



萬桐園

股票代码: 6966.HK



2021 Environmental, Social and Governance (ESG) Report

China Wan Tong Yuan (Holdings) Limited

About This Report

This report is the fifth 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 2021.



Reporting Period

This report mainly covers the Company's performance in the areas of environment, society and governance from 1 January 2021 to 31 December 2021. In order to strengthen the report's comparability and foresight, parts of the content and data have been extended.



Reporting Scope

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



Preparation Basis

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



Content Choice

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



Name Explanation

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



Report Acquisition

The report has been issued in electronic format and can be 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

01 **Chairman's Statement**

02 **Company Overview**

02 **Corporate Governance**

03 **CSR Management**



06 **Inheritance of Quality for Value Creation**

07 Control Operation Risks

08 Improve Operating Efficiency

09 Strengthen Supplier Management



10 **Inheritance of Quality Service for Satisfaction**

11 Innovate in Service Modes

12 Improve Service Quality

13 Value Customer Feedback



14 **Inheritance of Carbon Reduction for Green Development**

15 Strengthen Green Operation

17 Advocate Green Burials

17 Protect and Afforest the Cemetery Environment



18 **Inheritance of Devotion to Public Welfare for a Harmonious Future**

19 Support Patriotic Education

19 Devote to Public Welfare

21 Support Employee Development

25 **ESG index**

28 **Feedback Form**

Chairman's Statement

The year 2021 marked numerous unforgettable moments, such as COVID-19 control, online worships, and public welfare activities, manifesting our solemn commitment of "to the satisfaction of people in both worlds". The fight against COVID-19 is not only a protracted war, but also a daunting test for us. In order to guarantee social order and people's livelihood, Wan Tong Yuan and our employees stuck firmly to our duty, and carried out work in an orderly way. We have built a bridge between the two worlds with love and professional services to life people up during the difficult time!

Steady business operation for quality.

Adhering to the rule of law, we strictly control business risks to safeguard a sound internal environment for the operation of the Company. We also attach importance to the management of social and environmental risks of suppliers. The proportion of suppliers signing the Clean Procurement Agreement has reached 100%, effectively protecting the rights and interests of investors. At the end of 2021, our total assets reached RMB 279.1 million, an increase of 10.1% over 2020.

Commitment to heartfelt services.

We continue to innovate in the service model and refine various services to improve customer experience on the basis of protecting their rights and interests. During COVID-19 containment, we introduced online reservation, offline and online worships, and valet tomb-sweeping for families that were unable to mourn their loved ones in person due to pandemic control requirements.

Green development for a low-carbon future.

In response to China's 30-60 Decarbonization Goal, we integrate the concept of environmental protection into operation and management by constantly strengthening environmental management, and reducing environmental risks. We actively advocate green funerals, strive to build a park-like ecological cemetery, and provide more and better green and ecological funeral services for the public.

Staying true to our original aspiration for the greater good.

We are actively engaged in public welfare undertakings and perform corporate social responsibility with practical actions. As the national defense education base of Langfang City, we vigorously carry forward the spirit of patriotism and the traditional virtues of respecting the elderly through various activities, such as commemorating the revolutionary martyrs, and volunteering at Langfang Welfare Center, Longhe Care Center and Fuyuan Senior Apartment. While protecting the rights and interests of employees, we constantly optimize the compensation and benefits system to share the development achievements of the Company with the employees, the public and the society.

In 2022, may the past lead to a promising new beginning. We will continue to uphold the philosophy of "respecting life, returning to nature, displaying humanity and upholding eternal commemoration", listen and respond to the requirements of stakeholders, honor the commitment of "to the satisfaction of people in both worlds" with more and higher quality services, and aim for higher-quality, more efficient and sustainable development.

Company Overview

China Wan Tong Yuan (Holdings) Limited (stock code: 6966.HK), founded in Langfang, Hebei in November 2007, is a leading burial service provider in Langfang, specialized in cemetery operation, funeral services, and cemetery maintenance services. Wan Tong Yuan has now developed up to 21 traditional and artistic burial areas to meet the diversified demands of our customers. We principally engage in the sale of burial plots and columbarium units, and provide other burial-related services, and cemetery maintenance services in Langfang which is one of the fastest growing cities in Hebei Province. Boosted by the Beijing-Tianjin-Hebei city cluster, we plan to achieve full-fledged development of the burial industry, therefore establishing a diversified development system to foster the rapid growth of the Company.

Burial service

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

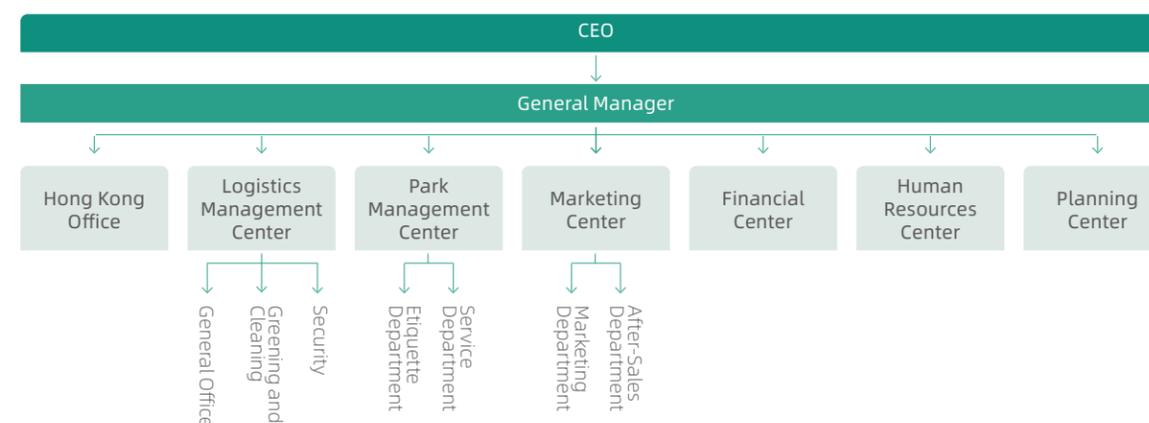
Cemetery maintenance services

- Ongoing 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.

Corporate Governance

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

Organizational Framework



Shareholder's Meeting, Board of Directors and Board of Supervisors

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

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

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

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

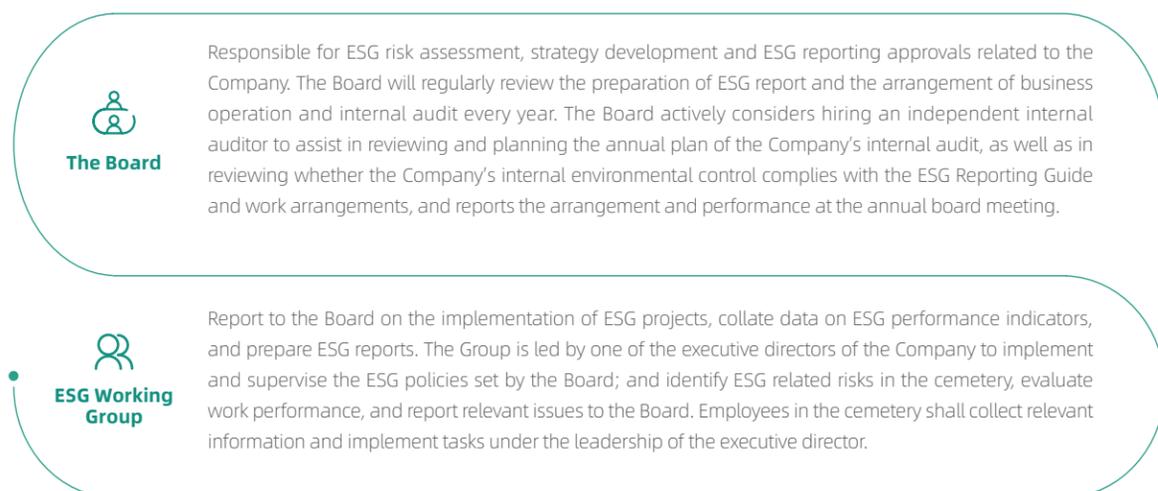
The Shareholders' Meeting, held every year at a place designated by the Board, provides communication opportunities for shareholders of the Company and the Board. In addition to the annual shareholders' meeting, each shareholders' meeting is referred to an extraordinary shareholders' meeting.

4 Regular Board meetings organized and held	2 Meetings of the Audit Committee	2 Meeting of the Remuneration Committee	1 Meeting of the Nomination Committee	14 Announcements issued
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CSR Management

CSR Governance

We have integrated environmental, social and governance aspects into the Company's daily operation and risk management systems, and established a strong corporate governance structure which includes monitoring and implementing comprehensive ESG policies to ensure the Company's sustainable development.



Stakeholder Communication

We actively communicate with stakeholders to fully understand their expectations for our sustainability performance. By actively responding to their requirements, we continuously improve our operation transparency and create value for stakeholders.

Stakeholders	Expectations and Requirements	Measures
Government	Realize compliance operation Pay taxes according to the law Protect the local environment	Follow policy changes Pay taxes according to the law Implement green burials
Shareholders and Investors	Standardize business risks Good information disclosure Receive return on investment	Manage and control operation risks Maintain growth of business and ensure profitability Issue 2021 interim and annual reports
Customers	Obtain due consumption rights and interests Effective response and resolution of complaints Ensure information security	Protect customers rights Improve customers feedback channels and customers complaints procedures Protect customers privacy
Suppliers	Honor contracts in accordance with the law Admittance criteria for suppliers Promote mutual development	Maintain fair and transparent procurement processes Build a responsible supply chain Provide fair opportunities to promote cooperation and win-win outcomes
Employees	Salary and welfare guarantees Occupational health and safety Fair promotion and development Work-life balance	Improve the remuneration system Provide employees physical examination Establish a long-term mechanism for talents Develop employees recreational activities
Environment	Energy conservation and emissions reduction Waste disposal Protect the ecological environment Energy conservation Addressing climate change	Implement green burials Reduce environmental impact of business activities Protect and afforest the cemetery environment
Communities and the Public	Promote community development Care about vulnerable groups	Support patriotic education Engage in public welfare Provide voluntary services

Materiality Analysis

To determine the ESG issues that are important to the Company, we sorted out topics related to the development of the Company based on the ESG Reporting Guide, industry trends and media reports in 2021. After extensive stakeholder research, we showed 26 topics in the materiality matrix and disclosed the material topics in detail in the report to effectively respond to the concerns and expectations of stakeholders.

Assessment process of material topics



No. Topics	No. Topics	No. Topics
1 Strengthen enterprise management	10 Protect customer privacy	19 Supplier's environmental and social risk management
2 Anti-corruption	11 Properly handle customer complaints	20 Business ethics
3 Improve business quality	12 Protect the rights and interests of customers	21 Protect human rights and prevent child labor and forced labour
4 Manage and control business risks	13 Create satisfactory service	22 Contribute to industry development
5 Resource use	14 Diverse and equal opportunities	23 Promote the development of local communities where we operate
6 Green burials	15 Compensation and benefits	24 Support patriotic education
7 Biodiversity conservation	16 Ensure occupational health and safety	25 Charity
8 Green office	17 Employees development and training	26 Volunteer services
9 Guarantee service quality	18 Employee care	

Note: The topics in green are the material topics.



Inheritance of Quality for Value Creation

We constantly improve our corporate governance, adhere to the rule of law to strictly control business risks, and strengthen the management of social and environmental risks of suppliers to effectively protect the rights and interests of investors, and drive the coordinated and sustainable development of enterprises, industries and regions.



Control Operation Risks

In line with the principles of "ex-ante prevention, interim control, and ex-post response", we continue to improve our law-based management, risk management and internal control system. While advancing our internal audit, we build corporate culture of integrity, thus laying a solid foundation for our sustainable development.

Solid Legal Foundation

In strictly accordance with national laws and regulations and regulatory provisions, we improve the management systems, continuously raise the legal awareness of employees, and strengthen law-based management to effectively transform the compliance operation ability into a sustainable driving force to modernize our corporate governance.



advance law-based corporate management

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



Improve internal systems

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



Raise employees' legal awareness

The training on the rule of law are regularly organized to popularize the basics of laws and build an atmosphere of learning and understanding the law as well as a sound development environment in which we constantly raise the awareness of risk prevention and law-abiding ability of our employees.

Risk Management

We have effectively controlled the business risks and enhanced our risk resistance capacity by improving our risk management mechanism as well as the enterprise risk identification and evaluation system, so as to ensure the sustainable, stable, healthy and orderly development of the Company.

Risk management framework

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

Internal control and approval system

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

Emergency response mechanism

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

Investment risk management system

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

Internal Audit

Following the principles of "supervising services, correcting malpractices, and promoting management," we have strengthened our management and supervision system, with prioritized daily supervision and special audits held in a phased manner. We give full play to the supervision and service functions of internal audit to facilitate the effective implementation of systems of the Company, thus further improving our risk prevention ability.

1

Semiannual audit for each department

1

Semiannual follow-up audit

Anti-corruption

We have continuously improved the anti-corruption reporting mechanism. The telephone reporting is open to the public so that we can timely deal with, follow-up and give feedback on the results, which ensures the key role of public supervision in improving the Party conduct and clean governance. To raise employees' awareness of integrity, we organize regular training regarding the anti-corruption mechanism to inform employees of the necessary requirements, restrain their behaviors, and supervise each other, jointly creating a clean workplace.

0

Major violations in law and discipline

0

Anti-corruption lawsuits

100%

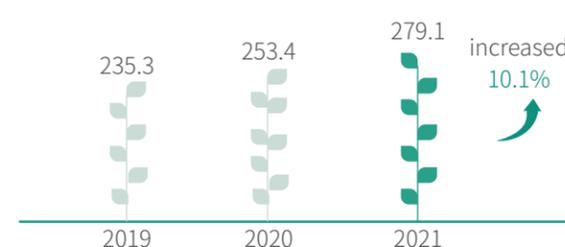
Coverage rate of anti-corruption training

Improve Operating Efficiency

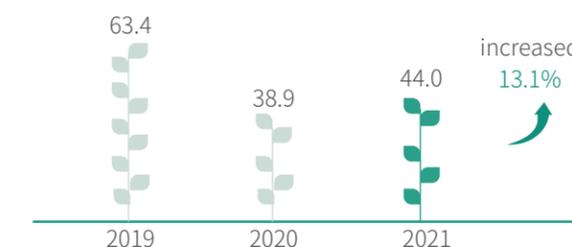
Since our listing on the Stock Exchange of Hong Kong Limited in 2017, we have continuously improved our operation and management, provided better and more professional services to customers, and made stable progress to improve our operation quality and efficiency continuously.

Unit: RMB million

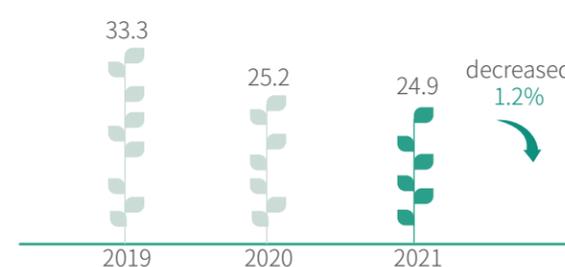
Total asset



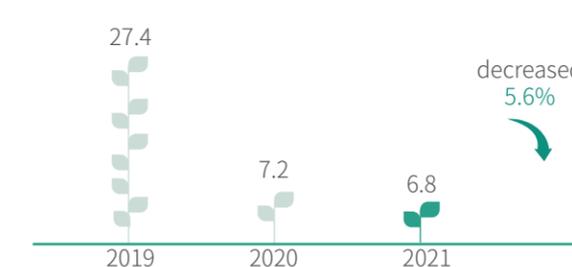
Principal operating revenue



Total profit



Total tax



Strengthen Supplier Management

Aligning with the "open, fair, and just" procurement procedures, we continuously optimize the supplier selection mechanism, and the supplier management system. The factors affecting the environment and society are incorporated into supplier access and assessment to foster an honest partnership with suppliers. Together with them, we strive for the shared and sustainable development.

100%

Proportion of suppliers that signed the Integrity Purchase Agreement

2

Suppliers in Hebei Province

4

Suppliers otherwise

Improve Supplier Selection Mechanism

We have kept updating our supplier review system. For example, we clarify the source of suppliers and investigate the qualification of suppliers to improve the entry threshold of suppliers while clarifying the details of cooperation. As such, we hope to move forward with more partners.

- Optimize selection criteria** We have established the selection mechanism of tracking evaluation and only the fittest can survive, which not only fully unleashes their advantages through competition and cooperation but also boasts low cooperation cost and high flexibility.
- Support selection review** To select and evaluate suppliers, we have established a solid and reliable supply base, and constantly seek new suppliers to ensure an uninterrupted supply of materials.
- Prioritize green procurement** We prioritize suppliers with green products and services, strengthen their environmental consciousness, and phase out non-eco-friendly products.
- Make bulk and unified procurement** To reduce comprehensive procurement costs, we adopt a bidding system for bulk and unified procurement and purchase cost-efficient goods.
- Evaluate and adjust regularly** We carry out credit investigation on long-term and key suppliers, register and evaluate their credibility regularly, and make adjustments when necessary.

Supplier Management Mechanism

We constantly optimize supplier management based well-established supplier management systems to strengthen the relationship with suppliers, and deepen information sharing for standardized management of supplier resources.

- Strengthen relationship management** Expect for better management of supplier and customer relationship, we expand supply channels across regions, and track supplier performance.
- Increase information sharing** More information sharing with suppliers and customers can guarantee transparency along the supply chain and reduce supply chain management risks.
- Pay irregular visits to partners** We grant performance-based rewards to partners, send them holiday greetings, and pay them occasional visits.
- Promote emergency response ability** We set up procedures and specialized teams for emergency response, and integrate supply chain flows to build a more efficient and resilient supply chain.



Inheritance of Quality Service for Satisfaction

"To the satisfaction of people in both worlds" is our commitment to customers. As quality service is the foundation of our business, we strive to improve customer experience and guarantee their rights and interests, building a bridge between the two worlds with professional services.



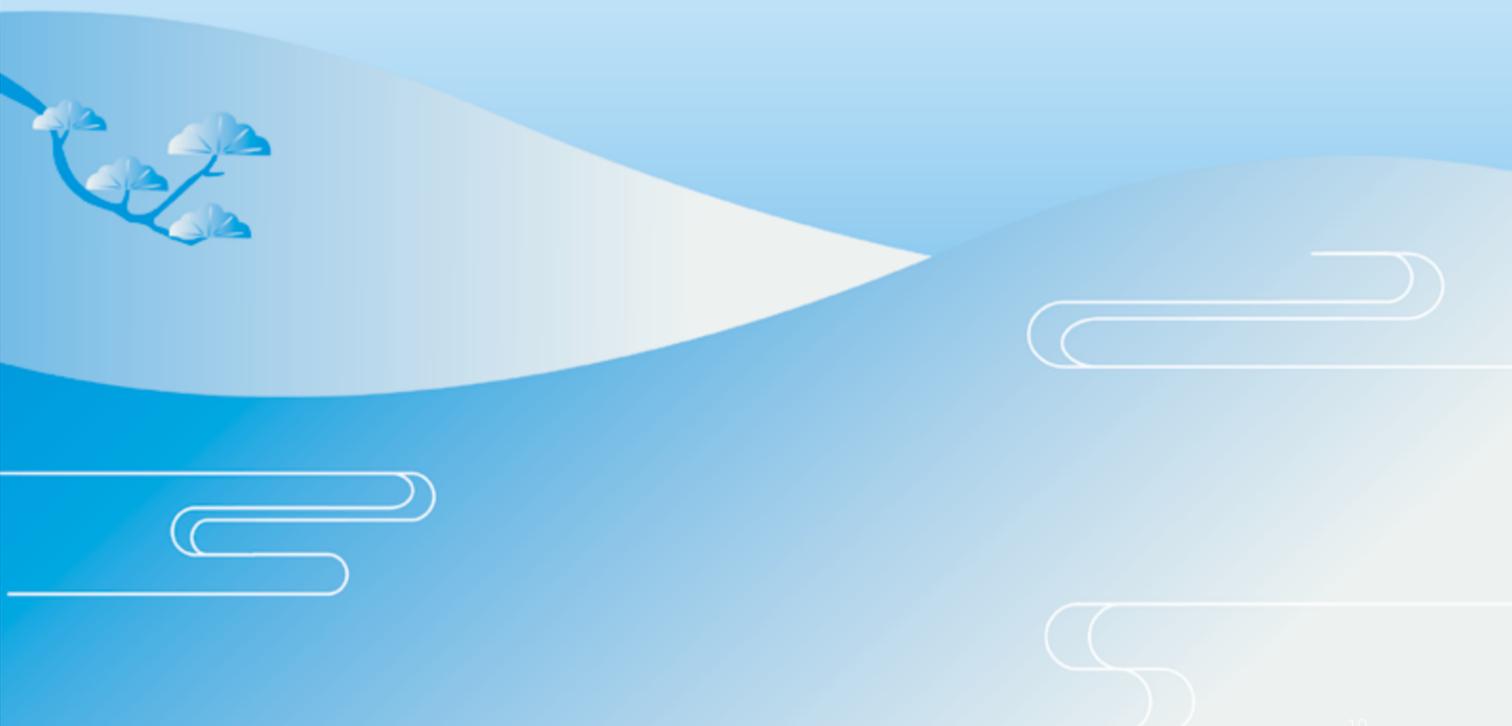
Innovate in Service Modes



Improve Service Quality



Value Customer Feedback



Innovate in Service Modes

We continue to optimize the service model, and actively advocate "cloud" services, such as online worship and valet tomb-sweeping, to convey love for the public with professional and considerate services.

Improve management

To improve our management and service level and efficiency, we explore innovative service modes and products to realize more digital and intelligent burial management for faster, more efficient and convenient services.

Online worships

We hold tomb-sweeping activities to worship the deceased on behalf of customers who cannot show up in person and live-stream the whole process via photos and videos for customers to view online.

Improve the management service

The cemetery management system and software help to streamline work process, improve the efficiency of formalities handling and save customers' time.



Upgrade services under the COVID-19 pandemic

During pandemic containment, we introduced online reservation, offline and online worships and valet tomb-sweeping. For offline visitors, we required them to make reservations online to effectively control visitor flow and reduce visitor density in the cemetery. We checked their temperature, travel code and health code and made sure they keep proper space from one another. In addition, we disinfected service facilities, office environment and equipment regularly every day to ensure the safety of visitors. In response to customer demand, we offered online worship and valet tomb-sweeping for customers who were not able to visit their loved ones in person. We engaged customers in the tomb-sweeping process via photos and videos to convey their love.



Improve Service Quality

We continue to strengthen service management, effectively protect customers' legitimate rights and interests, such as freedom of consumption. We effectively guarantee customers' information security, and provide them with high-quality and highly credible services.

Better service management

We have formulated detailed job responsibilities, and constantly improved the employee manual to standardize the work process and service standards, and ensure that all work is carried out in an orderly and standardized manner.

Implementation of job responsibilities	Upgraded policies and procedures	Higher service efficiency	Standard daily operation
 <p>To better customers' service, detailed responsibility specifications are formulated for each post and shall be strictly followed.</p>	 <p>According to corporate rules and regulations, we have improved the employee handbook by collecting all rules and regulations, standardized work processes, various standard forms and all daily matters.</p>	 <p>We have reception personnel at the entrance hall, and service personnel at the parking lot to provide timely services to customers.</p>	 <p>We have strengthened the leadership accountability in front-line service departments to coordinate daily work and ensure compliance with work orders and standards. During COVID-19 control, we installed automatic infrared electronic thermometer to capture and quickly measure body temperature to avoid queuing and gathering of visitors.</p>

Protection of the rights and interests of customers

Adhering to a transparent and open pricing policy, we have set up information disclosure and service commitment policies to protect customers' privacy and the information of the deceased, thus fully protecting customers' rights and interests.

<p>Open and transparent product information</p> <p>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.</p>	<p>Protection of customer privacy</p> <p>The name of the deceased and the mobile phone number of the contractor must be input during the tomb location inquiry, and 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.</p>
<p>Legitimate consumption</p> <p>We guarantee safe and legitimate consumption. All customers receive printed invoices issued by national tax departments for each purchase.</p>	<p>Complete service details</p> <p>We provide a hard copy of the services' details containing all relevant items to protect the consumers' right to know.</p>

Value Customer Feedback

To track customer demands, we keep improving our overall service by upgrading our feedback mechanism, so as to timely respond to customers' demands.

Better complaint handling mechanism

We continue to improve the online and offline complaint and feedback channels, standardize the complaint handling process, timely track and handle the problems put forward by customers, and constantly optimize service measures.

Complaint handling principles

Prompt response shall be given to reduce the waiting time for customers; we shall calm customers down before dealing with complaints, and timely inform the customer of the progress and result of complaint handling. For common complaints, we do not make easy promises that exceed our line of duty. For serious complaints, we offer quick solutions with minimum loss to the best of our ability.

Complaint channels

Multiple complaint channels are available, including telephone feedback, WeChat feedback, opinion box, and on-site feedback, for the convenience of customers to provide valuable suggestions for our services.

Time-frame for handling

We make immediate remedies and changes as needed in light of customer complaints. For problems that cannot be solved in time, we closely track and inform customers of the handling progress, and provide solutions within 24 hours in principle.

Handling methods

When dealing with complaints, we shall keep calm, patient and smile, adopt a decisive, flexible and acceptable way to properly and timely solve customer complaints to win their satisfaction.

Improve customer satisfaction

We constantly improve the cemetery environment, and upgrade basic service facilities to provide customers with a sound environment and more quality services.

Better cemetery environment

We regularly improve the cemetery environmental by planting turf, greening and pruning, improving the frequency of cleaning, setting up billboards and garbage cans, and designing scenery spots in the cemetery.

More service facilities

We set up new facilities such as water fountains and toilets, and provide tools such as buckets, small shovels, and brushes for customers for free. We also provide shuttle bus service for customers, and add more shuttle buses during the rush hours for the convenience of customers.



Inheritance of Carbon Reduction for Green Development

To realize sustainable corporate development, we integrate the concept of green development into our business operation, and constantly strengthen environmental management to reduce environmental risks, and actively promote green tomb-sweeping. By building a park-like ecological cemetery and continuously optimizing the cemetery environment, we hope to contribute our efforts to China's 30-60 Decarbonization Goal (China strives to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060).



Strengthen Green Operation



Advocate Green Burials



Protect and Afforest the Cemetery Environment



Strengthen Green Operation

In accordance with the Environmental Protection Law of the People's Republic of China and other laws and regulations, we pay close attention to climate change, and strengthen green operation by focusing on energy conservation, emission reduction and water resources to honor our commitment to green development.

Indicators	Base year	Goals for 2030	Progress in 2021
GHG emissions	2021	200 tons	227.37 tons
Hazardous wastes discharge	2021	0 ton	0 ton
Non-hazardous wastes discharge	2021	3 tons	3 tons
Overall energy consumption	2021	74.14 tons	/
Water consumption	2021	300 tons	300 tons

Climate Actions

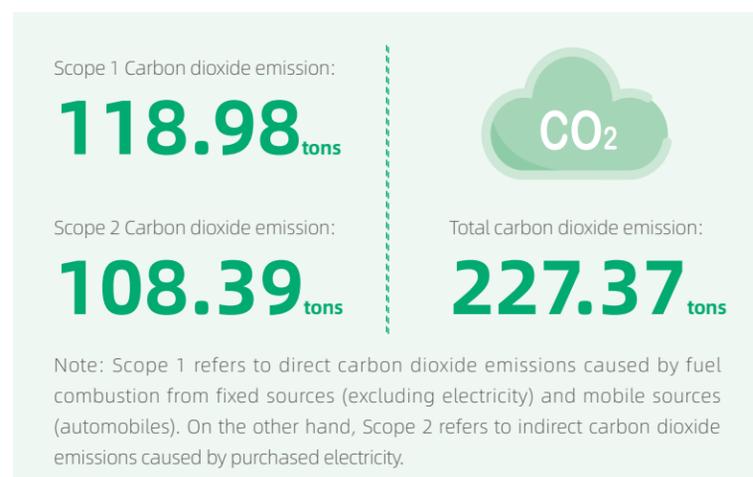
To mitigate the risks and challenges due to climate change, we assign special personnel to follow up on weather conditions, and provide customized services based on temperature changes, and strengthen safety control during extreme weather events, thus ensuring the safe operation of the cemetery during extreme weather conditions.

Emission Management

We shoulder the responsibility of environmental protection and tighten the management of emission by reducing the discharge of waste water, exhaust gas, and solid wastes to pursue a green and intensive management style and minimize the negative impacts of our business operation on the natural environment.

Reduce carbon emission

In response to China's "carbon peak and neutrality" strategy, we pay attention to the impact of GHG emission on the environment, and vigorously promote the emission reduction within the cemetery to reduce the pressure on the environment during business operation. Our GHG emissions mainly come from fuel combustion and purchased electricity. We promote green and low-carbon development through practical actions such as reducing the use of business vehicles and saving electricity.



Reduce exhaust emission

Incense, joss paper, and relics are the main sources of exhausts during sacrifices. In order to control exhaust emission, we continue to advocate civilized sacrifice and low-pollution incineration. Thus, by using a new type of eco-friendly incinerator, we have significantly reduced the emission of smoke and dust. Meanwhile, by managing vehicles better, building green facilities and using electric vehicles, we have reduced the use of fossil fuels (gasoline and diesel).



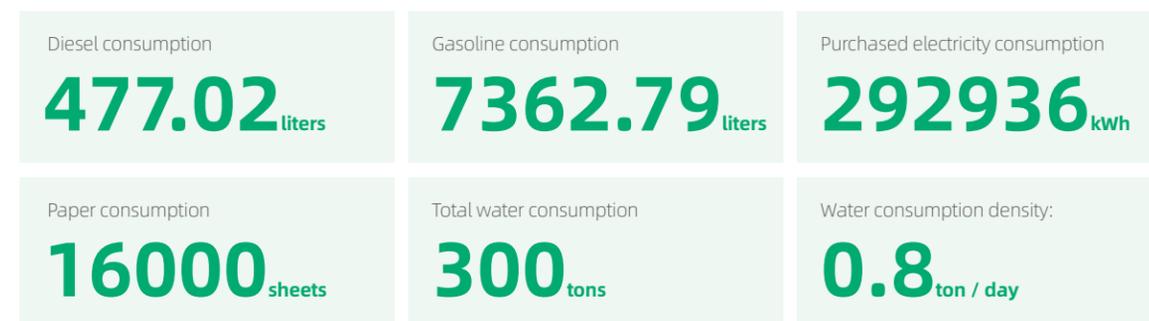
Strengthen solid waste management

In strict accordance with relevant national laws and regulations, the wastes generated during operation are classified into domestic, kitchen and sacrificial wastes for storage and legal disposal to make sure that our waste discharge meets relevant standards and can reduce environmental impacts.



Effective use of resources

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



Advocate Green Burials

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

Case

Ushering in a green Tomb Sweeping Festival

Tomb Sweeping Festival falls in spring when the weather is clear and bright. It celebrates the tradition to tend graves to honor ancestors and the deceased. During the Festival in 2021, Wan Tong Yuan vigorously advocated modern, civilized and green sacrifices by introducing new methods such as online sacrifice and valet tomb-sweeping, and encouraging citizens to honor the deceased through flower sacrifice, thus fully ensuring that sacrifice activities are safe, peaceful, civilized, low-carbon and environmentally friendly.



Online sacrifice



Valet sacrifice

Protect and Afforest the Cemetery Environment

We strive to build the culture-themed cemetery, increase vegetation coverage in cemetery areas, and maintain existing plants. We also have increased the frequency of road cleaning to maintain a clean environment. Moreover, the introduced electric shuttle buses for transportation in the cemetery help reduce exhaust emissions and carbon dioxide released by private vehicles. In addition, we endeavor to create a comfortable and peaceful environment for the deceased and their family by building a multifunctional cemetery with blooming flowers, green lawns, clear water, and lush forests.



Inheritance of Devotion to Public Welfare for a Harmonious Future

We diligently perform corporate social responsibility, and advocate patriotism and the care for the elderly. We develop with our employees and contribute to social welfare to pass on love and power to all sectors of the society.



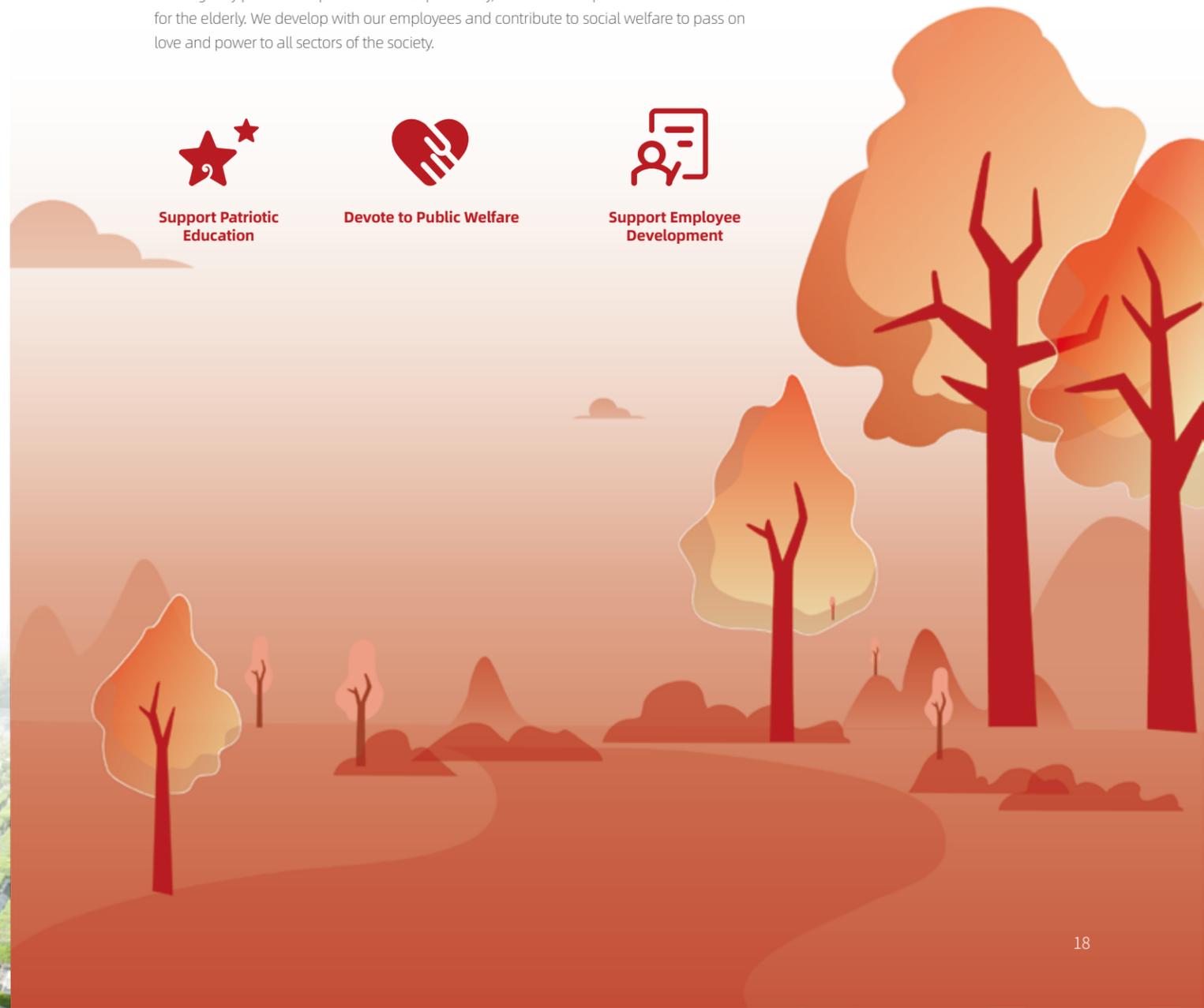
Support Patriotic Education



Devote to Public Welfare



Support Employee Development





Third Primary School of Langfang Economic and Technological Zone worships the revolutionary martyrs

Support Patriotic Education

As a national defense base in Langfang, we devote wholeheartedly to patriotic education by organizing primary school students to commemorate the revolutionary martyrs. While ensuring effective COVID-19 containment measures, we opened to the First Primary School and Third Primary School of Langfang Economic and Technological Zone as well as the public from all sectors to worship the heroes. By learning their heroic acts, we aim to garner more positive energy and patriotism.



First Primary School of Langfang Economic and Technological Zone worships the revolutionary martyrs

Devote to Public Welfare

Bearing in mind our original aspiration, we organize employee representatives to carry out public welfare activities during Dragon Boat Festival, Teachers' Day and Double Ninth Festival. We regularly visit welfare institutions in Langfang, Longhe Care Center and Fuyuan Senior Apartment to care for children and the elderly there, pass on love and call for society-wide positive energy.



Case Tomb sweeping activities on the Teachers' Day

The annual Teachers' Day is not only a reminder of our youth, but also the fine tradition of respecting teachers and valuing education. On the Teachers' Day in 2021, we carried out a Teachers' Day tomb sweeping activity under the theme of "honoring teachers" to tend the graves of teachers in the cemetery and offer flowers. Our Teachers' Day activities received unanimous recognition and gratitude from the teachers' family members.

Case Sending love on the Double Ninth Festival

On October 14, 2021, the Chinese traditional festival - Double Ninth Festival, we organized volunteers to bring gifts into Fuyuan Senior Apartment and Longhe Care Center to shoulder social responsibility and promote the traditional virtues of respecting the elderly. Volunteers distributed boxes of daily necessities to everyone, sent festival greetings and blessings, communicated with the hospital staff to understand the daily life of the seniors, and expressed their concern and care for the elderly with practical actions.



Wan Tong Yuan volunteers visit Fuyuan Senior Apartment



Wan Tong Yuan volunteers visit Longhe Care Center

Support Employee Development

We strictly abide by relevant laws and regulations to protect the basic rights and interests of employees, constantly optimize the compensation and benefits system, and provide broad development space for employees to increase their senses of gain, happiness and belonging.

Employee Rights and Interests

We protect the basic rights and interests of employees, including equal employment, compensation and benefits, democratic management, occupational health and safety according to law, and have established standardized, fair, mutually beneficial, harmonious and stable labor relations.

Equal employment

We firmly practice relevant laws and regulations, such as the Labor Law, Labor Contract Law and Provisions on Prohibition of Child Labor, and uphold the principles of equal, open and fair employment. Thus, we bear zero tolerance toward discrimination against gender, ethnicity, race and age, as well as child labor and forced labor. We protect the basic rights and interests of employees such as equal employment, fair pay, vocational training and education and paid leave. Moreover, we strive to attract high-level management talents by deepening cooperation with higher education institutions and introducing more professional talents into the Company to underpin stable corporate development. With our efforts, no labor dispute occurred in 2021, and employees satisfaction remained high.



Democratic management

We safeguard the employees' right to participate in corporate decision making and management by setting up opinion boxes that ensure confidentiality of employees to make sure they express their opinions as needed.

COVID-19 containment

In the face of the ongoing COVID-19, our leadership has made decisive decisions and established COVID-19 response working groups. The groups fully communicated and cooperated with each other to follow government policies and documents on COVID-19 control. Accordingly, they track and timely report the travel footprints of employees as required, manage medical supplies, register and control outside visitors, disinfect public areas, measure body temperature, develop travel record inquiry App, and post COVID-19 prevention posters and banners.

Compensation and benefits

We implement the compensation management system consisting of basic salary, merit pay, commission, and wage for seniority, along with subsidies for skill development, education, phone, accommodation, and food. We provide employees with gift cards on some traditional Chinese festivals, and purchase social insurance and commercial supplementary insurance for every eligible employee. As a responsible enterprise, we always pay employees on time and in full, even during the COVID-19 outbreak in 2021 when employees were not able to perform their duties as usual in the hope of increasing their sense of happiness and job security.

Occupational health and safety

Attaching importance to the occupational health and safety of employees, we have upgraded the Company's work environment and occupational health and safety management system. In addition, we organize regular professional physical examination, physical exercises and mental health counseling for employees to make sure they have a positive attitude and prevent diseases. We also organize fire safety training to strengthen employees' safety awareness and environmental awareness, striving to create a safe and healthy working environment.



Employee Development

Employee growth lays the foundation of our development. We actively create a development platform and space for employees to improve their comprehensive ability, stimulate their progress, and strive for the sustainable development of employees along with the Company.

Employee training

We improve employees' comprehensive ability, including professional skills and individual abilities in the form of lectures, exchange sessions and hands-on sessions. In 2021, training hours per employee reached nearly 10 hours.

Professional skills training

To improve the services in the cemetery, we strengthen employees' individual and professional skills through training on service etiquette, fire safety and protection measures to build a learning atmosphere.

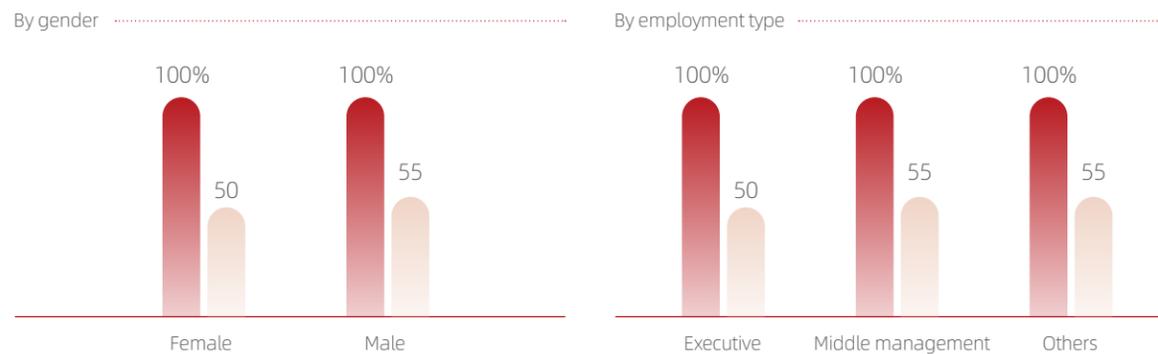
Generic skills training

We hold etiquette and physical training and hands-on sessions to improve the professional abilities of employees and the quality of customer services.

Management skills training

We focus on cultivating management talents, encourage employees to learn various professional skills or read general management books to develop their strengths, and improve the quality of our management team, in an effort to nurture excellent management talents.

Employee training ● Training hours per employee ●



Employee development

We constantly improve the performance management system to make sure it is standardized and professional. We provide employees with a fair, just and personalized development platform to increase employees' participation and enhance the cohesion of the Company.

Monthly performance evaluation

We evaluate the performance of employees every month, and reward those with outstanding performance to inspire more people. We also encourage those with unsatisfying performance to find out root causes and solutions to help them develop stronger abilities.

Annual performance evaluation

At the end of the year, we select excellent employees of the year according to their task completion, monthly evaluation results and daily performance.

Employee Care

To help employees strike a balance between work and life, create a pleasant working atmosphere and increase the cohesion of employees, we organize many forms of group activities to facilitate employee communication, thus having improved their sense of happiness.



Team building activities



Service etiquette training

ESG index

Aspect	Indicator Description	Pages/ Remarks	Description
A. 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.	P15-16	
A1.1	The types of emissions and respective emission data.	P16	
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	P15	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	P16	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	P16	
A1.5	Description of the emission targets set and steps taken to achieve them.	P15-16	
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.	P15-16	
A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P16	
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).	P16	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P16	
A2.3	Description of the energy efficiency targets set and the steps taken to achieve them.	P15-16	
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.	P15-16	
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.	P15-16	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P15-16	
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.	P15	
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.	P15	

Aspect	Indicator Description	Pages/ Remarks	Description
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.	P21-22	
B1.1	Total workforce by gender, employment type (i.e. full-time or part-time), age group and geographical region.	P21	
B1.2	Employee turnover rate by gender, age group and geographical region.	P21	
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.	P22	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P22	
B2.2	Lost days due to work injury.	P22	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P22	
B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Descriptions of training activities.	P23	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P23	
B3.2	The average training hours completed per employee by gender and employee category.	P23	
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.	P21	
B4.1	Description of measures to review employment practices to avoid child and forced labor.	P21	
B4.2	Descriptions of steps taken to eliminate such practices when discovered.	-	(N/A)
Operating Practices			
B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P9	

Aspect	Indicator Description	Pages/ Remarks	Description
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	
B5.3	Description of practices used to identifying environmental and social risks along the supply chain, and how they are implemented and monitored.	P9	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P9	
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.	P12	
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.	P13	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P7	
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.	P12	
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.	P8	
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.	P8	
B7.2	Description of preventive measures and whistle blowing procedures, how they are implemented and monitored.	P8	
B7.3	Description of anti-corruption training provided to directors and employees.	P8	
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.	P19-20	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture and sport).	P19-20	
B8.2	Resources allocated (e.g. money or time) to the focus area.	P20	

Feedback Form

Dear readers:

Thank you for reading the Environmental, Social and Governance Report 2021 of China Wan Tong Yuan (Holdings) Limited. To better satisfy your needs, provide you with more valuable information, help us to improve our social responsibility performance, and enhance our ability and standards in fulfilling our social responsibility, we sincerely hope you provide your valued opinions by giving us feedback in the following ways.

Our contact information:

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

Tel: (852) 39967597

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

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

Which parts of the Report are you most interested in?

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

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



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This report uses environmental-friendly paper printing.