Wison Engineering Services Co. Ltd.

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

CORPORATE SOCIAL RESPONSIBILITY REPORT 2019

Contents

ABOUT THIS REPORT

REPORT OVERVIEW

This report is the fourth 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 safety 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 2019 to 31 December 2019 (the "Reporting Period"), with some information references date dating back to 2018 or before, or looking forward to 2020. 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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

This report mainly presents Wison Engineering's performance in environmental, social and governance ("ESG") aspects for stakeholders' reference. The contents of this report are determined according to a set of established procedures including identifying and ranking important stakeholders and 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

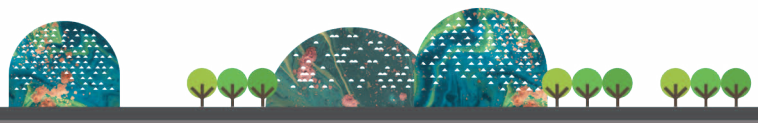
The information and cases of this report mainly come from the Company's statistical reports and related files. The Board of Directors of the Company guarantees that this report does not contain any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness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

ACCESS TO AND RESPONSE TO THIS REPORT

This report is available in both traditional Chinese and English versions for readers' reference, and its electronic version is available in the section "Financial Statements/Environmental, Social and Governance Information" on the website of the Stock Exchange (www.hkex.com.hk) or 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 2019, the global economy as well as the energy and chemical markets were deeply affected by geopolitics and global trade relations. The Group adhered to the principle of "Better Technology, Better Life", proactively coped with new challenges and leveraged new opportunities, and continued to give full play to the advantages of the mechanism of private enterprises in terms of swiftness and flexibility, striving to become a domestic leading and world-renowned integrated solution provider for energy and chemical engineering design, procurement and construction (EPC) service and technology. Meanwhile, the Group proactively incorporated the social responsibility concept into its operational strategies, joining hands with stakeholders to promote sustainable development in building a better world.

Faced with changes in the market environment, Wison Engineering strengthened its internal capacity and forged ahead in 2019, continuously making breakthroughs in management structure, technology research and development, and market expansion. In order to thoroughly implement our corporate strategy, we completed structure enhancement, restructuring five systems including the execution system, marketing system, technology system, resource system and control system. Each system viewed "customer value creation" as its core mission and collaborated with one another to improve efficiency and strengthen the control on operational risk. We firmly believed that refined management and leading technology can drive the market, and together with the capacity of Chinese manufacturing, will enable the Company to give full play to the advantages of private enterprises in the energy and chemical engineering sector. While setting a foothold domestically, we continued to develop the international market and extended the industry chain. Based on the features of different regions and markets, we formulated specific market strategies and put into practice the approach of "global orientation, differentiated competition and refined management", establishing and solidifying the leading brand image of Wison Engineering.

This year, we developed technology and strived for innovation. Wison Engineering intensified its efforts on research and development, proactively focused on and captured global cutting-edge technology featuring breakthrough, and continuously promoted technology research and development and innovative intellectual property management mechanism. Leveraging global technology integration as its core driver, the Group aimed to extend the industry chain to catalysts, new materials, and energy conservation and environmental protection areas. In addition, the Group continued to increase its strategic investment in refined project management, digital transformation and modular value creation, putting the philosophy of "tech-driven development" into practice.

We abided by our responsibility and pursued excellence in the year. Wison Engineering further enhanced the quality, health, safety and environment (QHSE) management systems it established. We adopted whole-cycle quality management measures and established and strengthened our premium execution brand by delivering quality projects. We focused on risk management, incorporated advanced occupational health and safety concepts into the whole corporate decision-making process, and continued to improve safety emergency management. Meanwhile, we insisted on promoting civil, environment-friendly and green construction, securing highly recognition from customers. In particular, Zhejiang Petrochemical Phase II Ethylene Project stood out from the projects of many other contractors, and was named a "Exemplary Civilized Construction Site" by the owners, becoming an exemplar for civil construction in energy engineering.

This year, we joined hands with partners to achieve mutual benefits and win-win results. Through close customer communication and customer satisfaction survey, Wison Engineering further understood customers' demands and improved services, creating more value for customers. Meanwhile, we further enhanced the management model for supplier hierarchy and classification. Through sustainable procurement policy and strict supplier admission and appraisal mechanism, we guaranteed project quality on the basis of controlling source quality, creating a win-win industry chain ecology.

We gathered strength and moved forward together over the year. Wison Engineering continued to promote and enhance the revamping scheme for its talent and structure. We strived to create an equal, diverse and inclusive talent environment, establishing various incentive and development mechanism for the best talents in the industry and further releasing the advantages of private operation system. Faced with the coronavirus pandemic in early 2020, the Group deployed disease prevention measures in a timely manner, protected employees' health and safety, created a reassuring working environment for employees, and took action to stand in solidarity with all employees. During the process of complete work resumption and production resumption, the Group ensured the health and safety of nearly 1,800 employees across the globe.

This year, we benefited people's livelihood with warmth and care. While developing steadily, Wison Engineering always remembered to undertake its social responsibility, continued to focus on its own performance in community culture and art, employee volunteering activity and environmental protection awareness promotion, proactively assumed its responsibility as a corporate citizen and gave back to society.

The year 2020 is still full of challenges and opportunities. Wison Engineering will continue to focus on the evolving pandemic and market changes, continuously promote innovative management mechanisms and improve its own capacity and strength. Adhering to the operational philosophy of "integrity-based, customer-oriented, innovation-driven, harmonious and win-win", the Group continues to focus on the demands of customers, investors, employees, suppliers, partners, communities and other stakeholders, identifies and manages various risks properly, firmly grasps historical development opportunities and consolidates the industry's landscape, embarking on a journey of new glory for Wisoner together.

Executive Director and Chief Executive Officer
Rong Wei

2019 KEY PERFORMANCE

OPERATIONAL PERFORMANCE

- Revenue of **RMB4,367.27 million** was recorded, representing a growth of **34.1%** when compared with that of 2018
- New contract amount of **RMB12,776.6 million** was secured, representing a year-on-year growth of **78.3%** when compared with that of 2018
- **12** branches or subsidiaries were established across **5 continents** around the world, achieving full coverage of the global market in terms of key customers and business opportunities for projects in various countries and regions
- **100%** of the suppliers were required to sign the Commitment Letter for Integrity before carrying out any business activity with us
- The number of corruption litigation cases was **0**

TECHNOLOGY RESEARCH AND DEVELOPMENT

- Capital investment of **RMB6,584,100** was made in environmental technology research and development, representing a growth of 29% when compared with that of 2018
- Obtained remarkable achievements in newly acquired intellectual rights, with **26** new applications for patents, **18** newly licensed patents, and **6** new software copyright registrations
- Achieved breakthrough in the engineering of the world's first 2,200kta BP PTA process technology, reducing solid waste generation by **95%**, greenhouse gas emissions by **65%**, and wastewater discharge by **75%**
- Signed an EPC contract for a **75,000Nm^3/h** coal-to-hydrogen plant and a **300 kta** synthetic ammonia plant, setting a **new benchmark for safety and environmental protection**

QHSE MANAGEMENT

- **100%** of the design products of the Group's projects under construction were rated as excellent, with **0** quality-related incidents
- The total number of staff and subcontractor participation for HSE-related training reached **15,323** with a total of **26,313.5** training hours on HSE
- The number of work-related fatalities was **0**, and the Total Recordable Incident Rate was **0.07**

CLIENT ORIENTATION

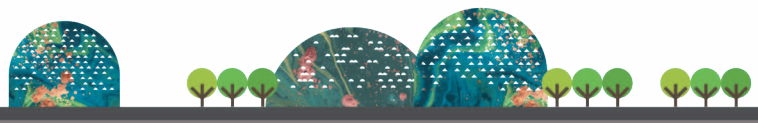
- The satisfaction score for overseas projects was **0.33 point** higher when compared with that for 2018 due to timely response to the needs of and changes in the international market
- The number of customer complaints related to products and services was **0**

TALENT DEVELOPMENT

- A total of **1,694** employees, representing a growth of **17.72%** when compared with that for 2018
- A total of **368** newly appointed employees, representing a growth of **29.12%** when compared with that for 2018
- A total of **33,243 hours** of training for employees, with each employee receiving an average of **19.62 hours** of training

COMMUNITY AND CHARITY

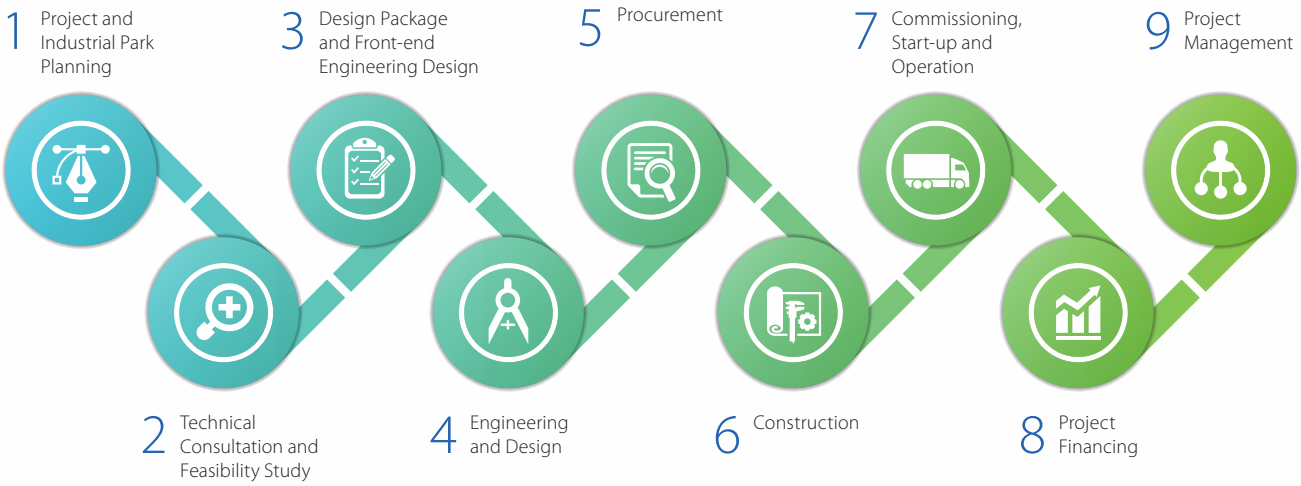
- We hosted the "Clothes + Clothes = Care" old clothes charity donation activities, collecting **over 500 pieces** of old clothes with the number of direct staff participation reaching **150**
- We arranged our staff and their family members to join the International Coastal Cleanup (ICC) initiative, **keeping the Earth, our homeland, green**
- We enthusiastically launched volunteer activities to help students with disabilities, allowing them to feel the **warmth and care** of fellow community members



1. SETTING SAIL ON AN INTEGRITY-BASED VOYAGE

1.1 COMPANY PROFILE

Wison Engineering Services Co. Ltd. (stock code: 2236) is a leading provider of energy & chemical EPC (engineering, procurement and construction management) services and integrated technology solutions, specializing in the provision of technical and engineering construction services in the fields of petrochemicals, oil refining, coal-to-chemicals, oilfield services, liquefied natural gas (LNG) and power generation. Wison Engineering is always committed to providing customers with solutions covering the full project lifecycle, in a great effort to grow into an international leading engineering company with "cutting-edge technology, leading management, top-notch services, respectful customers and proud employees".

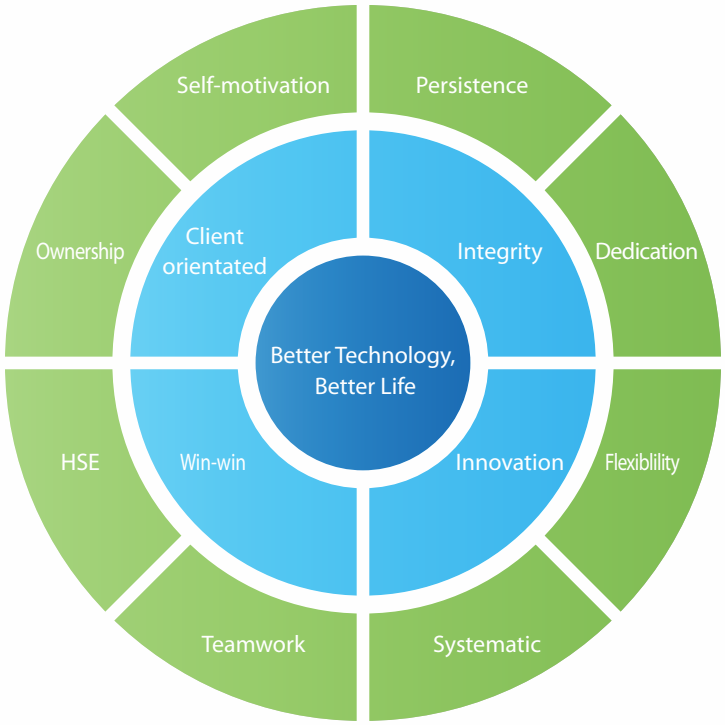


Entire Lifecycle Solutions

In 2019, we continued to uphold the strategy of "gathering forces to start a new venture" by fully leveraging our fast reaction and flexibility as a private enterprise to actively respond to the challenges and changes in the market and industry. Meanwhile, the Group continued to increase its strategic investment in fine project management, digital and modular value creation, technology research and development (R&D), and industrial chain extension, and to consolidate its key competitive strengths for the realization of "tech-driven development", with an aim to become a domestically leading, internally renowned provider of integrated energy and chemical engineering solutions.

Corporate Philosophy

For more than 20 years, Wison Engineering has been adhering to the corporate objective of "Better Technology, Better Life" and committed to providing customers with satisfactory solutions covering the full project lifecycle in the field of energy and chemical services, with a view to promoting the development of the energy service industry, creating customer value, rewarding employees and shareholders, and contributing to society. We always uphold the customer-oriented and integrity-based values, pursue innovation-driven corporate development, and strive to achieve harmonious and win-win outcomes.



1. SETTING SAIL ON AN INTEGRITY-BASED VOYAGE

Development History

Wison Engineering started with ethylene cracking furnace retrofit business and gradually developed into an international comprehensive engineering company with diversified business lines.

Phase I (1997–2004)

Built core competence in ethylene cracking furnace technology and project management

- Incorporated in Shanghai in 1997
- Awarded the first ethylene cracking furnace revamping project
- Received ISO 9001 certification
- Awarded grass-root cracking furnaces projects

Phase II (2005–2008)

Built EPC capabilities for new projects

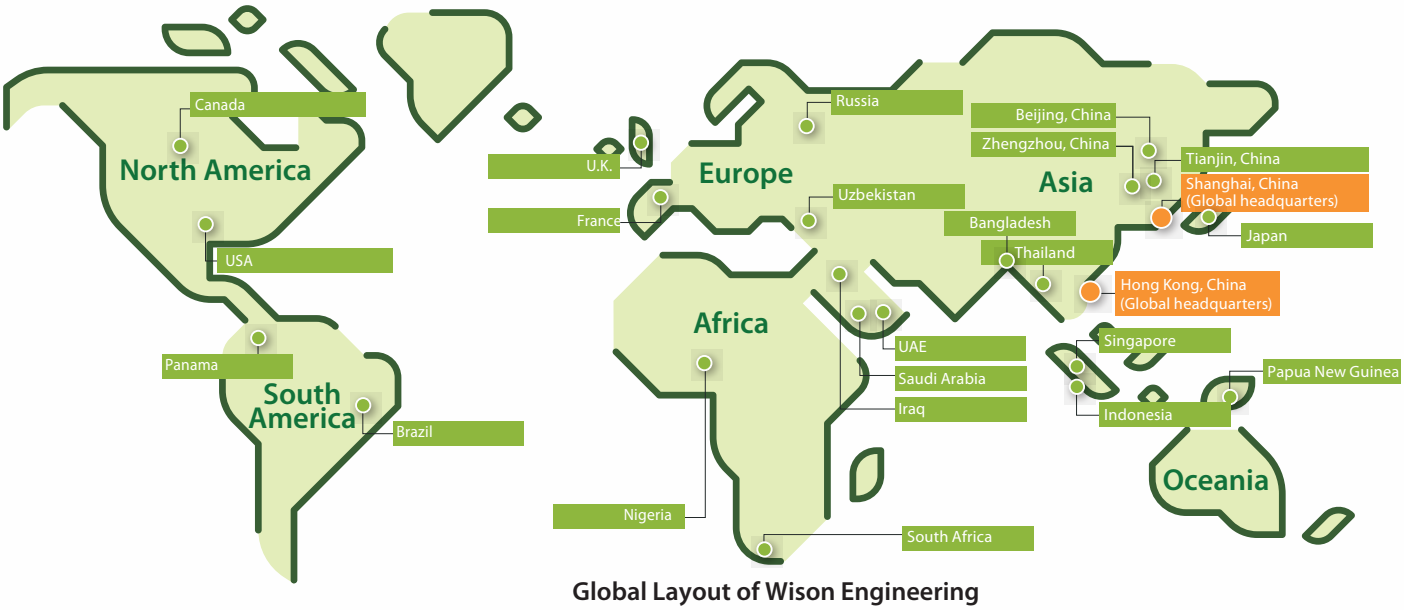
- Obtained Class-A license as a general contractor for chemical & petrochemical projects
- Obtained Class-A engineering design license for Petrochemical & Pharmaceutical industries
- Awarded the first PC contract for an ethylene project
- Entered EPC services for coal-to-chemicals and refineries
- Acquired Henan Chemical Engineering & Design Institute

Phase III (2008–present)

Established a leading position in coal-to-chemicals and expanded into overseas EPC mark

- Completed multiple large EPC projects, including projects with contract value of over US$1 billion
- Achieved technological breakthroughs and established the leading position in coal-to-chemical industry
- Listed in Hong Kong Stock Exchange in 2012
- Awarded as a Pilot Enterprise of technological innovation in the chemical industry in 2015
- Focusing on global expansion; awarded multiple refining and petrochemical EPC projects in the Middle East, North America and South America
- Obtained the largest modular project undertaken by a Chinese engineering company in America

As of 31 December 2019, we had established 12 branches or subsidiaries in 5 continents and set up project execution centers in key regions such as the Middle East and North America. Meanwhile, we have business dealings with more than 20 countries and region around the world, realizing full coverage of key customers and project opportunities in the global market.

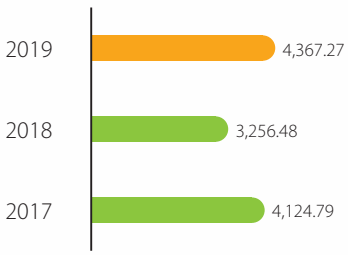


Global Layout of Wison Engineering

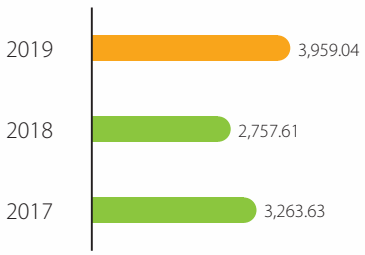
Business Review for 2019

During the Reporting Period, we proactively responded to market changes with a focus on customer value creation, carried out tech-driven market development, continuously strengthened our comprehensive competitiveness and profitability, and developed and extended the entire industrial chain. During the Reporting Period, the Group recorded a revenue of RMB4,367.27 million, an increase of 34.1% from 2018.

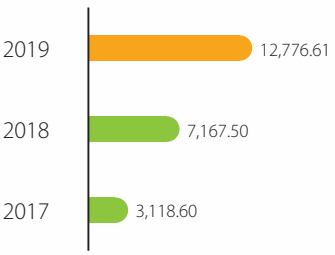
Comprehensive Revenue (RMB million)



Cost of Sales (RMB million)



New Contract Value (RMB million)



(For more financial information, please refer to the Annual Report 2019 of Wison Engineering)

1. SETTING SAIL ON AN INTEGRITY-BASED VOYAGE

Wison Engineering vigorously developed overseas markets. With rich project execution experience and an international talent team, we have established an operating system, procedural standards and a global network of procurement and construction resources to meet the requirements of international project execution. We have also built good partnerships with international engineering companies. In 2019, the Group signed up 10 new international projects, mainly from the two core markets of the United States and the Middle East. In addition, Wison Engineering actively explored emerging markets and deepened its expansion in Russia, CIS, Southeast Asia and Africa, and is expected to achieve substantial project breakthroughs in emerging markets in 2020.

In China, the Group fully grasped market opportunities and continuously improved the quality of project execution and management. While maintaining its edges in traditional fields such as ethylene and coal-to-chemicals, Wison Engineering actively explored emerging fields, and has made breakthroughs in the fields of PDH, PTA, and oil refining in the downstream of light hydrocarbons. In 2019, the Group signed 65 new domestic projects with a total contract value of approximately RMB12.09 billion. These new projects, mainly located in Shandong, Zhejiang, Fujian and Guangdong, involve such engineering works as refinery-petrochemical integration, ethylene, coal-to-chemicals, PTA and PDH. With significant progress made in many key domestic projects, the Group's performance in the domestic market is highly recognized.

Industry Qualifications

We are well versed in soundly combining technology development and engineering and leveraging advanced technology to create more commercial value for customers and partners. In the process of innovation and development, we have obtained a series of industry credentials:

Grade A Engineering Design Qualification in Chemical, Petrochemical and Pharmaceutical Industries
Grade A Qualification in Engineering Consulting, Petrochemical, Chemical and Pharmaceutical Industries
Grade I Petrochemical EPC Qualification
Special Equipment Production License (Pressure Vessel Design)
Special Equipment Design License (Pressure Pipeline)
GB/T 19001/ISO 9001 Quality Management System
GB/T 24001/ISO 14001 Environmental Management System
GB/T 28001/OHSAS 18001 Occupational Health and Safety Management System

Key Projects in 2019

Domestic market

- Ethylene plant project of Zhejiang Petrochemical highlighted our capabilities in project execution and global procurement
- Nanjing Chengzhi Project employed self-developed Methanol-to-Olefin (MTO) separation technology and butene oxidation & dehydrogenation technology
- Fujian Shenyuan's Coal-to-Hydrogen and Synthetic Ammonia Project represented a breakthrough in new material application
- Zhenjiang Evonik Wynca Fumed Silica Project served as a groundbreaking foreign-funded project in the domestic market

International market

- Newly acquired polypropylene Front End Engineering Design (FEED) project in Louisiana, the United States
- The EPC contract of the Refinery Debottlenecking Project of Saudi Aramco Total Refining and Petrochemical Company (SATORP) obtained in collaboration with Kellogg Brown & Root (KBR)
- First natural-gas-to-methanol (NGTM) and MTO FEED project obtained in Russia

1.2 CORPORATE GOVERNANCE

The Group strictly follows the requirements of the Company Law of the People's Republic of China and the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to continuously improve the Company's governance structure and evaluate and monitor the Group's corporate governance and the effectiveness of its risk management and internal control systems. There are three committees under the Board of Directors of the Group: Audit Committee, Remuneration Committee, and Nomination Committee. The Board of Directors is responsible for assessing and determining the nature and extent of risks that the Company is willing to take to achieve its strategic objectives, maintaining sound and effective risk management and internal control systems and reviewing their effectiveness.

Corporate Governance Structure

1. SETTING SAIL ON AN INTEGRITY-BASED VOYAGE

Risk Management

The Company has established and maintains a risk management system and an internal control system in accordance with the Enterprise Risk Management — Integrated Framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. In addition, we organize, sort out and analyze the most relevant key risks of business departments for risk management and value creation based on the Company's overall objectives. We conduct regular and ad hoc risk assessment and review of the internal control system each year, and establish and implement a sound risk management system covering risk identification, risk assessment and risk response, in an effort to safeguard the legitimate rights and interests of investors and ensure the safety of the Company's assets.

The Company has a clear organizational structure where the daily responsibilities for formulating and implementing relevant procedures and monitoring risks are assigned as needed. Procedures for identifying, assessing and managing major risks, for reviewing the effectiveness of risk management and internal control systems, and for addressing serious internal control deficiencies are mainly performed in accordance with a number of handbooks, measures and procedures of the Group, including the Risk Management Handbook, the Measures for Risk Management in the Early Stages of Engineering Projects, and the Risk Management Procedures for Execution of Engineering Projects.

The Company's risk management and internal control systems are mainly characterized by comprehensive risk management, coverage of all business processes of the Company, and full-process control and monitoring. Each year, we conduct regular and ad hoc risk identification, risk assessment and risk response through the management and business departments and on each project to verify the effectiveness of such systems. The Company has an internal audit function to inspect and evaluate the review process and results, to follow up on the improvements after the inspection, and to report the inspection and evaluation results, improvement suggestions and risk management improvements to the Board of Directors and the Audit Committee.

During the Reporting Period, Wison Engineering released the Risk Management Checklist and uploaded it regularly to the World Economy and Project Management (WEPM) platform so that various departments can develop relevant risk prevention measures and risk response mechanisms based on the checklist. Meanwhile, we organized the training activity of "Engineering Project Risk Management Case Sharing" to enhance staff's awareness of risk management and prevention.

Risk Management Checklist

(For more information on our corporate governance, please refer to the section headed "Corporate Governance Report" in the Annual Report 2019 of Wison Engineering)

Integrity and Compliance

The Group actively creates a fair and clean business environment and working atmosphere. We strictly abide by relevant laws and regulations including the Foreign Corrupt Practices Act 1977 of the United States, the United Kingdom Bribery Act 2010, the Prevention of Bribery Ordinance of the Hong Kong Special Administrative Region, the Company Law of The People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Prohibition of Commercial Bribery, and has formulated such internal regulations as the Management Measures for Anti-Corruption, Anti-Bribery and Anti-Money Laundering, the Integrity Measures, the Rules for Souvenir Management and the Rules for Employee Behavior and Reward and Punishment Management. We also organize integrity-related training sessions, adhere to the principles of integrity and fair trade, and adopt a "zero tolerance" attitude towards corruption, bribery, money laundering, fraud and any other unethical acts. The Integrity Measures of Wison Engineering is applicable to all employees (including all senior executives and directors) of Wison Engineering and its subsidiaries and branches as well as its third-party business partners.

During the Reporting Period, we complied with the Interim Provisions on the management of Business Entertainment and Gift Giving of Wison Group Holding Limited, regulated business entertainment and gift giving activities, and required that business entertainment and gift giving activities be carried out in a "rule-based, transparent and documented manner", thus guarding against corruption, reducing compliance risks, and maintaining the Group's healthy business operations and order. In addition, in order to better prevent legal and ethical risks that may occur in the course of transactions with third-party business partners, we have also formulated the Supplier Management Measures to promote fair competition in the market and maintain normal market order.

While improving the internal measures, we provide multiple channels for reporting complaints. Whistleblowers can report cases through our dedicated whistle-blowing website or integrity concern mailbox. They can also raise their integrity concerns or report cases by phone, email and other means. In addition, we constantly improve our whistleblower protection mechanism. During the Reporting Period, the Group had no legal cases in relation to corruption and anti-competitive behavior.

Whistleblowing website and email:

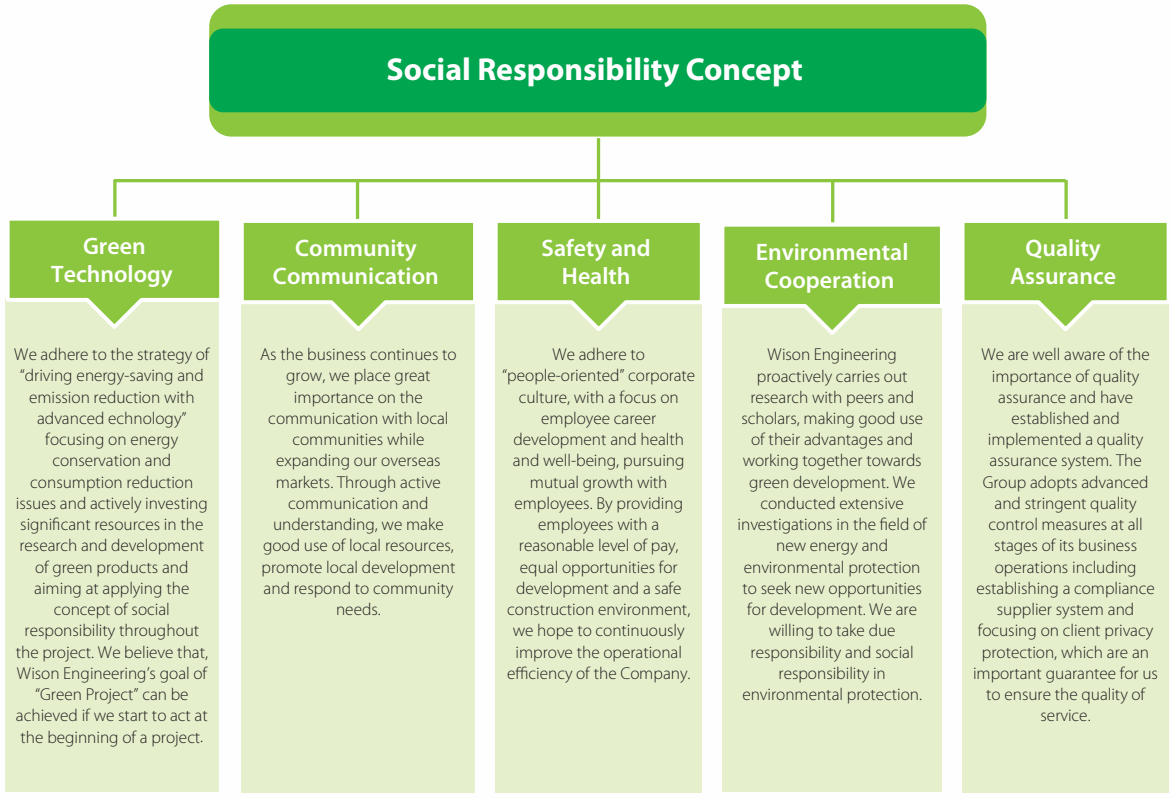
Whistleblowing website	http://www.wison-engineering.com/site/honesty
Whistleblowing email:	ethics@wison.com

1. SETTING SAIL ON AN INTEGRITY-BASED VOYAGE

1.3 SOCIAL RESPONSIBILITY MANAGEMENT

Principle of Development and Management Structure of Social Responsibility

The Group always upholds the corporate objective of "Better Technology, Better Life" and undertakes its social responsibility as a company. We integrate social responsibility principles into our business strategies to make social responsibility serve as a driving force of the Company, while constantly reviewing and managing the environmental, social, and economic impacts of our corporate development.



The Group is committed to promoting scientific and systemic management of social responsibility and improving social responsibility management. We have established a top-down internal management structure for social responsibility led by the Board of Directors to fully ensure the implementation of social responsibility measures. At the core of the structure is the Social Responsibility Executive Committee, under which is the Social Responsibility Working Group composed of dedicated personnel from various functional departments.

Board of Directors	• To assess, determine and manage social responsibility risks • To ensure that the Group establishes appropriate and effective social responsibility management and internal control systems • To approve social responsibility policies and annual corporate social responsibility reports
Social Responsibility Executive Committee	• To implement social responsibility risk management and internal control • To guide the Social Responsibility Working Group and report to the Board of Directors
Social Responsibility Working Group	• To arrange for personnel to collect data and prepare reports on social responsibility • To report to the Executive Committee on a regular basis

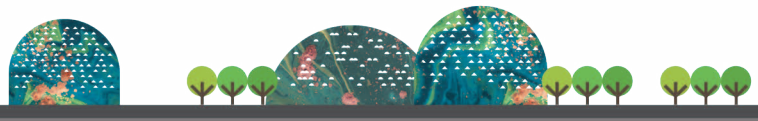
Communication with Stakeholders

The development of the Group is inseparable from the support of stakeholders. We persist in building a diversified communication mechanism and sincerely listen to and respond to the expectations and concerns of different stakeholders. During the Reporting Period, we actively conducted extensive communication with stakeholders through various channels, in a joint effort to achieve sustainable economic, social and environmental development. The following table sets out the issues of concern to different stakeholder groups and our response measures during the Reporting Period.

1. SETTING SAIL ON AN INTEGRITY-BASED VOYAGE

Stakeholders	Issues of concern to stakeholders	Response of Wison Engineering	Communication and feedback channels	Communication frequency
Customers	• Continuously develop green technology • Protect customers' privacy • The quality of delivery of products and services	• Uphold the principle of "Better Technology, Better Life", actively invest in the R&D of green chemicals and energy-saving and emission reduction technologies, develop and apply a variety of green processes, and minimize the impact of business operations on the environment • Earnestly protect customer privacy, taking the initiative to sign confidential agreements with customers, and orderly carry out routine maintenance of customer information security through a sound customer information management system • Continuously optimize the quality management system, introduce standardized management of projects, and adopt advanced and rigorous quality management measures in all stages of business operations, including project planning and control, procurement, design and construction management	Contract negotiation	Before cooperation
			Customer satisfaction survey	Regular
			Customer communication	Regular
			Customer services	Ad hoc
			Interviews	Ad hoc
Community	• Impact on the community environment • Care about and respond to community needs	• Conduct an environmental risk assessment on the construction site and surrounding communities prior to the construction of each project, and minimize the impact of construction on the local environment based on the principle of balancing construction and environmental protection during construction • Actively get involved in the community near the project to learn about 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 educational, cultural and environmental activities of various types	Participate in and organize public welfare activities	Ad hoc

Stakeholders	Issues of concern to stakeholders	Response of Wison Engineering	Communication and feedback channels	Communication frequency
Employees	• Personnel training and development • Employee benefits • Provide a healthy and safe working environment • Well-established employee complaint mechanism	• Continuously review the internal training system and invest in personnel training to promote the personal career development of employees • Regularly review the compensation and benefits of employees to ensure that all employees enjoy fair and competitive compensation and benefits, and strive to improve employee compensation • Establish a sound occupational health and safety management system, review it regularly to ensure the effective implementation of safety measures, and endeavor to create a safe and healthy working environment • Value the two-way communication with employees, and provide different channels internally for employees to voice their opinions freely	Labor Contract	Before induction
			Routine meetings of the Group and departments	Regular
			Internal announcements	Ad hoc
			Internal forum	Often
			Interviews and surveys	Ad hoc
			Education and training	Ad hoc
Suppliers	• Management of suppliers' social responsibility • Improve occupational health and safety management	• Develop rigorous supplier selection criteria, effectively implement the green procurement policy for suppliers, and strengthen day-to-day supply chain management through Ad hoc supplier evaluation • Establish and improve the occupational health and safety management system to ensure the effective implementation of Wison Engineering's occupational health and safety policies and measures, and carry out regular supervision and inspection to ensure the construction safety of engineering projects	Contract negotiation	Before cooperation
			Inspection and evaluation	Ad hoc
			Education and training	Ad hoc
			Regular meetings	Regular
			Interviews	Ad hoc



1. SETTING SAIL ON AN INTEGRITY-BASED VOYAGE

Stakeholders	Issues of concern to stakeholders	Response of Wison Engineering	Communication and feedback channels	Communication frequency
Partners	• Business development and financial performance • Actively develop green technology • Reduce resource consumption • Improve internal anti-corruption management	• Maintain a sound financial position in the face of internal and external challenges, and achieve better-than-expected results in domestic and foreign markets • Actively work with external organizations to conduct research work while carrying out independent R&D, with a view to quickly mastering the knowledge in relevant fields and making breakthroughs in green technologies • Develop and apply green technologies to provide products with low energy consumption and high efficiency, so as to reduce the use of resources during operations • Fully implement the Management Measures for Anti-Corruption, Anti-Bribery and Anti-Money Laundering, strengthen the internal anti-corruption supervision, and set up transparent whistleblowing channels to encourage employees to directly report their integrity concerns to the Group. We also incorporate integrity education activities into the annual training program, with a view to deepening the Group's integrity culture	Multi-channel cooperation and technical research	Long-term
			Contract negotiation	Before cooperation
			Regular meetings	Regular
			Interviews	Ad hoc
Investors	• Business development and financial performance	• Maintain a sound financial position in the face of internal and external challenges, and share our performance and breakthroughs in domestic and overseas markets with investors via various channels	Annual and interim reports	Regular
			Annual General Meeting	Regular
			Interviews	Ad hoc

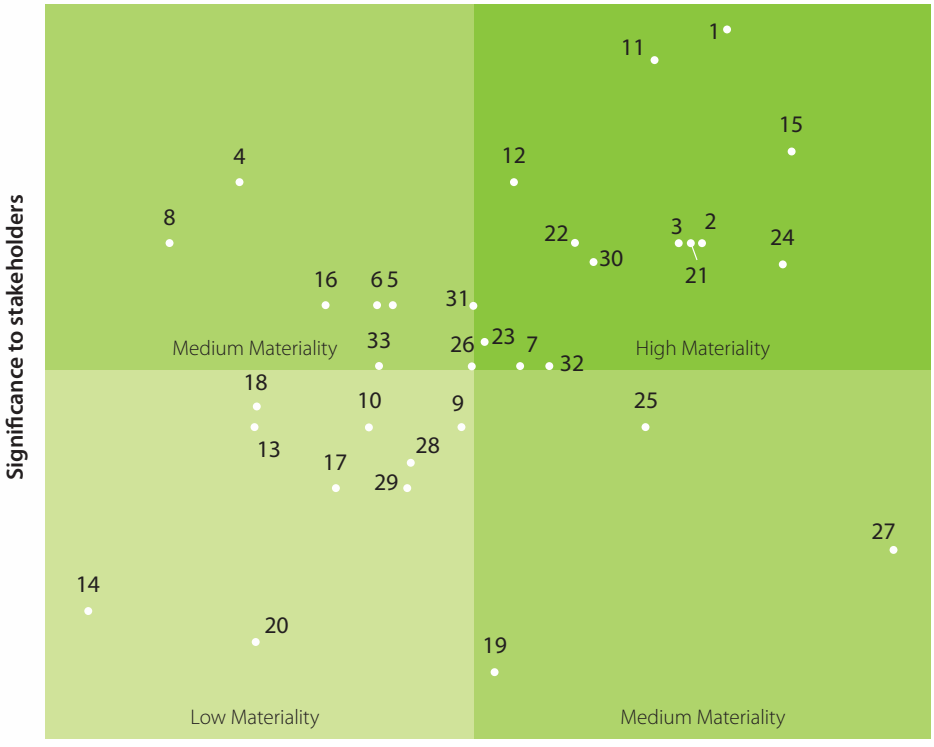
Analysis of Material Issues

The Group integrates the opinions and suggestions of stakeholders with the formulation of social responsibility policies and reports. We conducted materiality assessment based on media analysis, peer benchmarking and stakeholder communication results, so as to respond to the concerns of stakeholders in this report in an active and targeted manner. The materiality assessment is mainly divided into the following two stages.

Identification of Potential Material Issues	Identify potential material issues that reflect the economic, environmental and social impacts of the Group's business operations, or that could affect stakeholders' assessment on and decisions about the Group through a detailed review of media analysis, peer benchmarking and other related documents.
Ranking of Potential Material Issues	Conduct interviews with stakeholders to understand the priority issues of concern to stakeholders and then work out the materiality matrix to analyze and identify real material issues.

The Group identified 13 social responsibility issues of high materiality, 11 social responsibility issues of medium materiality and 9 social responsibility issues of low materiality through the above assessment process. The most material issues constitute the key parts of this report. The relevant content will be disclosed in detail in this report.

Social Responsibility Materiality Matrix of Wison Engineering



1. SETTING SAIL ON AN INTEGRITY-BASED VOYAGE

Social Responsibility Issues of Wison Engineering:

Environmental	
1	**Environmental compliance**
2	**Wastewater and solid waste**
3	**Use of materials**
4	Biodiversity
5	Environmental impact assessment of suppliers
6	Water resources management
7	**Energy management**
8	Environmental complaint mechanism
9	Environment and natural resources
10	Exhaust emissions
Economic	
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 responsibility	
21	**Customer privacy**
22	**Product responsibility**
23	**Marketing**
Employment and labor practices	
24	**Employment**
25	Training 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's sound development prospects and social responsibility performance have been widely recognized by professionals in the market, media and investment community. During the Reporting Period, Wison Engineering won the "Most Valuable Medium-and-Small-Cap Stock Award" and the "Best Investor Relations Award" in the 2019 Golden Hong Kong Stocks Awards Ceremony co-hosted by Zhitong Finance, a financial information platform, and Flush Financial and supported by the Chinese Securities Association of Hong Kong. We also received the "Listed Company Awards of Excellence 2019" from Hong Kong Economic Journal, one of the most authoritative and credible financial media in Hong Kong. We will keep up the good work to create greater value for investors, shareholders and all sectors of society.

Most Valuable Medium-and-Small-Cap Stock Award

Best Investor Relations Award

1. SETTING SAIL ON AN INTEGRITY-BASED VOYAGE

During the Reporting Period, the Group's business capabilities and engineering services also received recognition and awards from various associations in the industry. We won the National Quality Engineering Gold Award, which is the highest honor in China's engineering construction industry and a banner demonstrating great achievements in construction projects and represents a role model in the industry. In addition, we also won the following engineering awards:

1	2018–2019 National Quality Engineering Gold Award	•	Weibei Coal Chemical Industrial Park Project with a capacity of 1,800kta methanol and 700kta polyolefin
2	2018-2019 National Quality Engineering Award	•	Shandong Yangmei Hengtong Chemical Co., Ltd.'s feedstock conversion of 300kta polyvinyl chloride, Hydrogen Peroxide to Propylene Oxide (HPPO) process with a capacity of 200kta and Methanol-to-Olefin (MTO) plant with a capacity of 300kta • Xinjiang Xin Lian Xin Chemical Energy Co., Ltd.'s coal-based production of 280kta ammonia, 480kta urea, 100kta melamine and 150kta compound fertilizer
3	2019 Chemical Industry Quality Engineering Award	•	Yan'an Project for Comprehensive Utilization of Coal Oil and Gas Resources
4	2019 National Excellent Engineering Consulting Achievement Award	•	Feasibility Study Report on the Ethylene Project for Integration of Polyurethane Industry Chain of Wanhua Chemical Group Co., Ltd.
5	2019 Provincial Excellent Engineering Consulting Achievement Awards (10)	•	Feasibility Study Report on the Ethylene Project for Integration of Polyurethane Industry Chain of Wanhua Chemical Group Co., Ltd. • Feasibility Study Report on Phase II 60kta Melamine Project of Xinjiang Xin Lian Xin Chemical Energy Co., Ltd.
6	2019 Provincial Excellent Survey and Design Innovation Award	•	Shanxi Lu'an Naco Carbon One Chemical Co., Ltd.'s production project of 40kta synthetic base stocks and 20kta environment-friendly solvent oils

2. DEVELOPING TECHNOLOGIES WITH INNOVATIVE SPIRIT

OUR MANAGEMENT APPROACH

Wison Engineering pays close attention to and captures the world's cutting-edge technologies and strives forward with green, low-carbon and energy-saving concepts. We constantly improve our policies and management measures for technology R&D and intellectual property protection, actively respond to market changes, focus on customer value creation, carry out tech-driven market development activities, and develop and extend the entire industrial chain. In addition, we team up with research institutions and universities to conduct R&D and have close communication and strategic cooperation with other enterprises in the industry to promote the healthy development of the industry.

2.1 TECHNOLOGY R&D

R&D Management

The Group adheres to the strategy of "promoting development and strengthening business with technology", and is well aware that innovative chemical technologies with low energy consumption, environmental protection and safety, and higher value adding are the core competitiveness of the enterprise. We pay close attention to and capture the world's cutting-edge technologies, strive forward with green, low-carbon and energy-saving concepts, and drive our development with technology. Specifically, we focus deeply on global cutting-edge technology trends in the fields of basic chemicals, new material intermediate chemicals and energy-saving chemical processes, try to grasp the industry pain points and see clear the technology development directions, and strive to extend to the fields of catalysts, new materials and energy conservation and environmental protection based on the current industrial chain, with a view to strengthening comprehensive competitiveness and profitability.

1. One-step synthesis of bulk basic chemicals (e.g. mixed alcohols, light olefins and oxides) from syngas/natural gas
2. Green, low carbon processes for chemical intermediates (e.g. polyamide industry chain, methyl methacrylate upstream industry chain, etc.)
3. Bottleneck technology for upstream raw materials and intermediates of high-end high-performance new materials (amines, acids, etc.)
4. Bottleneck raw material technology for renewable plastics

Main Directions of Technology Development in 2019

2. DEVELOPING TECHNOLOGIES WITH INNOVATIVE SPIRIT

After years of R&D efforts, the Group has cultivated a high-caliber R&D team and accumulated rich R&D experience. During the Reporting Period, we further improved our innovation and R&D capabilities from three aspects: system guarantee, process optimization, and innovation incentives, so as to facilitate sustainable technology development.

System Guarantee

During the Reporting Period, we revised and upgraded the original documentation system on technical R&D management, added the Measures on Technology Transfer and License Management, the Management Measures on Technical Research and Development Cooperation and the Intellectual Property Management Handbook, and revised the Laboratory Management Measures, further improving our management capabilities in technological innovation and commercialization.

Process Optimization

During the Reporting Period, we launched a self-developed lifecycle management process for technical R&D. After one year of pilot operation, the work efficiency of R&D personnel was greatly improved. It is convenient to consult historical records under the online operation mode, realizing traceability of data.

Innovation Incentives

During the Reporting Period, we revised and issued the Patent Management Measures to increase the incentives for inventors at the patent application and authorization stages. In addition, the Management Measures on Technical R&D Achievements stipulates the relevant incentives for innovative achievements and the promotion and application of such achievements.

Measures to Optimize Technology R&D Management in 2019

Clean Technology Development

The Group vigorously integrates global advantageous resources through independent innovation and external cooperation, and follows the technical cooperation principle of "seeking win-win outcomes based on complementary resources and technologies" to promote technology development and alliance formation in new business lines, new directions and new fields, in a drive to jointly promote the low-carbon and green transformation and upgrading of the industry. During the Reporting Period, our investment in the development of environmental technologies totaled RMB6,584,100, up 29% from 2018.

Technological Development of New Chemical Material Intermediates and Degradable Plastics to be Environment-friendly and Energy-saving

- Polyester fiber, a bulk chemical concerning people's livelihood, is widely used in food and beverage packaging, textile, industrial, agricultural and other fields. In some high-end polyester fields, due to the technical bottleneck and production cost of upstream raw materials, some intermediate raw materials have always maintained a high degree of import dependency for many years, eating into the profit space of enterprises and limiting the sound development of the industry. Leveraging its strong catalysis and process development capabilities, Wison Engineering will independently or cooperatively seek technological breakthroughs in high-end intermediates to break the key technical bottlenecks restricting the development of the industry.

- Each year, there are more than 100 million tons of non-degradable plastics discarded in the world to aggravate "white pollution", causing great harm to the land, water and the health and safety of animals and human beings. Degradable plastics that can be completely or partially degraded into hydrated CO_2 under certain conditions have been favored by research institutions in various countries in recent years. Governments of various countries have successively issued relevant industrial guidelines and incentive policies to boost development in this regard. As a responsible listed company, Wison Engineering also concentrates on the technical development of degradable plastic intermediates such as PLA, PBAT, PBS, PGA and PEF. We will focus on seeking breakthroughs in the technical fields that can create synergy with existing business lines, with an aim to facilitate the sustainable development of the plastic industry.

Development of New Technology for Hydrogenation of Ethylene Carbonate to Ethylene Glycol and Methanol to Reduce CO_2 Emissions

During the Reporting Period, the research subject of "New Technology for Hydrogenation of Ethylene Carbonate to Ethylene Glycol and Methanol" undertaken by the Group under the National Key Research and Development Program of the Ministry of Science and Technology was progressing as scheduled. The research aims at the efficient synthesis of bulk chemicals using CO_2, and plans to develop a 100kta industrial demonstration plant process package for the efficient synthesis of ethylene glycol and methanol with CO_2 as a raw material. During the Reporting Period, the catalysis laboratory research and the design of 1kta pilot plant were completed. Once completed, the 100kta industrial demonstration plant can directly reduce CO_2 emissions by approximately 60,000 tons per year.

2. DEVELOPING TECHNOLOGIES WITH INNOVATIVE SPIRIT

Development of Flue Gas Denitrification Techniques for Tubular Heating Furnaces to Reduce NO_x Emissions

Nitrogen oxides (NO_x) produced during the combustion of fuel have become main atmospheric pollutants in addition to sulfur dioxide (SO_2). According to the Emission Standard of Pollutants for Petrochemical Industry issued by the Ministry of Ecology and Environment and the Circular on Issuing the Action Plan for Air Pollution Prevention and Control issued by the State Council, the special emission limit for nitrogen oxides from tubular heating furnaces is 100 mg/Nm^3. The NO_x emission concentration of flue gas from most tubular heating furnaces in China's petrochemical industry is 200-300 mg/Nm^3, so reducing NO_x emissions from tubular heating furnaces in the petrochemical industry has become one of the priorities of air pollution control. Wison Engineering has developed a complete set of selective catalytic reduction (SCR) techniques for flue gas denitrification of tubular heating furnaces, which can replace similar foreign techniques, accelerate the application of domestic denitrification techniques and help develop a flue gas purification industry suitable for national conditions.

Cooperating with Tianjin University to Develop a Dimethyl Ether Hydrogenation-to-Ethanol Project to Reduce Fuel Consumption and Environmental Pollution

During the Reporting Period, Phase I experimental research of the pilot test for the dimethyl ether hydrogenation-to-ethanol project led by the Group was completed. We will continue to carry out Phase II experimental research to complete the pilot test and develop a complete process package to help extend the downstream of the coal chemical industry chain and upgrade the industry.

The technology can effectively utilize and revitalize the idle dimethyl ether production capacity in China to produce ethanol products, while adding a feasible path for methanol companies to extend to ethanol and ethylene industries.

Working with Research Institutions to Develop Light Olefin Feedstock and Innovative Processes in Line with the Global Trends in Olefin Production

The current mainstream production processes of light olefins include naphtha steam cracking, light alkane steam cracking, CTO, PDH, etc. With the development of wet natural gas, oilfield associated gas and shale gas in the world, light olefin (as the most consumed basic chemical raw material in the world) feedstock has increasingly become a research subject of research institutions in various countries and a focus of common concern in the industry. It is a goal of the industry to develop an efficient and mild reaction process and a process with lower energy consumption, investment and operating cost than the traditional process.

Wison Engineering has more than 20 years of engineering and research experience in the field of olefins. We will closely watch out for and capture any innovative and groundbreaking processes for light olefin feedstock to seek commercialization.

Working with Shanghai Advanced Research Institute (SARI) of Chinese Academy of Sciences to Carry Out the Shanxi Lu'an-SARI Pilot Project on Metallocene Polyalphaolefins (PAO) to provide a resource guarantee for lubricant quality upgrade

For a long time, China has lagged behind foreign countries in the development and production of high-grade PAO base oil. The domestic production capacity of PAO is insufficient and features low performance using the traditional catalytic synthesis process of aluminum trichloride. Due to the production process and catalyst constraints, the quality of domestic PAO base oil is far lower than similar foreign products, and the application level is far inferior to internationally renowned oil companies. Given the lack of stable high-performance synthetic lubricant base oil, China is highly dependent on high-priced imported products to meet its need for high-grade lubricant products, which severely restricts the development of the domestic lubricant industry. Leveraging Shanxi Lu'an's resource advantage in coal-to-PAO and olefin separation and purification technology, the project produces high-quality low-viscosity PAO products to fill the gaps in the market. It provides a driving force for the technological progress and sustainable development of China's synthetic base oil industry and a resource guarantee for domestic lubricant quality upgrade.

After being approved by the Ministry of Human Resources and Social Security in 2018 to establish a post-doctoral research center, the Group signed an agreement with South China University of Technology during the Reporting Period for close cooperation on the introduction of post-doctoral talents, talent training, industry-university synergy, and system building, with a view to promoting efficient commercialization of technological achievements.

2. DEVELOPING TECHNOLOGIES WITH INNOVATIVE SPIRIT

Technology Engineering Application

Technological innovation is fundamental, and the engineering capacity is the key to technology application. Wison Engineering is well versed in perfectly combining technology development and engineering. We proactively sign cooperation agreements with domestic and foreign patentees and technology providers to promote process technologies and facilitate the rapid industrial application of technology.

Breakthrough in the Engineering of the World's First 2,200kta BP PTA Process Technology to Help Customers Reduce Pollutant Emissions

On 30 October 2019, Xinfengming Group's Zhejiang Dushan Energy 2,200kta PTA Plant designed by Wison Engineering was commissioned successfully. The project is currently the PTA plant with the largest single-series capacity in the world. It uses the latest PTA process technology and patented equipment from BP, an industry leader. Compared with traditional processes, this technology is the most advanced in the world in terms of production cost, environmental performance and investment efficiency.

- Low energy consumption greatly reduces production cost;
- Can reduce solid waste generation by 95%, greenhouse gas emissions by 65% and wastewater discharge by 75%;
- The latest technology simplifies the process flow and reduces the number of equipment and the floor area of the plant, thus significantly lowering investment costs.

As a leader in technology engineering capabilities, Wison Engineering teamed up with BP to successfully launch and commission the first project in China following BP PTA licensing. The commissioning of the project marked that Wison Engineering became the first engineering company in the world to apply 2,200kta BP PTA process technology to engineering.

Reduce solid waste generation by
95%

Reduce greenhouse gas emissions by
65%

Reduce wastewater discharge by
75%

Intellectual Property Protection

In order to protect the intellectual property rights of the Group, we have built an intellectual property management system with a focus on patents. During the Reporting Period, we passed the certification of GB/T29490-2013 Intellectual Property Management System. The establishment and implementation of the system have enhanced the Group's intellectual property risk management capabilities and intangible asset value.


知识产权管理体系认证证书

惠生工程（中国）有限公司

知识产权管理体系符合标准：
GB/T29490-2013

中知（北京）认证有限公司

GB/T29490-2013 Intellectual Property Management System Certificate

In 2019, the Group continued to put into practice the philosophy of "Better Technology, Better Life" by watching out for and capturing the world's cutting-edge technologies, forging ahead with green, low-carbon and energy-saving concepts, and driving business development with technology. During the Reporting Period, the Group achieved great results in acquiring intellectual property as it filed 26 new patent applications, received 18 authorized patents and completed 6 new software copyright registrations. The Group passed the acceptance inspection of "Shanghai Patent Pilot Demonstration Unit Accredited in 2017" by Shanghai Intellectual Property Administration and the evaluation of "Shanghai Enterprise Technology Center" by Shanghai Economic and Information Commission.

Fujian Shenyuan's Coal-to-Hydrogen and Synthetic Ammonia Project Set a New Benchmark for Safety and Environmental Protection

During the Reporting Period, the Group signed an EPC contract with Fujian Shenyuan New Materials Co., Ltd. for a 75,000Nm^3/h coal-to-hydrogen plant and a 300kta synthetic ammonia plant, with a contract amount of approximately RMB1.4 billion. The Group is responsible for engineering management, basic design, detailed design, supply of equipment and materials, construction and construction management of the project, and guiding the commissioning and start-up. During the Reporting Period, we commenced detailed site survey of the project and review of unit models, cumulatively ordered 81.25% of long-term equipment and received all materials for first-level ground pipes, laying an important foundation for subsequent works.

As a key part of Phase II of the 400kta polyamide integration project of Fujian Shenyuan, the Coal-to-Hydrogen and Synthetic Ammonia Project, once completed, will integrate the upstream and downstream of, and increase the capacity of, the world's largest caprolactam production base, and set a new industry benchmark for safety, reliability, energy conservation and environmental protection. It will also make another breakthrough for the Group in the application of new materials.

2. DEVELOPING TECHNOLOGIES WITH INNOVATIVE SPIRIT

2.2 INNOVATIVE DEVELOPMENT

Digital Application

Wison Engineering is well aware that telecommuting, digitalization and intelligentization are the future development trends of the energy and chemical engineering industry. The Group adheres to "Enhancing the digitalization capacity of Wison and supporting the One-Core and Two-Wing" strategy by strengthening the application of digital and intelligent technologies to promote digital transformation. During the Reporting Period, we improved our digital capabilities in EPC project management and other processes, and gradually developed "Intelligent Factory" through conducting "Smart Project". In terms of Smart Project, we started with engineering design at the source, replaced traditional documentation management with data management, enabled the flow of information among various professions, improved the content and depth of automated system operation, enhanced work quality and efficiency, and realized fully digital delivery of a million-ton ethylene design project. In addition, Wison Engineering also improved its digital capabilities in procurement, construction management and project management processes, increased digital transmission and data linkage among various systems, and realized real-time, digital fine management of project management plans and costs.

Applying QR Code Technology to Improve Project Management Efficiency

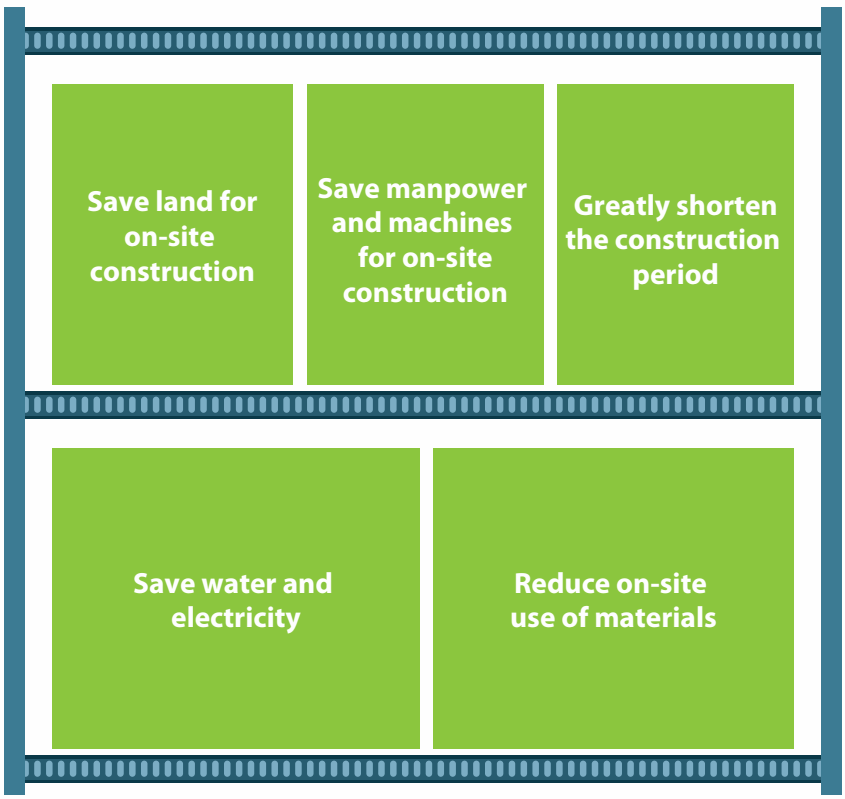
During the Reporting Period, we applied the dynamic QR code identification technology in the entire material requisition process. It used to take at least one day to complete the process from billing and searching to material requisition and collection of quality assurance information. With QR code management, it only takes a few minutes to query the information needed for the entire material requisition process, realizing a concatenation of fragmented information and the decentralized modular management of workflows. The technology greatly improves the efficiency of on-site material management, quality management and quality assurance document management.

Application of QR Code Technology

In addition, we help customers realize intelligent factories through digital delivery. During the Reporting Period, Wison Engineering established a joint laboratory of intelligent factory with Honeywell, and completed the preparation of the Overall Plan for Intelligent Factory and Requirements of Intelligent Factory and Digital Delivery. With the strategic goal of digital transformation to deliver physical factory plus digital factory, we established a digital operation and delivery process to explore the optimization of supply chain, process simulation, lean management, and asset operation and maintenance, with a view to creating higher economic value for customers.

Modular Production

Modular prefabrication can effectively control project progress and quality, significantly shorten the construction period and improve the work efficiency and resource utilization rate. Especially in regions with high construction costs, resource shortage and high construction risks, modular construction of large-scale petrochemical plants is an effective solution. The Group has developed modular "design, construction and delivery" capabilities, and is committed to building domestically and internationally leading modularization expertise in the energy and chemical engineering market. During the Reporting Period, the Group not only executed and delivered three modular projects in the United States, but also prepared and optimized its guidelines for modular execution and design to enhance its overall strength in integrated modular solutions, thereby solidifying the foundation for its modular business.



Advantages of Modular Production

2. DEVELOPING TECHNOLOGIES WITH INNOVATIVE SPIRIT

First Use of a Self-propelled Deck Barge for Transoceanic Delivery of Modules to North America to Accelerate the Application of Modular Technology

During the Reporting Period, the Group successfully completed the roll-on and roll-off of 9 large process modules for the petrochemical EPC project in Texas, the United States and delivered them to the project site. This batch of modules weighs 3,200 tons in total. The largest single module is 41 meters long, 15 meters wide and 20 meters high. It is by far the largest module in the North America EPC project.

For the first time, Wison Engineering used a self-propelled deck barge to complete the transoceanic transportation of this batch of modules, which lasted 92 days. In the process of module structuring and reinforcement, the design and execution team of Wison Engineering independently designed a series of solutions to ensure that the modules were successfully transported to the project site in the United States in the safest and most efficient manner. The successful transoceanic loading and unloading and transportation of this batch of modules once again proved Wison Engineering's full-process capabilities in design, procurement, construction and transportation for modular delivery of EPC projects, which not only can bring the most demand-oriented and economical solutions to global customers, but also can set a precedent for high-efficiency solutions to project execution worldwide.

3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

OUR MANAGEMENT APPROACH

Wison Engineering has always regarded the construction of quality projects and delivery of quality services as one of the key elements of the Company's core competitiveness. We strictly comply 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, striving to achieve the goal of "zero safety accident, zero environment pollution and zero employee casualty". Guided by 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, so as to guarantee the delivery of quality projects as well as protecting the safety and health of employees, customers, subcontractors and other stakeholders.

3.1 QHSE MANAGEMENT

Wison Engineering Ltd., a subsidiary of the Company, obtained the Certificate of ISO 9001 Quality Management System in September 2001, and Certificates of OHSAS 18001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System in March 2006. In 2007, we combined the quality, environment and occupational health and safety management system, forming the integrated QHSE management system meeting ISO 9001, ISO 14001 and OHSAS 18001 management system standards. We passed the latest supervisory audit on management system in November 2019.

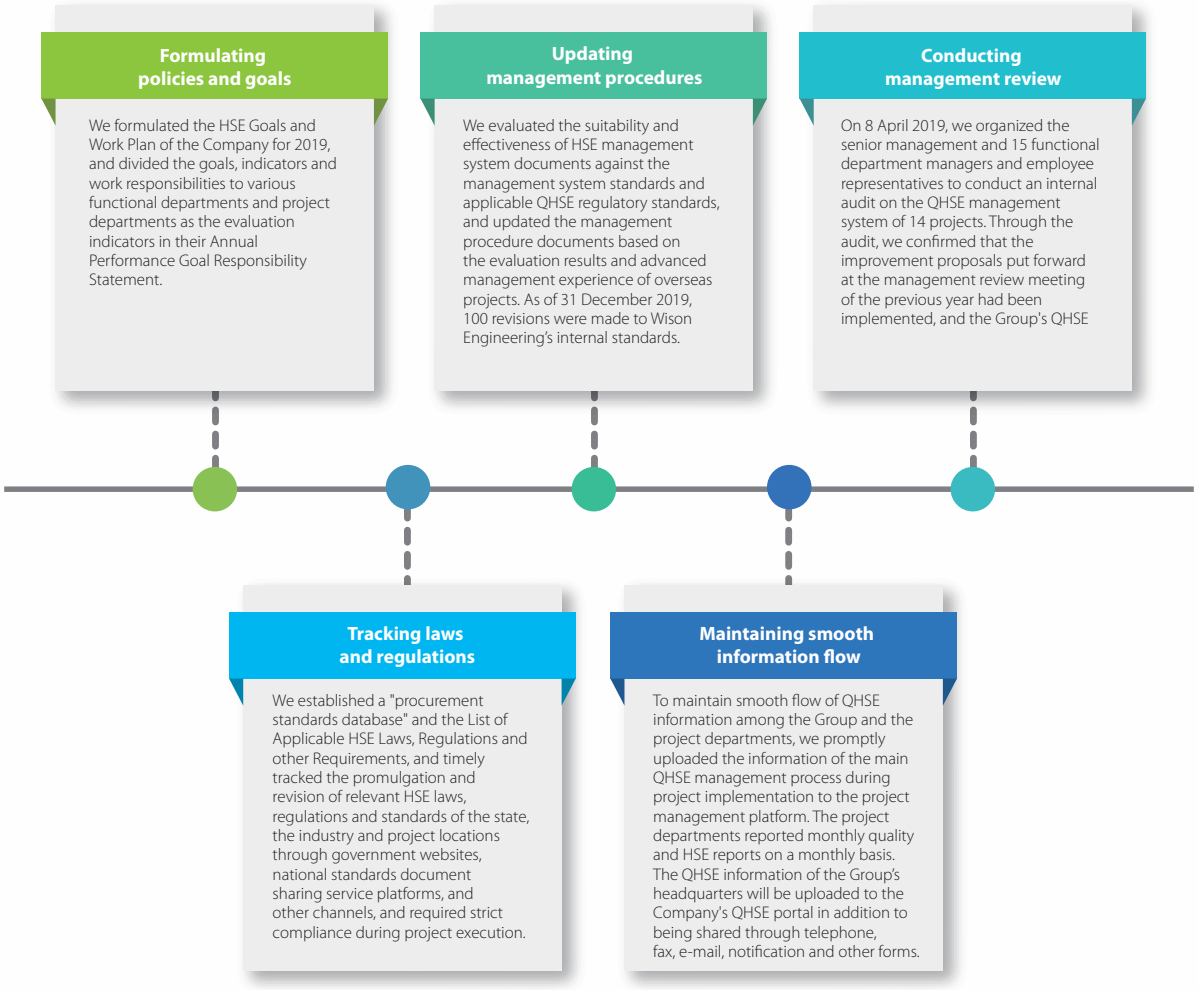
Certificate of ISO 9001 Quality Management System

Certificate of OHSAS 18001 Occupational Health and Safety Management System

Certificate of ISO 14001 Environmental Management System

3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

During the Reporting Period, we optimized our organizational structure by establishing the new System Standard Department to further improve the construction of the management system. To ensure the compliance with the management standards and effective operation of the systems, we took the following measures in 2019:



System Management Measures in 2019

During the Reporting Period, the Group's domestic and foreign project departments for projects under construction did not receive any notices of penalties for violations in relation to environmental protection from relevant environmental protection departments of the local governments where the projects were located or complaints or lawsuits from relevant parties.

3.2 QUALITY DELIVERY

The Group is committed to building a world-leading brand for engineering execution capability and achieving quality delivery. In November 2019, we successfully upgraded the original Class Two Qualification and obtained certificate of Professional Class One Qualification for Engineering Design (oil and gas (offshore oil) industry (oil and gas depot)). The upgrade not only expanded our business scope and enhanced our market competitiveness, but also validated our efforts in project management and quality management, strengthening our determination to continue to enhance quality. During the Reporting Period, we continued to adopt advanced and strict quality control measures in project planning and control, procurement, design and construction management.

1

Project planning and control

- Completed the revision of 13 project management documents, including adjustment and optimization of organizational framework and update of template documents;
- Launched the remote file login system (DC ONLINE), equipment material management process system (WPOS) and comprehensive material management system (E-MCMS), and improved the entire information-based process of engineering business through the application of QR code technology;
- Updated the project inspection template to cover the work contents of various professions during the project execution process, focusing on the key contents for supervision, inspection and follow-up rectification to ensure that the project run on the right track.

2

Procurement

- The project department formulated the Inspection and Test Plan (ITP) and carried out inspection in procurement stage in accordance with the equipment importance level and procurement contracts;
- Conducted factory, intermediate stop point and pre-release inspection of important and key materials and equipment, timely contacted the supplier for unqualified sources and ensuring product quality from the source.

3

Engineering design

- Introduced value engineering research in the process of project design and execution to pursue the unity of cost and device applicability. Key measures included using design cases of similar projects as input for project design and conducting case studies as necessary activities for the project in the initial stage to avoid repeating the design errors of similar projects;
- At the design stage of each project, sufficient manpower with the respective expertise shall be allocated to verify, review and finalise the design documents.

4

Construction management

- Required the study of technical documents before project construction to learn the technology and quality characteristics of project construction, attached importance to on-site construction process management (process management) and construction closing management, and improved construction-related management regulations, guiding principles and manual documents to continuously improve construction management capabilities;
- Optimized and improved the comprehensive management software for pipeline construction by combining traditional software and project management characteristics of Wison Engineering to improve construction quality and progress.

Quality Control Measures in 2019

3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

The Group carries 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. We established the precision control department at construction sites. 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.

In addition, we proactively created and promoted "model projects" to improve the engineering entity quality and the execution ability of project quality management of the Company's projects. During the Reporting Period, we compiled the model projects into brochures and printed them out, with project managers holding one hard copy each and the electronic version shared among all staff through email, so as to promote them among all employees. Domestic projects built a total of 8 model projects and duplicated 28 model projects. We developed a model project duplication plan for all projects that have started, with a duplication rate of 100%. For all newly started projects, we have set up model project display areas.

Based on the quality management measures covering the entire life cycle, the quality management system of the Group's projects under construction in 2019 was under control. As of the end of December, the excellence rate of design products reached 100%, first-time passing rate of acceptance at the ITP control point was 98.47%, no quality accidents occurred, and the quality objectives were substantially achieved. During the Reporting Period, we did not receive any customer complaints in relation to products and services.

3.3 HEALTH AND SAFETY

HSE management is a long-term investment with strategic significance. Strictly complying with the relevant laws and regulations, including the Safe Production Law of the People's Republic of China and the Regulations on Safe Production Management of Construction Projects, the Group sticks to the safe production principle of "giving priority to safety, focusing on precaution, and carrying out integrated treatment", and has established a comprehensive responsibility ownership system of safe production 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), and Job Hazard Analysis (JHA), thereby preventing the occurrence of safety accidents and ensuring the health and safety of all staff and the local public.

Ensuring Safe Operation

The Group established an efficient HSE performance monitoring and inspection mechanism to regularly inspect record, and track the operation of the HSE system, the control of hazard source and environmental factors, and on-site civilized construction. Based on the management principle of "risk-based thinking" under the management system, we identify, evaluate and control the risks of hazard source existing in the design, construction, living facilities management, and other processes of engineering projects, and issue the reports of Identification, Evaluation and Control of Source of HSE Hazards and Identification, Evaluation and Control of Environmental Factors to correct hidden hazards and issues in a timely manner. During the Reporting Period, we continued to strengthen safe operation practices in the Wison Center office building, construction project sites and R&D pilot project sites to ensure a safe operating environment.

Wison Center Office Building

- During the Reporting Period, we optimized the visual signs by organizing the production of 140 staircase evacuation signs, 30 sets of emergency signs, 32 HSE-themed posters in break rooms, and 1,000 visitor guideline manuals, and re-arranged the locations of 3 emergency muster points at Wison Center.

Construction projects

- During the Reporting Period, we optimized the safety protection materials, including using more breathable leather on safety shoes to enhance the breathability thereof; replacing the puncture-resistant steel plate in the soles of safety shoes with bulletproof materials to reduce the weight of safety shoes while enhancing the comfort of the safety shoes; and adding summer jackets as uniforms as required by the site condition.

R&D pilot projects

- During the Reporting Period, we conducted rigorous HAZOP analysis and SIL grading and process safety demonstration during the design process of the pilot plant for ethylene carbonate and hydrogen to ensure that the pilot project can be safely advanced.

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. Meanwhile, we have continuously improved the occupational health management system, organized regular employee physical examination and established employee health records for a better management of employee occupational health. Wison Engineering and each of 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. During the Reporting Period, the number and rate of occupational diseases in Wison Engineering is 0.

3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

Hazardous and noxious substances control	High temperature operation protection	Noise control
• Strictly implement hazardous chemicals management regulations, uniformly purchase and regularly report usage and quantity • 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

Make training courses available by scanning QR codes at office areas and construction sites — for easy access and learning of employees

To help employees promptly obtain occupational health and safety-related knowledge, during the Reporting Period, we enabled employees of Wison Engineering to easily obtain educational and training materials on occupational health and safety, such as "Preventing Heat Stroke in Hot Weather", "Safety Management of Fire operation", "Management of Personal Labor Protection Equipment" by scanning QR codes with mobile phones at office areas and construction sites anytime and anywhere. This greatly improved the efficiency of workers to acquire health and safety knowledge and protected workers' health and safety, while solving the problem of slow transmission, dull learning, and poor results of paper documents, receiving wide acclaim from employees.

Safety Emergency Management

In order to further improve the timeliness and 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 continuously improved the procedure of safety emergency management. A three-level safety emergency plan mechanism, comprising Wison Engineering Comprehensive Emergency Plan, Wison Engineering Headquarters Emergency Plan and Branches and Project Department Emergency Plan, has also been established to specify the duty and responsibility of the emergency management department and the contingency response procedures.

During the Reporting Period, we updated and released the Wison Center Emergency Response Plan. Meanwhile, to verify the suitability and reliability of the emergency response plan, familiarise all relevant personnel in the Wison Center Office Building with the emergency fire alarm system, emergency response procedures and emergency evacuation routes, and improve the emergency response capabilities of employees, tenants and related personnel, we organized an emergency evacuation drill on 27 June 2019 participated by a total of 2,280 people (including 886 Wison Engineering employees and 1,394 tenants).

In addition, we require that a comprehensive emergency plan be prepared for projects during planning and implementation. Meanwhile, to ensure that the implementation of projects not being hindered during the typhoon season, we also require special emergency plans for extreme weather such as typhoon and flood to be prepared and related preventive measures to be taken by projects located at the typhoon area. During the Reporting Period, we have completed the formulation and issuance of project emergency plans for 7 newly started projects, and arranged 16 emergency drills for projects under construction.

3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

A series of emergency measures against typhoon were taken for Zhejiang Petrochemical Phase II Project

Zhejiang Petrochemical Phase II Project is located in Yushan Island, Daishan County, Zhoushan City, Zhejiang Province, where typhoons are prevalent in summer and autumn. In 2019, it was affected three times by typhoons above level 10.

Faced with "Lekima", the third largest typhoon since the meteorological record in Zhejiang Province attacking on 10 August 2019, the project department actively responded to the requirements of the local government and the landlord for typhoon prevention by formulating the Special Emergency Plan for Typhoon and Flood Prevention and setting up a leading group for anti-typhoon emergency management before the landing of typhoon "Lekima". Before the typhoon arrived, a special meeting of all the personnel of the project department was held to convey the work plan and emergency plan for typhoon prevention. We actively prepared materials for emergency response, comprehensively reinforced the dormitory and canteen of the camp of the project department, and purchased a spare 30-kW generator. and the camp reserves diesel, domestic water, vegetables, bread, etc. We reserved living supplies that could meet the needs of all employees for 5 days, including diesel, domestic water, vegetables, and bread.

Before the typhoon arrived, the Company's project management department arranged for the construction company to conduct a comprehensive investigation and rectification of hidden hazards. It kept records on the personnel of each subcontractor, and coordinated and arranged for emergency shelters for the 563 people. After the typhoon passed, we arranged for the construction company to conduct a comprehensive safety inspection for resumption of work to ensure that there were no casualties or property damage during the typhoon.

Convening a special plenary meeting

Reserving domestic water

Reinforcing the camp

Camp inspection by the construction company (1)

Camp inspection by the construction company (2)

To further refine the accident management and prevent the occurrence of similar accidents by analyzing the root causes of the accidents and taking corresponding corrective and preventive measures, we have revised and improved the Accident Management Procedures to amend the definition and classification, reporting procedures, investigation and handling, and recording and filing of accidents to ensure that accident reporting, investigation, and recording comply with domestic and international regulations and standards.

During the Reporting Period, the Group did not have any work-related fatalities. The lost time incident rate per 200,000 working hours was 0.02 and the Total Recordable Incident Rate was 0.07.

3.4 ENVIRONMENTAL PROTECTION

Environment Management

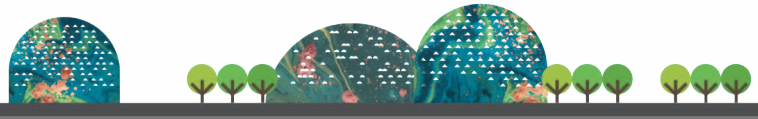
Focusing on environment protection and energy saving and emission reduction, the Group has strictly complied with laws and regulations, including Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution 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, Air Emission and Wastewater, in order to provide a systematic framework for the management of wastes, energy consumption, and other issues at office areas and the project construction sites.

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.

Construction project site

To reduce energy consumption during the operation of our offices, the energy conservation and emission reduction group of the Group regularly held appealing meetings for energy conservation and emission reduction during the Reporting Period. We reduced energy consumption and promoted green development through a series of management measures, including the improvement of electro-mechanical equipment and airflow fans in the office building, change of energy-saving bulbs, continuous utilization of geothermal recycling system, and real-time temperature adjustment to air-conditioners in the office.

Office areas



3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

The energy consumption of the Group is subject to the contract type, construction stage and type of projects during the year. For example, more projects at the peak construction stage will lead to a certain degree of increase in energy consumption.

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

Type of Energy	Unit	2018	2019
Unleaded gasoline	Tonnes	276	251
Diesel	Tonnes	14	336
Natural gas	Cubic meters	315,795	9,289
Electricity purchased	kWh	29,814,869	13,234,378
Direct energy consumption	GJ	22,674	25,458
Indirect energy consumption	GJ	107,334	47,644
Total energy consumption intensity	GJ/ten thousand yuan revenue	0.40	0.17
Scope 1 greenhouse gases emission	Tonnes CO_2-e	1,568	1,840
Scope 2 greenhouse gases emission	Tonnes CO_2-e	20,683	8,984
Total greenhouse gases emission	Tonnes CO_2-e	22,251	10,824
Greenhouse gases emission intensity	Tonnes CO_2-e/ten thousand yuan revenue	0.07	0.02

[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 Headquarters and its wholly-owned and controlled subsidiaries during working and construction process. The scope of statistical data of electricity purchased covers the comsumption by the Wison Engineering Headquarters and its wholly-owned and controlled subsidiaries as well as subcontractors during working and construction process.

Civilized and Green Construction

The Group has upheld the green construction and commissioning principle of "putting people first, adapting to local conditions, giving priority to environmental protection, and making efficient use of resources" and insisted on civilized and green construction to prevent pollution and damage to the environment and reduce energy and resource consumption. We strictly implement the requirements for civilized and green construction under the Regulations on the Management of On-Site Civilized Construction Management and Management Requirements for Green Supply Chain in the Petrochemical Industry to regulate the behavior of construction subcontractors and reduce the environmental impact caused by the Group 's business activities.

Before project construction

- Conduct environment risk assessment on the construction site and surrounding community and, based on the results of which, formulate risk mitigation measures;
- Formulate construction plans including green construction management and technical requirements, clarify requirements and control measures for resource conservation and environmental protection, and formulate special plans for green construction when necessary, such as special plans for energy conservation special plans for energy conservation and energy utilization, and special plans for solid waste (including construction waste) disposal.

During project construction

- Each project department shall promote advanced construction techniques, use efficient construction equipment, and eliminate or restrict construction techniques, equipment, and materials that do not meet the requirements of green construction;
- Organize operations according to construction plans and special plans for green construction, formulate effective management and controls in respect of dust control, soil protection and waste disposal to ensure the construction site environment management complies with laws and regulations while promoting natural ecological protection.

3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

Biodiversity Protection

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

Dust Control

- Before the earthwork, prepare the spoil ground and set up enclosures, green net cover and other dust control measures; refrain from haphazard stacking
- For projects with large earth volume, vehicle cleaning and supporting facilities shall be set up in the construction area; transportation vehicles shall be desilted and rinsed before driving out of the construction site
- Arrange sprinkler to conduct sprinkling timely for cleaning and dust control of the construction site 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 to prevent the project site soil from pollution
- On the construction 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 Management

- Hazardous waste (such as waste oil) is recycled by professional companies licensed by the local environmental protection authorities
- Non-hazardous waste is transported to the designated location according to the requirements of local environmental protection authorities (or landlords) and is handled by the environmental protection authorities of the government
- 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 , rather than entering into the municipal drainage network, realizing "zero discharge" of waste water from the construction site
- Reduce waste generation, and encourage the use of detachable and reusable containers in the project site office areas and living camps for easy disassembly and recycling

Zhejiang Petrochemical Project purchases sprinklers at its own cost for cleaning and dust reduction at the construction site

Use dust removal facilities for welding operations on project site

Construction of car wash station at Taixing New Materials Project (PANDA)

Garbage classification at Saudi Arabia's Technical Test Base and Auxiliary Facility Expansion Project (STC) and Middle East operation centre

Temporary office facilities at STC project

Use detachable and reusable board houses (6 rooms) at the project office area

Civilized and green construction measures in 2019

3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

Zhejiang Petrochemical Phase II Ethylene Project Department — Granted the Certificate of "Exemplary Civilized Construction Site"

During the Reporting Period, Zhejiang Petrochemical Phase II Ethylene Project Department actively promoted the construction concept of Wison Engineering, that is, profound prefabrication, modular installation, and soilless construction of factories. At the same time, it always maintained substantial investment in civilized construction management resources in accordance with Zhejiang Petrochemical's Civilized Construction Management Regulations and complying with the requirements of Wison Engineering's new Project Standardization Atlas to maintain a good site construction image and installation efficiency.

Through strict control of project construction management, Zhejiang Petrochemical Phase II Ethylene Project was recognized by the landlord as the "Exemplary Civilized Construction Site" in 2019; in addition, the Project was selected as the "Advanced Collective for Production Safety in 2019" by Zhoushan Petrochemical Base Management Committee, underscoring the project management advantages of Wison Engineering and building the world-leading engineering execution capability brand.

Profound prefabrication of steel-structure factory

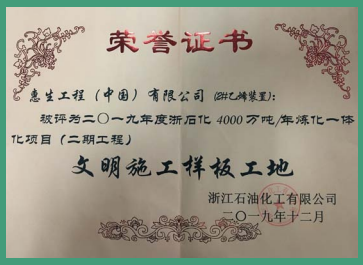
Modular installation of cracking furnace

Soilless construction of pipeline

Bolt protection

Refilling sprinkler

Covering fire water ditch with scrap iron plate



Exemplary Civilized Construction Site

Advanced Collective for Production Safety in 2019

During 2019, the Group's waste generation[2] was set out below:

Type of Waste		Total Waste in 2018	Total Waste in 2019
Kitchen waste	Tonnes	178	206
Household waste	Tonnes	6,637	1,614
Recyclable waste	Tonnes	804	335
Construction waste	Tonnes	18,546	9,569
Total non-hazardous waste	Tonnes	26,165	11,724
Intensity of non-hazardous waste	Tonnes/ten thousand yuan revenue	0.08	0.03
Disposal volume of hazardous waste	Tonnes	1,175	23
Disposal intensity of hazardous waste	Tonnes/million revenue	0.36	0.01
Total waste	Tonnes	27,340	11,746
Waste intensity	Tonnes/ten thousand yuan revenue	0.08	0.03

During 2019, the Group's wastewater discharge[3] was set out below:

Type of Discharge		Total Discharge in 2018	Total Discharge in 2019
Total wastewater discharge	Tonnes	90,130	110,000
Intensity of wastewater discharge	Tonnes/ten thousand yuan revenue	0.28	0.25

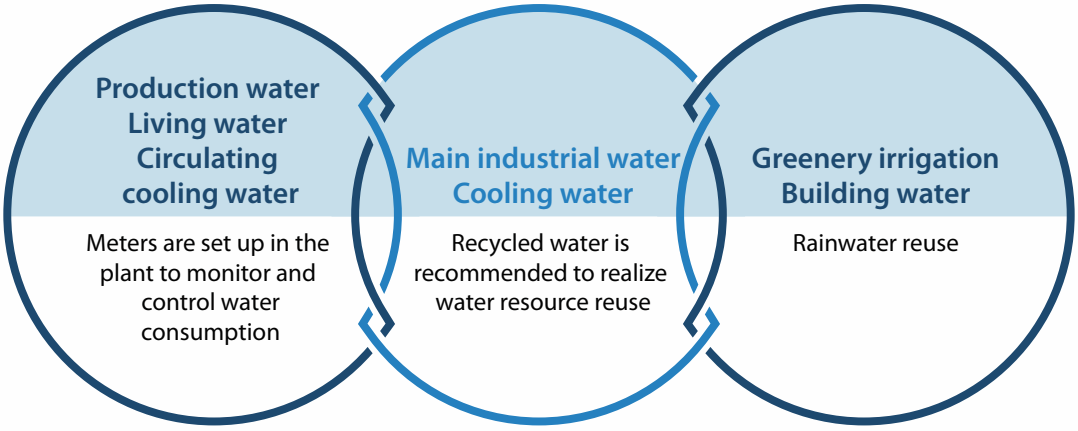
2 During the Reporting Period, the scope of statistical data of the Group's waste covers the generation by Wison Engineering Headquarters and its wholly-owned and controlled subsidiaries as well as subcontractors during working and construction process.

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

3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

Water Resource Management

The Group promotes water conservation. In order to continuously improve the Group's efficiency in using water resource and reduce resource consumption, we have implemented a series of water conservation management measures for various water consumption systems:



In 2019, the Group's water resource consumption[4] was set out below:

Type of Water Resource		Total Consumption in 2018	Total Consumption in 2019
Municipal water supply	Cubic meters	234,914	216,031
Surface water	Cubic meters	12,000	14,300
Total water consumption	Cubic meters	246,914	230,331
Water consumption intensity	Cubic meters/ten thousand yuan revenue	0.76	0.53

[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 Headquarters and its wholly-owned and controlled subsidiaries and subcontractors during working and construction process.

3.5 CAPACITY IMPROVEMENT

The effective implementation of management procedures and measures requires the continuous improvement of employees' management awareness and capacity. We continue to strengthen the promotion and training in quality and HSE knowledge, constantly enriching employees' all-around quality and HSE management knowledge and skills.

Quality Awareness Improvement

During the Reporting Period, we joined hands with multiple departments and invited senior experts to utilize Wison School to analyze quality cases based on real engineering projects and interpret quality management measures for engineering projects. We completed case sharing and training including "Designing Entity Quality Management and Case Sharing", "Procurement Entity Quality Management and Case Sharing" and "Construction Entity Quality Management and Case Sharing", and organized a number of lecturers including "Quality Management Experience Sharing for Large Projects" and "Project Quality Management Experience Sharing".

Procurement Entity Quality Management and Case Sharing

Designing Entity Quality Management and Case Sharing

Quality Experience Exchange for EG2 Project

During the "Quality Month" in 2019, the Quality Safety Department joined hands with other departments to organize the "Online Quiz on Professional Knowledge of Quality Technology" centering on the execution and management of projects. This activity focused on entity quality control and centered on the mainlines of project design, engineering material procurement and construction entity quality for online quiz, aiming to implement quality management standards and guide and facilitate employees to learn and master professional knowledge of their positions, so as to guarantee entity quality with professional technology. Meanwhile, the complete openness of testing questions also provided a platform for employees of different professions to learn from each other. A total of 1,422 person-times finished the quiz.

In addition, the Group organized the "Advanced Individual for Quality Work" appraisal activity during the "Quality Month" to establish quality management models and properly manage the entity quality control at all stages. Through the recommendation of relevant departments and the project department and the comprehensive assessment of the Company, we selected a total of 28 employees as "Advanced Individual for Quality Work in 2019". We awarded them trophies and little gifts to commend their consistent practice of quality standards during entity quality control at all stages and strict implementation and execution of the Company's quality management system.

3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

HSE Awareness Improvement

The Group conducts training on civilized construction and green construction at construction sites, striving to improve subcontractors' HSE management capacity and awareness. During the Reporting Period, we conducted monthly assessment on subcontractors' HSE management results regularly and distributed gift coupon to them as rewards, so as to encourage them to improve HSE performance.

Monthly HSE Award

HSE Gift Coupon

In addition, we also actively facilitate all employees' participation in HSE affairs to promote the assimilation of a safety culture. During the Reporting Period, we continued to convey HSE concept to employees and improve their HSE awareness through HSE-themed report and bulletins.

HSE-Themed Report and Bulletins

During the Reporting Period, we shared a total of 15 issues of HSE Bulletins with all employees featuring the themes of Accident (Incident) Management, Interpretation of Applicable Regulations, Classification of Domestic Waste, Emergency Evacuation, the World Environment Day and Daily Energy Conservation Initiative.

In addition, we shared a total of 7 articles on industry dynamics including the Safety Control Manual for Material Hazard Source, Typical Accident Reports, and Compilation of Typical Accidents in the Recent Three Years; shared 5 sessions of HSE Management Experience Exchange Courseware, 2 articles of HSE People Report, 1 article of HSE Professional Localization Status and Suggestions of Middle East Operation Center.

HSE Management Experience Exchange Courseware

Daily Energy Conservation Initiative Bulletin

In addition, adhering to the theme of "Risk Prevention, Hidden Risk Elimination and Accident Eradication" of the national "Safety Production Month" in 2019, Wison Engineering conducted a series of safety culture cultivation activities featuring the theme of "I Love Safety and Actively Care". Through various kinds of promotion, knowledge sharing and special training activities, the Group actively spreads its HSE management system requirements and HSE concept and culture, and familiarizes all employees with HSE hazard factors related to their positions, and corresponding control and emergency measures, so as to let employees imprint the HSE concept in mind and demonstrate it externally through actions.

HSE Publicity

HSE Poster

Design the Chinese and English HSE posters featuring the theme of "I Love Safety and Actively Care", and HSE-themed desktop images. Display HSE posters in Wison Center Hall and breakrooms. Push HSE-themed desktop images to all employees. The project department will hang HSE posters and publicity banners, devise publicity display board featuring the theme for "Safety Production Month", organize safety commitment signing, and actively foster the safety culture, in accordance with actual situation.

HSE Knowledge Sharing

HSE Knowledge Sharing Scene

- Wison School hosted the keynote lecture for the safety month, "I Love Safety and Actively Care – the Executives Talk About Safety", and other lectures including "Safety Month – Safety in Design and Management", "Domestic Waste Classification Training", "Preventing Disease Scientifically and Treasuring Life" and "Construction Safety Analysis".
- Various project departments organized project staff to participate in video learning of "Theme Cases for Safety Month in 2019", to understand the causes of accidents through watching specific accident cases, focusing on learning the lessons from the accidents.

HSE Special Training

HSE Special Training Scene

- Various project departments conducted a wide range of special training on high-risk tasks including high-place operation, scaffold operation, lifting operation and nitrogen introduction, and held numerous large HSE-themed activities such as hand-held tools, high temperature construction in summer, and mechanical facility operation on the construction sites. Through organizing large toolbox meetings, case display for disqualified hand-held tools and safety protection products, on-site standardized operation of construction equipment, and on-site evidence-based training, construction workers can immerse themselves into the specific scenes of safety activities and strengthen their active safety awareness.

"Safety Production Month" Campaign in 2019

During the Reporting Period, 1,983 internal person-times of the Group received HSE-related training with total training hours amounting to 3,925.5 hours; 13,340 person-times of project subcontractors received HSE-related training with total training hours amounting to 22,388 hours.

3. ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

While improving the safety awareness of all employees, the Group also actively aligns with international-leading safety management experience, encourages its employees to attend various further education and learning in respect of HSE management, and constantly improves their all-around HSE management knowledge and skills. As at 31 December 2019, the employees of the Group obtained the following certificates related to HSE management:

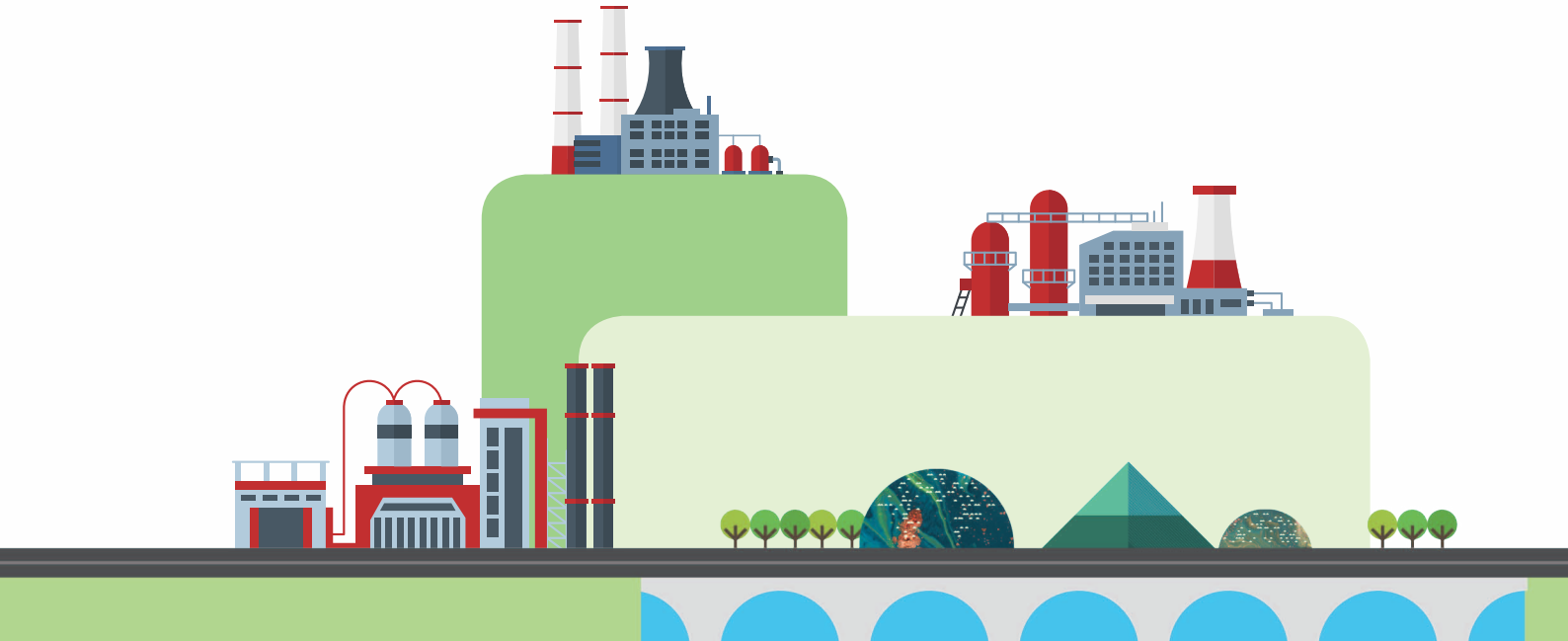
37
employees
obtained registered safety engineer certificates

46 employees obtained the work safety certificates for project manager of construction enterprises

36 employees obtained the work safety certificates for dedicated safety production management personnel of construction enterprises

7 employees obtained the work safety certificates for chief person in charge of construction enterprises

5
employees
obtained certificates from The National Examination Board in Occupational Safety



4. JOINING HANDS WITH PARTNERS TO ACHIEVE MUTUAL BENEFITS AND WIN-WIN RESULTS

OUR MANAGEMENT APPROACH

Through years of construction practice, Wison Engineering has been endeavoring to understand and grasp customers' needs to the greatest extent to provide customers with satisfactory solutions covering the entire life cycle of engineering projects through smooth customer communication channels, customer privacy protection mechanisms and regular customer satisfaction surveys.

Wison Engineering continuously optimizes supplier resources through a management model that grades and classifies suppliers to ensure procurement quality. Meanwhile, it continuously improves supply chain management to create a collaborative and win-win industry chain ecosystem through sustainable procurement policies, sound supplier approval and review mechanisms and comprehensive supplier communication and development measures.

4.1 WHOLEHEARTED SERVICES

Wison Engineering's professional management and execution team has always been well-balanced and reasonably structured. While striving to provide customers with multi-field and customized solutions, it protects the rights and interests of customers with responsible protection measures and understands and responds to customers' needs with well-established customer communication actions, so as to continuously create value for customers.

Well-established Customer Communication

The Group attaches great importance to the establishment of close relations with customers through actively understanding customer needs and obtaining customer feedback. During the Reporting Period, we established a product technology center focusing on precise market positioning of products and technology integration capabilities to provide customers with optimized, highly value-added comprehensive technical solutions. Meanwhile, to fully understand and satisfy customer needs, we continue to develop new communication channels. For different types of customers, we maintain a stable communication frequency through various methods and channels such as surveys, face-to-face interviews, telephone interviews, or emails. For the special needs of overseas customers, we made the following active responses during the Reporting Period:

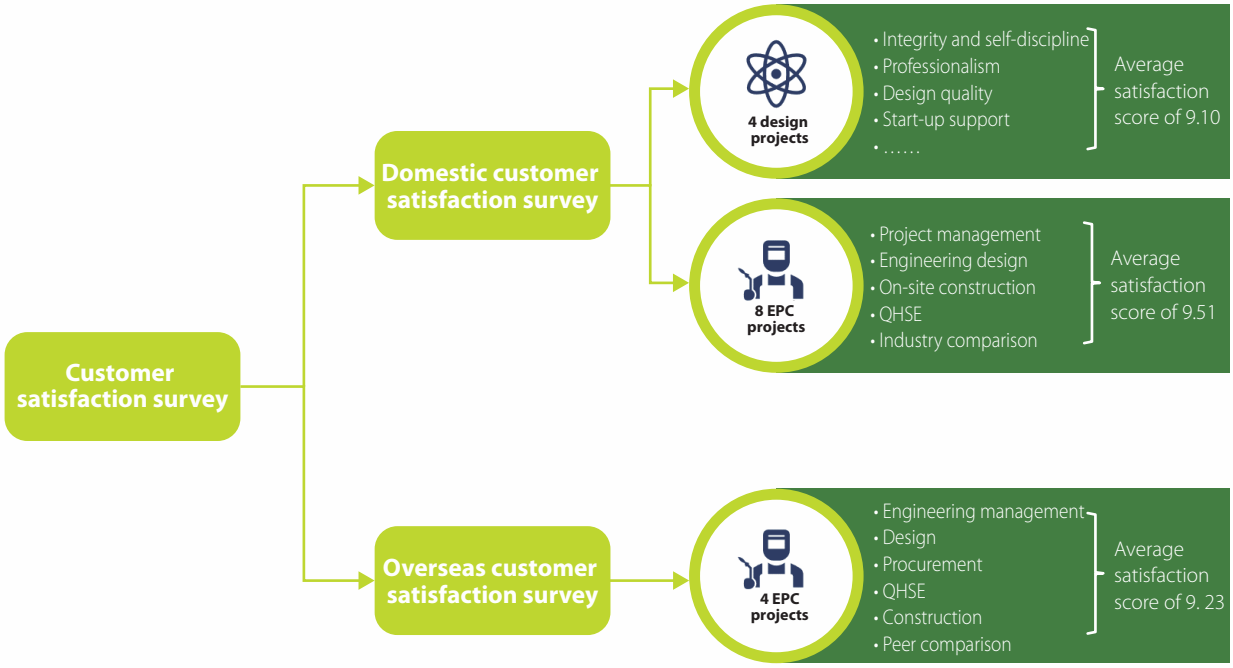
Labor quota requirements for construction personnel	• Reserve multiple channels for resolving labor quota limits to meet labor demands
Requirements of localized procurement of equipment by local state-owned enterprises	• On the premise of meeting technical requirements, maintain the localized procurement of local equipment not less than 50%
Construction and design require qualifications issued by the Self-Regulatory Organization (SRO)	• Successfully applied for design qualification and obtained construction qualification
Official documents (such as design documents and approval documents) are all in the local language	• Maintain cooperation relationships with a number of professional and efficient translation companies and recruit multiple local employees speaking the native language
Equipment imported into the local area must be certified by the Customs Union	• Grasp related policies and readily provide manufacturers with guidance on application for the certification

Meeting the special needs of overseas customers

4. JOINING HANDS WITH PARTNERS TO ACHIEVE MUTUAL BENEFITS AND WIN-WIN RESULTS

The Group has always been committed to improving customers' satisfaction with our products, services and management. In accordance with the provisions of the Procedures for External Customer Satisfaction Assessment, we conduct satisfaction surveys for landlords and supervisors of domestic and overseas design and general contracting projects, carry out and track correction actions, and prepare the annual report on customer satisfaction. In particular, the satisfaction score of the Group's overseas projects increased by 0.33 point compared with that of 2018, fully demonstrating our ability to quickly respond to the needs and changes of the international market.

Procedures for customer satisfaction assessment

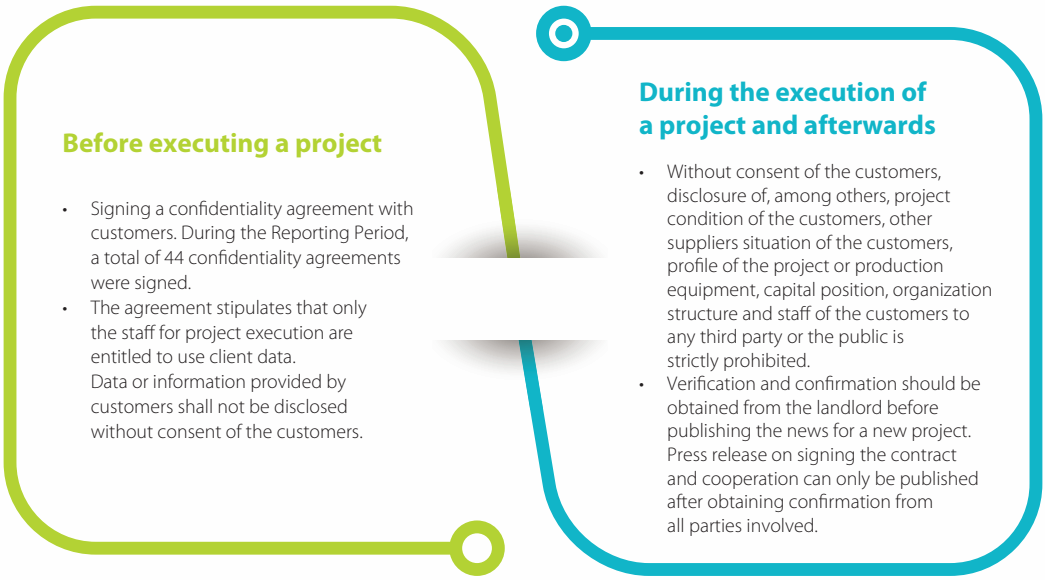


Satisfaction survey results in 2019

In addition, to better showcase Wison Engineering's professional image and competitiveness, the Group launched the new official website (www.wison-engineering.com) of Wison Engineering in December 2019, not only realigning our business markets and consolidating our project experience, but also highlighting our service contents and advantages, to ensure best viewing experience for customers.

Customer Information Security

We are committed to respecting and protecting customer information security. We strictly comply with laws and regulations relating to the privacy of our customers. We take customer information confidentiality measures before, during and after project execution, and continuously improve the security and confidentiality of information systems through methods such as information security training, password control, permission control, security updates and file encryption to carry out daily information security operation and maintenance in an orderly manner.



Customer information security

4.2 RESPONSIBLE SUPPLY

As an integrated solution provider of energy and chemical EPC services and technologies, Wison Engineering is located in the mid-stream of the overall engineering industry chain. By combining the needs of upstream customers in the industry chain, the Group's professional services (including project planning, feasibility analysis, project execution, and startup and operation management after project delivery), and downstream suppliers of the industry chain (such as material and equipment suppliers and construction subcontractors), it has formed a complete industrial value chain.

Supply Chain Management

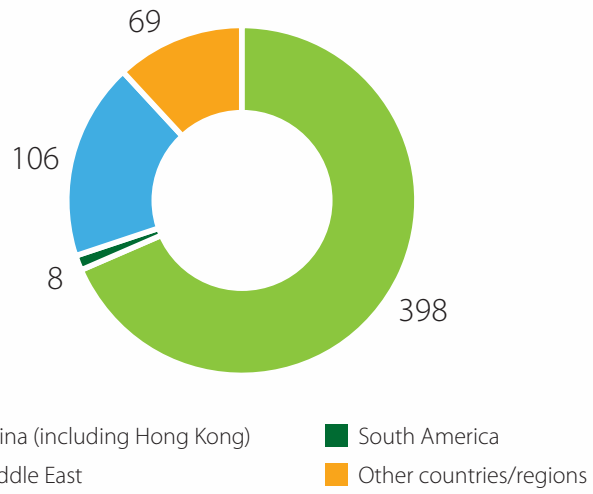
In terms of supply chain management, the Group strictly complies with laws and regulations such as Anti-Unfair Competition Law of the People's Republic of China, Contract Law of the People's Republic of China and Bidding Law of the People's Republic of China and has accordingly formulated regulations 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 to standardize diversified procurement work including strategic cooperation, framework agreements, centralized procurement, and on-site punctual procurement. During the Reporting Period, we streamlined and optimized relevant procurement processes such as procurement plans, business reviews, and contract awards to control the approval nodes and review time, thereby further improving procurement efficiency.

4. JOINING HANDS WITH PARTNERS TO ACHIEVE MUTUAL BENEFITS AND WIN-WIN RESULTS

During the Reporting Period, based on the management principles of "dynamic management, selection of the best, and performance-orientation", we carried out supplier classification and grading and adopted corresponding management strategies for different types of suppliers to improve the mix and quality of suppliers. On this basis, we also sorted out and selected a list of suppliers for special and main materials of 17 sets of typical refinery and petrochemical equipment, and created a refinery and petrochemical "supplier resource database for typical equipment" in conjunction with material supplier resource list commonly used in the petrochemical industry to better manage potential supplier resources.

As of 31 December 2019, the Group approved 330 new suppliers for project procurement, of which 179 were overseas suppliers. The number of collaborative suppliers for project procurement in 2019 by geographical region was:

Number of collaborative suppliers by geographical region



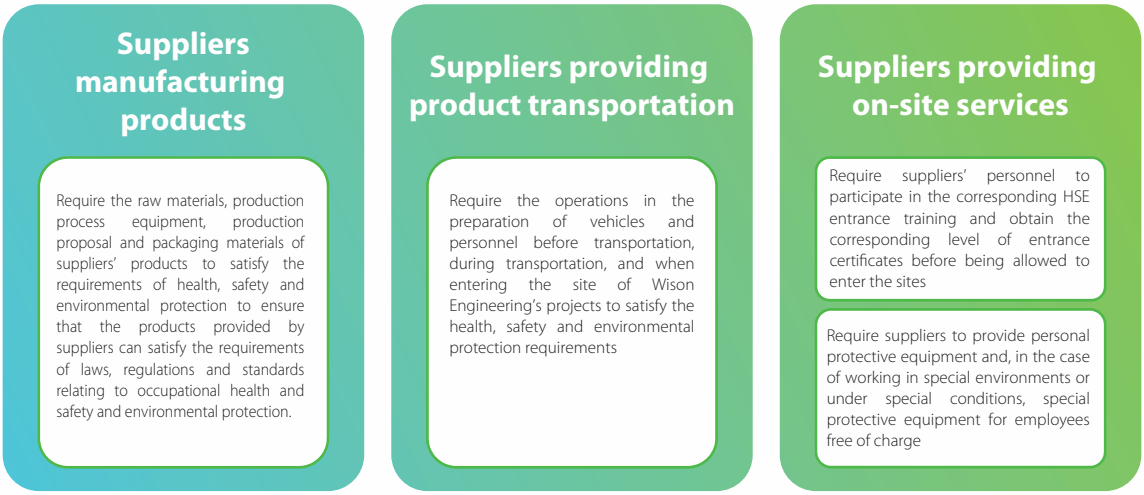
Supplier Approval and Examination

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, the Group proactively used information technology to redevelop the construction subcontractor management system, making adjustment to the overall structure, functional modules, and information requirements to achieve the functions of self-completion and application by construction subcontractors and online approval, evaluation, and inquiries by relevant departments, further improving the efficiency and level of supplier management.

Meanwhile, Wison Engineering strives to build a clean and honest supply chain. 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 requirements on integrity. During the Reporting Period, the coverage rate of the Group's suppliers signing the Commitment Letter for Integrity was 100%.

Green Procurement

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. To ensure that suppliers meet the requirements under relevant HSE laws, regulations, and standards, we require suppliers to learn, sign and comply with HSE Management Requirements for Projects of Wison Engineering to ensure the personal and property safety of personnel of suppliers, Wison Engineering, landlords, supervisors, and installation units during the production, transportation, and on-site services of products.



Supplier HSE Management Requirements

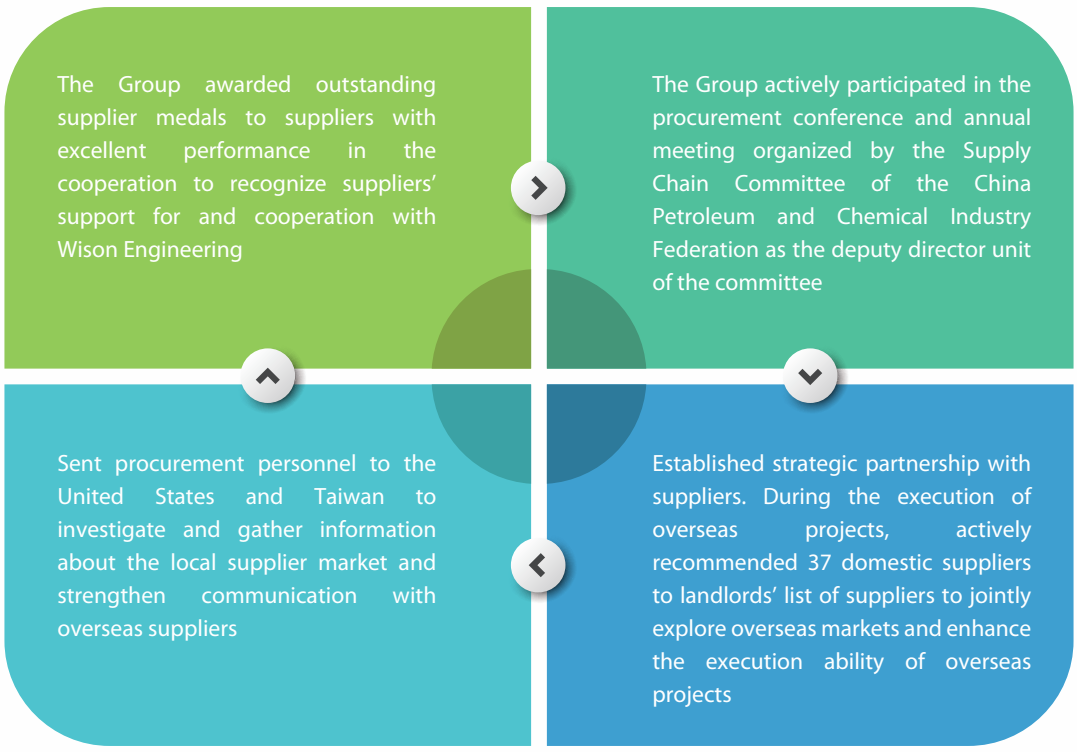
4. JOINING HANDS WITH PARTNERS TO ACHIEVE MUTUAL BENEFITS AND WIN-WIN RESULTS

In addition to strictly inspecting and accepting the procured materials in accordance with the standards, Wison Engineering pays attention to the reasonable use of resources in the design and construction stages to achieve the efficient implementation of engineering projects. During the Reporting Period, the use of materials by the Group[5] is as follows:

Type of materials use	Unit	2019 Consumption
Concrete	Tonnes	71,466
Steal	Tonnes	42,966
Stone	Tonnes	39,229
Thermal insulation material	Tonnes	2,384
Aluminum	Tonnes	1,851
Copper	Tonnes	34

Supplier Communication and Development

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 are carried out in different stages of the project. During the Reporting Period, to further establish close cooperative relations with suppliers, we carried out a series of work:



[5] During the Reporting Period, the scope of statistical data of the Group's use of materials covers the amount of use by Wison Engineering and subcontractors during the construction process.

4.3 INDUSTRY DEVELOPMENT

As one of the leading service and technology integration solution providers of energy and chemical EPC in China, in addition to sincerely serving customers and responsibly supplying products, we actively participate in industry standard establishment and technology exchange activities to inspire peers to concertedly promote the healthy and intelligent development of the industry.

Standard Establishment

The establishment of standards can effectively avoid unreasonable competition and enhance work efficiency and product competitiveness, while promoting the continuous progress of the industry and the industrial chain. With respect to the preparation of national and industry standards, Wison Engineering actively provided opinions and suggestions to promote the orderly development of industry standards. During the Reporting Period, we participated in the preparation and revision of two national standards and five industry standards, and achieved the breakthrough of participating in the preparation of three design standards for the process profession for the first time.

	Type of profession	Name of standard
National standard	Process	Technical Standard for Vapor Recovery and Treatment Facilities
	Construction technology	Code for Construction Quality Acceptance of Metallic Piping Works in the Petrochemical Industry
Industrial standard	Process	Design Standards for Vehicle Loading and Unloading Facilities for Liquid Materials in the Petrochemical Industry
	Process	Technical Standards for Oil Blending Facilities in the Petrochemical Industry
	Procurement management	Requirements for Green Supply Chain Management in the Petrochemical Industry
	Construction management	Code for Construction and Acceptance of Tube Furnace Installation Works
	Construction management	Code for Construction of Ethylene Cracking Furnace and Hydrogen Production Conversion Furnace in the Petrochemical Industry

In addition, three construction methods developed by Wison Engineering, namely Installation Method for Syngas Cooler Combining Polyspast and Coal Gasification, Integrated Modular Construction Method of Large Cracking Furnace, and Modular Construction of Steel Frame of Large Gasification Furnace, were named by the China National Association of Chemical Construction Enterprises during the Reporting Period as the National Chemical Construction Method (Ministry Level), demonstrating the technical expertise and construction ability of Wison Engineering, as well as contributing to the promotion and application of advanced construction experience in the industry.

4. JOINING HANDS WITH PARTNERS TO ACHIEVE MUTUAL BENEFITS AND WIN-WIN RESULTS

Technology exchange

We actively participate in technology exchange conference at home and abroad to share technical experience and conduct in-depth discussions with participating governments, enterprises, academic institutes, and international organizations on a variety of topics, establishing sound communication channels.

Oil & Gas Uzbekistan

China Petroleum and Chemical International Conference

Asia Petrochemical Industry Conference

5. GATHERING STRENGTH AND MOVING FORWARD TOGETHER

OUR MANAGEMENT APPROACH

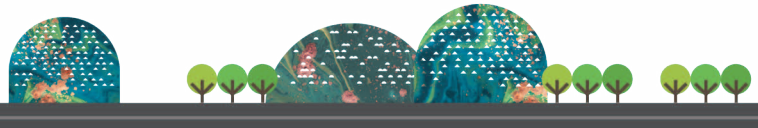
Employees are an important force for us to achieve social responsibility development. The Group always adheres to the philosophy of "People Orientation and Joint Development". We strictly comply with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and relevant laws and regulations and systems of countries or regions where we operate. We respect and protect employees' legal rights on recruitment, remuneration and welfare, training and development and welfare care, improve employees' working environment and build a happy spiritual home, and help employees accomplish their individual growth value.

5.1 EMPLOYEE PROFILE

The Group is committed to creating a fair and just employment environment for employees. We have formulated the Provisions for the Management of Employee Recruitment to regulate the management of recruitment procedures and employee emolument. The Group enters into labor contracts with its employees on a legal, fair, equal, voluntary and honest basis after an arm's length negotiation to protect their rights and interests. Meanwhile, during the process of recruitment and employment, we strictly prohibit child and forced labor, and respect job applicants' differences in gender, age, cultural background and religious belief. During the Reporting Period, the Group did not have any cases 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.

During the Reporting Period, we continued to improve human resource management. Through innovative enhancement of work procedures including leave approval, dismissal, confirmation of employment after probation, contract renewal, we constantly improved the effectiveness in human resource management. In addition, we established the HRBP (Human Resource Business Partner) covering all departments of the Company, helping us understand each department's requirements on talent training and management, formulating human resource plan compatible with each department's goals, and offering business-oriented HR solutions, so as to continuously promote the enhancement of human resource management procedures.

In order to continuously adapt to changes in our corporate business and the objective environment, we restructured and enhanced our institutional structure during the Reporting Period, comprehensively creating institutional strength and enabling future corporate development through the adjustment of five systems including execution, control, marketing, technology and resource.

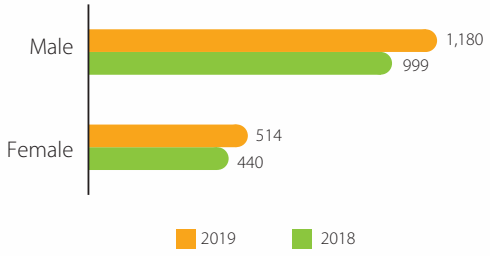


5. GATHERING STRENGTH AND MOVING FORWARD TOGETHER

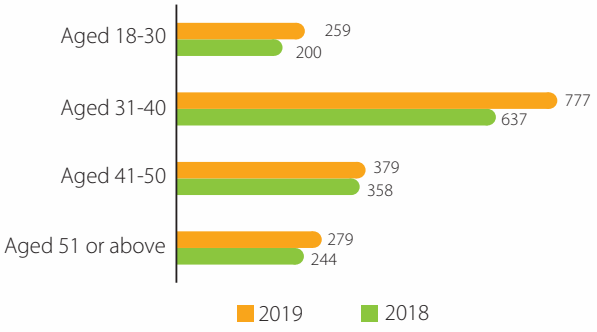
EMPLOYEE RECRUITMENT

We continued to improve our professional standards and enlarge our talent team. As of 31 December 2019, we had a total of 1,694 employees, representing an increase of approximately 17.72% as compared with that of 2018, including 1,677 employees in China (Hong Kong involved), 9 employees in the United States, 4 employees in Caymans, 2 employees in South Africa and 2 employees in Russia. The information of employees by gender, age and position is set out in the following charts:

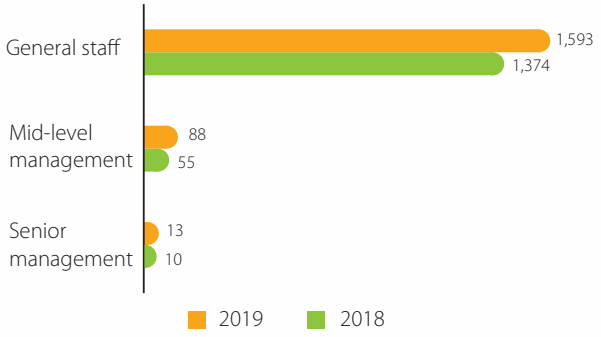
Number of Employees by Gender
(Unit: person)



Number of Employees by Age
(Unit: person)

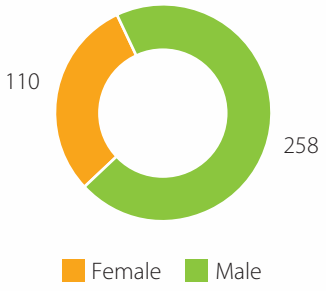


Number of Employees by Position
(Unit: person)

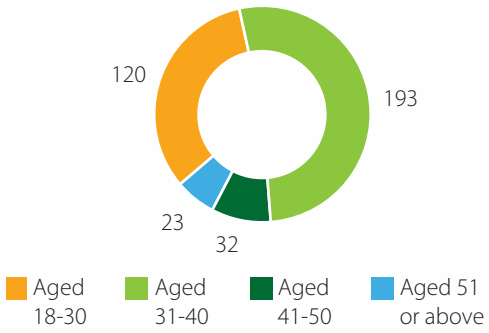


During the Reporting Period, we arranged and conducted two rounds of campus recruitment activities in total, covering spring recruitment in 6 colleges and universities and autumn recruitment in 9 colleges and universities. Admitted fresh graduate employees from spring campus recruitment represented approximately 20% of all admitted employees in 2019. During the Reporting Period, we recruited a total of 368 new employees.[6] The information of new employees by gender, age, region and position is set out in the following charts:

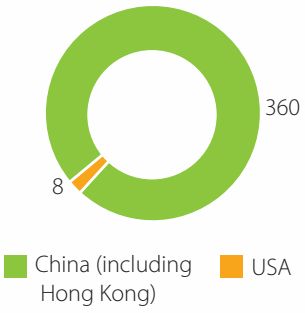
Number of New Employees by Gender
(Unit: person)



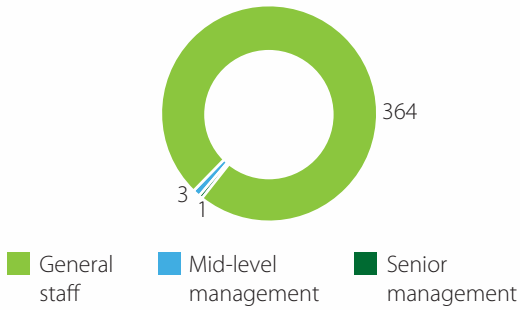
Number of New Employees by Age
(Unit: person)



Number of New Employees by Region
(Unit: person)



Number of New Employees by Position
(Unit: person)

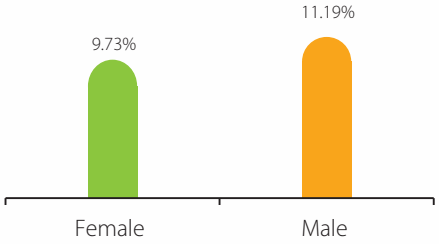


[6] The number of new employees does not include the number of new employees recruited by the Group's subsidiaries Jiangsu Zhonghe Yongtai Construction Engineering Company Limited during the Reporting Period.

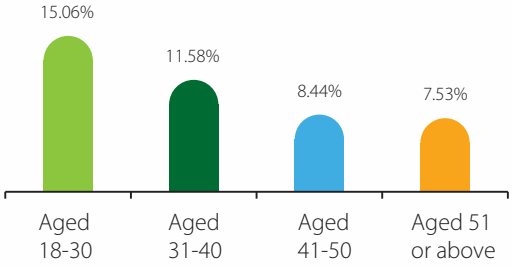
5. GATHERING STRENGTH AND MOVING FORWARD TOGETHER

During the Reporting Period, the Group's total employee turnover rate[7] was 10.74%, of which the turnover rates of general staff, mid-level management and senior management were 11.30%, 2.27% and 0% respectively. The employee turnover rates by gender and age respectively are set out in the following charts:

Employee Turnover Rate by Gender
(Unit: %)



Employee Turnover Rate by Age
(Unit: %)



Management of Employee Diversity

The Group is committed to a global strategic blueprint and actively promotes the progress of using local rather than overseas employees. We deeply understand that local employees can help the Company integrate into the profoundly different cultures of the places where it operates, facilitate its global development and boost local economic development and employment. For many years, Wison Engineering has continuously enhanced its management of human resources diversity and improved its global competitiveness.

In order to better support the development of overseas business, we choose core employees at each department as key objectives of development to continuously improve our institutional structure, maintain the stability of the core employee team, and constantly improve institutional effectiveness. In addition, we continue to adjust emolument and welfare, introducing the concept of paying salary in foreign currency to mitigate the effect of currency depreciation and fluctuation, and paying employee salary by converting to local currency at the exchange rate on the salary settlement date.

We are committed to creating a workplace featuring diversity, and oppose to any forms of discrimination and unequal competition. We fully respect the religion, belief, custom and culture of the places where we operate, continuously conduct beneficial exploration on handling cultural conflict and promoting cultural integration, and constantly facilitate the healthy and continuous development of overseas business through training and publicity.

[7] Total employee turnover rate: the number of employees leaving during the Reporting Period divided by the average number of employees per month during the reporting period

5.2 EMPLOYEE DEVELOPMENT

The Group treasures every employee's value. We continue to improve our talent training system and performance management system, constantly facilitate the smooth career development of employees, strive to provide support for employees to develop their potential, and enjoy the results of corporate sustainability with employees together.

Employee Training

The Group strives to establish a talent cultivation system covering all employees in accordance with its corporate development strategy and human resource planning. We have formulated the Provisions for Management of Employee Training to gradually establish a scientific, standard and systematic employee training system by clarifying the training objectives, training categories, training plans and implementation schemes. We continue to develop training activities on induction training, culture training and skill training to comprehensively improve employees' professional capacity and overall quality.

5. GATHERING STRENGTH AND MOVING FORWARD TOGETHER

In order to accelerate the construction of a global talent system, we established Wison School and provided employees with multi-level and multi-dimensional channels for self-growth and upgrade through training schemes with various targets and themes, such as those for new employees, project leaders of large projects, and middle and senior management leadership.

Wison School Lectures

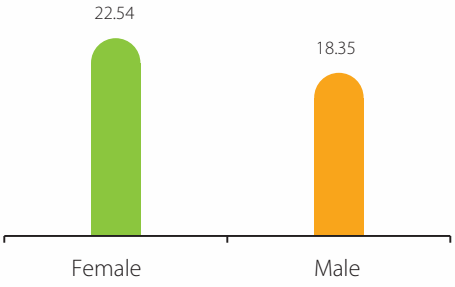
Training for New Employees

Training for Project Leaders of Large Projects

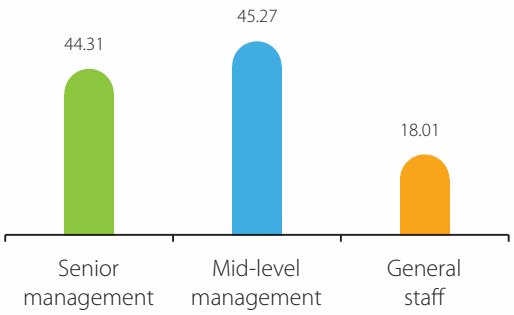
Training on Middle and Senior Management Leadership

During the Reporting Period, our employees had a total of 33,243 training hours, with an average of 19.62 training hours for each employee. Training activities included new employee training at the company level, induction training for graduates, training on various qualifications, external training, leadership training for the management and training on key posts and projects, such as training for project managers. Training hours and training percentages of employees by gender and position are set out in the following charts:

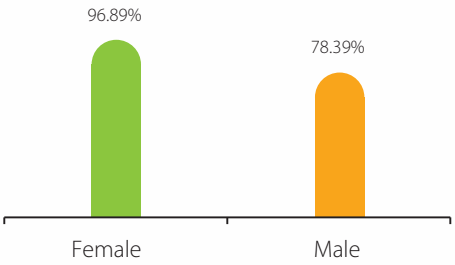
Average Training Hours of Employees by Gender (Unit: hour)



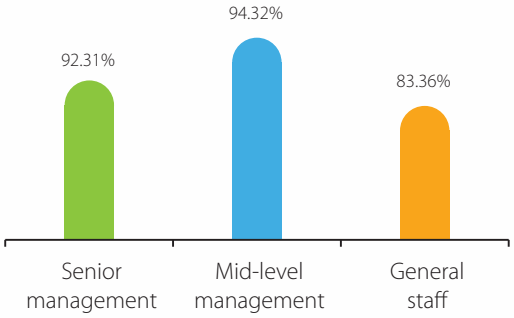
Average Training Hours of Employees by Position (Unit: hour)



Percentage of Trained Employees by Gender (Unit: %)



Percentage of Trained Employees by Position (Unit: %)



Employee Promotion

We are committed to creating equal promotion opportunities for employees, developing a clear career development path. We plan the career development path for different job categories, expressly specify the ability and experience requirements for employees at different job levels, and conduct job category assessment covering all employees. Employees can on the basis of their own work content and experience get promotion opportunities along two streams, including professional development and promotion to management level.

5. GATHERING STRENGTH AND MOVING FORWARD TOGETHER

5.3 CARING FOR EMPLOYEES

The Group is well aware that employees are the mainstay for corporate development, and cherishes the efforts they have made. We continue to strive to establish smooth communication channels, provide employees with competitive salary levels in the industry, and enrich employees' life by hosting diverse cultural and sports activities to help them accomplish their desire for a better life.

Employee Communication

The Group has proactively established sound communication channels for employees through various means, including regular and irregular seminar, staff congress and forum to listen to employees' demands and suggestions.

Employee Communication Channels

As internal corporate publications are an important carrier for cultivating corporate culture, we published 12 issues of the internal publication Wisoner in both Chinese and English versions during the Reporting Period, an important carrier for nurturing corporate culture, with the important function of continuously boosting the sense of identity and sense of solidarity of employees, and providing them with a platform for jointly participating in corporate management.

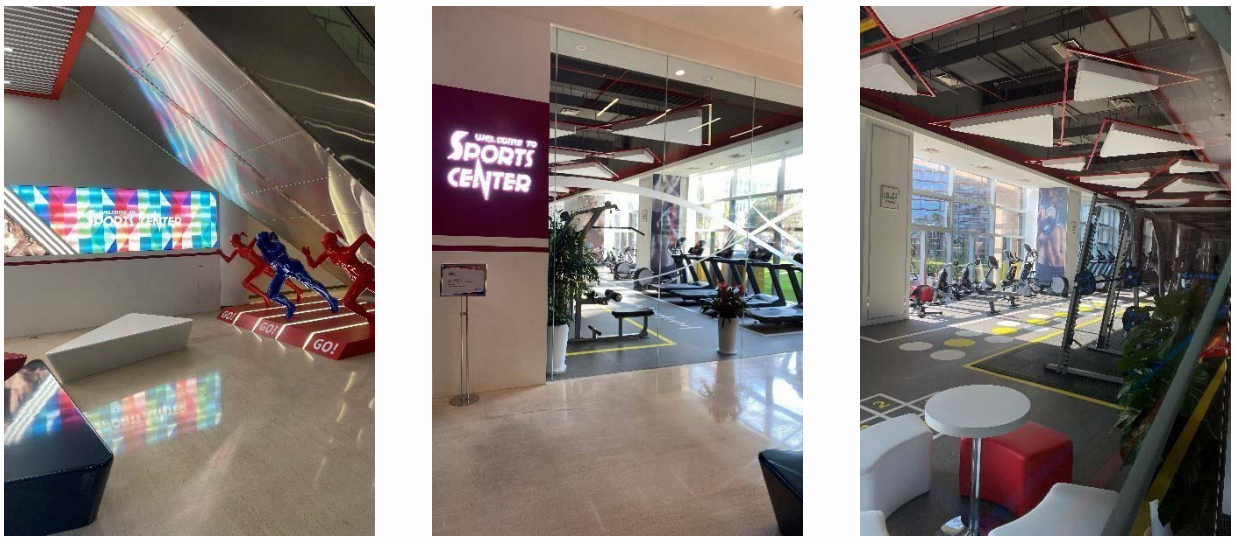
Example: Bilingual Chinese and English Edition of Wisoner (2019 Issue 3)

To facilitate continuous enhancement of human resources management, we carried out relevant assessment work on leadership actions and institutional atmosphere during the Reporting Period with the assistance of leadership development projects. In assessing leadership actions, we strived to understand employees' feedback to the Company and superiors from different dimensions. Meanwhile, we leveraged better leadership as a means to sort out the problems raised in employees' feedback and make improvements. In assessing institutional atmosphere, we carried out anonymous online and offline surveys at the company, department and team levels, and fully integrated the survey and leadership assessment results to continuously enhance management personnel's leadership style on the basis of understanding employees' demands, so as to offer employees a better experience.

Employee Welfare

Upholding the philosophy of caring for employees' well-being, the Group is committed to continuously enhancing their welfare and protection. Apart from statutory benefits, we strive to understand employees' needs and expectations in a timely manner and make every effort to provide them with diverse welfare items. Meanwhile, we care about new recruits, employees with difficulties and female employees in a humanistic way, and continue to share the fruits of corporate development with those who have made an effort to achieve such results.

During the Reporting Period, we renovated the gymnasium by upgrading its equipment and enhancing its environment to help employees achieve a good work-life balance and allow more employees to relax and have fun.



New Look of Wison Engineering's Gymnasium

5. GATHERING STRENGTH AND MOVING FORWARD TOGETHER

In addition, to provide new recruits with a better living environment, we offered 3 months of free accommodation upon their assumption of duty during the Reporting Period, saving them the hassle of worrying about accommodation when reporting for duty. Meanwhile, we signed an accommodation agreement with Shanghai Zhangjiang Talent Apartment (上海市張江人才公寓) to alleviate employees' pressure in renting flats as far as possible, and added two new direct shuttle bus routes between the Company and the apartment during the year to facilitate employees transport arrangements to and from work. In addition, we arranged health consultation from time to time, coordinated medical resources, and helped sick employees and their family to solve practical difficulties and problems.

Benefits

- Five insurances and one fund
- Supplementary medical insurance
- Annual leave
- Regular health check
- Free meal in employee canteen
- Shuttle bus

Employee Mutual Aid

- 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 standardise the application and use of mutual aid fund

Special Care

- 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 hospitalised and seriously ill employees or their family

Health Diagnosis and Treatment Activities

During the Reporting Period, we stepped up canteen management by actively adopting reasonable comments from employees collected through service satisfaction surveys carried out on a regular basis and requiring the canteen to initiate rectification measures accordingly. Meanwhile, we also meted out more stringent punishments to treat hygiene and safety as substantial issues. In addition, the canteen hosted gourmet carnivals from time to time, with a view to offering a stimulating atmosphere and enhancing employees' dining experience.

Gourmet Carnival Activities

To combat COVID-19, we lost no time in initiating the procurement of massive emergency supplies in 2020 for disease prevention and control to ensure the orderly launching of subsequent prevention and control work. Meanwhile, we published a notice on filing of Wuhan-related employees during the Spring Festival and a special emergency response plan for Wison Center on prevention of COVID-19, convened videoconference on the prevention of COVID-19 to arrange protection work against the disease, disseminated virus-related knowledge and response measures through various channels and means including publicity boards, notice boards and short videos, and made arrangements for employees to acquire knowledge on disease prevention and control. To safeguard the health and safety of employees and the sound operation of engineering projects, we disinfected and sterilised office areas systematically and carried out health check and examination on incoming and outgoing personnel strictly to create a secure office environment. We also prepared a special emergency response plan for projects under construction to ensure the stock of emergency supplies and safeguard the health and safety of employees of our projects. With practical actions, concerted efforts and mutual assistance, we stood united with our employees.

Disease Prevention and Control for Office Area

Disease Prevention and Control for Engineering Projects

5. GATHERING STRENGTH AND MOVING FORWARD TOGETHER

Employee Activities

To proactively diversify the cultural and spiritual life of our employees during their leisure, the Group has made every effort to host diverse corporate cultural activities by setting up various clubs covering badminton, basketball, football and swimming. During the Reporting Period, we renovated employees' badminton, table tennis, snooker and independent fitness room facilities, and arranged or hosted badminton competitions, basketball competitions and yoga courses from time to time to boost employees' sense of corporate belonging, identity and well-being towards.

Tai Chi Exercise

Yoga Practice

Badminton Competition

Football Competition

International Women's Day Activity

Photography Training

6. BENEFITING PEOPLE'S LIVELIHOOD WITH WARMTH AND CARE

OUR MANAGEMENT APPROACH

Being committed to the value of "Better Technology, Better Life", Wison Engineering has put into practice its corporate mission of "creating social value and promoting the harmonious development of human life and the natural environment". We have been developing our business steadily with corporate social responsibility in mind, and we have set supporting community initiatives as our focus, including humanity, art and charity, relentlessly making contributions to creating a better society.

6.1 HUMANITY AND ART

We pay close attention to the integration of technology and art, and strive to inculcate in our employees and the public a desire to achieve innovation and pursue perfection. By setting up a humanity and art exchange platform, we integrate culture and art into our community life to boost community vitality.

Wison Art Center

Established in 2005, Wison Group's non-profit charitable art institution Wison Art Center has successfully held over 30 art exhibitions, including China-Italy Classic Oil Painting Exhibition, Visionary Jinling — Art Exhibition of Nanjing University Art Research Institute, Stunning International Art Exhibition and 2008 Shanghai International Ceramics Invitational Exhibition. Many famous artists at home and abroad have left footprints in Wison Art Center, such as Prof. Sandro, Professor of Roman Academy of Fine Arts, chairman of Roman Biennale and one of the representatives of Neo Fauvism, famous oil painter Mr. Chen Danqing, and Prof. Wu Weishan, president of China Academy of Sculpture. Their works exhibited in Wison Art Center have also left a wonderful artistic memory of art for visitors.

6. BENEFITING PEOPLE'S LIVELIHOOD WITH WARMTH AND CARE

6.2 COMMUNITY CHARITY

We continue to pay close attention to our performance in areas including sustainable development of our community, employee volunteer activities and environmental awareness promotion. Through hosting various charity activities such as donation of old clothes, green initiatives, volunteer work and blood donation, we proactively undertake our responsibility as a corporate citizen and give back to society in various ways.

"Clothes + Clothes = Care" — Old Clothes Charity Donation Activities

China produces about 26 million tonnes of old clothes each year. With the improvement of people's life quality, the number is ever increasing with reuse rate less than 1%. During the Reporting Period, we collaborated with Alipay's old clothes recycling platform APP White Whale and successfully held the "Clothes + Clothes = Care" old clothes charity donation activities at Wison Center, calling on our employees to take the lead in putting environmental protection and charity into practice.

We collected over 500 pieces of old clothes through the activities, with nearly 150 direct participants. Being clean and tidy, the donated clothes met the standards for direct donation. As a token of thanks to all employees of Wison Engineering for their dedication, the project leader of White Whale awarded a donation certificate to the Company and delivered a lecture on charity and environmental protection knowledge at the event site.

Cleaning the Beach to Safeguard the Blue Ocean

The International Coastal Cleanup Day is held on the third Saturday in September each year, on which massive volunteers across the globe will go to the beach to pick up garbage and clean the coast through arduous work, and this is known as the International Coastal Cleanup (ICC) initiative.

On the day of the 2019 International Coastal Cleanup Day, we arranged over 50 employees and their family members to remove ocean garbage at Nanhuizui Beach located on the coast of the East China Sea. Rising to the challenge, our volunteers took the lead in environmental protection by working diligently to clean the beach. Through picking up garbage like waste paper, plastic bags and cigarette butts, we cultivated children's environmental awareness through words and deeds, while striving to pass on the desire to protect our beautiful Earth by arousing greater attention to the problem of ocean garbage.

As a socially responsible and visionary corporate, we remain committed to our mission of "creating social value and promoting the harmonious development of human life and the natural environment" while hoping that more will join us in going forward to protect the Earth and keep the ocean blue, building a beautiful homeland through concerted efforts!

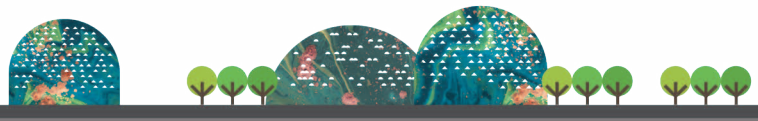
6. BENEFITING PEOPLE'S LIVELIHOOD WITH WARMTH AND CARE

Enthusiastically Bringing Warmth to People with Disabilities — Caring Volunteer Event

During the Reporting Period, our caring volunteer team visited Sunshine Home in Beicai, Shanghai to bring warmth through the event. During the preparation of the event, we initiated a volunteer recruitment activity in the Company, drawing much interest among employees. We finally selected a 10-strong volunteer team to participate in the event to bring warmth to people with disabilities. Through activities including talent performances and interactive games, the students of Sunshine Home felt the warmth and care of fellow community members. In the finale of the event, volunteers took turns to provide the students of Sunshine Home with fit and warm clothes. We received a tapestry flag from the teachers of Sunshine Home, specially made for the occasion. Through the caring volunteer event, we hope that Sunshine Home can truly become a lovely home, very warm with ample sunshine, but no discrimination or prejudice. Meanwhile, we also hope that more people can join such events to pass on the caring spirit.

APPENDIX I GRI STANDARDS CONTENT INDEX

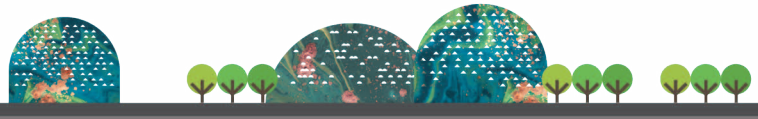
Indicator	Description	Reference	Page	Note
GRI 102 General Disclosures 2016				
102-1	Name of organisation	1.1 Company Profile	8	
102-2	Major activities, brands, products, and services	1.1 Company Profile	8	
102-3	Location of headquarters	1.1 Company Profile	11	
102-4	Location of operations	1.1 Company Profile	11	
102-5	Nature and legal form of ownership	1.1 Company Profile	8	
102-6	Markets served	1.1 Company Profile	8	
102-7	Scale of the organisation	1.1 Company Profile 5.1 Employee Profile	11 & 63	
102-8	Information on employees and other workers	5.1 Employee Profile	63–66	
102-9	Supply chain	4.2 Responsible Supply	57–60	
102-10	Significant changes to the organisation and its supply chain	1.1 Company Profile 4.2 Responsible Supply	11 & 57–60	
102-11	Precautionary principle or approach	1.2 Corporate Governance	13–15	
102-12	External initiatives		/	The Group plans to introduce appropriate external initiatives in the future
102-13	Membership of associations	1.4 Public Recognition	23–24	
102-14	Statement from senior decision-maker	Management Statement	4–5	
102-15	Key impacts, risks, and opportunities	1.3 Social Responsibility Management	16–22	



APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
102-16	Values, principles, standards, and norms of behaviour	1.2 Corporate Governance 1.3 Social Responsibility Management	15–16	
102-17	Mechanisms for advice and concerns about ethics	1.2 Corporate Governance	15	
102-18	Governance structure	1.2 Corporate Governance 1.3 Social Responsibility Management	13 & 16–17	
102-19	Delegating authority	1.3 Social Responsibility Management	16–17	
102-20	Executive-management's responsibility for economic, environmental and social topics	1.3 Social Responsibility Management	16–17	
102-21	Consulting stakeholders on economic, environmental, and social topics	1.3 Social Responsibility Management	17–21	
102-29	Identifying and managing economic, environmental and social impacts	1.3 Social Responsibility Management	18–22	
102-30	Effectiveness of risk management processes	1.2 Corporate Governance	14	
102-31	Review of economic, environmental, and social topics	1.3 Social Responsibility Management	18–22	
102-32	Highest governance body's role in sustainability reporting	1.3 Social Responsibility Management	16–17	
102-33	Communicating critical concerns	1.3 Social Responsibility Management	17–21	
102-34	Nature and total number of critical concerns	1.3 Social Responsibility Management	21–22	
102-40	List of stakeholder groups	1.3 Social Responsibility Management	17–21	

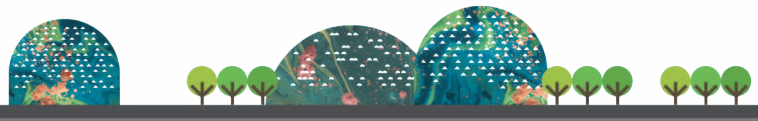
Indicator	Description	Reference	Page	Note
102-41	Collective bargaining agreements		/	The Group currently has no formal collective bargaining agreement. Complaints and requests could be made by employees through existing channels and followed up by the Company according to established procedures
102-42	Identifying and selecting stakeholders	1.3 Social Responsibility Management	17	
102-43	Approach to stakeholder engagement	1.3 Social Responsibility Management	17	
102-44	Key topics and concerns raised	1.3 Social Responsibility Management	18–20	
102-45	Entities included in the consolidated financial statements	About this report	2	
102-46	Defining report content and topic Boundaries	About this report	2	
102-47	List of material topics	1.3 Social Responsibility Management	22	
102-48	Restatements of information		/	There was no restatement of information during the Reporting Period



APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
102-49	Changes in reporting	1.3 Social Responsibility Management	21–22	
102-50	Reporting period	About this report	2	
102-51	Date of most recent report	About this report	2	
102-52	Reporting cycle	About this report	2	
102-53	Contact point for questions regarding the report	About this report	3	
102-54	Claims of reporting in accordance with the GRI Standards	About this report	2	
102-55	GRI content index	Appendix I GRI Standards Content Index	79–93	
102-56	External assurance		/	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 Social Responsibility Management	21–22	
103-2	The management approach and its components	1.1 Company Profile	11	
103-3	Evaluation of the management approach	1.1 Company Profile	11	
GRI 201 Economic Performance 2016				
201-1	Direct economic value generated and distributed	1.1 Company Profile	11	

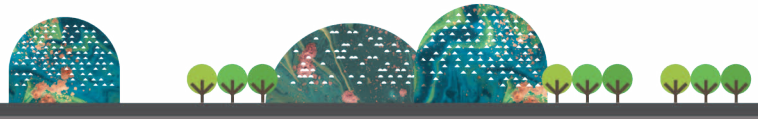
Indicator	Description	Reference	Page	Note
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	6 BENEFITING PEOPLE'S LIVELIHOOD WITH WARMTH AND CARE	73	
103-3	Evaluation of the management approach	6.1 Humanity and Art 6.2 Community Charity	73–74	
GRI 203 Indirect Economic Impact 2016				
203-1	Infrastructure investments and services supported	6.1 Humanity and Art 6.2 Community Charity	73–75	
203-2	Significant indirect economic impacts	6.2 Community Charity	74–75	
Anti-corruption				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	1.2 Corporate Governance	15	
103-3	Evaluation of the management approach	1.2 Corporate Governance	15	
GRI 205 Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	1.2 Corporate Governance	15	
205-2	Communication and training about anti-corruption policies and procedures	1.2 Corporate Governance	15	



APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
205-3	Confirmed incidents of corruption and actions taken	1.2 Corporate Governance	15	
Anti-competitive Behaviour				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	1.2 Corporate Governance	15	
103-3	Evaluation of the management approach	1.2 Corporate Governance	15	
GRI 206 Anti-competitive Behaviour 2016				
206-1	Legal actions for anticompetitive behaviour, antitrust, and monopoly practices	1.2 Corporate Governance	15	
GRI 300 Environment				
Energy management				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
103-3	Evaluation of the management approach	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	

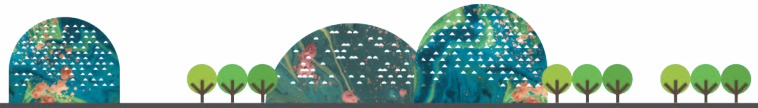
Indicator	Description	Reference	Page	Note
GRI 301 Energy 2016				
302-1	Energy consumption within the organisation	3.4 Environmental Protection	43–44	
302-4	Reduction of energy consumption	3.4 Environmental Protection	43–44	
302-5	Reduction in energy requirements of products and services	3.4 Environmental Protection	43–44	
Water Resource Management				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
103-3	Evaluation of the management approach	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
GRI 303 Water 2016				
303-1	Water withdrawal by source	3.4 Environmental Protection	50	
303-3	Water recycled and reused	3.4 Environmental Protection	50	



APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
Greenhouse Gas Emission				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
103-3	Evaluation of the management approach	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
GRI 305 Emissions 2016				
305-1	Direct (Scope) GHG emissions	3.4 Environmental Protection	44	
305-2	Energy indirect (Scope) GHG emissions	3.4 Environmental Protection	44	
305-4	GHG emissions intensity	3.4 Environmental Protection	44	
Effluents and Waste				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
103-3	Evaluation of the management approach	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
GRI 306 Effluents and Waste 2016				
306-1	Water discharge by quality and destination	3.4 Environmental Protection	47–49	
306-2	Waste by type and disposal method	3.4 Environmental Protection	47–49	
306-3	Significant spills		/	There was no incident of significant leakage during the Reporting Period

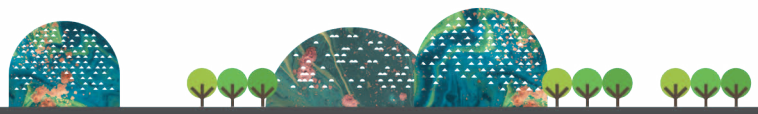
Indicator	Description	Reference	Page	Note
Environmental Compliance				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
103-3	Evaluation of the management approach	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
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 Social Responsibility Management	21–22	
103-2	The management approach and its components	4.2 Responsible Supply	57–60	
103-3	Evaluation of the management approach	4.2 Responsible Supply	57–60	
GRI 308 Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	4.2 Responsible Supply	57–60	
308-2	Negative environmental impacts in the supply chain and actions taken	4.2 Responsible Supply	57–60	



APPENDIX I GRI STANDARDS CONTENT INDEX

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 Social Responsibility Management	21–22	
103-2	The management approach and its components	5 GATHERING STRENGTH AND MOVING FORWARD TOGETHER	63	
103-3	Evaluation of the management approach	5.1 Employee Profile	63	
GRI 401 Employment 2016				
401-1	New employee hires and employee turnover	5.1 Employee Profile	65–66	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Caring for Employees	70–74	
Safe Operation				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
103-3	Evaluation of the management approach	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	

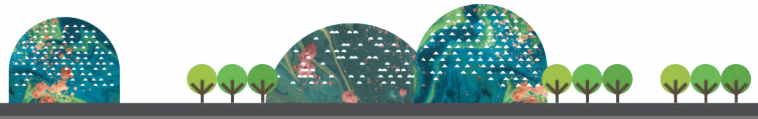
Indicator	Description	Reference	Page	Note
GRI 403 Occupational Health and Safety 2016				
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism	3.3 Health and Safety	43	
403-3	Workers with high incidence or high risk of diseases related to their occupation	3.3 Health and Safety	39	
Staff Training				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	5 GATHERING STRENGTH AND MOVING FORWARD TOGETHER	63	
103-3	Evaluation of the management approach	5.2 Employee Development	67	
GRI 404 Training and Education 2016				
404-1	Average hours of training per year per employee	5.2 Employee Development	69	
404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Employee Development	67–69	
Employment				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	5 GATHERING STRENGTH AND MOVING FORWARD TOGETHER	63	
103-3	Evaluation of the management approach	5.1 Employee Profile	63	



APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
GRI 405 Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	5.1 Employee Profile	64–66	
Child Labor and Forced Labor				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	5 GATHERING STRENGTH AND MOVING FORWARD TOGETHER	63	
103-3	Evaluation of the management approach	5.1 Employee Profile	63	
GRI 408 Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	5.1 Employee Profile	63	
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	5 GATHERING STRENGTH AND MOVING FORWARD TOGETHER	63	
103-3	Evaluation of the management approach	5.1 Employee Profile	63	
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	63	

Indicator	Description	Reference	Page	Note
Product Responsibility				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
103-3	Evaluation of the management approach	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE	35	
GRI 416 Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of products and service categories	3.2 Quality Delivery	37–38	
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



APPENDIX I GRI STANDARDS CONTENT INDEX

Indicator	Description	Reference	Page	Note
Client Privacy				
GRI 103 Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	1.3 Social Responsibility Management	21–22	
103-2	The management approach and its components	4.1 Wholehearted Services	55–57	
103-3	Evaluation of the management approach	4.1 Wholehearted Services	55–57	
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

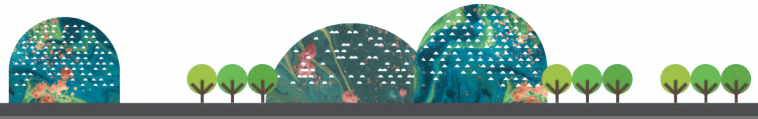
APPENDIX II CONTENT INDEX OF ESG GUIDE

KPI		2019 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.	3.1 QHSE Management 3.4 Environmental Protection
A1.1	Types of emissions and respective emissions data.	3.4 Environmental Protection
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	3.4 Environmental Protection
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	3.4 Environmental Protection
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	3.4 Environmental Protection
A1.5	Description of measures to mitigate emissions and results achieved.	3.4 Environmental Protection
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	3.4 Environmental Protection
Aspect A2	**Use of Resources**	
General Disclosure	Policies on the efficient use of resources including energy, water and other raw materials.	3.4 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.	3.4 Environmental Protection
A2.2	Water consumption in total and intensity.	3.4 Environmental Protection
A2.3	Description of energy use efficiency initiatives and results achieved.	3.4 Environmental Protection

APPENDIX II CONTENT INDEX OF ESG GUIDE

KPI		2019 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.	3.4 Environmental Protection
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.2 Responsible Supply
Aspect A3	**The Environment and Natural Resources**	
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	3.1 QHSE Management 3.4 Environmental Protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.4 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, antidiscrimination, 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

KPI		2019 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 QHSE Management 3.3 Health and Safety
B2.1	Number and rate of work-related fatalities.	3.3 Health and Safety
B2.2	Lost days due to work injury.	3.3 Health and Safety
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	3.3 Health and Safety
Aspect B3	**Development and Training**	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	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



APPENDIX II CONTENT INDEX OF ESG GUIDE

KPI		2019 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.	4.2 Responsible Supply
B5.1	Number of suppliers by geographical region.	4.2 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.	4.2 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.	3 ABIDING BY RESPONSIBILITY AND PURSUING EXCELLENCE

KPI		2019 Corporate Social Responsibility Report
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.2 Quality Delivery
B6.2	Number of products and service related complaints received and how they are dealt with.	3.2 Quality Delivery
B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.1 Technology R&D
B6.4	Description of quality assurance process and recall procedures.	3.2 Quality Delivery
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.1 Wholehearted Service
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.	6.2 Community Charity
B8.1	Focus areas of contribution (e.g. education, environment, labor needs, health, culture, sports).	6.2 Community Charity
B8.2	Resources contributed (e.g. money or time) to the focus area.	6.2 Community Charity