Wison Engineering Services Co. Ltd.

(Incorporated in the Cayman Islands with limited liability Stock Code: 2236)

CORPORATE SOCIAL RESPONSIBILITY REPORT 2018

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(Stock Code: 2236)

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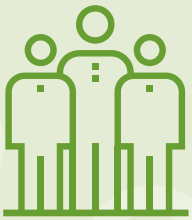
Contents



ABOUT THIS REPORT

OVERVIEW

This report is the third Corporate Social Responsibility Report of Wison Engineering Services Co. Ltd. (the "Company"). This report is an annual report and is issued regularly on an annual basis which focuses on the disclosure of the Company's performance in economic, environmental protection, quality management, employees, communities and other aspects.

SCOPE OF REPORT

The policies and information contained in this report cover the Company and its wholly-owned and controlled subsidiaries ("Wison Engineering", the "Group" or "We"). Some of the contents involve Wison Group Holding Limited (the "Wison Group"). The scope of information disclosure is from 1 January 2018 to 31 December 2018 (the "Reporting Period"). Unless otherwise specified, the currency used in this report is Renminbi ("RMB").

BASIS OF PREPARATION

This report is prepared based on the "Core" aspects of the GRI Standards (the "GRI Standards") issued by the Global Sustainability Standards Board (the "GSSB") and the Environmental, Social and Governance Reporting Guide in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

This report mainly discloses Wison Engineering's performance in environmental, social and governance ("ESG") aspects for reference by stakeholders. The contents of this report are determined according to a set of established procedures including identifying and arranging important stakeholders and major ESG issues, determining the boundaries of the report, collecting information in relation to the report, preparing the report based on the information and reviewing the information in the report.

SOURCE OF AND RELIABILITY GUARANTEE FOR INFORMATION

The information and cases of this report mainly come from the Company's statistical reports and related files. The Board of Directors of the Company guarantees that this report does not contain any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its contents.

ACCESS TO AND RESPONSE TO THIS REPORT

This report is available in both traditional Chinese and English version for your reference, and its electronic version is available on the website of the Stock Exchange (www.hkex.com.hk) or in the section "Circulars & Announcements" on the official website of Wison Engineering (www.wison-engineering.com).

We attach great importance to the suggestions of stakeholders and welcome readers to contact us using the following contact information. Your suggestions will help us further improve this report and enhance the overall sustainability performance of Wison Engineering.

Tel: 852-21164313
Fax: 852-21169273
Address: Room 5408, 54th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong

MANAGEMENT STATEMENT

In 2018, in spite of various external challenges and changes, the Group upheld its initial vision of becoming a PRC leading and world-renowned comprehensive solution provider for EPC service and technology in the energy engineering industry. Adhering to the comprehensive international development strategy, the Group increased investments in refined project management, value creation by digitalization and modularization, and technology research and development to continuously consolidate its core competitive advantages. We also proactively incorporated the social responsibility concept into our operational strategies during the general process of planning, design and project implementation, and strived to maintain a balance between the risks and development opportunities in environmental, social and governance aspects, which not only ensured the continuous and healthy growth of the Group's business, but also won the Group wide recognition from the society.

We made active attempts to stimulate drivers for innovation. Enhancing engineering and service quality through technological innovation is the core competitiveness of the Group. We put the principle of "improving people's livelihood with innovative technology" by focusing on globally advanced technologies, continuously increasing input in research and development and steadily pushing ahead with technological innovation and independent research and development, thereby achieving forward-leaping development in green design and low-carbon energy-saving chemical technology process. Wison Engineering established specialised technology research center and scientific research station to facilitate the transformation of scientific achievements in an attempt to further realize high-quality sustainable development. As of the end of 2018, with a total of 75 valid patents, the Group took the lead of the transformation and development of the technology innovation in the industry.

We are committed to the building of competitiveness in terms of quality and safety. We placed the safety and health of our employees as the first priority. With risk management at the core, we incorporated the up-to-date occupational health, safety and environment (HSE) concept into all decision-making processes of the Group, through which we have established and improved the responsibility system for safe and civilized construction. Advanced and stringent quality management and control measures were adopted during the process of project planning and control, procurement, design and construction management and other aspects. Meanwhile, we remained committed to civilized construction and green construction with a view to continuously mitigating the impact of construction on the environment. Through training, publicity and communication, Wison Engineering managed to enhance the employees' HSE awareness and skills. In 2018, a total of 19,479 employees of the Group and outsourced employees received HSE relevant training, reaching a training time of 55,196.5 hours, with multiples domestic and overseas projects winning the Safe Working Hour Award.

We strived to create a mutually-beneficial ecosystem. On top of building stable cooperative relationship with world-class patent licenser and engineering companies, domestic large-scale design institutes, construction units and excellent suppliers at home and abroad, the Group is also dedicated to providing diversified customized solutions and professional services to the clients. We continued to improve supply chain management via sustainable procurement policies and excellent supplier communication mechanism and all-rounded supportive measures for suppliers. On the other hand, we also continued to improve engineering quality and service standard by gaining in-depth understanding of clients' management requirements for design, procurement and construction through conducting client satisfaction survey on a continuous basis.

We went to great lengths to boost our employees' vitality. Regarding employees as the primary capital of the Group, we worked aggressively on creating a diversified workplace that is free of discrimination. The Group ensured full protection for the rights and interests of its employees, constantly placed great emphases on the cultivation and development of talents, and provided equal and fair career promotion paths for the employees to help realize their self-value. Meanwhile, the Group not only continued to strengthen communication with its employees to effectively understand their needs, but also strived to balance the work and life of its employees through welfare protection, so as to enhance cohesion and sense of belonging among employees. More than 80% of the Group's core technical personnel had over 10 years of industry experience, while the middle and high-level employees who have grown together with Wison Engineering for over 10 years account for more than 60%.

We aimed to empower new development of the community. While achieving booming development, the Company also earnestly contributed to the society and took into serious consideration the development of humanities, arts and charitable activities of the community. We carried out a wide variety of charitable activities related to education and environmental protection in a number of domestic and overseas locations in which we operated our projects. By establishing these cultural and art exchange platforms, we not only introduced culture and arts into community life, but also shared the benefits from the Company's development with the community.

In 2019, the energy engineering industry will still be full of both opportunities and challenges. The Group will uphold its strong commitment to the society and environment in its operation, and seek to improve the quality of products and services by way of developing the innovative application of energy and technology and at the same time, enhance the international influence of the Group. We will work together with all stakeholders to achieve sustainable development of the Company and contribute to both socio-economic development and the improvement of people's livelihood.

Executive Director and Chief Executive Officer
Rong Wei

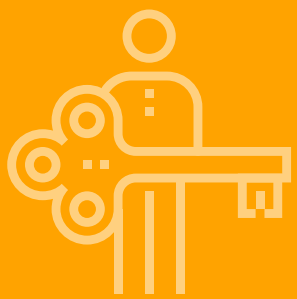
Operational Performance

- New contract amount of 7,167.5 million was secured, representing a year-on-year increase of 129.8% as compared to that of 2017
- 11 marketing focus areas and 2 project execution centers have been established across 4 continents around the world, achieving full coverage of the key customers and project opportunities in over 30 countries and regions
- 100% of the suppliers are required to sign the *Commitment Letter for Integrity* before carrying out any business activity with us
- The number of corruption cases ruled against us was 0

Client Orientation

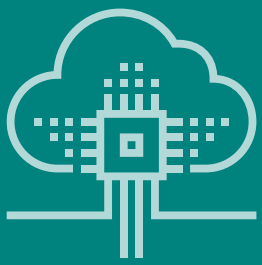
- The average customer satisfaction score for design projects reached 9.68, representing a year-on-year increase of 3.9% as compared to that of 2017
- The number of material customer complaint was 0

QHSE Management



- The passing rate of projects under construction reached 100%, and 99.87% of the design products were rated as excellent
- A total of 19,479 employees received HSE-related training with a total of 55,196.5 training hours on HSE
- The number of work-related fatalities was 0 and hence the Total Recordable Incident Rate was 0.035%

Research and Development of Technology



- Capital investment in the research and development of environmental technology of RMB5.10 million was made and breakthroughs were achieved in various research and development projects; while stronger support was provided for approved projects on an ongoing basis. Seven research projects were completed during the Reporting Period
- Became the only enterprise in energy and chemical sector in Shanghai setting up an engineering technology research center focusing on "green chemical process" and "energy conservation"
- Established the first private post-doctoral research center in the domestic energy and chemical industry, which was approved by the Ministry of Human Resources and Social Security of the PRC and the National Post-doctoral Management Committee
- Completed the development of VESTA methanation design package with an annual production capacity of 1 billion standard cubic meters SNG through research on the optimization and integration of the VESTA methanation technology with upstream and downstream technologies

Talent Cultivation

- A total of 1,439 employees, increased by 7.47% as compared to that of 2017
- A total of 25 newly appointed mid-level management attended a 6-month MINI-MBA online training with mid-level management receiving an average of 509.53 hours of training per year
- Percentage of mid-level and senior management received training reached 100%

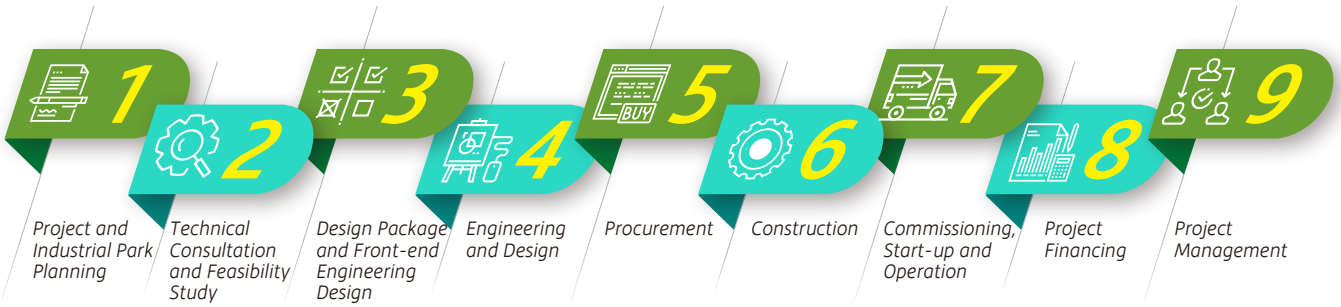
Community and Charity

- Project Department in Venezuela organized planting activities in 72 apartment projects in an effort to help protecting the ecological environment of the surrounding areas in which the projects were located
- RPLC Project Department in Venezuela participated in the local volunteer activities for environmental protection for 4 consecutive years, and organized a total of 150 participants to collect 54 bags of plastic wastes totaling 1,620 kg at Guanta Conoma Beach during their participation in Coastal Clean-up activities
- Wison Art Center regularly organizes artwork exhibitions for famous Chinese and foreign artists, with more than 400 artists and over 4,000 pieces of art works displayed to the public in various forms

1. ABOUT WISON ENGINEERING

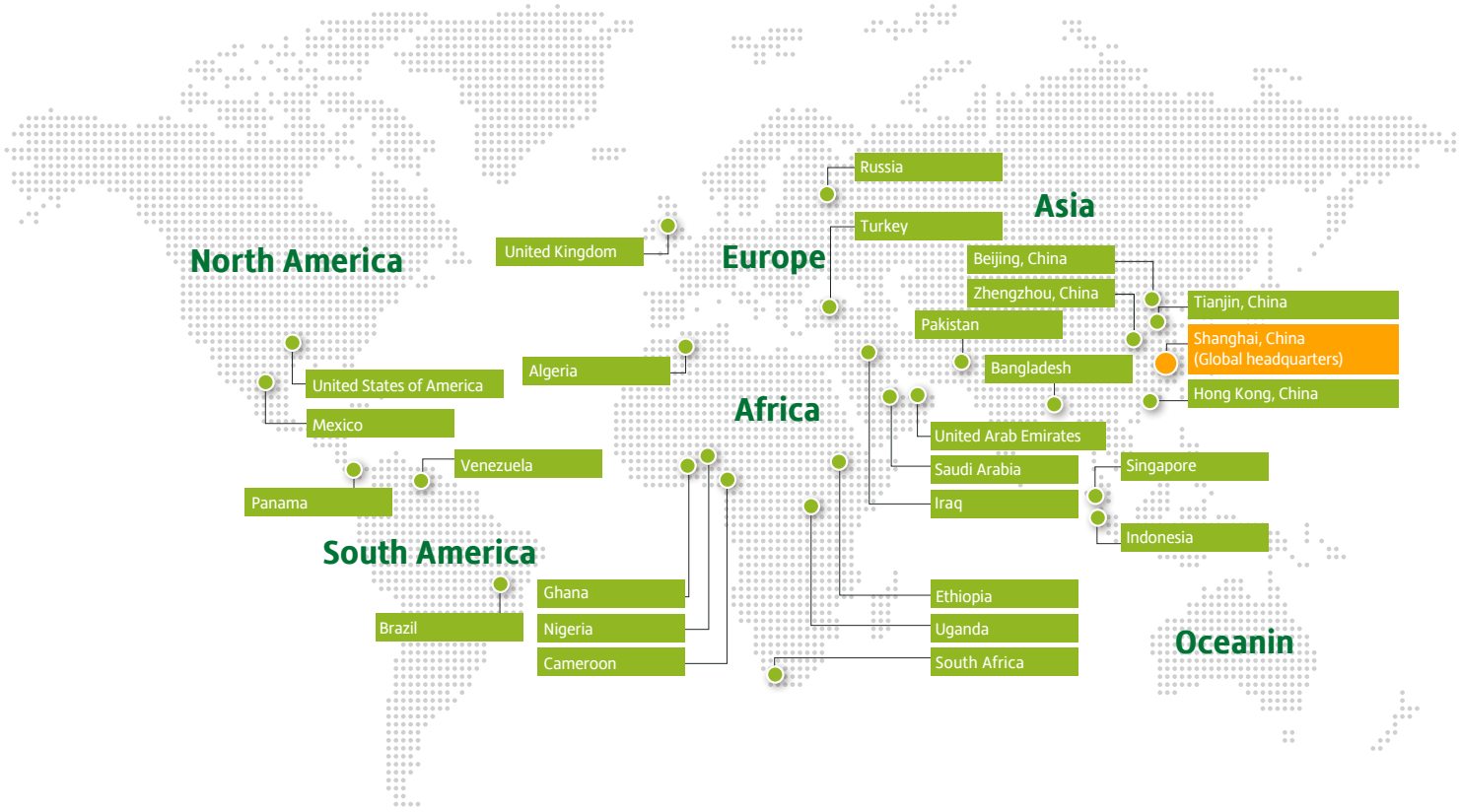
1.1 COMPANY PROFILE

Headquartered in Shanghai, Wison Engineering Services Co. Ltd. (stock code: 2236) is a leading comprehensive solution provider for EPC (engineering design, procurement and construction management) service and technology in the energy and chemical industry in China, specializing in the provision of technical and engineering construction services in five major aspects, namely petrochemicals, oil refining, coal-to-chemicals, ground services for oilfields, liquefied natural gas (LNG) and power generation. Wison Engineering has built up a well-organized and reasonably-structured professional management and execution team, enabling us to flexibly adopt different service models according to our customers' needs with the professional capability to provide entire lifecycle solutions.



Entire Lifecycle Solutions

While taking root in China, Wison Engineering actively expanded its presence in overseas market and has established 11 marketing focus areas and 2 project execution centers across 4 continents around the world, achieving full coverage of the key customers and project opportunities in over 30 countries and regions. Leveraging the operation system and process standards in place, which were in line with the execution requirements of international projects, as well as our global network of procurement and construction resources, we have executed and successively delivered various EPC contracting projects in the Middle East, South America and North America. The Group actively implemented the "Belt and Road" initiative and further increased the scale and revenue of our overseas construction projects, realizing a leap-forward development of our global layout.

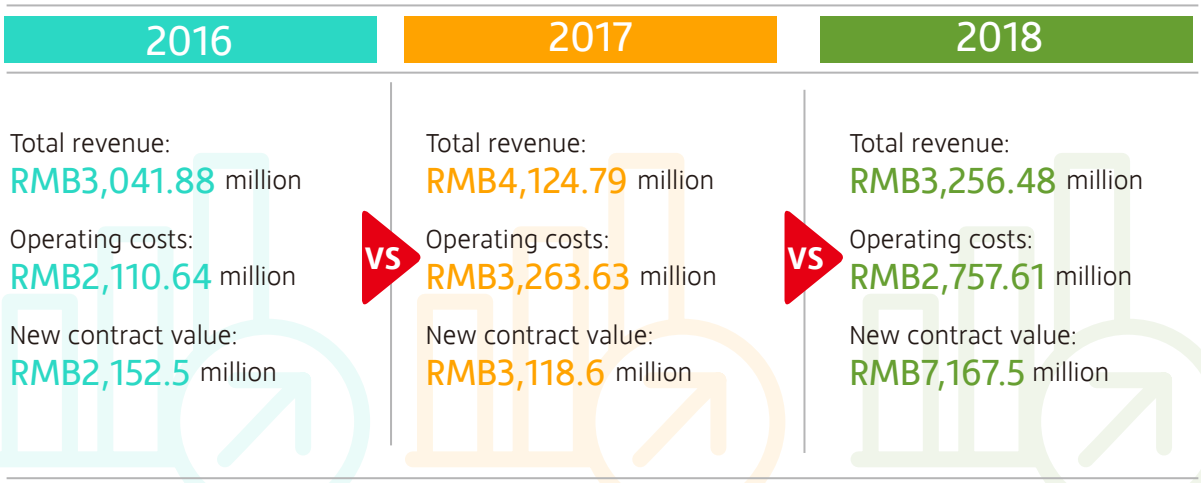


Review of Key Projects

Domestic market	Global market
Delivery of complete modules for ethylene cracking furnace project of Zhejiang Petrochemical	Our first modularized LDPE piperack project in Texas, the United States, was on a steady move
Nanjing Chengzhi Project utilized proprietary Methanol-to-Olefin ("MTO") Separation Technology and Butene Oxidation and Dehydrogenation Technology	Saudi Basic Industries Corporation ("SABIC") technology test site and the supporting facility "STC-J" expansion project located in Jubail Industrial City, Saudi Arabia
Hami project demonstrated the Group's technical and engineering management capabilities in the field of clean coal utilization	Delivered IBN ZAHR project of SABIC ahead of schedule
Qiwangda project upgraded and transformed the integration technology for high energy consumption petrochemical industry chain	EPC Contracting Project of refinery sulfur recovery ("SRU") awarded by the United Arab Emirates Abu Dhabi National Oil Company ("ADNOC")

1. ABOUT WISON ENGINEERING

Three-year comparison of key financial information



As of 31 December 2018, the Group recorded a revenue of RMB3,256.48 million. The total revenue recognized decreased by 21.1% as compared to that of the previous year, which is attributable to the fact that projects under construction of the Group during the Reporting Period have reached the late construction phase, while new orders have not entered the peak construction stage.

(For more disclosure on our financial information, please refer to the section headed "Notes to Financial Statements" in the 2018 Annual Report of Wison Engineering)

1.2 CORPORATE GOVERNANCE

Adhering to the principles of "integrity, accountability, transparency, independence, responsibility and fairness", the Group is committed to achieving high standards of corporate governance. The Board of Directors constantly reviews and monitors the corporate governance of the Group and the effectiveness of its risk management and internal control systems in accordance with the *Corporate Governance Code* as set out in Appendix 14 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

During the Reporting Period, we established sound risk management and internal control systems pursuant to the *Enterprise Risk Management — Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission. By organizing each of the department to conduct risk identification and assessment on both regular and ad hoc basis, we formulated corresponding risk response measures based on the assessment results and followed up the implementation of key risk response measures, while reviewing the effectiveness of the risk management and internal control systems through independent audit. Meanwhile, based on the business nature of the Group, we placed great emphasis on risks in relation to the implementation of engineering projects and control of foreign operations. During the Reporting Period, the Group carried out self-assessment on risk control over implementation of engineering projects, as well as identification and assessment of potential risks in relation to public security in overseas territories. For identified risks, we actively adopted corresponding preventive measures to maintain the risk at an acceptable level. The Group facilitated the enhancement of the risk management system through these risk assessment, supervision and inspection, thereby safeguarding the legal interest of the investors and protecting the Group's assets in a practical manner.

(For more disclosures on our corporate governance, please refer to the section headed "Corporate Governance Report" in the 2018 Annual Report of Wison Engineering)

Integrity and Compliance

The Group advocates the principle of ensuring compliance with laws and commitment to integrity in strict accordance with the relevant laws and regulations, including the *Foreign Corrupt Practices Act 1977 of the United States, the United Kingdom Bribery Act 2010, Prevention of Bribery Ordinance of the Hong Kong Special Administrative Region, Company Law of The People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China and Interim Provisions on Prohibition of Commercial Bribery* issued by the State Administration for Industry and Commerce. The Group also strictly complies with the relevant laws and regulations of places in which it operates and strengthens the efforts in building its capabilities in terms of integrity and compliance. During the Reporting Period, in order to enhance our staff's awareness of integrity and honesty and nurture a culture of compliance, Wison Group prepared and published the *Codes on Business Conduct of Wison Group Holding Limited* (《惠生控股(集團)有限公司商業行爲準則》). The Standards clearly stated that the Company prohibits all business conducts that are in breach of laws, in contrary to ethics and deviates from the policies of Wison Group, demonstrating a zero-tolerance approach against non-compliance of the staff by Wison Group. Meanwhile, in order to prevent the legal and ethical risks that may arise during the course of transactions with business partners who are third parties, Wison Group has explicitly stipulated the management approach for information in relation to the compliance conditions of suppliers, the scope of due diligence and responsive measures for any incompliance identified during inspection in the *Approach to Due Diligence on Suppliers of Wison Group Holding Limited* (《惠生控股(集團)有限公司供方盡職調查方法》) with a view to maintaining fair competition in both the internal and external environment with unwavering commitment.

Furthermore, the Group established a dedicated compliance committee. The committee prepared the *Management System for Anti-corruption, Anti-bribery and Anti-money Laundering* (《反貪腐、反賄賂、反洗錢管理制度》) and incorporated the definition of non-compliance and details of control measures in the system. During the Reporting Period, we launched 3 staff trainings in total under the theme of compliance to study the laws and regulations on anti-corruption in China and overseas and published the *Management System for Anti-corruption, Anti-bribery and Anti-money Laundering* (《反貪腐、反賄賂、反洗錢管理制度》) for internal use. After the training, our staff are required to pass the relevant tests to ensure that they have fully understood the Group's policies on integrity and honesty, thereby minimizing the compliance risks of the Company and its staff.

The Group encourages reports (either with real name or anonymously) on non-compliance issues. We have set up transparent whistle-blowing channels, through which external parties may report by using our exclusive online whistle-blowing website (http://www.wison.com/honesty) and integrity concern mailbox (ethics@wison.com), while our staff members may anonymously raise their integrity concerns or report verbally, by telephone, mails or emails. We will arrange investigation and give suggestions for handling based on the reporting time and materiality.

During the Reporting Period, the Group had no legal cases in relation to corruption and unfair competition behaviors.

1. ABOUT WISON ENGINEERING

1.3 MANAGEMENT OF SOCIAL RESPONSIBILITY

Principle of Development and Management Structure of Social Responsibility

The Group actively incorporates the principle of social responsibility with its operation strategies. We have given full regard to the possible effects on the environment and society during the process of design, procurement and construction in order to balance the risk and development opportunities in environmental, social and governance aspects while ensuring continuous and healthy growth of our business.

We adhere to the strategy of "driving energy-saving and emission reduction with advanced technology" focusing on energy conservation and consumption reduction issues and actively investing significant resources in the research and development of green products and aiming at applying the concept of social responsibility throughout the project. We believe that, Wison Engineering's goal of "Green Project" can be achieved if we start to act at the beginning of one project.

As the business continues to grow, we place great importance on the communication with local communities while expanding our overseas markets. Through active communication and understanding, we make good use of local resources, promote local development and respond to community needs.

We adhere to "people-oriented" corporate culture, with a focus on employee career development and health and well-being, pursuing mutual growth with employees. By providing employees with a reasonable level of pay, equal opportunities for development and a safe construction environment, we hope to continuously improve the operational efficiency of the Company.

Wison Engineering proactively carries out research with peers and scholars, making good use of their advantages and work together towards green development. During the Reporting Period, we conducted extensive investigations in the field of new energy and environmental protection to seek new opportunities for development. We are willing to take due responsibility and social responsibility in environmental protection.

We are well aware of the importance of quality assurance and have established and implemented a quality assurance system. The Group adopts advanced and stringent quality control measures at all stages of its business operations including establishing a compliance supplier system and focusing on client privacy protection, which are an important guarantee for us to ensure the quality of service.

In order to fully implement the Company's social responsibility concept and enhance social responsibility competitiveness, we have established a sound social responsibility management system and structure, under which we have built social responsibility working groups comprising specialists from various functional departments that is led by the Board and with the social responsibility executive committee at its core. We also explicitly define the duties and tasks for all levels within the structure, thereby fully ensuring the implementation of social responsibility measures.

- The Board is responsible for assessing, determining and managing the social responsibility risks, ensuring that the Group establishes appropriate and effective social resoponsibility management and internal control systems and approving social responsibility policies and reports
- Social responsibility executive committee is responsible for implemeting social responsibility risk management and internal controls, and guiding the social responsibility working group and reporting to the Board
- Social responsibility working group arranges specific personnel to be in charge of data collection and report preparation works related to social responsibility, and reports to the management of the Group on a regular basis

Stakeholders' engagement

The Group pays much attention to the communication with stakeholders and encourages all stakeholders to participate in and supervise the formulation and implementation of social responsibility strategies. We proactively maintain communication and connection with stakeholders in various aspects, seeking to understand their concerns by utilizing the two-way, transparent and normalised feedback mechanism. We will review the effectiveness of related actions on a regular basis with a view to constantly optimizing the communication channel and reflecting the opinions of the stakeholders in a more comprehensive manner. The table below sets forth the issues of concern to various major groups of stakeholders during the Reporting Period and our responses.

1. ABOUT WISON ENGINEERING

Stakeholders	Stakeholder concerns	Wison Engineering response	Communication and feedback channels	Communication frequency
Employee	• Personnel training and development • Employee benefits • Provide a healthy and safe working environment • Comprehensive employee complaint mechanism	• Continuously examine the internal training system and continue to devote in employee training to promote the personal career development of employees. • Regularly review the remuneration and benefits of employees to ensure that all employees enjoy fair and competitive compensation and benefits, and be committed to improving staff's compensation level. • Establish a sound occupational health and safety management system, review regularly in order to ensure the effective implementation of safety measures, and strive to create a safe and healthy working environment. • Pay attention to the two-way communication with the employee, and understand employee's views with active and open attitude by providing different channels internally.	Labor Contract	Before entry
			Group and department meetings	Regular
			Internal announcement	Irregular
			Internal forum	Anytime
			Interviews and surveys	Irregular
			Education and training	Irregular
Clients	• Continuously develop green technology • Protect clients' privacy • The quality of delivery of products and services	• Uphold the principle of "improving people's livelihood with innovative technology", actively invest in the research of green chemicals and energy-saving and emission reduction technology, develop and introduce a variety of green products successfully, and minimize the impacts of our operation on the environment. • Commit to protecting the privacy of clients, taking the initiative to sign confidential agreements with clients and carrying out routine client information security maintenance work in an orderly manner through adoption of a sound client information management system. • Continuously optimize the quality management system, introduce standardized management of projects and adopt advanced and rigorous quality management and control measures during various stages of business operation, including project planning and control, procurement, design and construction management.	Negotiation of contract	Before cooperation
			Client satisfaction survey	Regular
			Client communication	Regular
			Client services	Irregular
			Interviews	Irregular

Stakeholders	Stakeholder concerns	Wison Engineering response	Communication and feedback channels	Communication frequency
Suppliers	• Management on suppliers' social responsibility • Improve occupational health and safety	• Develop rigorous supplier selection criteria, effectively implement sustainable procurement policies for suppliers, and strengthen the routine management of supply chain by conducting occasional supplier evaluations. • Establish and improve the occupational health and safety management system to ensure that Wison Engineering's occupational health and safety policies and measures are effectively implemented, and ensure the safety of construction site of engineering projects by carrying out regular supervision and inspection.	Negotiation of contract	Before cooperation
			Inspection and evaluation	Irregular
			Education and training	Irregular
			Regular meetings	Regular
			Interviews	Irregular
Business Partners	• Business development and financial performance • Actively develop green technology • Reduce the consumption of resources • Improve the internal management over anti-corruption	• Maintain a stable financial position while facing internal and external challenges, and achieve better-than-expected results in domestic and foreign markets. • Actively work with external organizations to carry out research work while carrying out research by itself, with a view to quickly obtaining the knowledge in relevant area and achieving breakthrough in green technology. • Develop and apply green technologies to provide products with low energy consumption and high efficiency, thereby reducing the consumption of resources during operation. • Fully implement the *Management System for Anti-corruption, Anti-bribery and Anti-money Laundering*, strengthen the internal anti-corruption supervision, encourage employees to directly report their concerns towards integrity to the Group by establishing transparent reporting channels. We will also incorporate educational activities on integrity into the annual training program, with a view to developing the Group's culture of integrity.	Multi-channel cooperation and technical research	Long-term
			Negotiation of contract	Before cooperation
			Regular meetings	Regular
			Interviews	Irregular

1. ABOUT WISON ENGINEERING

Stakeholders	Stakeholder concerns	Wison Engineering response	Communication and feedback channels	Communication frequency
Investors	• Business development and financial performance	• Maintain a stable financial position while facing internal and external challenges, and share our performance and breakthrough in domestic and overseas markets with investors via different channels.	Annual report and interim report	Regular
			Annual General Meeting	Regular
			Interviews	Irregular
Community	• Impacts on environment of the community • Care about and response to community needs	• Conduct environment risk evaluation on the site and surrounding communities before the commencement of the construction projects, and minimize the impacts of construction on the local environment based on the principle of carrying out construction work and environmental protection at the same time during the construction. • Actively get involved in the community where the projects locate, understand the needs of the community and invest and participate in issues of concern to the community, to help the community improve the quality of life, including organizing various activities related to education, culture and environmental protection.	Participate in and organize public welfare activities	Irregular

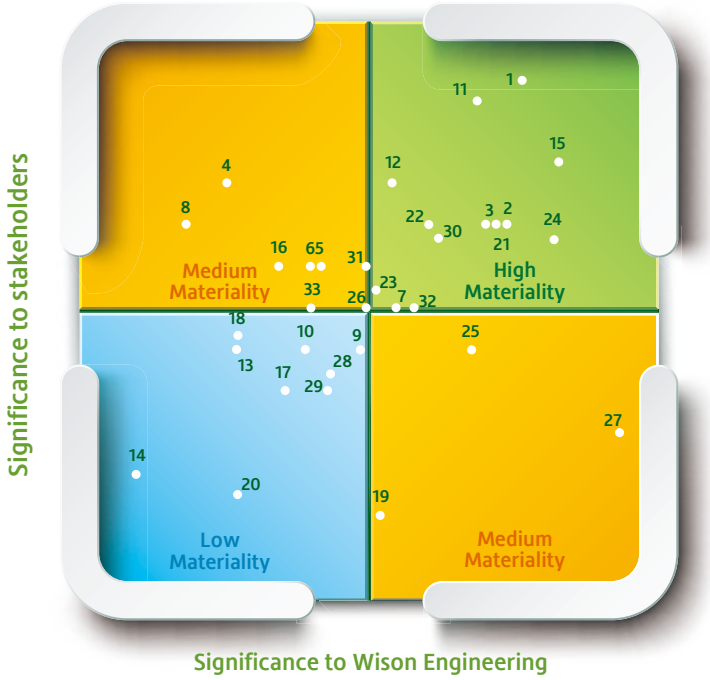
Analysis on material issues

The Group believes that the opinions and expectations of stakeholders shall be considered in the formulation of social responsibility policies and reports. In order to gain an in-depth understanding of stakeholders' feedback on the Group's responses to and disclosures of social responsibility-related issues, we conducted a materiality assessment with reference to media analysis, benchmarking analysis with industrial peers and interviews with stakeholders. The assessment will mainly be implemented in two stages as set out in the chart below:

Identification of Potential Material Issues	We identify potential material issues that reflect the impacts of the Group's business on the economy, environment and society or that could affect the stakeholders' assessment on and decisions about the Group through a detailed review of media analysis, benchmarking analysis with industrial peers and other related documents.
Ranking of Potential Material Issues	Interviews with stakeholders are conducted to understand the high-priority concerns of all stakeholders and subsequently come up with the materiality matrix, the analysis of which will help us to identify the material issues in substance.

Based on the social responsibility issues in 2017, the Group identified 13 social responsibility issues with high materiality, 11 social responsibility issues with medium materiality and 9 social responsibility issues with low materiality through the above assessment process. Among which, the most important issues constitute the key parts of this report, and we will disclose the relevant content in detail in this report.

Social Responsibility Materiality Matrix of Wison Engineering



1. ABOUT WISON ENGINEERING

Social Responsibility Issuers of Wison Engineering

(Note: The green items are social responsibility materialities issues with high materiality)

Environment	
1	**Environmental compliance**
2	**Wastewater and solid waste**
3	**Use of materials**
4	Biodiversity
5	Enviromental impact assesment of suppliers
6	Water resources management
7	**Energy management**
8	Environmental complaint mechanism
9	Environment and natural resources
10	Exhaust emissions
Economy	
11	**Economic performance**
12	**Procurement model**
13	Market performance
14	Indirect economic impact
Human rights	
15	**Child labor and forced labor**
16	Security measures
17	Human rights protection investment
18	Human rights assessment/non-discrimination
19	Aboriginal rights
20	Human rights complaint mechanism

Operation management and product respeconsiblity	
21	**Client privacy**
22	**Product responsibility**
23	**Marketing**
Employment and labor practices	
24	**Employment**
25	Trainings and education
26	Labor complaint mechanism
27	Occupational health and safety
28	Equal pay for men and women
29	Diversity and equal opportunity
Community	
30	**Anti-corruption**
31	Social impact complaint mechanism
32	**Anti-competitive actions**
33	Social impact assessment of suppliers

1.4 PUBLIC RECOGNITION

The Group has won extensive social recognition through its persistent efforts in shouldering social responsibility. In the 2018 Golden Lion Award of Hong Kong-listed Company organized by Sina Finance and co-hosted by several other authoritative institutions, including the Listed Companies Council of the Hong Kong Chinese Enterprises Association, Chinese Securities Association of Hong Kong, Guangdong-HK-Macao Bay Area Entrepreneurs Union, The Hong Kong Commerce and Industry Associations and China Mergers & Acquisitions Association, we received the "Highest Growth Potential Listed Company" award with the highest number of votes, which is the only company receiving this award in the energy engineering sector. We also received compliment from the organizer for "continuously improving its management level with sustained rapid growth as reflected by its results performance. The company possesses both growth potentials and attractive market investment value, which will become a key pillar for the sector in the future". Meanwhile, Wison Engineering received the "Golden Hong Kong Stocks Awards 2018 — Most Valuable Medium-and Small-cap Stock" at the "Golden Hong Kong Stocks Awards 2018" jointly organized by Zhitong Finance and RoyalFlush Finance and supported by Chinese Securities Association of Hong Kong. Furthermore, our Group also received the "Listed Company Awards of Excellence 2018" from Hong Kong Economic Journal, a financial media in Hong Kong.

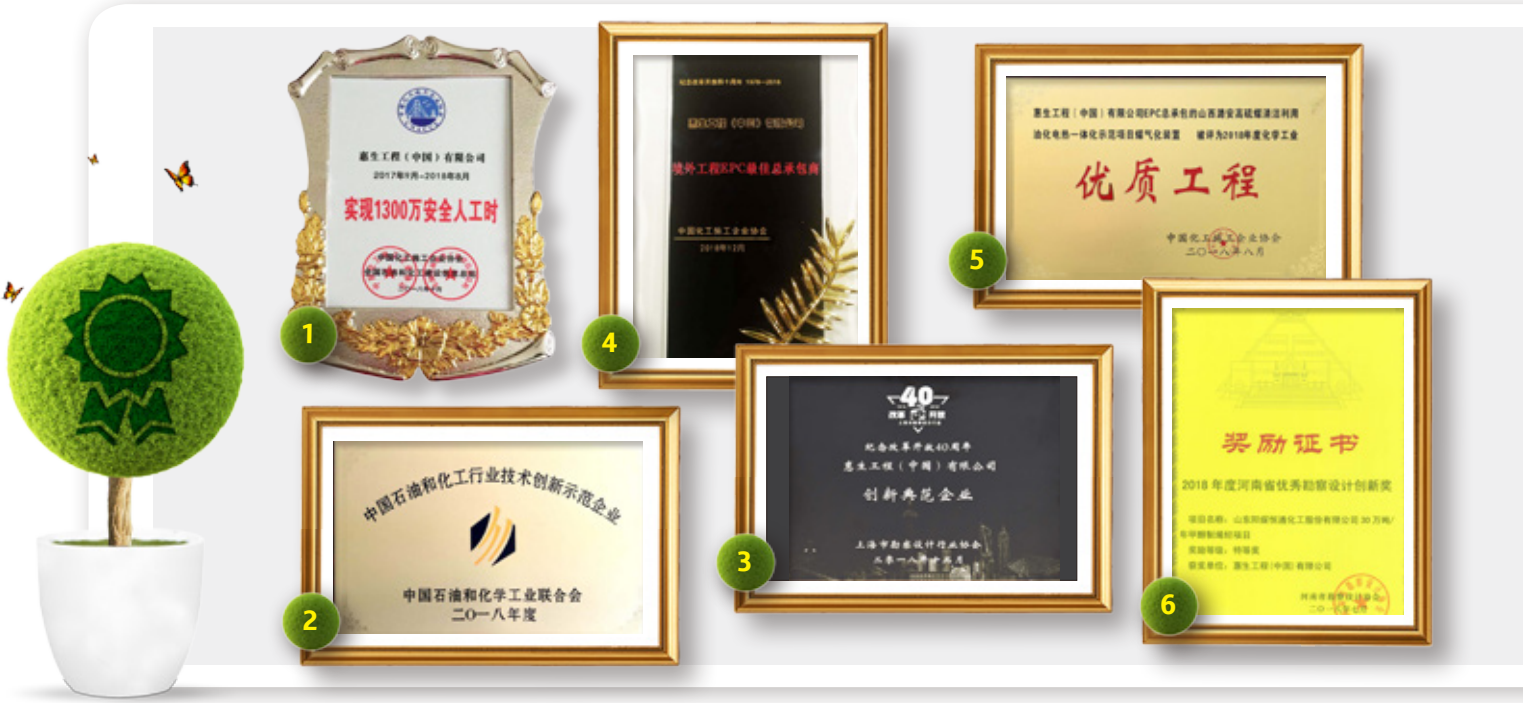
1. ABOUT WISON ENGINEERING

The Group is not only committed to enhancing its own operational capability, but also regards promoting healthy and orderly industrial development as its own commitment. The Group has been actively joining various industrial associations, aiming to unite each participant of the industry to create a healthier development environment and communication platform. Apart from being a "constructor" of the industry, the Group is also a "promotor" for healthy industrial development.

The major industrial associations of which the Group is a member include:

No.	Name of the association	Position
1	China National Association of Engineering Consultants	Special executive director
2	China Petroleum and Chemical Exploration and Design Association	Executive director
3	China Exploration and Design Association	Executive director
4	China Petroleum and Chemical Industry Association	Director
5	Supply Chain Working Committee of China Petroleum and Chemical Industry Association	Vice chairman
6	Coal-to-Chemicals Special Committee of China Petroleum and Chemical Industry Association	Member
7	China International Contractors Association	Member
8	China Chamber of Commerce for Import and Export of Machinery and Electronic Products	Member
9	China National Association of Chemical Construction Enterprises	Member
10	China Association of Construction Enterprise Management	Member
11	China Association of Work Safety	Member
12	China Association of Environmental Protection Industry	Member
13	Shanghai Chemical Industry Association	Vice president
14	Shanghai Exploration & Design Trade Association	Member
15	Shanghai Engineering Consulting Trade Association	Director
16	Shanghai Metal Structure Industry Association	Member
17	Shanghai Pudong Modern Service Industry Promotion Association	Member
18	Shanghai Producer Services Promotion Association	Director
19	Shanghai Association of International Services Trade	Director
20	Shanghai Pudong Association for Investment & Financing	Member
21	Henan Association of Engineering Exploration & Design Industry	Vice chairman
22	Henan Association of Engineering and Consulting	Vice president
23	Henan Provincial Association for Exploration & Design	Vice chairman

During the Reporting Period, the Group's business capability and engineering services also received wide recognition and compliments from various associations in the industry. These industry awards are testaments to our dedicated efforts in fulfilling corporate responsibility over the years:



No.	Industry Recognition and Awards	Issuing Authority
1	"13 Million Safe Working Hours" Award	China National Association of Chemical Construction Enterprises — National Petroleum and Chemical Construction Information Terminal
2	China's Technology Innovation Demonstration Enterprise of Petroleum and Chemical Industry 2018	China Petroleum and Chemical Industry Federation
3	"Most Innovative Enterprise" on 40 years anniversary of China Reform and Opening up of Shanghai Exploration & Design Industry	Shanghai Exploration & Design Trade Association
4	"The BEST EPC Contractor for Overseas Projects" on 40 years anniversary of China Reform and Opening up (1978-2018)	China National Association of Chemical Construction Enterprises
5	Chemical Industry Quality Engineering Awards (for 3 projects)	China National Association of Chemical Construction Enterprises
6	Henan Exploration & Innovative Design of Excellence: Outstanding Award (for 1 project), First Class Awards (for 3 projects) and Second Class Awards (for 2 projects)	Henan Provincial Association for Exploration & Design
7	Achievement Awards for Excellent Design of Construction Project: First Class Award (for 1 project) and Third Class Award (for 1 project)	China Association of Construction Enterprise Management

1. ABOUT WISON ENGINEERING

Meanwhile, our global business has been highly valued by customers and local governments with our outstanding performance in terms of project quality, environment, safety and project management:

No.	Projects	Awards
1	RPLC Site Preparation Project in Venezuela	"12 Million Safe Working Hours Award", "Certificate of Environmental Accomplishment" and "Certificate of Quality Accomplishment"
2	The Cracking Furnace Project for Comprehensive Utilization of Coal, Oil and Gas Resources in Yan'an	"Safe Production Advanced Unit Award"
3	Nanjing Chengzhi MTO and Butadiene Project	"2.82 Million Safe Working Hours Award" and "Excellent Project Management Team Award"
4	EOEG DBN Project in Saudi Arabia	"Certificate of Project Quality Management Accomplishment"

2. STIMULATING DRIVERS FOR INNOVATION

OUR MANAGEMENT APPROACH

Wison Engineering has always been regarding the construction of quality projects and delivery of quality services as one of the key factors of the Group's core competitiveness. We are in strict compliance with laws and regulations, technological standards and regulatory requirements of China and the jurisdictions where we operate relating to quality, environment and occupational health and safety. Guided under the leading Health, Safety and Environment (HSE) concept and HSE culture with Wison characteristics, we have established Quality, Health, Safety and Environment (QHSE) management system applicable to general contracting and management services for domestic and overseas construction projects. While providing customers with quality services, Wison Engineering continues to seek in-depth knowledge in the policies and management systems in respect of technological development and intellectual property rights protection to strive to build technological innovation-driven core competitiveness.

2.1 QUALITY FIRST

The Group continues to improve project management system, optimize project resource allocation and implement project process supervision. We have passed GB/T 19001/ISO 9001 quality management system certification and implemented quality management systems such as Quality Assurance/Quality Control (QA/QC), Engineering Materials Factory Inspection and Test Plan (ITP) and Non-compliance Report (NCR) so as to ensure the delivery quality of each project and zero-defect delivery. In order to ensure the implementation of quality management measures, during the Reporting Period, we improved the documents for quality management procedures, updated and published the *Management Review Procedures for Management Systems* within the Group. We also summarized quality management of the Middle East projects, and prepared the *Guiding Principles for Quality Management*. Meanwhile, the Group proactively advocates standardized project management by building model projects and organizing each project department to set up a list of model project. During the Reporting Period, we built a total of 20 model projects, duplicated 58 model projects and selected 38 model projects among those in previous years to be compiled into brochures for promotion and application in the Company. In addition, we added the internal review on module design projects to our internal review on quality management system. Based on the standards of GB/T 19001-2016/ISO 9001: 2015 *Requirements for Quality Management System*, we carried out internal review on the quality management system of 2 engineering consultant projects, 7 engineering design projects, 3 general contracting projects and 13 departments, and followed up the rectification of non-compliance and to-observe items.

Based on deep understanding of the importance of quality assurance, we adopt advanced and stringent quality management and control measures in various stages of the business operation, including project planning and control, procurement, design and construction management.

2. STIMULATING DRIVERS FOR INNOVATION

• The project procedure optimization group have developed and launched Working Procedure Operation Software (WPOS) for managing equipment materials to ensure quality project procedure management. • Informationization has been achieved on the entire construction process by building information platforms for comprehensive project management to ensure the distinction and accuracy of the project data, thus achieving quality project delivery.	• The project department formulated the ITP and carried out inspection in procurement stage in accordance with the equipment importance level and procurement contracts. • Conducting factory, intermediate stop point and pre-release inspection of important and key materials and equipment, timely contacting the supplier for unqualified sources and ensuring product quality from the source.
• At the design stage of each project, sufficient manpower with the respective expertise shall be allocated to verify, review and finalise the design documents. • We develop digital design to achieve data transmission among professions and information sharing of upstream and downstream professions. Project quality is guaranteed through unified encoding of materials and unified processing data source. • Specialized module office has been established to enable complete combination of detailed design and construction capacity and improve refined project management. Centralized management of construction quality is achieved through industrialized prefabrication.	• We optimized and modified 44 internal construction management documents and strictly controlled the construction quality of engineering projects in accordance with the internal quality management requirements and construction management requirements of Wison Engineering and the quality standards and inspection requirements of landlords. • In accordance with the professionally developed ITP template, the project department reported the mutually agreed inspection items, inspection grades and standards to the landlords and supervisory units during the construction stage. • We established a precision control department to ensure project progress and product quality, and minimize the reworks during construction process.

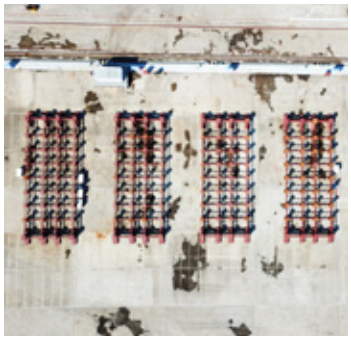
During the Reporting Period, the Group's quality management system was under sound operation. The passing rate of the quality of the projects under construction reached 100%, and 99.87% of the design products were rated as excellent. The quality of the projects was generally under control and no material complaint was received from customers.

CASE

Industrialized prefabrication and modularized delivery of the ethylene cracking furnace project — centralized management of construction quality

During the Reporting Period, leveraging on its inherent capabilities in respect of resources allocation and management, modularized construction and transportation as a whole, the Group implemented industrialized and modularized prefabrication, assembly and holistic delivery in the Zhejiang Petrochemical Project, subject to the requirement of project progress and restrictions on the landlords' site conditions. This approach has overturned the traditional model in the past where it was difficult to ensure the quality and safety of sizable chemical projects despite the fact that they require substantial time and manpower for separated transportation of parts and on-site construction.

We completed the modularized design and holistic construction of a set of 1,400kta ethylene cracking furnace in Zhejiang Petrochemical Project (Phase I), which was equipped with a total of nine ethylene cracking furnace with a production capacity of 200kta, creating a precedent for the largest unit modularized manufacture all around the world. At the end of October 2018, all unit modules have been prefabricated and holistically delivered to Dayushan Island (大魚山島). Through modularized management, the Group further refined the project management process and ensured the delivery of high quality products.



2. STIMULATING DRIVERS FOR INNOVATION

CASE

The precision control department — project progress and product quality assurance

The Group carried out quality control and inspection procedures to strictly control the construction quality of engineering projects in accordance with the quality standards and inspection requirements of landlords, the internal quality management requirements and construction management requirements of Wison Engineering. During the Reporting Period, we established the precision control department. Adhering to the basic principle of complying with precise construction standards, the department systematically carries out measurement of product size, data comparison and analysis and inspection on qualification, as well as makes timely modifications and updates the forms and signatures for filing purpose according to the project plan, striving to enhance work efficiency, reduce construction costs and assure project progress and product quality.

2.2 TECHNOLOGY INNOVATION

Wison Engineering has been working continually and steadily on promoting technological innovation through on-going investment in technology research and development. Traced back to 2013, Wison Technology Research and Development Center was established in Shanghai, focusing on the research on new types of coal-to-chemicals technologies, new petrochemical engineering and new energy technology. 2018 marks a year of technological innovation and advancement for the Group. By adhering to the objectives of "improving people's livelihood with innovative technology", the Group focused on the forward-leaping development of cutting-edge technologies, green design, low-carbon energy-saving chemical technology process, strived to build a core competitiveness driven by technological innovation and cultivated a skilled technical team with an international perspective.

Direction for Technology Innovation	
Green Design Technology Innovation	Low-carbon Energy-saving Chemical Technology Innovation
Building a core competitiveness driven by technological innovation and cultivating a skilled technical team with an international perspective	

During the Reporting Period, we continued to optimize the technology research and development policies, systematically reviewed the management system for technology research and development. We integrated the provisions on project establishment, implementation, results management, results promotion and application as well as rewards according to the actual business conditions. The *Technology Research and Development Cooperation Management Regulations* and the *Technology Transfer and License Management Regulations* have been included in the scope of new documents. Meanwhile, we stepped up our efforts in exploring digital management, with a view to realizing the online management of the full-cycle management process of technology research and development via the OA office platform, which is scheduled to bring into play in 2019.

2. STIMULATING DRIVERS FOR INNOVATION

Clean Technology Innovation

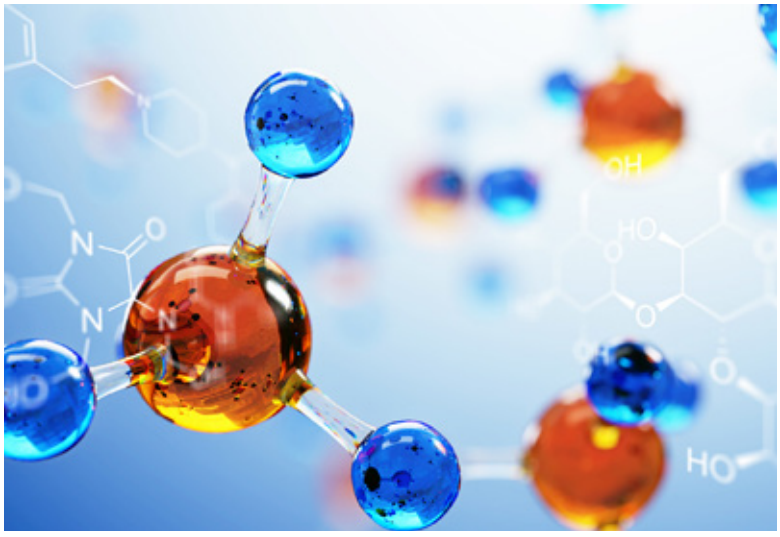
During the Reporting Period, the Group's capital investment in environmental technology research and development amounted to RMB5.10 million. With the breakthroughs achieved in a number of research and development projects, the Group continued to push ahead with the approved projects and completed a total of seven technology research and development projects:

Number	Completed Research Projects
1	Research on the whole set of MTO technology: the whole set of 3kta MTO technology research pilot plant was established and the development of design package for the whole set of MTO technology with olefins production scale of 600kta was completed.
2	Development of asymmetric heating cracking furnace technology: the design package for the whole set of asymmetric heating ethylene cracking furnace was completed.
3	Development of the design package for VESTA new SNG technology: the research and development of design packages for the rectisol process technology plan and the VESTA methanation technology plan were completed.
4	Research on oxidative dehydrogenation of n-butane: the n-butane dehydrogenation catalyst test was completed. According to the characteristics of the catalyst reaction, the corresponding technology approach was put forward and the economic evaluation was carried out.
5	Development of OCP reactors for MTO plant: domestic design of OCP reactors for MTO plant was realized, and the manual and technology for analysis have been formulated and available to the Company.
6	Large-scale development of oxidative dehydrogenation for butadiene reactors: the files of the finished product, including detailed structure design drawing, strength calculation book and flow field simulation report were completed.
7	Pipeline integrated management software research and development project: the development of pipeline integrated management software was completed, which is conductive to the standardization and normalization of pipeline management and the improvement on project management level of Wison Engineering.

CASE

Establishment of the "New Technologies in Efficient Synthesized Production of Important Chemicals with CO2" project — accelerating the low-carbon development of energy and chemical industry

During the Reporting Period, the project of "New Technologies in Efficient Synthesized Production of Important Chemicals with CO2" (which is under the national key research and development plan of "Clean and Efficient Use of Coal and New Energy Saving Technologies" 2018 key special plans), in which the Group has taken an important part, was officially approved by the Ministry of Science and Technology of the PRC. The Group was responsible for the research topic and focused on the design, production and research of the kiloton-scale pilot plant for preparing glycol by synthesizing ethylene carbonate and hydrogen with cogeneration of methanol using carbon dioxide as raw materials. This project was geared towards the international cutting edge technologies and popular research topic of "CO2 capture, utilization and storage (CCUS)", involving the conversion and utilization of carbon dioxide. It is the key research and development direction in the global energy and chemical industry, which is in line with the global low-carbon development strategy. The project also clearly demonstrated the strength and expertise of the Group in undertaking national-level scientific research tasks.



2. STIMULATING DRIVERS FOR INNOVATION

CASE

VESTA new SNG technology — saving energy and reducing consumption; increasing production and income

VESTA new SNG technology is a novel methanation technology to produce SNG from synthesis gas obtained from gasification of either coal or petroleum coke. The technology is characterized by the use of CO2 in the synthesis gas and the addition of water vapor to control the temperature rise of the methanation reaction in replacement of the use of gas compressors which have more stringent requirements on the operating conditions. Meanwhile, the ratio of hydrogen to carbon monoxide in the synthesis gas will not affect the quality of the final SNG product. The successful development of the technology can effectively enhance the competitiveness of coal-to-synthesis SNG technology, which bestows strategic value for the promotion of clean coal utilization and the optimization of energy structure optimization in the PRC.

During the Reporting Period, the Group completed the development of VESTA methanation technology package with an annual production capacity of 1 billion standard cubic meters SNG through research on the optimization and integration of the VESTA methanation technology with upstream and downstream technologies. Compared with the prevailing conventional adiabatic fixed bed methanation technology in the market, the adoption of the VESTA new SNG technology approach can not only improve the stability and security of operation, but also reduce the investment in and the energy consumption of the purification device, methanation device and SNG drying device to a great extent. Taking coal-to SNG with annual normal cubic meters of 4 billion as an example, the adoption of VESTA new SNG technology is capable of reducing the energy consumption and increasing the revenue of the Company by more than RMB200 million per year.

Protection of intellectual property rights

In order to protect the legal intellectual property rights of the Group, we have improved the intellectual property rights management system and organized revision of and addition to system documents by various departments in accordance with the *Enterprise Intellectual Property Management Standards (GB/T29490-2013)* (《企業知識產權管理規範》).

The Group has a long-term commitment to technology research and development and innovation in the fields of petrochemical, coal-to-chemicals, clean energy and other environmental protection and energy saving areas. The Group is therefore capable of perfectly integrating technology development with engineering application. We have accumulated numerous patented technologies with proprietary intellectual property rights and realized transformation of achievement in a number of occasions, thereby capturing market opportunities for both our customers and partners and creating greater commercial value.

	New coal-to-chemicals technologies
Commercialized Applications	MTO Olefin Separation Technology
	Integrated Energy-Saving and Cost-Saving Technology for Coal Chemical Plant
	Rectisol Technology
	Syngas-to-Ethylene Glycol Technology
	Bottom-Quench Gasification Technology
	Propane DME-extraction Technology
To be Commercialized	WMTO Technology
	Syngas to Ethanol Technology
	VESTA SNG Technology

	Petrochemical technologies
Commercialized Applications	Ethylene Cracking Furnace Technologies
	Oxidative Dehydrogenation of Butene to Butadiene Technology and Catalysts
	Quench Oil Viscosity Reduction Technology
To be Commercialized	Optimized Solution for Ethylene Plants' Energy-Saving and Cost-Reduction
	Hybrid Process Technology of Methanol to Olefins and Steam Cracking to Olefins

2. STIMULATING DRIVERS FOR INNOVATION

During the Reporting Period, the Group has completed the application for 25 new patents, of which 8 were newly licensed patents. As of 31 December 2018, the Group owned a total of 75 valid patents.

Facilitate transformation of technology achievement

Apart from taking the initiative to conduct research and development, the Group also established a specialized technology research center and a scientific research center to promote the Group's cooperation with various scientific research institutes and production units. These efforts have facilitated the transformation of technology achievement and enhanced the overall standard of green development in the energy and chemical industry, thereby enabling the Company to achieve sustainable development with higher quality amid the complicated and ever-changing external environment.

CASE

Established Shanghai Green Chemical and Energy Conservation Engineering Research Center — promoted technology innovation in energy saving and emission reduction

During the Reporting Period, the Group was approved by Shanghai Science and Technology Committee to officially establish "Shanghai Green Chemical and Energy Conservation Engineering Research Center", leading the Group to become the only enterprise in energy and chemical sector setting up an engineering research center focusing on "green chemical process" and "energy conservation" in Shanghai. We continued to adhere to the corporate objective of " improving people's livelihood with innovative technology " while actively practicing the strategic measure to realize technological innovation, resources integration and achievement transformation. To address the current industrial pain-point such as "high energy consumption" and "severe pollution" and keep abreast of the latest development trend, we have joined hands with the world-leading research institutes, renowned patent licensers and producers to work on technological innovation, scale-up of engineering projects, demonstration and commercialization regarding green production processes of chemical products, energy conservation, emission reduction, and replacement of outdated capacity by clean process by fully leveraging the integration of our advantages in terms of engineering research and industrialization.

CASE

Approved to establish a post-doctoral research center — accelerating the efficient transformation of technology achievement

During the Reporting Period, the Group was approved by the Ministry of Human Resources and Social Security and the National Post-doctoral Management Committee to establish the first private post-doctoral research center in the domestic energy and chemical industry. The approval of setting up a post-doctoral research center reflected that the engineering technology and innovation capability, technology platform construction and talent training mechanism of Wison Engineering are well recognized by the PRC and Shanghai city, which plays a very active and prodding role in building a R&D team for Wison Engineering, developing post-doctoral advantages on technology innovation and research with market orientation, as well as promoting the Industry-University-Research cooperation between Wison Engineering and other scientific research institutes and production units. It will also be the driving force in accelerating the efficient transformation of scientific achievement.

3. BUILDING HSE COMPETITIVENESS

OUR MANAGEMENT APPROACH

Wison Engineering has always given priority to protecting the life, safety and health of our employees with an objective of "no serious accidents, no harm to personal health and no damage to the environment" to incorporate the advanced Health, Safety and Environment (HSE) concept into the decision-making process of the Company. We implement effective prevention measures in the course of operation to secure safety and health of our staff, customers, subcontractors and other related parties, aiming to pursue international-leading HSE performance through scientific management, advanced technologies and efforts by all our employees.

3.1 SAFE OPERATION

A good HSE performance is the key component of the long-term success of the business of the Group, which not only improves the production efficiency and yield rate of the Group, but also benefits the establishment of a long-term brand effect. We have formulated our HSE approaches of "giving priority to safety and focusing on precaution; caring for employee health and environment protection; implementing people-oriented management; and sticking to sustainable development for social well-being". Based on the identified HSE hazards within our scope of business activities and the requirements under laws and regulations and in considering the needs of our staff, customers and the public, we have established our unique HSE management systems in accordance with GB/T 24001 (ISO 14001) Environmental Management System Standards and GB/T 28001 (OHSAS 18001) Occupational Health and Safety Management System Standards.

Safety Management System

Safety is a cornerstone for the sustainable development of an enterprise. Strictly complying with the relevant laws and regulations, including the *Safety Production Law of the People's Republic of China* and the *Regulations on Safety Production Management of Construction Projects*, the Group sticks to the safety production principle of "giving priority to safety and focusing on precaution", and has established a comprehensive responsibility ownership system of safe and civilized construction by focusing on risk management and on the basis of whole process monitoring and implementation of Hazard and Operability Analysis (HAZOP), Safety Integrity Level (SIL), Job Hazard Analysis (JHA) and the "Ten Key Rules" in respect of safety management on construction sites, thereby preventing the occurrence of safety accidents and ensuring the health and safety of our employees and the local public.


Energy isolation


Night operation


Fire operation


Change Management


Limited Space

"Ten Key Rules" of Safety Management


Lifting operation


Permission of operation


Vehicle safety

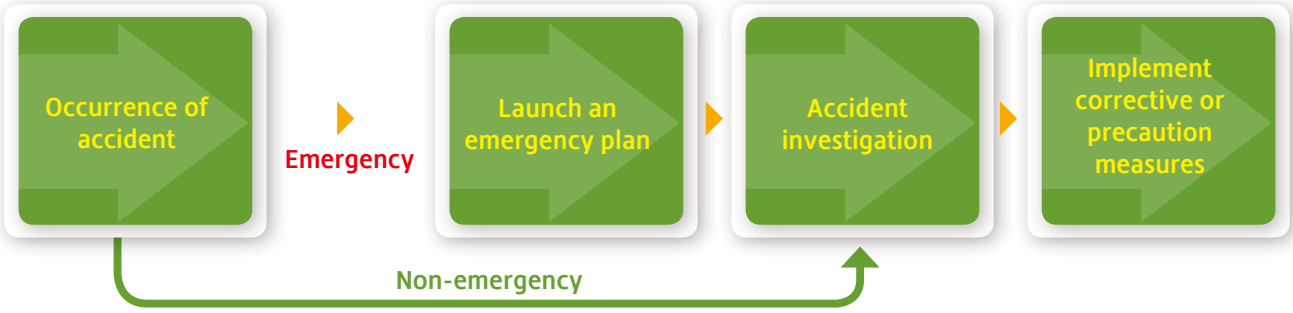

Operation above ground


Operation under ground

Safety Emergency Management

In order to further improve the effectiveness of our response to emergencies as well as our accident handling capability, the Group always pays equal attention to ex ante prevention and ex post rescue. It has established the *Emergency Management Procedure* and the *Accident Management Procedure* to keep improving the procedure of safety emergency management. A three-level safety emergency plan mechanism, comprising *Wison Engineering Comprehensive Emergency Plan* (惠生工程綜合應急預案), *Wison Engineering Headquarter Emergency Plan* (惠生工程總部應急預案) and *Branches and Project Department Emergency Plan* (分支機構和項目部應急預案), has also been established to specify the duty and responsibility of the emergency management department and the contingency response procedures, and improve the emergency rescue ability of our employees through training and emergency drills to minimize the loss may be resulted from accidents.

3. BUILDING HSE COMPETITIVENESS



Occupational Health Protection

In order to protect the occupational health of our employees, the Group has strictly complied with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and has established various systematic documents, including the *Occupational Health Management Procedures* and the *Regulations on the Management of High (Low) Temperature, Toxic Dust and Noise*, to identify and analyze the hazard factors during project implementation, and prepare the Identification, Evaluation and Control of Source of HSE Hazards Report. Each of Wison Engineering and its subcontractors has its defined separate responsibility for controlling and eliminating the negative factors affecting employee occupational health to ensure the occupational health of our employees.

Hazardous and noxious substances control	High temperature operation protection	Noise prevention and control
• Strictly implement regulations on the management of dangerous chemicals • Establish a dangerous chemical storehouse (warehouse) for chemical storage and management • Make technical disclosure and implement Material Safety Data Sheet (MSDS) • Implement on-site protection measures	• Adjust the time of operation and try to avoid high temperature time • Provide proper labor protective tools • Implement shift work system	• Provide earplugs for workers • Set up acoustic absorbing and acoustic insulating facilities to reduce noise

Creating a Safe Work Environment

During the Reporting Period, we have continuously improved the occupational health management system, organized regular employee physical examination and established employee health record for a better management of employee occupational health. Pursuant to the *Regulations on the Administration of Personal Protective Equipment*, on the project site, we, together with our subcontractors, have set up occupational health and sanitation fixtures and first-aid facilities to provide our employees with safe and comfortable work conditions and protective facilities and avoid the occurrence of occupational disease.

- In Wison Center, an office building of the Group, we provide first-aid kit and automated external defibrillator (AED). First-aid medicines including Quick Acting Heart Reliever, band-aid and Yunnan Baiyao Sprayer are also available on each floor of the working area. The property manager is responsible for monitoring fire-fighting equipment, such as fire extinguishers, fire hydrants and fireproof doors and elevators in a regular manner.

- On the project construction site, we continuously identify and provide solutions to the key HSE hazards, such as hazardous and noxious substances, high-temperature operation and noise, during the course of construction to create a healthy work environment for our employees.

Maintenance of Public Security

The Group attaches great importance to, and actively participate in, the maintenance of public security in places where it operates. The Group joins in the emergency contact group in places where its projects operate, keeps close contact with local embassies and China-invested enterprises there, collects and publishes relevant information according to the then social and politic conditions and reminds our project staff to stay vigilant. Meanwhile, the Company updates the internal security emergency plan in a timely manner, stores emergency materials and organizes security emergency evacuation drills.

During the Reporting Period, in order to further regulate its overseas public security management, prevent the outbreak of overseas public security events, protect the personal and property security of its overseas employees and improve its capability in response to overseas emergencies, the Group updated the *Consolidated Evaluation Report of Overseas Public Security 2018*, released the *Guidelines to Overseas Public Health,* organized 8 overseas public security trainings and provided overseas public security trainings to the employees going abroad for the first time, as required by the *Regulations on the Administration of Overseas Public Security*.

During the Reporting Period, the Group didn't notice any work-related fatalities and the Total Recordable Incident Rate was 0.035%.

3. BUILDING HSE COMPETITIVENESS

3.2 ENVIRONMENTAL PROTECTION

Environment Management

Focusing on environment protection and energy saving and emission reduction, the Group has strictly complied with laws and regulations, including *Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution* and the *Administrative Regulations on Environmental Protection for Construction Projects*, continuously improved the environment management system, and formulated and implemented various procedures and requirements, such as the Environment Management Procedures and the *Regulations on the Management of Solid Waste, Waste Gas and Waste Water*, in order to provide a systematic framework for the management of wastes, energy consumption, climate change and ecological protection.

We have designated an environment management organization for each project department and asked the subcontractor of construction to engage professional environment manager. The project department is responsible for putting specific facilities for environmental protection and pollution prevention and control in place. In order to improve the environmental awareness of the on-site project personnel, the project department holds morning meetings regarding environmental protection twice a month to promote environmental protection knowledge and relevant activities. Furthermore, any employee who enters into the construction site for the first time is required to accept orientation in relation to environment. Professional environment manager designated by the subcontractor of construction must accept professional training.

To reduce energy consumption during the operation of our offices, during the Reporting Period, we have established an energy saving and emission reduction group, which is responsible for the reduction of energy consumption and promotion of green development through a series of environment management measures, including the update of rain collection system of the office building, change of energy-saving bulbs, utilization of geothermal recycling system, real-time temperature adjustment to air-conditioners in the office and collection of energy consumption data on a daily basis.

During the Reporting Period , the energy consumption[1] of the Group was set out below:

Type of Energy	Unit	2018 Consumption
Unleaded gasoline	Tonnes	276
Diesel	Tonnes	14
Natural gas	Cubic meters	315,795
Electricity purchased	kWh	29,814,869
Direct energy consumption	GJ	22,674
Indirect energy consumption	GJ	107,334
Total energy consumption intensity	GJ/ten thousand yuan revenue	0.40
Scope 1 greenhouse gases emission	Tonnes	1,568
Scope 2 greenhouse gases emission	Tonnes	20,683
Total greenhouse gases emission	Tonnes	22,251
Greenhouse gases emission intensity	Tonnes/ten thousand yuan revenue	0.07

Green Construction

The Group has insisted on civilized green construction to prevent pollution and damage to the environment and reduce energy and resource consumption.

- Before the construction of a project, the Group conducts environment risk assessment on the construction site and surrounding community and, based on the results of which, formulates and implements the *Animals and Plants Migration Scheme*, the *Waste Disposal Scheme*, the *Dust Suppression Scheme*, the *On-Site Facility Maintenance and Repair Scheme*, and strives to mitigate the effect of construction on the local environment pursuant to the principle of attaching equal importance to construction and environment protection.

- During the management of project construction, the Group, pursuant to the *Brochure Promoting Green Construction for Energy Saving and Emission Reduction*, has effective management and controls in place in respect of dust control, soil protection and waste disposal to ensure the construction site environment management is in compliance with laws and regulations and also promotes natural ecological protection.

1 During the Reporting Period, the type of energy consumed includes unleaded gasoline, diesel, natural gas and electricity purchased. The scope of statistical data of unleaded gasoline, diesel and natural gas covers the consumption by Wison Engineering Headquarter and its subsidiaries during working and construction process. The scope of statistical data of electricity purchased covers the comsumption by the Wison Engineering Headquarter and its subsidiaries as well as subcontractors during working and construction process.

3. BUILDING HSE COMPETITIVENESS

Ecological Protection

- Before vegetation clearance, birds, snakes, lizards and other rare aimals in the forest will be immigrated to the ecological preservation area nearby pursuant to the *Animals and Plants Migration Scheme*
- Transplant the first-class plants to the botanical garden designated by local environmental protection department and the second-and-third-class plants to areas designated by local environmental protection department

Dust Control

- Arrange road sprinkler to conduct sprinkling on the construction site where the project vehicles passed by at regular time everyday
- Arrage sprinkler to conduct sprinkling timely for dust control during earthwork construction, backfill, excavation and transportation

Soil Protection

- All repair work for mechanical equipment that may lead to oil leakage will be conducted in professional repair shops outside of the construction site according to the *Scheme of On-Site Facility Maintenance and Repair* to prevent the project site soil from pollution
- On the consturtion site, a drip pan is placed under each diesel generator and other facilities using oil during operation to prevent leakage
- Oil absorbing sheets , yellow sand and other environment emergency materials are also equipped on the construction site

Waste disposal

- Hazardous wastes are collected, classified, maintained and labeled based on the characteristics of the wastes. Special containers are used or separation and protection measures are adopted. Wastes are disposed by qualified third party to prevent secondary pollution caused by losses, leakage and diffusion
- In order to reduce wastes, the Group (or contractors) will be in charge of the general collection and disposal of recyclable non-hazardons wastes; the discharge and management of non-recyclable non-hazardous wastes will be conducted in accordance with the relevant laws, regulations and the Group policies. During the Reporting Period, the total non-hazardous waste of the Group reduced by 13% compared to 2017
- Any waste water generated from the office area on the construction site is used to irrigate the forest vegetation nearby after disposing via the reformed and expanded waste disposal system in compliance with requirements of local authorities , other than entering into the municipal drainage network, realizing “zero emission” of waste water on the construction site

CASE

Project Venezuela targets to establish a bench marking project

In order to comply with relevant laws and regulations and meet the environment protection requirements of local government, the project controls wastes generated from operation and residence, mitigates the effect of business activities on the environment, ensures the temporary sewage discharge meets relevant standards and through reasonable utilization reduces energy and resource consumption.

The Venezuela project department has installed a sewage recycling treatment system with daily capacity of 60 cubic meters. Water after treatment is inspected by a professional institution on a monthly basis and can only be released after being qualified. Meanwhile, water treated through the sewage recycling treatment system can be directly used to irrigate natural vegetation through the attached spray system. The system has become a benchmarking project for local environment protection department in Veracruz.

Sewage Recycling Treatment System

3. BUILDING HSE COMPETITIVENESS

CASE

Project Nanjing Chengzhi promotes green construction

Project Nanjing Chengzhi adopts new construction process for cost efficiency and promotes green construction with, but not limited to, the following specific measures: covering bare soil on the construction site, spraying water for dust control in the construction area, on-site sweeping and cleaning, dust detection, vehicle cleaning before entering and after leaving the site, green enclosure maintenance and using low-tension explosion-proof lamps for lighting.

Covering bare soil

Spraying water for dust control

Vehicle cleaning before entering and after leaving

Dust detection

During 2018, the Group's waste emissions[2] were set out below:

Type of Emission		Total Emission in 2018
Kitchen waste	Tonnes	178
Household waste	Tonnes	6,637
Recyclable waste	Tonnes	804
Construction waste	Tonnes	18,546
Total non-hazardous waste	Tonnes	26,165
Density of non-hazardous waste	Tonnes/ten thousand yuan revenue	0.08
Disposal volume of hazardous waste	Tonnes	1,175
Disposal density of hazardous waste	Tonnes/million revenue	0.36
Total waste	Tonnes	27,340
Waste emission density	Tonnes/ten thousand yuan revenue	0.08
Total waste water emission[3]	Tonnes	90,130
Density of waste water emission	Tonnes/ten thousand yuan revenue	0.28

Water Resource Management

To keep improving the Group's efficiency in using water resource, we continue to implement various water resource management measures, promote water conservation and reduce resource consumption. In addition to high-voltage fire water system, we have also adopted the following measures in respect of various water usages:

Water Conservation Management Measures	
Production water	Meters are set up for each sector to monitor and control water consumption
Living water	
Circulating cooling water	
Main industrial water	Recycled water is recommended to realize water resource reuse
Cooling water	
Greenery irrigation	Rainwater reuse
Building water	

2 During the Reporting Period, the scope of statistical data of the Group's waste emissions covers the emissions by Wison Engineering Headquarter and its wholly-owned and controlled subsidiaries as well as subcontractors during working and construction process.

3 During the Reporting Period, the scope of statistical data of the Group's total waste water emission covers all the waste water consumed by Wison Engineering Headquarter and its wholly-owned and controlled subsidiaries during working process.

3. BUILDING HSE COMPETITIVENESS

In 2018, the Group's water resource consumption[4] was set out below:

Type of Water Resource		Total Consumption in 2018
Municipal water supply	Cubic meters	234,914
Surface water	Cubic meters	12,000
Ground water	Cubic meters	0
Total water consumption	Cubic meters	246,914
Density	Cubic meters/ten thousand yuan revenue	0.76

3.3 HSE CULTURE

During the Reporting Period, the Group established a new HSE management strategy and intended to prepare the Annual HSE Work Plan from 2019. It divides the annual HSE target of the Company into various measurable key performance indicators (KPI) of HSE, and distributes them to all functional departments and project departments to promote the construction of HSE management culture with all employee engagement.

HSE Training

Through different kinds of internal and external HSE training sessions, promotion and exchanges on multiple-levels of the organization, the Group has been actively spreading the requirement of HSE management system, HSE concept and HSE culture and enhancing employees' awareness and skills of HSE so that all employees would be familiar with the HSE hazards related to their positions and the corresponding control and contingency measures. Achieving HSE objectives of each position is a pre-condition to realize the Group's HSE objects, which allows all employees to work safely and develop a collective sense of honor. During the Reporting Period, the Group provided HSE training to its employees and external subcontractors, and the details of training are as follows:

During the Reporting Period,
19,479 employees of the
Group received HSE training

During the Reporting Period,
the HSE training hours totalled
55,196.5 hours

4 During the Reporting Period, the scope of statistical data of the Group's water resource consumption covers all the water resource consumed by Wison Engineering Headquarter and its wholly-owned and controlled subsidiaries and subcontractors during working and construction process.

CASE

HSE Bulletins

In 2018, the Group used bulletins to promote HSE among its employees and improve their HSE awareness. During the Reporting Period, we formulated a total of 15 HSE bulletins focusing on different themes, including an introduction to the Regulations for Implementation of Environment Protection Tax Law of the People's Republic of China, a brief introduction to sewage knowledge, the World Day for Safety and Health at Work and an introduction to the International Day for Disaster Reduction in 2018, etc.

Besides, we set up diversified HSE bulletins and logos in each project department and intensified the promotion of safety, environment protection and green construction to improve the environment protection concept and awareness of safety of its employees and construction subcontractors.

Bulletin: World Day for Safety and Health at Work

Bulletin: Safe and Civilized Travel

3. BUILDING HSE COMPETITIVENESS

Awareness Improvement

The Group proactively promotes safety culture with a view to regulating the safety acts of its employees and improving their awareness of safety. Aligning with the international-leading safety management experience, we encourage our employees to attend various further education and training in respect of safety management and consistently improve the all-around safety management knowledge and expertise of our employees.

To encourage further learning and implementation of safety production, in the Safety Month of 2018, the Group organized a safety knowledge prize-giving quiz contest named "Cherish Life and Focus on Safety Development" (生命至上，安全發展) via WeChat. Employees can scan the QR code to enter into the contest interface. The contest attracted 1,907 employees, with an average score of 84.81, and recorded 19,409 sharing.

Lecture on "Safety Month"

Lecture on Fire-fighting

Training on the Usage of cardioverter defibrillator

Training on Safety Awareness for New Employees

During the Reporting Period, the employees of the Group have obtained the following safety and health certificates:

Public Welfare Activities for Environment Protection

Promotion of a sustainable environment is not only our responsibility, but also needs the joint efforts of the society. While insisting on green operation, the Group has organized various public welfare activities for environment protection by chance of the World Environment Day and the International Coastal Clean-Up Day to allow more people to participate in the ecological environment protection.

3. BUILDING HSE COMPETITIVENESS

CASE

International Coastal Clean-Up Day

In September 2018, the Group's RPLC project department in Venezuela participated in the local environment volunteer activities for the fourth consecutive year. It organized 150 participants to join the International Coastal Clean-Up Day activity organized by the government of Guanta and the environment department of PDVSA at the Guanta Conoma beach to make joint efforts in promoting the protection of ocean environment and mitigate the effect of waste generated by human to the beach and marine life. It collected 54 bags of plastic garbage on the beach, totaling 1,620 kilograms.

CASE

World Environment Day

During the period of the World Environment Day in June 2018, the Group initiated an environment protection activity named "I'm acting for a beautiful Wison" (美麗惠生，我是行動者). We organized an "Environment Commitment Activity" at the Wison Center and our employees who committed to completing three environment at protection acts pressed their fingerprints on the "environment tree". Meanwhile, we issued Wison's poster on environment at protection tips at our corporate WeChat platform, calling for employees to start with little things around to participate in environment protection and perform our environment responsibility jointly.

Wison "Environment Tree"

Poster on Environment Protection Tips

4. CREATING A MUTUALLY-BENEFICIAL ECOSYSTEM

OUR MANAGEMENT APPROACH

Through years of construction practice, Wison Engineering has not only established strong cooperative relationship with international first-class patent licensers and engineering companies, large domestic design institutes and construction companies as well as outstanding domestic and overseas suppliers, but also been understanding and grasping customers' needs to the greatest extent, providing customers with satisfactory solutions covering the entire life cycle of the construction project.

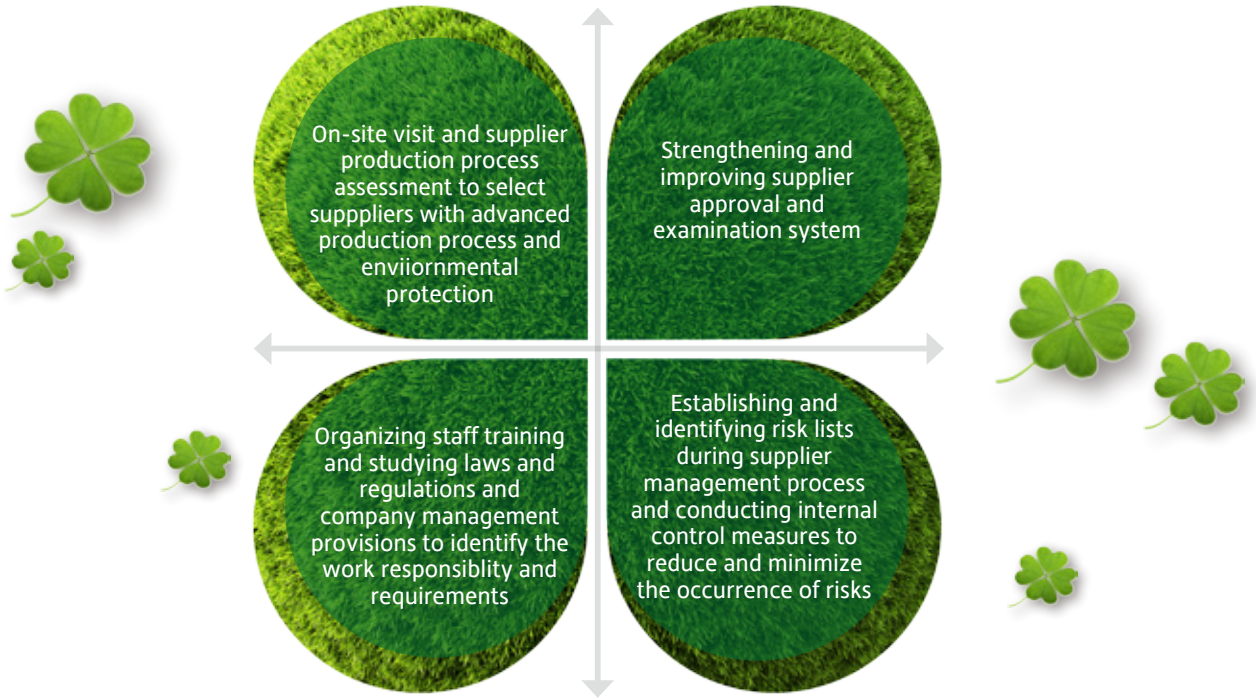
Wison Engineering has been continuously improving supply chain management through sustainable procurement policies, good supplier communication mechanisms and comprehensive supplier supporting measures; long-term and stable customer service has been secured through smooth customer communication channels, client privacy protection mechanisms and regular customer satisfaction survey; industrial progress has been propelled through strategic cooperation with other companies of the industry, government authorities, scientific research institutions and various colleges. Wison Engineering is committed to continuously optimizing its own management approach to create a win-win ecosystem along the entire industry chain.

4.1 RESPONSIBLE SUPPLY

In addition to traditional EPC services, customer demand for contractors has started to be expanded into the trial-run and operational management after project outlining, project planning, project financing and project delivery. Facing new market demand and leveraging on the advantage of strong organizational capacity and quick response, the Group organized and coordinated various parties such as suppliers, sub-contractors and distributors. Along with effective supply chain management, the Group innovatively constructed industrial ecosystem.

4. CREATING A MUTUALLY-BENEFICIAL ECOSYSTEM

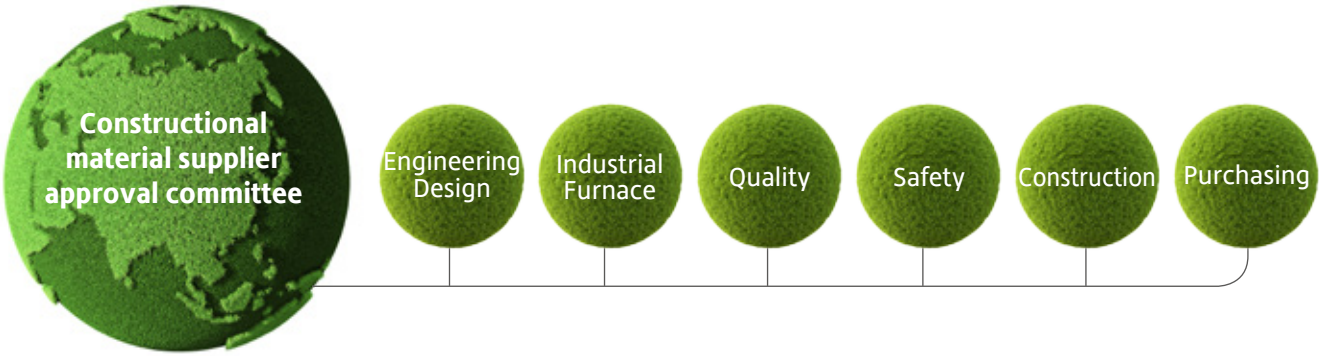
In terms of supply chain management, the Group is in strict compliance with laws and regulations such as *Anti-Unfair Competition Law of the People's Republic of China, Contract Law of the People's Republic of China* and *Bidding Law of the People's Republic of China* and has accordingly formulated regulations and systems such as *Management System for Anti-corruption, Anti-bribery and Anti-money Laundering, Administrative Measures for Contract Negotiation, Supplier Management Measures* and *Project Materials Procurement Management Measures* so as to standardize procurement work. We conduct our daily supply chain management work mainly through the following four approaches:



During the Reporting Period, we revised relevant management provisions and sample contracts for purchasing department, adding contents and terms on intellectual property right. Supplemental provisions and requirements were added in respect of confidentiality obligation and license to intellectual property right such as patent, technological secrets, trademark, business secrets and copyright regarding the Group and the Group's customers.

Supplier approval and examination

The Group's suppliers mainly include construction sub-contractors, design sub-contractors and various suppliers providing materials and services. We standardize the screening, approval and examination process of suppliers by upholding the principle of "fairness, equality, resources, competition and opt for the best". During the Reporting Period, we optimized supplier approval system and established "constructional material supplier approval committee of the Company", consisting experts in design, industrial furnace, quality, safety, construction and purchasing. We specified the duties and working process of the committee in the system so as to strengthen the examination and review on suppliers' approval.



During the Reporting Period, we improved the suppliers' performance examination method and process, adding "technological responsiveness" in the supplier examination dimension to enhance the suppliers' requirements on technological capacity; it was also provided that project design manager should be involved in the examination process of project suppliers to conduct a more comprehensive examination on the supplier.

Supplier Examination Dimension

4. CREATING A MUTUALLY-BENEFICIAL ECOSYSTEM

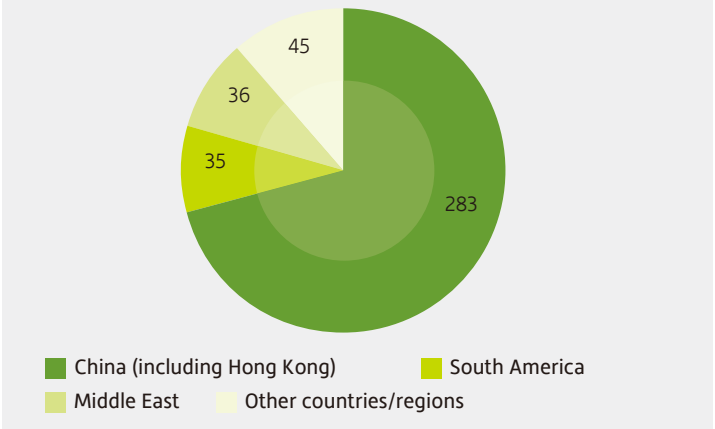
Global supplier network

In line with overseas business landscape, the Group has been proactively building global supplier network to support and propel local economic development by giving priority to project suppliers that meet the local approval conditions. We have maintained close and effective communication with suppliers. Communication such as technology exchanges, proposal discussions, business negotiations, progress tracking and on-site service supervision were carried out in different stages of the project. During the Reporting Period, in line with the business development needs and in order to expand overseas supplier reserve, we carried out a series of work:

- Consolidating supplier resources in the markets of, among others, Europe, the Americas and the Middle East, adding 1,245 suppliers in global supplier resource list, covering coutries and regions in the Middle East, Central and South Asia, Russia and former CIS, South Africa, Central and South America, Europe, Japan, South Korea, Iran and North America
- In the Middle East, the operation center despatched purchasing officer to be responsible for marketing, supplier management and development of the Middle East
- Assigning specialized personnel to focus on visiting markets in Russia and the United States to understand local supplier resources and manufacturing capacity
- Establishing supplier strategic partnership to support and help domestic suppliers to be registered under overseas landlord and supplier system so as to jointly explore overseas market

During the Reporting Period, the number of the Group's collaborative suppliers by geographical region was:

Number of collaborative suppliers by geographical region
Unit: firm



Supply chain integrity

All suppliers are required to sign the *Commitment Letter for Integrity* before carrying out any business activity with us to ensure compliance with the Group's requirement on integrity. During the Reporting Period, we updated the *Commitment Letter for Integrity* for suppliers, in which suppliers are required to read the Group's *Management System on Anti-corruption, Anti-bribery and Anti-money Laundering* to understand relevant compliance requirements on anti-corruption and the liabilities to be assumed in case of non-compliance and to ensure they can observe relevant requirements.

Green purchasing

The Group is committed to establishing healthy and sound cooperative relationship with suppliers. While achieving mutual benefit, we require suppliers to duly assume corporate social responsibility. During the process of selecting and assessing suppliers, we not only focus on the supplying quality and capability of suppliers, but also regard the assumption of corporate social responsibility as one of the key assessment factors.

4. CREATING A MUTUALLY-BENEFICIAL ECOSYSTEM

During the Reporting Period, we added *HSE Management Requirements for Projects of Wison Engineering* as the contract annex signed with suppliers, providing requirements on the suppliers' product raw materials, production process equipment, production proposal and packaging materials. Such requirements satisfy the requirements of health, safety and environmental protection to ensure that the products provided by suppliers can satisfy the requirements of laws, regulations and standards relating to occupational health and safety and environmental protection. When carrying out technical evaluation on each patent licenser/supplier recommended to the landlord to determine whether they have satisfied the environmental emission standards, we measure waste water, exhaust gas and solid waste emission resulting from technologies or products provided by patent licensers/suppliers as a key assessment indicator. On the basis of meeting the maximum emission standards required by local laws and regulations as the approval criterion, we further examine the emission and concentration of pollutants and compare the technical evaluation documents so as to recommend to the customers the technology providers/patent licensers with minimum impact on the local environment.

4.2 CLIENT ORIENTATION

In order to better plan the connection between construction and production, accurately grasp the production management requirements for design, purchasing and construction, and provide start-up and operation services, we have formed a balanced, reasonably-structured professionalized management and execution team gathering experts in chemical fields such as petrochemical, coal-to-chemical and refining industries, Such a quality team can provide customers with multi-sector customized solutions and professional services.

In order to obtain a comprehensive and in-depth understanding of clients' needs, we proactively conducted the research in uncovered industry areas and launched training programs to enhance and guide the knowledge development of business of new industries and new fields for marketing employees. Our experienced professional team providing trial-run services and operational maintenance also provides staff training, trial-run guidance and maintenance during operational process to ensure smooth operation of projects and provide clients with value-added services.

Communication with customers

The Group has been continuously expanding new customer communication channels to ensure steady communication frequency with customers regularly by various ways such as customer satisfaction survey, interviews, telephone interview or mail so as to construct a comprehensive customer satisfaction indicator system and improve the customer satisfaction towards products, services and management level of the Group. We regularly carry out customer satisfaction assessment to gain a comprehensive understanding of opinions and expectations of customers by preparing systemized procedures such as survey planning, survey response, tracking and correction.

Procedures for customer satisfaction assessment

During the Reporting Period, we launched customer satisfaction surveys for a total of 13 design projects and general contracting projects, of which design projects and general contracting projects reached an average satisfaction score of 9.68 and 9.47, respectively. We plan to formulate strict requirements on the number of customer satisfaction questionnaires for all projects in the 2019 customer satisfaction survey plan so as to obtain more adequate samples and conduct more systemic analysis on the results of customer satisfaction survey.

Privacy protection

While maintaining regular communications with and providing quality services for clients, the Group also pays close attention to the protection of clients' privacy. The security confidentiality function of our well-established client information management system is regularly optimized. Through various means such as client information security training, password management and control, authority control and file encryption, we carried out regular information security operation and maintenance in an orderly manner.

4. CREATING A MUTUALLY-BENEFICIAL ECOSYSTEM

Before executing a project

- Signing a confidentiality agreement with customers
- The agreement stipulates that only the staff for project execution are entitled to use client data. Data or information provided by customers shall not be disclosed without consent of the customers.

When executing a project and afterwards

- Without consent of the customers, disclosure of, among others, project condition of the customers, other suppliers situation of the customers, picture of the project or production equipment, capital situation, organization structure and staff of the customers to any thrid party or the public is strictly prohibited.
- Verification and confirmation should be obtained from the landlord before publishing the news for a new project. Press release on signing and cooperation can only be published after obtaining confirmation from all parties invloved.

Protection methods of clients' privacy

4.3 STRATEGIC COOPERATION

As one of the leading service and technology providers of energy and chemical EPC in China, we proactively launch strategic cooperation with other companies in the industry, government authorities, scientific research institutions and various colleges so as to drive industrial development.

Wison Engineering and CGGC International teamed up to explore overseas market

Wison Engineering and Gazprom Neftekhim Salavat signed Memorandum for Collaboration to proactively develop key markets in "Belt & Road" initiative

Wison Engineering and Jiangsu University officially established Jiangsu University and Wison Engineering Joint Laboratory for Big Data Research

5. BOOSTING EMPLOYEES' VITALITY

OUR MANAGEMENT APPROACH

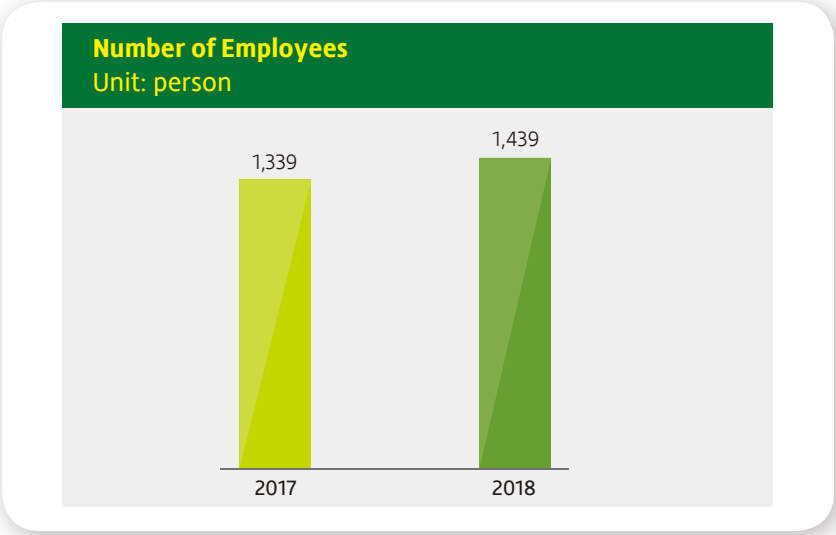
Employee is the primary capital of Wison Engineering. Wison Engineering always encourages its employees to develop, share and make progress with the Group. We pay close attention to the long-term development of our employees to boost their vitality continuously. Strictly abiding by *the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China* and relevant laws and regulations and systems in countries or regions where it operates, Wison Engineering has expressed provisions on employee recruitment, development and promotion, benefit and cares and other related things to provide diversified and humanized staff caring activities, create a diversified work environment with no discrimination and protect the legal rights and interests of our employees.

5.1 EMPLOYEE PROFILE

For the management of human resources in a fairer and more efficient way, the Group has formulated the *Provisions for the Management of Employee Recruitment* to regulate the management of recruitment procedures and employee emolument. The Group enters into a labor contract with each employee on a legal, fair, equal and voluntary basis after an arm's length negotiation to protect the justified rights or interests of its employees. Meanwhile, we strictly forbid the employment of child labor and force labor. We will make stringent investigation against any violations arising from the recruitment, and, once proved to be true, adopt corresponding measures pursuant to relevant requirements to prevent the same occurring in the future. During the Reporting Period, the Group did not notice any case of using child labor and forced labor.

Employee Recruitment

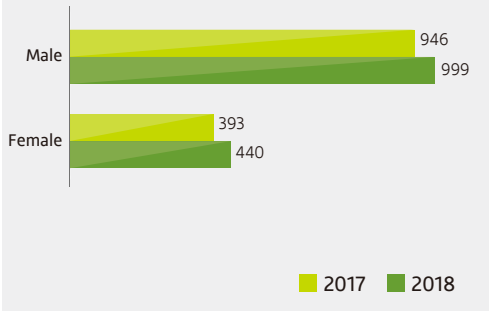
We keep acquiring human resources to expand our team of professionals. As of 31 December 2018, we have 1,439 employees, increasing by approximately 7.47% over 2017.



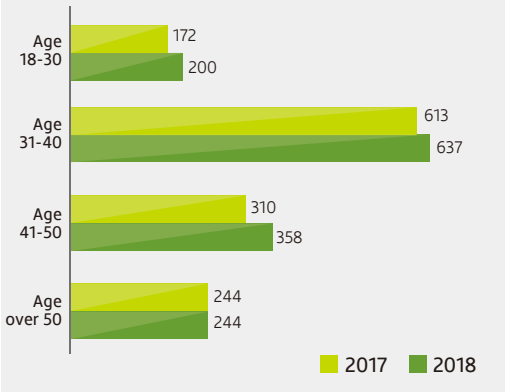
5. BOOSTING EMPLOYEES' VITALITY

Variation trend of the numbers of our employees by gender, age, position and geographical region are set out below:

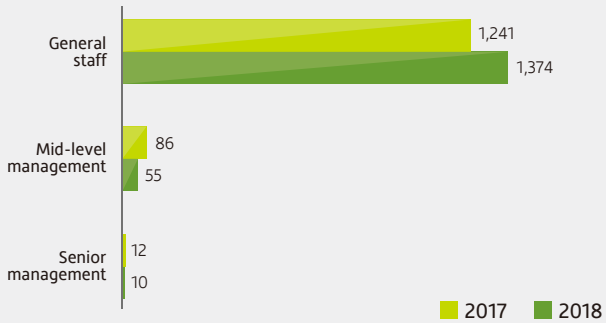
Number of Employees by Gender
Unit: person



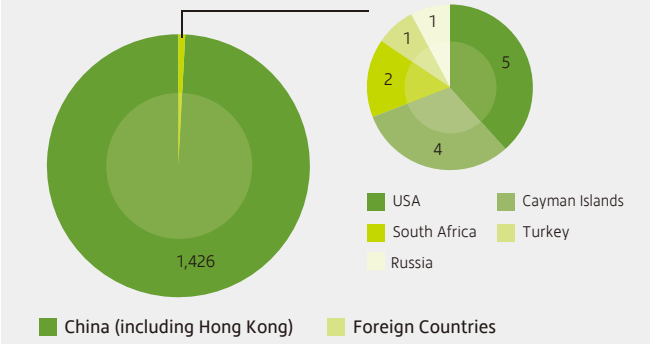
Number of Employees by Age
Unit: person



Number of Employees by Position
Unit: person

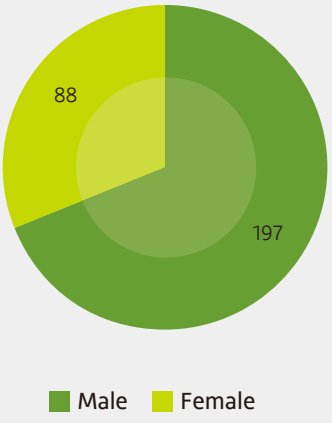


Number of Employees by Region
Unit: Person

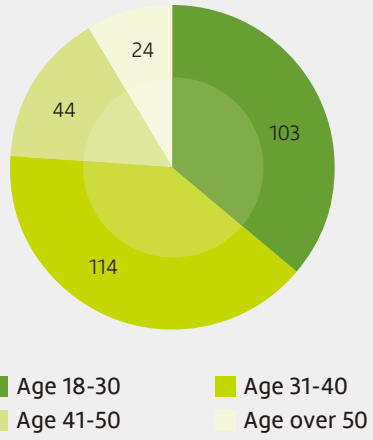


During the Reporting Period, Wison Engineering has 285 new employees in total for headquarter and the numbers of its new employees by gender, age and position are set out below:

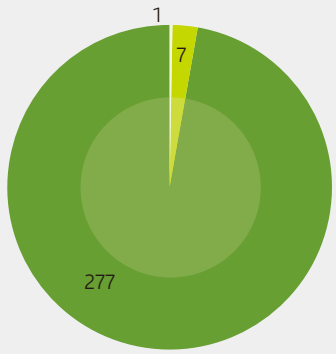
Number of New Employees by Gender
Unit: person



Number of New Employees by Age
Unit: person



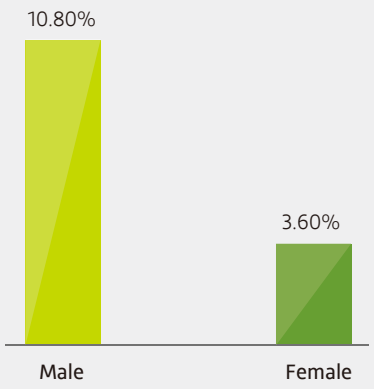
Number of New Employees by Position
Unit: person



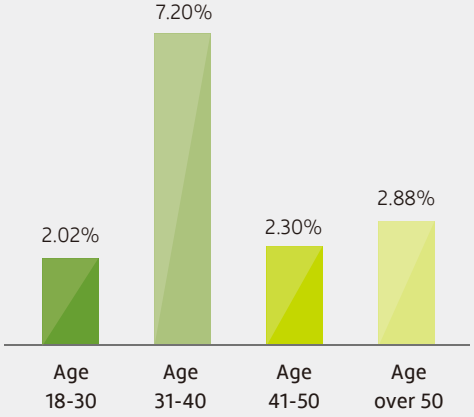
5. BOOSTING EMPLOYEES' VITALITY

During the Reporting Period, the Group's total employee turnover rate was 14.40%. Among these, turnover rate of general staff, mid-level management and senior management was 14.33%, 0.07% and 0 respectively. Employee turnover rate of China (including Hong Kong) was 14.50%, and no employee quit in other regions. The employee turnover rate by gender and age respectively is set out below:

Employee Turnover Rate by Gender
Unit: %



Employee Turnover Rate by Age
Unit: %



Diversified Management of Overseas Employees

We strive to provide more jobs for the local community in all the countries where we operate, drive the employment of local labors and promote the development of local economy. Meanwhile, we provide professional trainings to local employees to improve their skills and awareness of project management. During the Reporting Period, we optimized the system relevant to overseas employee management and provided human resources support to overseas projects.

Human resources support to overseas projects

- Remuneration package adjustment: due to accelerated currency depreciation, the project department decided to pay remuneration in foreign currency, the amount of which was determined based on position and exchanged into local currency at the rate prevailing on the settlement day of remuneration
- Talent review: during the Reporting Period, the Group conducted project talent review and chose cadre employees at each department as key objectives of development to improve its organizational structure and keep the stability of its cadre employee team

We respect culture integration and treat all employees equally, regardless of race, religion, age, gender, marital status, disability, nationality and country, to provide an equal and diversified work environment free from discrimination to its employees. The project team respects the local laws and regulations, religious belief and customs at the place where it operates and gets on well with local employees and communities. Besides, we have open meeting room available for foreign employees with special belief as prayer room. For new projects established overseas, we organize relevant trainings on local customs and practices and culture for project members. For established projects with years of operation history, the local human resource and administrative officers keep promoting and spreading local culture.

During the Reporting Period, the Group didn't notice any case of discrimination regarding race, skin, gender, religion, political view, lineage or origin as defined by the International Labor Organization, nor any complaints of discrimination involving internal and external stakeholders.

5.2 EMPLOYEE DEVELOPMENT

Focusing on the cultivation and development of employees, the Group implements a fair and unified performance management system and provides its employees with scientific and reasonable training and fair and square promotion chancel to improve their skills and market competitiveness and assist them to realize personal value.

Employee Training

In order to regulate our employee training management procedures, we formulated the *Provisions for Management of Employee Training,* which expressly states the objective and types of training. We have also formulated reasonable training scheme, budget and implementation plan. We provide targeted internal and external trainings regularly, including:

5. BOOSTING EMPLOYEES' VITALITY

During the Reporting Period, Wison School organized 21 lectures on various themes at the company level and selected and developed 25 basic and mid-level management members through Entrepreneur A/B Program to be the backbone force of the Company. Besides, we organized various training activities for the graduates, project manager and newly-appointed mid-level management respectively.

Graduate Training Camp

A training camp in 2 phases and lasting for 9 days was organized for 70 graduates, with the assistance of tutors, to establish training scheme and follow up all-around talent development

Project Manager Training Camp

An applied management training camp lasting for 2 days was organized for 56 project managers in respect of norms and standards and various professional abilities, including experience-sharing of domestic and overseas classic projects and project communication ability

Online MINI-MBA Course for Newly-Appointed Middel Management

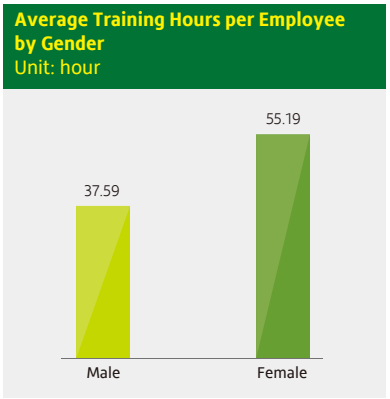
25 newly-appointed middle management members attended the online MINI-MBA course and completed online education for more than 20,000 hours

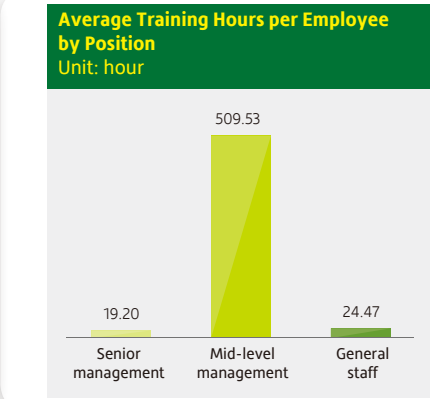

Wison School Lectures

Wison Entrepreneur Program

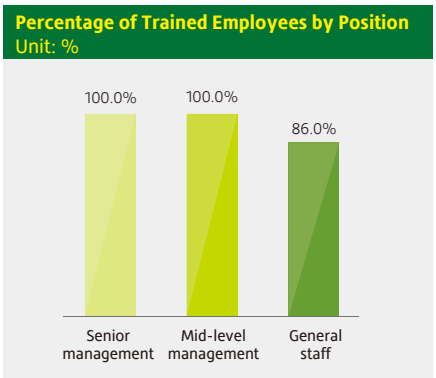
5. BOOSTING EMPLOYEES' VITALITY

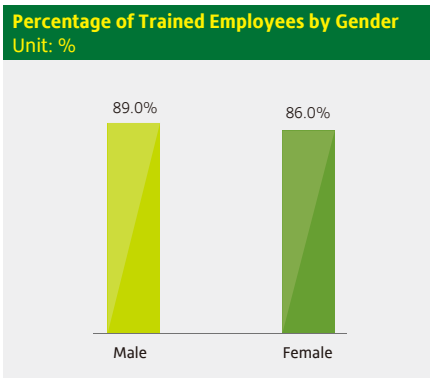
During the Reporting Period, an aggregate of 2,826 employees accepted total 61,838 hours of training, primarily including new employee training at the company level, orientation for graduates, training on various qualification, external training, leadership training for the management and trainings on key posts and projects, such as training for project manager. The average training hours per employee and the percentage of trained employees by gender and position were the following:





Among these, during the Reporting Period, the mid-level management attended the online MINI-MBA course for a period of six months, recording average annual training hours of 509.53.





Employee Promotion

In order to continuously improve the dual channel of professional development and promotion of employees and provide guidance on their career development and ability enhancement, in 2017, we determined the career development path for our employees at different positions, which expressly specifies the requirement of ability and experience for different positions. We review the class and level of position of all our employees to determine each of their position class and level and set the direction of their future career development, thereby attracting and retain excellent talents. During the Reporting Period, through Wison Entrepreneur A/B Program, a program aimed to start a "New Journey and New Venture", we selected and developed 25 basic and mid-level management members to be the backbone of the Company.

5.3 CARING FOR EMPLOYEES

To understand the needs of employees, the Group keeps intensifying its communication with employees and help them to keep balance between work and life through employee benefits and various employee activities.

Employee Communication

We respect opinions from our employees, encourage the management to make interactive communications and provide various communication channels to employees and respond to the needs of employees in a timely manner.

Employee communication channel

5. BOOSTING EMPLOYEES' VITALITY

New year banquet

Employee Welfare

We have formulated the *Provisions for Management of Employee Contract and Agreement* to provide reasonable remuneration package and benefit to our employees and safeguard their interests. During the Reporting Period, we increased our meal subsidy, updated employee canteen supplier and also included canteen satisfaction index into our performance target in a bid to improve the food quality and service quality.

Benefits	Employee Mutual Aid	Special Care
☐ Five insurances and one fund ☐ Supplementary medical insurance ☐ Annual leave ☐ Regular health check ☐ Free meal in employee canteen ☐ Shuttle bus	☐ Set up the Employees Mutual Aid Association (員工互助會) to encourage our employees to care for their colleagues ☐ Formulated the *Provisions on the Management of Employees Mutual Aid Association* to standardize the application and use of mutual aid fund	☐ Set up a "Mommy Corner", in which there is a disinfection cabinet, refrigerator, air cleaner, magazines, disposable bags for storing breast milk and disinfecting wipe for female employees ☐ Coordinate medical resources,and visit hospitalized and seriously ill employees or their family

During the Reporting Period, we continued to create an environment focusing on the personal health of our employees.

Engaged an external teacher to teach our employees to play Tai Ji

Opened a clinic and invited an external acupuncture doctor to provide medical service to our eomployees

Employee Activities

To diversify the life of our employees, the Group has set various clubs covering badminton, basketball, football and swimming and continuously provides maintenance service for the employees' badminton, table tennis, snooker pool and independent fitness room. Besides, it provides economic and related support and encouragement to all the clubs.

On Christmas Day and New Year's Day, we distributed gifts to our employees and our CEO also expressed care and greetings to the front-line employees in Wison Building

Wison's badminton team attended the "Nanjing Bank Cup" 2018 spring badminton contest organized in Zhangjiangyuan district and won the third prize

Wison's badminton team attended Shanghai Amateurish League & Sino Foreign Enterprise Badminton Contest in Pudong New District 2018

6. EMPOWERING NEW DEVELOPMENT OF THE COMMUNITY

OUR MANAGEMENT APPROACH

Being committed to "developing technology and benefiting people's livelihood", Wison Engineering not only works hard for its business development, but also focuses on arts and humanities and public charities. It seeks to return to the society by practising social care activities and establishes the same as its corporate culture to fuel further community development and set a positive example for the whole society.

6.1 SOCIAL WELFARE

We proactively devote ourselves into education and environment protection undertakings. We focus on the problem of children education and environment protection in places where we operate, aiming to improve the environment protection awareness of local residents and provide economic support to relevant public welfare activities. During the Reporting Period, we conducted various public welfare activities, including but not limited to organizing voluntary blood donation, planting trees and environmental propaganda.


浦东新区企业社会责任办认字 0204 号

证 书

惠生工程（中国）有限公司

贵公司在浦东新区企业社会责任评估工作中，经新区企业社会责任联席会议成员单位联合征询、专业评估公司现场评估、专家评审会审核、网上公示等流程，认定贵企业为"浦东新区企业社会责任达标企业"，特颁此证。

"浦东新区企业社会责任达标企业"称号及证书自获取为期两年，有效期满后，需向本办申请复审。

浦东新区建立企业社会责任体系
联席会议办公室
二〇一七年十一月十七日

In November 2017, Wison Engineering was recognized as a "Qualified Enterprise for Corporate Social Responsibility in Pudong New District", with such title and certificate being effective for two years from the date of issuance

CASE

2018 Voluntary Blood Donation

The Group's blood donation activity began from 16 April 2018. As of 31 May 2018, an aggregate of 54 employees participated in this voluntary blood donation in four batches.

CASE

Planting and Planting Tool Donation

In June 2018, the Group's Venezuela project department organized its members and subcontractors to plant trees in the area of its 72-apartment project and keep the survival rate of previously-planted saplings to improve the community greenness and protect the ecologic environment around the community. Meanwhile, the Group donated planting tools to the property owners to support their environment protection activities and propel environment protection and contribute to the development of local environmental undertaking.

6. EMPOWERING NEW DEVELOPMENT OF THE COMMUNITY

CASE

Environmental Propaganda and School Supplies Donation

In June 2018, four members of the Group's RPLC project department in Venezuela went to a primary school named La cruz Cacique Paisana to give a lecture themed environmental protection and donated school and office supplies, as well as gifts, to the students. To improve the environmental hygiene condition of the school, we also donated disinfectants and cleaning tools to the school.

Donation and propaganda activities not only improved the awareness of environment of the students, but also taught them to care and cherish other people and work together to make a better world.

6.2 CULTURE AND ART

Culture and art are the catalysts of innovative thinking. We have always stuck to doing our part in the area of culture and art creation and communication. Being committed to integrating culture and art into our community life, we established a platform for culture and art communication to bring unique cutting-edge culture and art experience to the public and create a diversified public space.

CASE

Wison Art Center

Wison Art Center organizes regular exhibition of artworks from various famous Chinese and foreign artists. By now, over 4,000 pieces of artwork from more than 400 artists have been displayed to the public in various forms. Through the exhibition of the humanity and innovative thinking of artists during their art creation, we promote the integration of science and technology with art and expect every Wisoner and staff of science and technology companies to express their innovative thinking and pursuit of improvement to each project and each product.

CASE

Contributing to Social Cultural Construction as a Sponsor of Shi Nai'an Literature Prize

In October 2018, Wison Group sponsored the third review meeting of "Shi Nai'an Literature Prize" at Wison Center, Shanghai, which was held by the government of Xinghua, Jiangsu Province and supported by the Writers' Association of Jiangsu Province. As a sponsor, Wison's relation with the prize can be traced back to years ago. As a partner, Wison Group fully supported the first "Shi Nai'an Literature Prize" launched in 2011.

APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
GRI 102 General Disclosures 2016				
102-1	Name of organization	1.1 Company Profile	8-10	
102-2	Major activities, brands, products, and services	1.1 Company Profile	8-10	
102-3	Location of headquarters	1.1 Company Profile	8-10	
102-4	Location of operations	1.1 Company Profile	8-10	
102-5	Nature and legal form of ownership	1.1 Company Profile	8-10	
102-6	Markets served	1.1 Company Profile	8-10	
102-7	Scale of the organization	1.1 Company Profile	8-10	
102-8	Information on employees and other workers	5.1 Employee Profile	57-61	
102-9	Supply chain	4.1 Responsible Supply	49-54	
102-10	Significant changes to the organization and its supply chain	4.1 Responsible Supply	49-54	
102-11	Precautionary principle or approach	1.2 Corporate Governance	10-11	
102-12	External initiatives		/	The Group plans to introduce appropriate external initiatives in the future
102-13	Membership of associations	1.4 Public Recognition	19-22	
102-14	Statement from senior decision-maker	Management Statement	4-5	
102-15	Key impacts, risks, and opportunities	1.3 Management of Social Responsibility	12-18	

Indicator	Description	Reference	Page	Note
102-16	Values, principles, standards, and norms of behavior	1.2 Corporate Governance	10-11	
102-17	Mechanisms for advice and concerns about ethics	1.2 Corporate Governance	10-11	
102-18	Governance structure	1.3 Management of Social Responsibility	12-18	
102-19	Delegating authority	1.3 Management of Social Responsibility	12-18	
102-20	Executive-management's responsibility for economic, environmental and social topics	1.3 Management of Social Responsibility	12-18	
102-21	Consulting stakeholders on economic, environmental, and social topics	1.3 Management of Social Responsibility	12-18	
102-29	Identifying and managing economic, environmental and social impacts	1.3 Management of Social Responsibility	12-18	
102-30	Effectiveness of risk management processes	1.3 Management of Social Responsibility	12-18	
102-31	Review of economic, environmental, and social topics	1.3 Management of Social Responsibility	12-18	
102-32	Highest governance body's role in sustainability reporting	1.3 Management of Social Responsibility	12-18	
102-33	Communicating critical concerns	1.3 Management of Social Responsibility	12-18	
102-34	Nature and total number of critical concerns	1.3 Management of Social Responsibility	12-18	
102-40	List of stakeholder groups	1.3 Management of Social Responsibility	12-18	

APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
102-41	Collective bargaining agreements	Not applicable	/	The Group currently has no formal collective bargaining agreement. Complaints and requests could be made by employees through existing channels and followed up by the Company according to established procedures
102-42	Identifying and selecting stakeholders	1.3 Management of Social Responsibility	12-18	
102-43	Approach to stakeholder engagement	1.3 Management of Social Responsibility	12-18	
102-44	Key topics and concerns raised	1.3 Management of Social Responsibility	12-18	
102-45	Entities included in the consolidated financial statements	About this report	2-3	
102-46	Defining report content and topic Boundaries	About this report	2-3	
102-47	List of material topics	1.3 Management of Social Responsibility	12-18	
102-48	Restatements of information	Not applicable	/	There was no restatement of information during the Reporting Period

Indicator	Description	Reference	Page	Note
102-49	Changes in reporting	About this report	2-3	
102-50	Reporting period	About this report	2-3	
102-51	Date of most recent report	About this report	2-3	
102-52	Reporting cycle	About this report	2-3	
102-53	Contact point for questions regarding the report	About this report	2-3	
102-54	Claims of reporting in accordance with the GRI Standards	About this report	2-3	
102-55	GRI content index	Appendix I GRI Standards Content Index	72-85	
102-56	External assurance	Not applicable	/	This report did not obtain external assurance
GRI 200 Economic				
Direct and indirect economic performance				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	1.1 Company Profile	8-10	
103-3	Evaluation of the management approach	1.1 Company Profile	8-10	
GRI 201 Economic Performance 2016				
201-1	Direct economic value generated and distributed	1.1 Company Profile	8-10	

APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	6 Empowering New Development of the Community: Our Management Approach	68	
103-3	Evaluation of the management approach	6.1 Social Welfare 6.2 Culture and Art	68-71	
GRI 203 Indirect Economic Impact 2016				
203-1	Infrastructure investments and services supported	6.1 Social Welfare	68-70	
203-2	Significant indirect economic impacts	6.1 Social Welfare 6.2 Culture and Art	68-71	
Anti-corruption				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	1.2 Corporate Governance	10-11	
103-3	Evaluation of the management approach	1.2 Corporate Governance	10-11	
GRI 205 Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	1.2 Corporate Governance	10-11	
205-2	Communication and training about anti-corruption policies and procedures	1.2 Corporate Governance	10-11	

Indicator	Description	Reference	Page	Note
205-3	Confirmed incidents of corruption and actions taken	1.2 Corporate Governance	10-11	There was no legal cases in relation to corruption during the Reporting Period
Anti-competitive Behavior				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	1.2 Corporate Governance	10-11	
103-3	Evaluation of the management approach	1.2 Corporate Governance	10-11	
GRI 206 Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.2 Corporate Governance	10-11	There was no legal cases related to anti-competitive behavior during the Reporting Period
GRI 300 Environment				
Energy management				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	3 Building HSE Competitiveness: Our Management Approach	34	
103-3	Evaluation of the management approach	3.2 Environmental Protection	38-44	

APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
GRI 302 Energy 2016				
302-1	Energy consumption within the organization	3.2 Environmental Protection	38-44	
302-4	Reduction of energy consumption	3.2 Environmental Protection	38-44	
302-5	Reduction in energy requirements of products and services	3.2 Environmental Protection	38-44	
Water Resource Management				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	3 Building HSE Competitiveness: Our Management Approach	34	
103-3	Evaluation of the management approach	3.2 Environmental Protection	38-44	
GRI 303 Water 2016				
303-1	Water withdrawal by source	3.2 Environmental Protection	38-44	
303-3	Water recycled and reused	3.2 Environmental Protection	38-44	
Greenhouse Gas Emission				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	3 Building HSE Competitiveness: Our Management Approach	34	
103-3	Evaluation of the management approach	3.2 Environmental Protection	38-44	

Indicator	Description	Reference	Page	Note
GRI 305 Emissions 2016				
305-1	Direct (Scope[1]) GHG emissions	3.2 Environmental Protection	38-44	
305-2	Energy indirect (Scope[2]) GHG emissions	3.2 Environmental Protection	38-44	
305-4	GHG emissions intensity	3.2 Environmental Protection	38-44	
Effluents and Waste				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	3 Building HSE Competitiveness: Our Management Approach	34	
103-3	Evaluation of the management approach	3.2 Environmental Protection	38-44	
GRI 306 Effluents and Waste 2016				
306-2	Total waste by type and disposal method	3.2 Environmental Protection	38-44	
306-3	Significant spills		/	There was no incident of significant leakage during the Reporting Period

APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
Environmental Compliance				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	3 Building HSE Competitiveness: Our Management Approach	34	
103-3	Evaluation of the management approach	3.2 Environmental Protection	38-44	
GRI 307 Environmental Compliance 2016				
307-1	Non-compliance with environmental laws and regulations		/	There was no incident of breach of environmental laws and regulations during the Reporting Period
Procurement Model				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	4 Creating a Mutually-Beneficial Ecosystem: Our Management Approach	49	
103-3	Evaluation of the management approach	4.1 Responsible Supply	49-54	
GRI 308 Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	4.1 Responsible Supply	49-54	
308-2	Negative environmental impacts in the supply chain and actions taken	4.1 Responsible Supply	49-54	

Indicator	Description	Reference	Page	Note
GRI 400 Social				
Employment				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	5 Boosting Employees' Vitality: Our Management Approach	57	
103-3	Evaluation of the management approach	5.1 Employee Profile	57-61	
GRI 401 Employment 2016				
401-1	New employee hires and employee turnover	5.1 Employee Profile	57-61	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Caring for Employees	65-67	
Safe Operation				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	3 Building HSE Competitiveness: Our Management Approach	34	
103-3	Evaluation of the management approach	3.1 Safe Operation	34-37	

APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
GRI 403 Occupational Health and Safety 2016				
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism	3.1 Safe Operation	34-37	
403-3	Workers with high incidence or high risk of diseases related to their occupation	3.1 Safe Operation	34-37	
Staff Training				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	5 Boosting Employees' Vitality: Our Management Approach	57	
103-3	Evaluation of the management approach	5.2 Employee Development	61-64	
GRI 404 Training and Education 2016				
404-1	Average hours of training per year per employee	5.2 Employee Development	61-64	
404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Employee Development	61-64	
Employment				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	5 Boosting Employees' Vitality: Our Management Approach	57	
103-3	Evaluation of the management approach	5.1 Employee Profile	57-61	

Indicator	Description	Reference	Page	Note
GRI 405 Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	5.1 Employee Profile	57-61	
Child Labor and Forced Labor				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	5 Boosting Employees' Vitality: Our Management Approach	57	
103-3	Evaluation of the management approach	5.1 Employee Profile	57-61	
GRI 408 Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	5.1 Employee Profile	57-61	
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	5 Boosting Employees' Vitality: Our Management Approach	57	
103-3	Evaluation of the management approach	5.1 Employee Profile	57-61	
GRI 409 Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Employee Profile	57-61	

APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
Product Responsibility				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	4 Creating a Mutually-Beneficial Ecosystem: Our Management Approach	49	
103-3	Evaluation of the management approach	4.2 Client Orientation	54-56	
GRI 416 Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of products and service categories	4.2 Client Orientation	54-56	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		/	There was no incident of non-compliance concerning the health and safety impacts of products and services during the Reporting Period

Indicator	Description	Reference	Page	Note
Client Privacy				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Management of Social Responsibility	12-18	
103-2	The management approach and its components	4 Creating a Mutually-Beneficial Ecosystem: Our Management Approach	49	
103-3	Evaluation of the management approach	4.2 Client Orientation	54-56	
GRI 418 Client Privacy 2016				
418-1	Substantiated complaints concerning breaches of client privacy and losses of client data		/	During the Reporting Period, no substantiated complaint regarding breaches of client privacy and losses of client data was received

APPENDIX II INDEX OF ESG GUIDE OF THE STOCK EXCHANGE

KPI		2018 Corporate Social Responsibility Report
A. Environmental		
Aspect A1	**Emissions**	
General Disclosure	Information on: (a) the policies;and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3.2 Environmental Protection
A1.1	Types of emissions and respective emissions data.	3.2 Environmental Protection
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	3.2 Environmental Protection
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	3.2 Environmental Protection
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	3.2 Environmental Protection
A1.5	Description of measures to mitigate emissions and results achieved.	3.2 Environmental Protection
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	3.2 Environmental Protection
Aspect A2	**Use of Resources**	
General Disclosure	Policies on the efficient use of resources including energy, water and other raw materials. Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	3.2 Environmental Protection
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000) and intensity.	3.2 Environmental Protection
A2.2	Water consumption in total and intensity.	3.2 Environmental Protection
A2.3	Description of energy use efficiency initiatives and results achieved.	3.2 Environmental Protection

KPI		2018 Corporate Social Responsibility Report
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	3.2 Environmental Protection During the Reporting Period, no issues in sourcing water that are fit for purpose were identified
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The business of the Group does not involve the use of any packaging materials
Aspect A3	**The Environment and Natural Resources**	
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	3.2 Environmental Protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.2 Environmental Protection
B. Social		
Employment and Labor Practices		
Aspect B1	**Employment**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Employee Profile
B1.1	Total workforce by gender, employment type, age group and geographical region.	5.1 Employee Profile
B1.2	Employee turnover rate by gender, age group and geographical region.	5.1 Employee Profile

APPENDIX II INDEX OF ESG GUIDE OF THE STOCK EXCHANGE

KPI		2018 Corporate Social Responsibility Report
Aspect B2	**Health and Safety**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.1 Safe Operation
B2.1	Number and rate of work-related fatalities.	3.1 Safe Operation
B2.2	Lost days due to work injury.	3.1 Safe Operation The indicator used for disclosure was recordable incident rate, which is more commonly used in the industry
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	3.1 Safe Operation
Aspect B3	**Development and Training**	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training. It may include internal and external courses paid by the employer.	5.2 Employee Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior and mid-level management).	5.2 Employee Development
B3.2	The average training hours completed per employee by gender and employee category.	5.2 Employee Development

KPI		2018 Corporate Social Responsibility Report
Aspect B4	**Labor Standards**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	5.1 Employee Profile
B4.1	Description of measures to review employment practices to avoid child and forced labor.	5.1 Employee Profile
B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Employee Profile
Operating Practices		
Aspect B5	**Supply Chain Management**	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.1 Responsible Supply
B5.1	Number of suppliers by geographical region.	4.1 Responsible Supply
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.1 Responsible Supply
Aspect B6	**Product Responsibility**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.1 Quality First 4.2 Client Orientation

APPENDIX II INDEX OF ESG GUIDE OF THE STOCK EXCHANGE

KPI		2018 Corporate Social Responsibility Report
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the Reporting Period, no product recall has been made by the Group
B6.2	Number of products and service related complaints received and how they are dealt with.	2.1 Quality First
B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.2 Technology Innovation
B6.4	Description of quality assurance process and recall procedures.	2.1 Quality First
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.2 Client Orientation
Aspect B7	**Anti-corruption**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.2 Corporate Governance
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.	1.2 Corporate Governance
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.2 Corporate Governance
Community		
Aspect B8	**Community Investment**	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its business activities take into consideration the communities' interests.	6.1 Social Welfare
B8.1	Focus areas of contribution (e.g. education, environment, labor needs, health, culture, sports).	6.1 Social Welfare 6.2 Culture and Art
B8.2	Resources contributed (e.g. money or time) to the focus area.	6.1 Social Welfare

APPENDIX III APPLICABLE REGULATIONS AND POLICIES

List of laws and regulations
Enterprise Risk Management — Integrated Framework
Foreign Corrupt Practices Act 1977 of the United States
United Kingdom Bribery Act 2010
Prevention of Bribery Ordinance of the Hong Kong Special Administrative Region
Company Law of the People's Republic of China
Criminal Law of the People's Republic of China
Anti-Unfair Competition Law of the People's Republic of China
Interim Provisions on Prohibition of Commercial Bribery
Safety Production Law of the People's Republic of China
Emergency Response Law of the People's Republic of China
Fire Control Law of the People's Republic of China
Regulations on Safety Production Management of Construction Projects
Regulation on the Safety Management of Hazardous Chemicals
Law of the People's Republic of China on Prevention and Control of Occupational Diseases
Regulation on Work-related Injury Insurances
Regulations on the Administration of Overseas Public Security
Regulations on the Reporting, Investigation and Handling of Production Safety Accidents
Environmental Protection Law of the People's Republic of China
Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution
Law of the People's Republic of China on Prevention and Control of Water Pollution
Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution
Law of the People's Republic of China on Prevention and Control of Solid Waste pollution
Environmental Impact Assessment Law of the People's Republic of China
Administrative Regulations on Environmental Protection for Construction Projects
Contract Law of the People's Republic of China
Bidding Law of the People's Republic of China
Labor Law of the People's Republic of China
Labor Contract Law of the People's Republic of China
Special Rules on the Labor Protection of Female Employees

APPENDIX III APPLICABLE REGULATIONS AND POLICIES

Internal Policies Documents and Management Procedures
Codes on Business Conduct of Wison Group Holding Limited
Approach to Due Diligence on Suppliers of Wison Group Holding Limited
Management System for Anti-corruption, Anti-bribery and Anti-money Laundering
Management and Review Procedures for Management Systems
Guiding Principles for Quality Management and Control
Technology Research and Development Cooperation Management Regulations
Technology Transfer and License Management Regulations
Emergency Management Procedures
Accident Management Procedures
Occupational Health Management Procedures
Regulations on the Management of High (Low) Temperature, Toxic Dust and Noise
Identification, Evaluation and Control of Source of HSE Hazards
Regulations on the Administration of Personal Protective Equipment
Consolidated Evaluation Report of Overseas Public Security 2018
Guidelines to Overseas Public Health
Environment Management Procedures
Regulations on the Management of Solid Waste, Waste Gas and Waste Water
Animals and Plants Migration Scheme
Waste Disposal Scheme
Dust Suppression Scheme
On-Site Facility Maintenance Scheme
Brochure Promoting Green Construction for Energy Saving and Emission Reduction
Annual HSE Work Plan
Administrative Measures for Contract Negotiation
Supplier Management Measures
Project Materials Procurement Management Measures
HSE Management Requirements for Projects of Wison Engineering
Commitment Letter for Integrity
Provisions for Management of Employee Recruitment
Provisions for Management of Employee Training
Provisions for Management of Employee Contract and Agreement

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