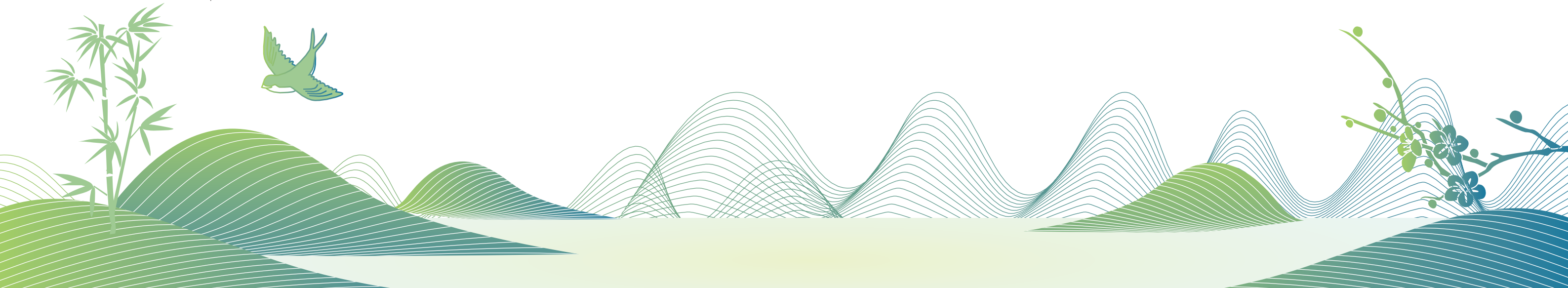
ESG index	27
Feedback	29

09
Carrying on Memories and Embracing Warmth Together

Provide Satisfactory Services	10
Protect the Rights of Customers	13
Listen to the Feedback of Customers	14

21
Boosting Happiness and Creating a Better Future Together

Growing with employees	22
Inheriting red genes	25
Co-creating a better homeland	26



Chairman's Statement



The year 2023 marks a significant year for Wan Tong Yuan. Guided by our corporate motto "Respect Life, Return to Nature, Display Humanity, Memorialize Forever", and driven by our commitment to "Satisfying People in Both Worlds", we incorporate the ESG concept into our business management, fully implement our corporate social responsibility, and contribute more to society and our employees.

We strive to be a pioneer to promote the industry towards a greener future. As a funeral business, we sincerely acknowledge the importance of environmental protection. The ecological and land-saving burials are a cornerstone of progressive funeral reform, better promoting the harmonious development of man and nature and reflecting a new funeral trend. In 2023 we insisted on using green materials to reduce waste generation and actively promoted waste sorting. We have also strengthened the environmental protection training for our staff and raised their environmental awareness to jointly create a green environment and contribute to a greener social ecology.

We act as a courageous promoter of social innovation and development. We actively promote staff training and career development. Through organizing internal training and external learning, we enhance our staff's professionalism and well-rounded capabilities and motivate them to continue to innovate and make progress. We continue to optimize our service processes and provide personalized and convenient one-stop solutions based on our customer needs, ensuring that every customer can feel meticulous care and professional and efficient response. We pay attention to the plight of the disadvantaged and provide care and support to widows and orphans, children in orphanages, etc., delivering warmth and hope with practical actions.

We serve as an excellent law-abiding compliance executive. We continue to establish and improve our internal governance system. This includes strengthening system building and process control to ensure every decision and business operation is in strict compliance with national laws, regulations and industry norms. Additionally, we focus on fostering awareness of the rule of law and a culture of compliance among all employees. Through ongoing legal training and compliance education activities, we empower every employee to internalize the principles of legal governance and actively practice a law-abiding company DNA.

Moving forward, we will continue to insist on repaying the society with quality services, constantly innovate and improve the working mechanism, improve the service quality and efficiency, actively participate in social welfare activities, and contribute to sustainable development of the industry with concrete 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 21 traditional and artistic burial areas to meet the diversified demands of our customers. We principally engage in the sale of burial plots and columbarium units, and provide other burial-related services, cemetery maintenance services and provision of funeral services in Langfang which is one of the fastest growing cities in Hebei Province. Boosted by the Beijing-Tianjin-Hebei city cluster, we plan to achieve full-fledged development of the burial industry, therefore establishing a diversified development system to foster the rapid growth of the Company.

Burial service

Cemetery maintenance services

Funeral Service

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

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

- Provide funeral services, on-demand choice of ceremonial, ceremonial body, wake, farewell, flowers and other one-stop funeral characteristics of the service, to meet the customer's diversified, personalized modern mourning needs.



ESG Management

ESG Governance

The Company seamlessly integrates Environmental, Social and Governance (ESG) factors into its daily operations and risk management system. By implementing and supervising ESG policies at every level, ultimately ensuring our robust and long-term sustainable growth.

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 environmental controls comply with ESG guidelines 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 the implementation. They will then report relevant issues to the Board. Under the leadership of the Executive Director, colleagues in the park will collect relevant information and implement the assigned tasks.

Stakeholder Communication

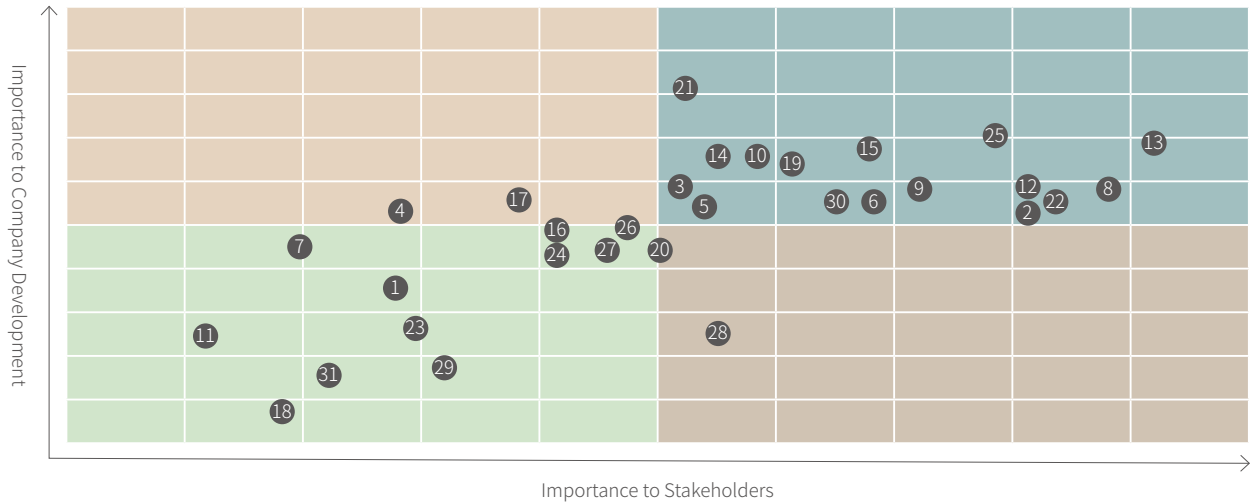
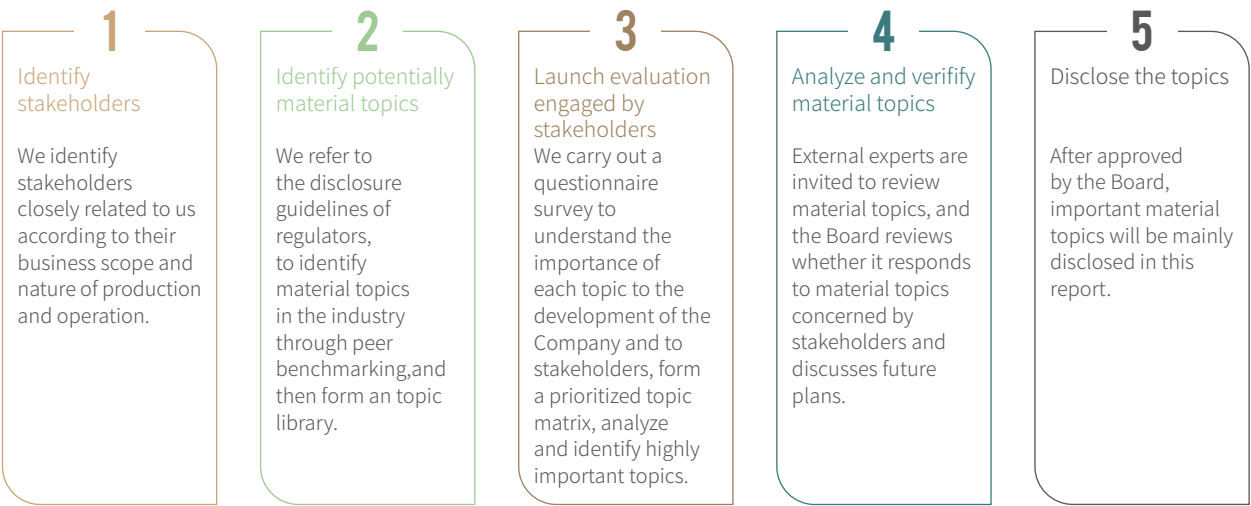
To ensure effective communication and engagement with our stakeholders, we have established diversified communication mechanisms and channels to understand their needs and feedback. We strive to maintain open and timely communication regarding our development status, earn the trust and support of our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

Stakeholders	Expectations and Requirements	Measures
 Government	<ul style="list-style-type: none">Realize compliance operationPay taxes according to the lawProtect the local environment	<ul style="list-style-type: none">Follow policy changesPay taxes according to the lawImplement green burials
 Shareholders and Investors	<ul style="list-style-type: none">Standardize business risksGood information disclosureReceive return on investment	<ul style="list-style-type: none">Manage and control operation risksMaintain growth of business and ensure profitabilityIssue 2023 interim and annual reports
 Customers	<ul style="list-style-type: none">Obtain due consumption rights and interestsEffective response and resolution of complaintsEnsure information security	<ul style="list-style-type: none">Protect customers rightsImprove customers feedback channelsImprove customers complaints proceduresProtect customers privacy
 Suppliers	<ul style="list-style-type: none">Honor contracts in accordance with the lawAdmittance criteria for suppliersPromote mutual development	<ul style="list-style-type: none">Maintain fair and transparent procurement processesBuild a responsible supply chainProvide fair opportunities
 Employees	<ul style="list-style-type: none">Salary and welfare guaranteesOccupational health and safetyFair promotion and developmentWork-life balance	<ul style="list-style-type: none">Improve the remuneration systemProvide employees physical examinationEstablish a long-term mechanism for talentsDevelop employees recreational activities
 Environment	<ul style="list-style-type: none">Energy conservation and emissions reductionProtect the ecological environmentAddressing climate change	<ul style="list-style-type: none">Implement green burialsPracticing Green OperationsProtect and afforest the cemetery environment
 Communities and the Public	<ul style="list-style-type: none">Promote community developmentCare about vulnerable groups	<ul style="list-style-type: none">Support patriotic educationEngage in public welfareProvide voluntary services

Materiality Analysis

In accordance with the *ESG Reporting Guide*, we have identified 31 topics related to our development, based on external environmental factors, industry trends, and our own development plans. After extensive research and survey of stakeholders, we prioritize those topics, and draw a materiality matrix in response to the concerns and expectations of our stakeholders.

Assessment process of material topics



No.	Topics	No.	Topics	No.	Topics
1	Legal compliance	12	Green operations	24	Human rights protection and child labor and forced labour prevention
2	Sustainable development management	13	Product and service compliance	25	Environmental and social risk management of suppliers
3	Party building reinforcement	14	Customer privacy protection	26	Business ethics
4	Anti-corruption	15	Customer complaints handling	27	Industrial development contribution
5	Business quality improvement	16	Customer rights guarantee	28	Local community development facilitation (job creation, living environment upgrading etc))
6	Business risks control	17	Responsible Marketing	29	Traditional culture promotion
7	Climate change response (risk identification, energy use, and GHG emissions)	18	Diverse and equal opportunities	30	Charity
8	Resource use	19	Compensation and benefits	31	Volunteer services
9	Emission management	20	Democratic management		
10	Green burials	21	Occupational health and safety		
11	Biodiversity conservation (Ecological planning, vegetation protection, cemetery environmental protection and greening)	22	Employees development and training		
		23	Employee care		

Note : The topics in green are the material topics.

01

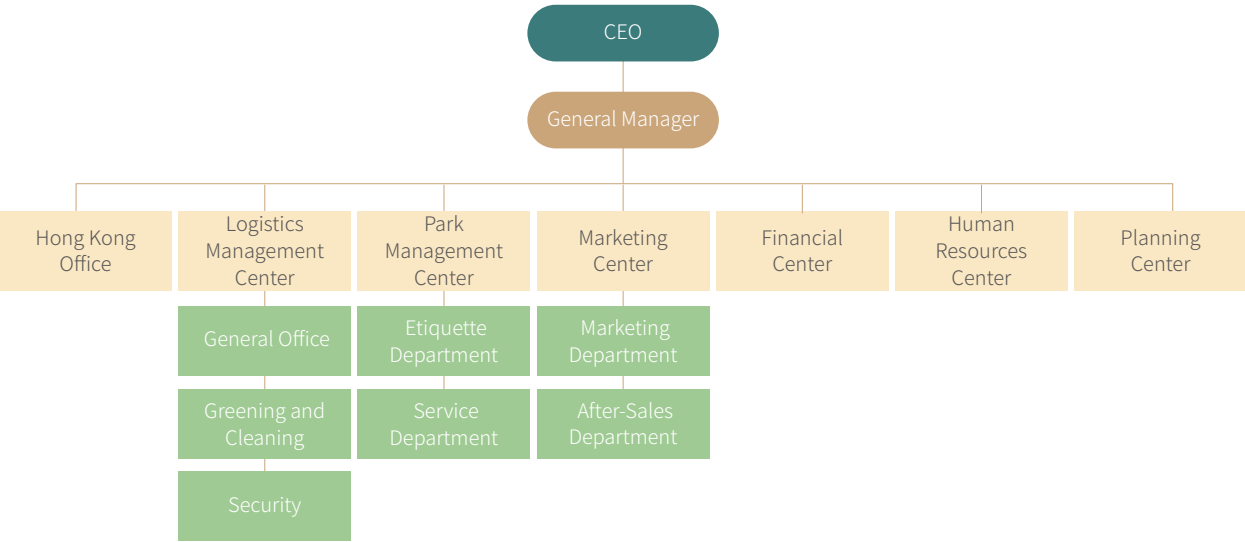
Preserving Original Aspirations and Pursuing Shared Growth

Wan Tong Yuan continues to optimize and improve its management system, comprehensively enhance the effectiveness of corporate governance, strengthen the multi-dimensional risk prevention and control mechanism, and endeavors to promote anti-corruption and integrity to ensure that all business activities strictly comply with relevant laws and regulations. In addition, Wan Tong Yuan continues to pay attention to and strengthen the risk management of suppliers in terms of ESG, and through a series of initiatives to comprehensively improve the quality and standard of operation, so as to ensure our efficient, smooth and orderly operation.

- Improve Corporate Governance
- Control Operational Risks
- Strengthen Supply Chain Management

Improve Corporate Governance

In strict accordance with national laws and regulations, the relevant normative documents of the Stock Exchange of Hong Kong Ltd., and the provisions of our Company's Articles of Association, we have established a relatively completed governance structure. We have also developed a well-defined systems and work processes to continuously improve our corporate governance.



Organizational Framework of Wan Tong Yuan

Shareholder's Meeting and Board of Directors

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

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

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

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

4

Regular Board meetings organized and held

3

Meetings of the Audit Committee

1

Meeting of the Remuneration Committee

1

Meeting of the Nomination Committee

16

Announcements issued

Control Operational Risks

We sustain to improve our risk management and internal control system. Specifically, we strengthen internal audit management and implementation, enhance our risk management capabilities, and advance the culture of integrity, striving to create a fair, transparent and healthy operation within the Company.

Risk prevention

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

Risk management framework

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

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-corrup-tion

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

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

0

Corruption-related litigation cases

100%

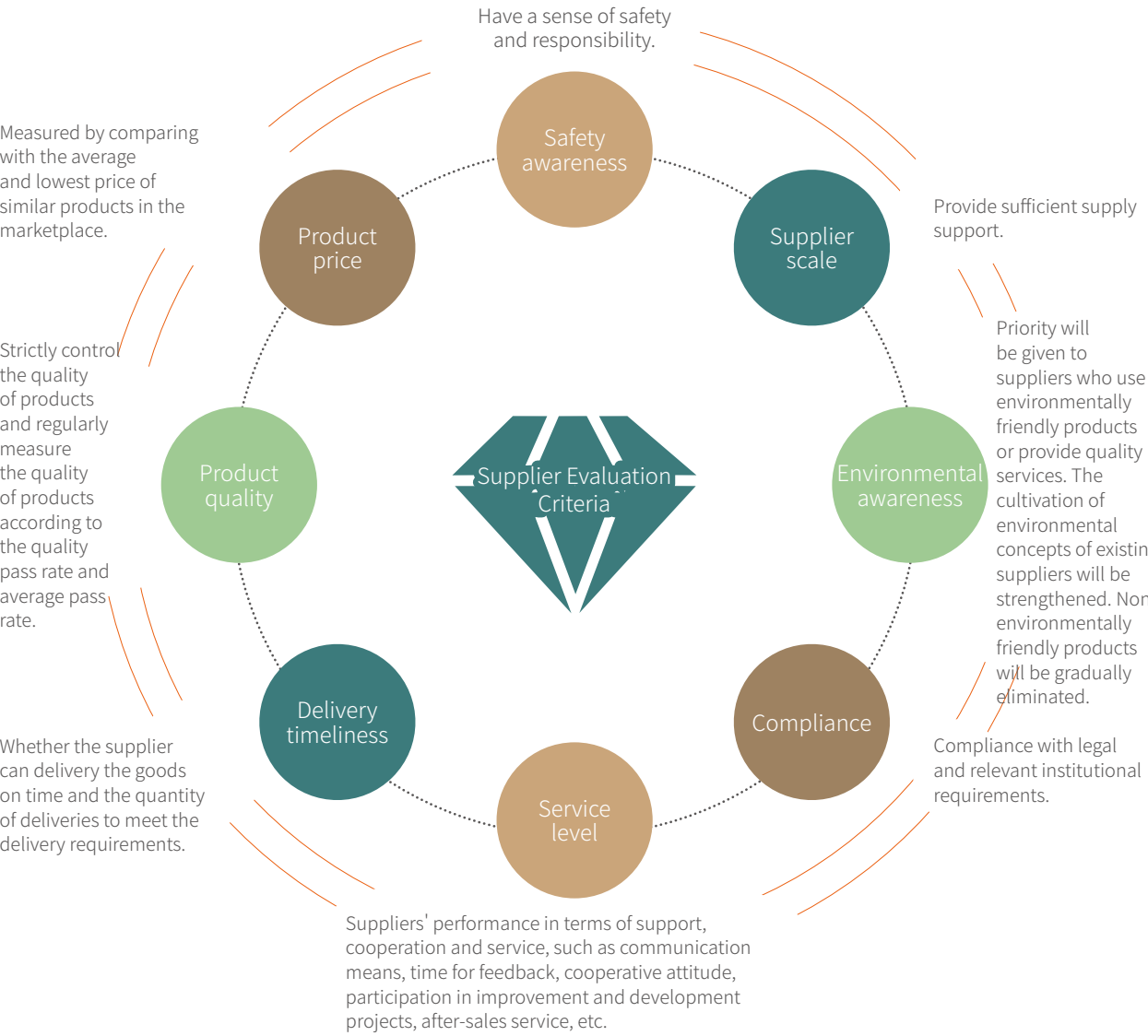
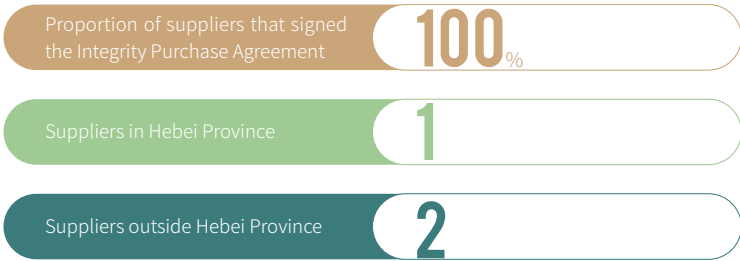
Anti-corruption training coverage

0

Major violations occurred

Strengthen Supply Chain Management

The Company establishes a fair and just relationship with its suppliers. We strictly review the qualifications and supplier admission during supplier screening. We evaluate the supplied products and the suppliers based on the quality of products, environmental protection awareness, and service timeliness to ensure that the products provided in line with our demands. We also conduct credit investigations on long-term major suppliers, implement dynamic management, and strengthen supply chain risk management, laying a solid foundation for the sustainable development of the supply chain.



02 Carrying on Memories and Embracing Warmth Together

Adhering to the concept of honoring family ties and passing love, Wan Tong Yuan ensures that customers to be worry-free, comfortable and reassured. We provide modern funeral rites services based on traditional funeral etiquette, transforming funeral customs into more civilized ones. We continuously to meet the diverse and personalized modern needs of the public, enabling farewells to be beautiful experiences.

- Provide Satisfactory Services
- Protect the Rights of Customers
- Listen to the Feedback of Customers



Provide Satisfactory Services

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

■ Innovate in customer service

To promote civilized funerals, change customs, and meet the needs of different groups of mourners, we strive to let each deceased person leave in a more dignified manner so that each farewell is more humanistic. Our professional team combined Langfang’s local customs and introduced modern funeral etiquette and specialized services such as welcoming the spirit, placing the spirit at home, removing the spirit from the coffin, escorting the spirit, offering food, laying wine, serving tea, transferring the spirit, family memorial ceremony, collecting bones and gathering the spirit, and so on.

Mourning Hall Setting Up Ceremony

One funeral celebrant and one ceremonial staff set up the mourning hall in accordance with ritual standards.



Personalized Rituals

We provide ritual music services by personalizing the song selection according to the family's needs.



Funeral Memorial Service for the Family

One funeral celebrant and one ceremonial staff perform the Family Memorial Ceremony in the Mourning Hall in accordance with relevant ritual standards.



Provide diversified services

To provide customers with better service, we have continuously refined our park reception facilities and services based on years of experience. We build a rest area in the parking lot outside the park, providing free boiled water, snacks, and other amenities for customers' convenience. Inside the park, we provide electromobles, service vehicles and dedicated drivers, along with accessible water sources, buckets, brushes, and other items to facilitate customers' visiting the graveside in the park.



Free boiled water, mineral water, cookies, candies and other small snacks at the customer rest area



Free tomb-sweeping tools



Free trolley



Free yellow ribbon and wish cards

Case Opening of a new eco-cultural memorial park, Wan Tong Fengqi Cemetery

On August 5, 2023, Wan Tong Fengqi Cemetery was officially opened. As a pilot site for land-saving and ecological burial in Hebei Province, the cemetery is a new-style eco-cultural memorial park created by Wan Tong Yuan. It will effectively promote funeral reform in the entire region, improve the level of funeral services, and better serve the people's livelihood.



New-style eco-cultural memorial park: Wan Tong Fengqi Cemetery

Case Honoring teachers without forgetting their teaching

To praise the teachers' virtues and express respect for teachers in society, Wan Tong Yuan carried out the "Respect our teachers, remember their grace" tomb-sweeping activities during the Teachers' Day. Our staff cleaned and tended to the graves of teachers interred in the cemeteries and offered fresh flowers, expressing their gratitude and respect for the teaching profession in their own way. This event also promoted the values of honoring teachers.



Cleaning the graves of teachers and presenting flowers and greeting cards

Improve service quality

We strictly comply with and constantly improve the business process and service standards to ensure that our operations run smoothly and with utmost rigor. We improve the overall service quality through standardized operations, thus providing customers with a more professional, efficient and satisfactory service experience.

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.

Protect the Rights of Customers

We maintain a transparent and open price policy while prioritizing the protection of customer data privacy and information of the deceased during the service process, ensuring that customers' rights are fully safeguarded so that customers can enjoy our high-quality services with no worries.

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

The customer data shall be kept strictly confidential. 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.

Legitimate and reliable consumption

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

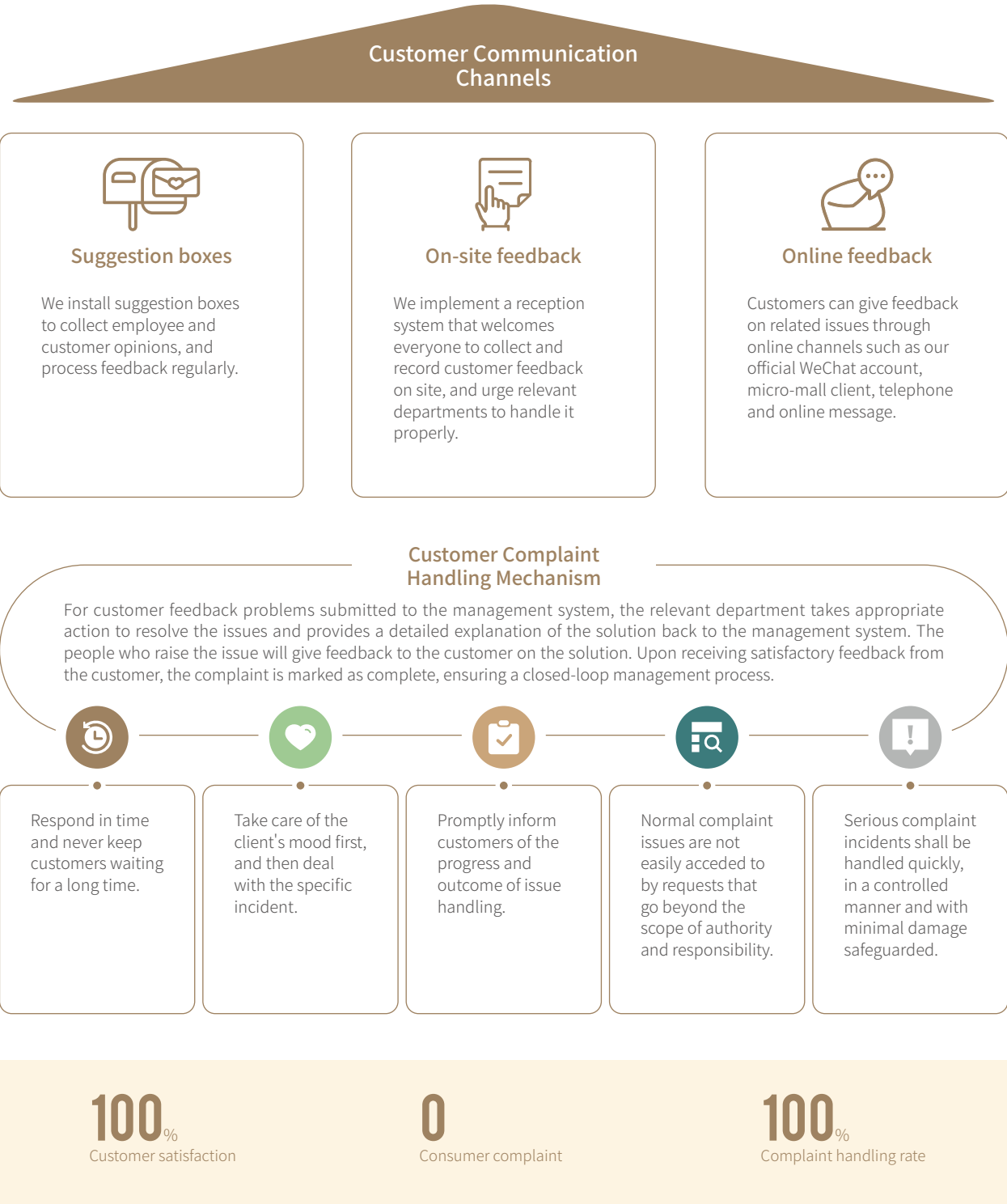
Complete service details

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



Listen to the Feedback of Customers

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



03

7Sustaining Green Practices and Valuing the Nature

Against global climate change, Wan Tong Yuan always adheres to green and low-carbon development and actively responds to China's carbon peak and carbon neutrality goal. By deeply embedding the concept of low-carbon and environmental protection into all aspects of our management, from corporate governance and operation, to customer service, green sacrificial product offerings, and the creation of eco-cemeteries. At the same time, we strictly comply with the national and local laws and regulations regarding protecting the environment and maintaining the ecological balance, participate in and support the environmental public welfare activities to embrace a beautiful nature.

- Practicing Green Operations
- Promote Green Burials
- Optimize the Cemetery Environment

Practicing Green Operations

Wan Tong Yuan upholds the concept of sustainable development and actively responds to China's 30·60 decarbonization goal by setting the Company's green development metrics and targets with 2021 as the base year and continuously updating the annual progress. At the same time, we strictly comply with Chinese laws and regulations on the environment, including the *Environmental Protection Law*, the *Energy Conservation Law*, the *Law on Prevention and Control of Air Pollution* etc. We invest in environmental protection to realize energy saving, carbon reduction, and green operations with practical actions.

Indicators	Base year	Goals for 2030	Progress in 2023
GHG Emissions	2021	200 tons	209 tons
Hazardous waste discharge	2021	0 tons	0 tons
Non-hazardous waste discharge	2021	3 tons	4 tons
Overall energy consumption	2021	74.14 tons	83 tons
Water consumption	2021	300 tons	164 tons

Tackle Climate Change

Properly responding to climate change is an important part of the Company's long-term stable operation. We continuously monitor climate change and are always prepared to respond to the challenges of extreme weather, with specialists monitoring the weather changes and strengthening the preparation mechanism and response to weather emergencies, so as to ensure the normal operation of the cemeteries and the safety of all the personnel under extreme weather conditions.



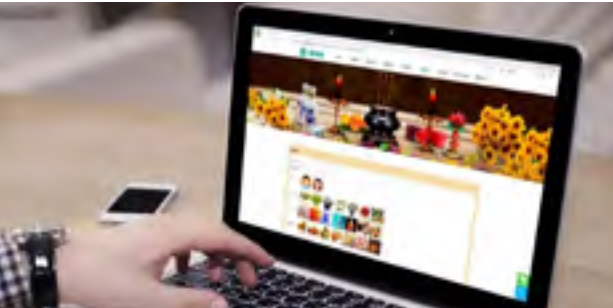
Snow cleaning

Strengthen emission management

We strictly comply with relevant laws and regulations, implement the national requirements of pollutant management, control the disposal and emission of wastewater, waste gas and solid wastes, strengthen waste management and recovery and recycling, improve the efficiency of waste recycling and reduce the pollutant emission..

Reduce waste gases emission

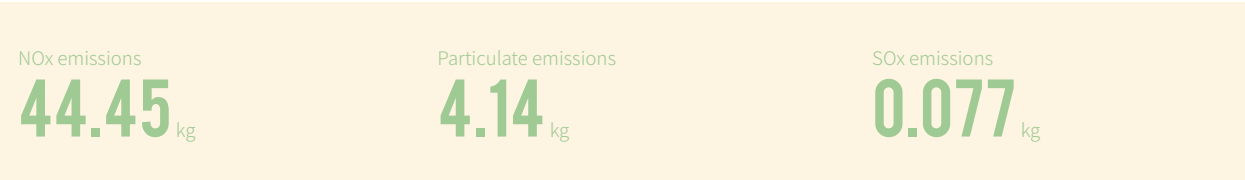
We try to minimize emissions of exhaust gases and particulate matters caused by traditional sacrificial activities such as incense burning and paper money burning during funeral ceremonies. In addition, transportation vehicles are also a major source of our emissions. Practical actions such as "Online Sacrifice" services, the substitution of flowers for plutonium, and the construction and use of a new type of eco-friendly incinerator for uniform incineration, have significantly reduced emissions.



Provision of "Online Sacrifice" service



Eco-friendly equipment

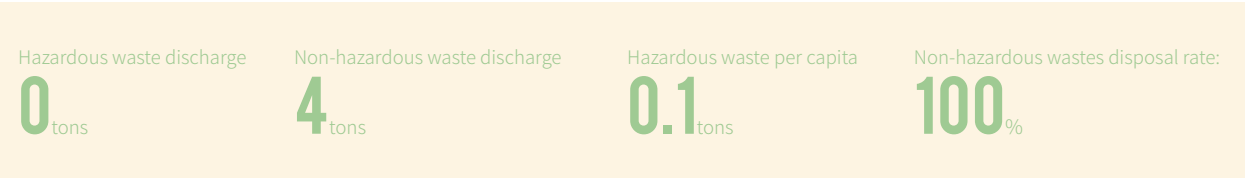


Reducing solid waste

Our operation mainly generates non-hazardous waste, including sacrificial garbage, domestic garage, and garden waste. We actively comply with the Law of the People’s Republic of China on Prevention and Control of Solid Waste Pollution of the Environment and the relevant laws, regulations and requirements of the local government on the treatment and disposal of solid wastes to reduce the generation of solid waste from the source.

We actively and properly handle solid waste, always adhere to the “Three Rs” principle: Reduce, Reuse, Recycle. We follow waste classification requirements and ensure that all solid waste is disposed of by the municipal sanitation legally and in line with environmental standards.

We actively advocate "a bunch of flowers and three bows" and the implementation of a new style of sacrificial offerings, guiding the public to adopt a healthy, civilized and green way to remember and mourn their ancestors, as a way to reduce sacrificial waste. In daily life, we encourage our employees to improve resource utilization and reduce the negative impact of solid waste on the environment.

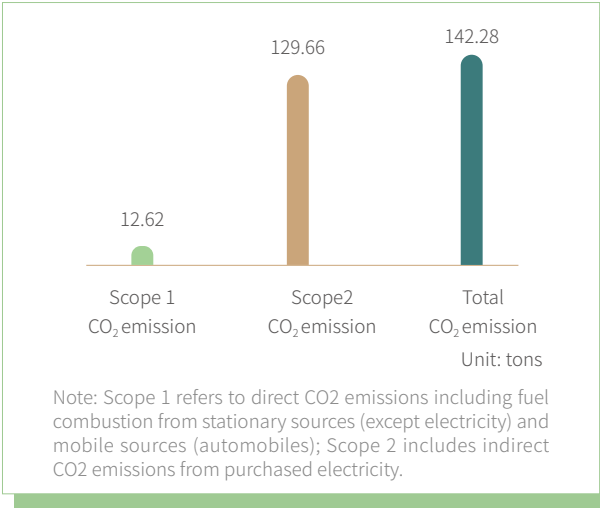


Optimizing waste water management

Our daily operations generate wastewater primarily from domestic sources, including staff office, catering services, and cleaning activities within the park. Additionally, wastewater is produced from park greening and funeral services. Living wastewater is discharged through the municipal pipeline network by the local sewage treatment plant after reaching the standard. Greening wastewater is naturally infiltrated and returned to the ground or evaporated. Funeral wastewater is treated and disinfected by professional sewage environmental protection treatment equipment to ensure that the wastewater meets the standard and is discharged according to the regulations.

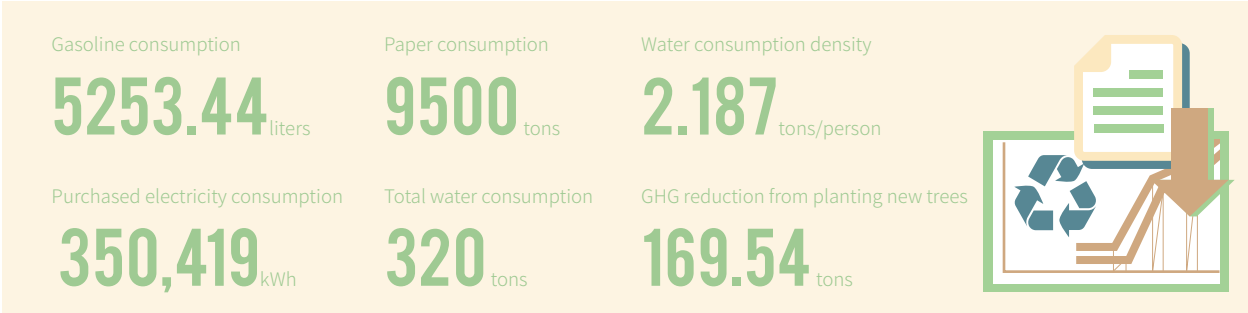
Saving energy and reducing carbon emission

We are committed to reducing our environmental footprint by minimizing energy consumption and carbon emissions through practical measures such as reducing the operation of official and private vehicles, installing waste sorting bins in our parks, providing training to our employees on waste segregation, and promoting emissions reduction management.



We have scheduled shuttle buses to regularly transport clients in our cemetery, maximizing the use of official vehicles and reducing the carbon emission from private cars.

While optimizing the use of official vehicles, saving electricity, adopting energy-saving facilities such as water-saving equipment and energy-saving light bulbs, we also advocate green office and try to save paper by replacing paper materials with electronic equipment and products. In addition, we maximize water resources recycling through the construction of water reservoirs, the reuse of domestic wastewater and rainwater for plant maintenance, and the implementation of water-saving sprinkler irrigation for park greenery.



Promote Green Burials

We are committed to promoting eco-friendly funeral options, advocating the burial of flower beds, tree, lawn burials and other greener alternatives to replace the traditional burial methods. The development of the "online sacrifice", sacrifice offering packages, online ancestor worship and other functions can meet the different needs of customers in all aspects of the service. For customers cannot attend the ceremony, we also provide memorial services. We offer a bouquet of flowers to the ancients and send memorials through online messages, guiding customers to cultivate green, ecological and modernized funeral concepts.



Flower bed Burial



Flower offerings instead of traditional paper offerings



"Online sacrifice", sacrifice offering, and online ancestor worship services to customers

Optimize the Cemetery Environment

We constantly advocate the green, environment-friendly, ecological, and land-saving funeral new style. We collaborate with our customers to create eco-cemeteries that cater to the diversified needs on funeral services. Guided by our solemn promise of "Satisfying People in Both Worlds", we plan, construct and manage our cemeteries to the highest standards. Our goal is to make our parks into ecological and humanistic cemeteries by improving the vegetation coverage and increasing the frequency of road sweeping. We will constantly improve the environmental protection of the park, and enable the natural ecology with the art of life. This is to create a sanctuary that honors the living while providing a peaceful resting place for the deceased.



Tree planting



Flowers and shrubs planting



Green and ecological graveyard

04

Boosting Happiness and Creating a Better Future Together

Wan Tong Yuan upholds people-oriented philosophy. We resolutely protect the fundamental rights and interests of employees. We empower personal development of our employees and their growth with the Company, while cherishing the revolutionary heritage. We pay attention to social issues, promote social well-being, transmit the warmth of the enterprise, and contribute to creating a harmonious society.

- Growing with employees
- Inheriting red genes
- Co-creating a better homeland

Growing with employees

At Wan Tong Yuan, we recognize employee as the cornerstone and foundation of our success and development. Wan Tong Yuan always pays attention to and protects the legal rights and interests of employees. We provide them with opportunities to thrive, empowering the employees to realize their own value while creating the value for the Company, and growing with our employees together.

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. The Company always prioritizes the employees' rights and interests, and resolutely implements the basic principles of equal employment, and opposes any form of discrimination. The Company insists on openness, fairness and justice, provides equal employment and career development opportunities for employees of different genders, ages, cultural backgrounds and religious beliefs, and eliminates illegal employment practices such as child labor and forced labor. In 2023, there were no child labor or forced labor incidents.

75

Total workforce

32

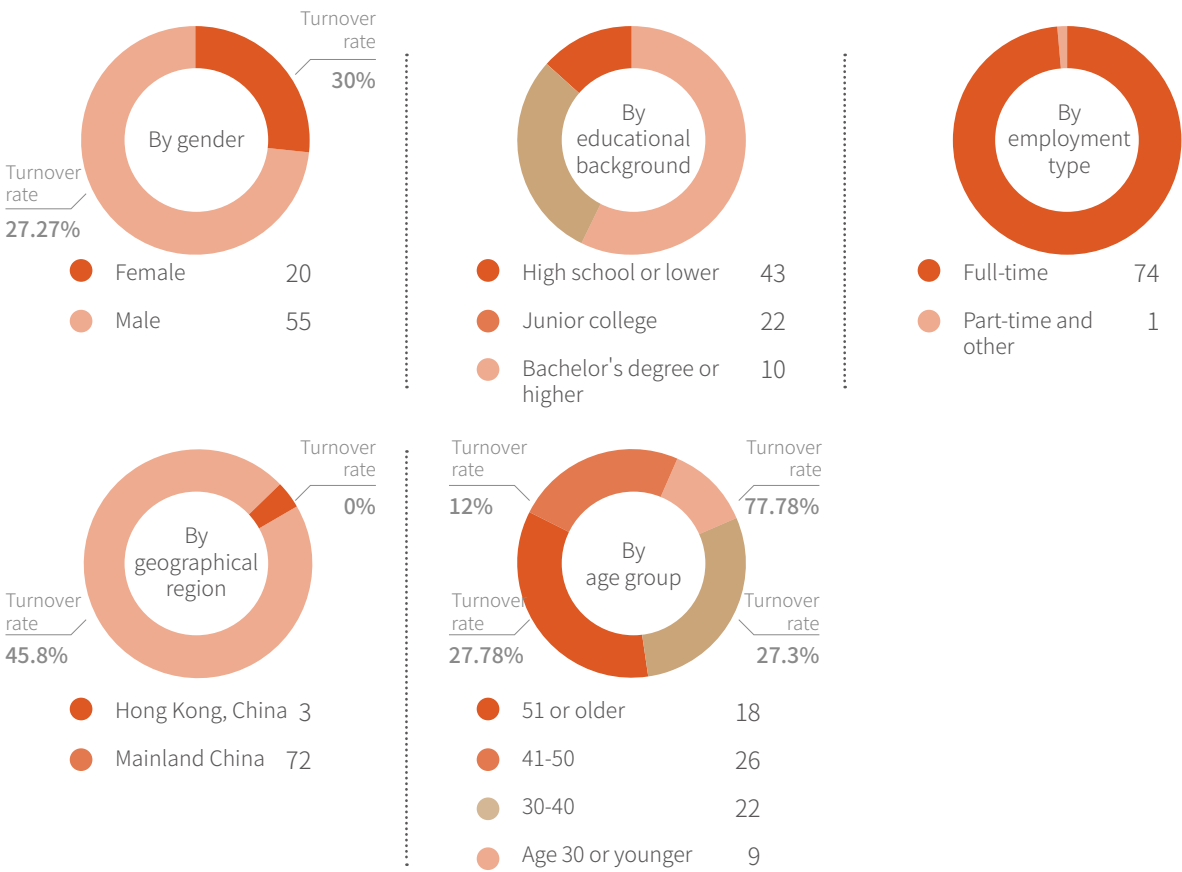
New recruits

6

Days of paid leave per person on average

100%

Employee labor contract signing rate



Salary and welfare system

Focusing on our employees’ interests, we uphold the concept of "matching value distribution with value creation". We have established a comprehensive compensation and performance system that is both internally fair and externally competitive. We provide employees with communication subsidies, accommodation and food subsidies, paid leave, shift transfer and other basic benefits. The Company also participates in the social insurance program by government agencies, covering pension, work injury, medical care, annuity, maternity, unemployment and other aspects of social insurance policy, and purchases commercial supplemental insurance.

Democratic communication management

Wan Tong Yuan values every employee's opinion. We listen to the voice from the staff and set up a staff suggestion box to know their demands. We encourage our employees to contribute to valuable opinions and suggestions on the Company’s development. We hope to improve their motivation and their sense of belonging and happiness.

Occupational health and safety

We highly value the health and safety of our employees, strictly abide by 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 always put the safety of our employees in the first place, ensuring that efforts on safeguarding employee health and safety can be orderly implemented. We organize regular professional medical checkups for our employees, and periodically provide mental health counselling. At the same time, the Company carries out routine activities such as occupational health publicity and fire safety drills to create a strong safety culture and enhance employees' safety awareness and skills.



Empowering employee development

We attach great importance to employee training for its critical role in improving quality and efficiency and overall competitiveness of the Company. We make full use of internal business backbones, industry resources and social training conditions to employees with diversified and multi-level observation, learning, and self-improvement platforms. These cover various aspects such as vocational skills, industry trends, comprehensive management and fire safety, etc We regularly organize training sessions and offer opportunities for employees to learn from peers by participating in service quality improvement, business improvement training and outbound learning activities. At the same time, we encourage employees to participate in on-the-job training for relevant professional qualifications, and reimburse the expenses for obtaining job qualification certificates.

Focusing on the mutual growth between the Company and our employees, we take the initiative to cooperate with industry colleges and universities and industry peers, and become the first batch of member enterprises after the establishment of "National Funeral Industry-Education Integration Community". Through this platform we aim to better utilize educational resources of universities, expand channels for the introduction and reserve of funeral industry professionals, and create conditions for internal talent cultivation and employee capacity enhancement.



Focusing on employee care

Employee happiness and satisfaction are key factors for the Company's sustainable development. To alleviate the work pressure of the staff and maintain a healthy spirit, we have organized and carried out a diverse range of cultural and sporting activities, including outings for team building, leisure competitions, etc. Such activities have greatly enriched the employees' spare time and enhanced the cohesion of the team in a relaxing and enjoyable atmosphere.



Team building on site



Regular team building activities

Inheriting red genes

We deeply implement the new development philosophy, ensuring that our business operations are aligned with the Party building principles. As a designated national defense education base in Langfang City, we actively explore the creation of the red brand, carrying out "red study tours" to pass on and carry forward the revolutionary spirit. During the Qingming Festival in 2023, we organize our employees to sweep the graves of the revolutionary martyrs, drawing strength from the red legacy and ensuring the perpetuation of the red gene.



Tomb-sweeping for revolutionary martyrs



Commemorating revolutionary martyrs

Co-creating a better homeland

We steadfastly uphold our social responsibility, supporting public welfare causes through practical actions. On Children's Day and the Double Ninth Festival, the Company staff visited children's welfare institutions and homes for the aged, bringing them care and gifts. On Teachers' Day, we held a charitable sacrifice event to carry forward the traditional virtues of respect for teachers. During the Dragon Boat Festival, we distributed rice dumplings. During the Ghost Festival, we offered chrysanthemums and organized river lantern-releasing blessing activities to promote the traditional Chinese culture and bring warmth and peace to families.



In the face of the severe floods that struck Hebei Province in July and August, 2023, Wan Tong Yuan sprang into action, supporting the flood relief work in the seriously affected Matou Town. We promptly donated essential supplies and made targeted donations to the Langfang Charity Federation for civil service recipients affected by the floods in Yongqing County.



During the Double Ninth Festival, Wan Tong Yuan volunteers visited Fuyuan Elderly Residence and Boya Elderly Residence. Upon arrival, our volunteers presented the elderly with gifts, and conducted interactive health knowledge quizzes and word-guessing games to promote the traditional Chinese virtue of "respecting, honoring, loving, and helping the elderly".



On the Children's Day, Wan Tong Yuan volunteers came to Langfang Welfare Institution with festive blessings and sincere care, spreading the love and care to every child.



ESG index

Aspect	Indicator Description	Pages	Description
Environmental			
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.	P17	
A1.1	The types of emissions and respective emission data	P17	
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	P18	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	P17	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	P17	
A1.5	Description of the emission targets set and steps taken to achieve them.	P16	
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.	P16、 P17	
A2:Use of Resources			
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P18	
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P18	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P18	
A2.3	Description of the energy efficiency targets set and the steps taken to achieve them.	P16	
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.	P16	
A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	-	(N/A)
A3:The Environment and Natural Resources			
General disclosure	Policies on minimizing the issuer’s significant impacts on the environment and natural resources.	P16、 P20	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P19、 P20	
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.	P16	
A4.1	Description of significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P18	
B. Social			
Employment and Labour Practices			
B1:Employment			
General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P22	
B1.1	Total workforce by gender, employment type (i.e. full-time or part-time), age group and geographical region.	P22	
B1.2	Employee turnover rate by gender, age group and geographical region.	P22	
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.	P23	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P23	

Aspect	Indicator Description	Pages	Description
B2.2	Lost days due to work injury.	P23	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P23	
B3:DeveloPment and Training			
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Descriptions of training activities.	P24	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P24	
B3.2	The average training hours completed per employee by gender and employee category.	P24	
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.	P22	
B4.1	Description of measures to review employment practices to avoid child and forced labor.	P22	
B4.2	Descriptions of steps taken to eliminate such practices when discovered.	-	(N/A)
Operating Practices			
B5:Supply Chain Management			
General disclosure	Policies on managing environmental and social risks of the supply chain.	P08	
B5.1	Number of suppliers by geographical region.	P08	
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.	P08	
B5.3	Description of practices used to identifying environmental and social risks along the supply chain, and how they are implemented and monitored.	P08	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P08	
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.	P13	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	-	(N/A)
B6.2	Number of products and service-related complaints received and how they were dealt with.	P14	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P07	
B6.4	Description of quality assurance process and recall procedures.	P12	
B6.5	Descriptions of consumer data protection and privacy policies, how they are implemented and monitored.	P13	
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.	P07	
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.	P07	
B7.2	Description of preventive measures and whistle blowing procedures, how they are implemented and monitored.	P07	
B7.3	Description of anti-corruption training provided to directors and employees.	P07	
Community			
B8:Community Investment			
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P26	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture and sport).	P26	
B8.2	Resources allocated (e.g. money or time) to the focus area.	P26	

Feedback

Dear readers:

Thank you for reading the Environmental, Social and Governance Report 2023 of China Wan Tong Yuan (Holdings) Limited. To better satisfy your needs, provide you with more valuable information, help us to improve our social responsibility performance, and enhance our ability and standards in fulfilling our social responsibility, we sincerely hope you provide your valued opinions by giving us feedback in the following ways.

Our contact information:

Address: Unit 3707A, 37th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong Tel: (852)39967597

Your evaluation to our report: (please tick 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

☐ Good

☐ Fair

☐ Bad

☐ Very bad

What do you think about the clarity, accuracy, and completeness of information and indicators disclosed in the Report?

☐ Very Good

☐ Good

☐ Fair

☐ Bad

☐ Very bad

What do you think about the content arrangement and style design of the Report?

☐ Very Good

☐ Good

☐ Fair

☐ Bad

☐ Very bad

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 3707A, 37th Floor, West Tower, Shun Tak Centre,
168-200 Connaught Road Central, HongKong

www.chinawty.com



This report uses environmental-friendly paper printing.