

Wison Engineering Services Co. Ltd.

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



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Wison Engineering Builds a Better World

Environmental, Social and
Governance Report

2022

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Wisom Engineering Services Co. Ltd.

Environmental, Social and Governance Report 2022



CONTENTS

ABOUT THIS REPORT	2
MANAGEMENT/CHAIRMAN'S MESSAGE	4
AWARDS AND HONOURS	6
<hr/>	
1 A CLOSER LOOK AT WISON ENGINEERING	8
1.1 AN OVERVIEW OF WISON ENGINEERING	8
1.2 MANAGEMENT SYSTEM	12
1.3 SUSTAINABILITY GOVERNANCE	16
<hr/>	
2 MAKING CUTTING-EDGE INNOVATION	28
2.1 INDEPENDENT R&D	28
2.2 CORE CAPABILITIES	31
<hr/>	
3 SEEKING SOUND GREEN DEVELOPMENT	33
3.1 SOUND SYSTEM	33
3.2 QUALITY FIRST	35
3.3 SAFETY FIRST	39
3.4 GREEN DEVELOPMENT	43
<hr/>	
4 PROMOTING COLLABORATION AND MUTUAL SUPPORT	57
4.1 SUSTAINABLE SUPPLY CHAIN	57
4.2 CUSTOMER SERVICE	60
4.3 MUTUAL BENEFITS AND WIN-WIN RESULTS	63
<hr/>	
5 CARING FOR THE GROWTH OF EMPLOYEES	65
5.1 EQUALITY AND INTEGRATION	65
5.2 TRAINING AND DEVELOPMENT	69
5.3 EMPLOYEE CARE AND WELL-BEING	72
<hr/>	
6 GIVING BACK TO SOCIETY	76
<hr/>	
APPENDIX I LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS	77
<hr/>	
APPENDIX II CONTENT INDEX OF HKEX ESG REPORTING GUIDE	79
<hr/>	
APPENDIX III GRI CONTENT INDEX	84
<hr/>	

ABOUT THIS REPORT

REPORT OVERVIEW

This report is the seventh Environmental, Social and Governance Report of Wison Engineering Services Co., Ltd. (the “Company”). This report is issued on an annual basis and focuses on the disclosure of the Company’s policy, work, and performance in sustainability.

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 content involves Wison Group Holding Limited (the “Wison Group”). The scope of information disclosure is from 1 January 2022 to 31 December 2022 (the “Reporting Period”), with some additional related information incorporated that may have occurred outside the Reporting Period. Unless otherwise specified, the currency used in this report is Renminbi (“RMB”).





BASIS OF PREPARATION

This report is prepared based on the Environmental, Social and Governance Reporting Guide (the “Guide”) in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) issued by the Stock Exchange of Hong Kong Limited (the “Stock Exchange” or “HKEX”) with reference to the GRI Standards issued by the Global Sustainability Standards Board (the “GSSB”).

This report mainly discloses Wison Engineering’s performance in environmental, social and governance (“ESG”) aspects for stakeholders and readers’ reference. The content of this report is 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.

The content covered in this report complies with the “comply or explain” provisions of the Guide and the requirements of four Reporting Principles (i.e. materiality, quantitative, balance and consistency).

ABOUT THIS REPORT

 <p>Materiality</p>	<p>This report has identified and disclosed the process of significant ESG issues and the principles on which such issues are chosen, as well as the description of identified key stakeholders and the process and results of stakeholder engagement.</p>
 <p>Quantitative</p>	<p>The statistical criteria, methods, assumptions, and/or calculation tools used to report emissions/energy consumption (if applicable) in this report, as well as the sources of conversion factors, are all explained in the report.</p>
 <p>Balance</p>	<p>The report provides an unbiased picture of the Company's performance during the Reporting Period and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report readers.</p>
 <p>Consistency</p>	<p>The statistical methods used to disclose information in this report are consistent with those used last year. Any changes will be clearly stated in the report.</p>

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 (the "Board of Directors" or the "Board") guarantees that this report does not contain any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its content.

ACCESS AND RESPONSE TO THIS REPORT

This report is available in both traditional Chinese and English versions for readers' reference. In case of any discrepancy, the traditional Chinese version prevails.

The electronic version of the report is available in the section headed "Financial Statements/Environmental, Social and Governance Information" on the website of the Stock Exchange (www.hkexnews.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.

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Fax: 852-21169273

Address: Room 5408, 54th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong

MANAGEMENT/CHAIRMAN'S MESSAGE

In 2022, Wison Engineering upheld the strategies of “leading by innovations, focusing on principal operations and establishing a global presence”. The Company forged ahead with a pragmatic and pioneering attitude and gave full play to its strength of flexible mechanisms as a private enterprise. Continuous efforts were made to optimise its organisational structure, strengthen fine management and risk control, and enhance its digital and modular capabilities, which consolidated its core competitiveness. Under new challenges and opportunities, the Company accelerated the pace to made its presence in the fields of new energy and new materials to seize the opportunities in the development of new markets. During the year, we continuously improved operation and management benefits and created more value for customers, committed to growing into a world-class energy and chemical engineering company.

Looking back on the past year, the global economy faced many downward pressures, and the global energy market fluctuated sharply due to geopolitical, macroeconomic and supply-demand changes, posing big difficulties and challenges to the development of the petrochemical industry. However, as the COVID-19 pandemic gradually faded away and the international economy steadily recovered, energy demand gradually increased, demand for oil and gas products and chemicals continuously rose, and domestic investments in energy and chemicals picked up. With increasingly higher requirements for low-carbon, eco-friendly and sustainable development worldwide, governments enhanced policy guidance and tightened regulation on the petrochemical industry.

In line with China's “Dual Carbon” goal during the “14th Five-Year Plan” period and global sustainable development trend, Wison Engineering re-planned its chemical business from a green and low-carbon perspective to create a new pattern of greenness, low carbon and environmental protection with independent innovation capability. In 2022, Wison Engineering actively explored the market opportunities of combining new energy with traditional hydrogen-using industries, such as coal chemical industry and steel industry, gave full play to its technical advantages and system integration capabilities in the field of hydrogen, ammonia, alcohol and other chemicals, steadily expanded its customer base in the power and energy fields, and provided plant-wide engineering solutions to convert unstable energy sources into hydrogen and alcohol in off-grid/weak off-grid systems, which supported the development of power and energy industries and solved the bottleneck problem of local consumption of electricity generated from new energy sources. We actively assisted our clients in optimising carbon emission reduction and supported their sustainable development. We accelerated solution study and business expansion in hydrogen industry chain, carbon capture from industrial tail gas, CO₂ chemical carbon fixation, and biomass fuel, among others, and expanded new opportunities associated with dual-carbon business, such as integration of green/blue hydrogen with traditional energy and chemicals and alcohol/oil product synthesis from CO₂ hydrogenation.

MANAGEMENT/CHAIRMAN'S MESSAGE

2022 is the key year for the rapid digitalisation of the Company. Aiming at reaching the advanced level of the industry in digitalisation and intelligence, we aligned these with the domestic and foreign counterparts, and focused on industrial data governance, quality and efficiency improvement, cost reduction and efficiency increase to promote the overall digitalisation and intelligence level in an all-round manner. We continuously strengthened the quality, health, safety and environment ("QHSE") management, deepened the QHSE concept among all employees, accelerated the improvement and upgrade of QHSE management module for projects, promoted the establishment of the 1+3 management system among suppliers, construction subcontractors and strategic partners, and launched a smart QHSE management platform to further increase the QHSE management efficiency for projects and show the QHSE brand image of Wison.

Wison Engineering, which insists on the talent strategy centring on technology and design, introduced new talents and optimised the organisational structure and mechanisms in 2022. It continuously invited more talents with international project management experience to join the Company and further leveraged its strengths in mechanisms, with a view to improving its overall effectiveness. The Group also adopted a share option scheme in 2022 as an incentive and reward for employees' contribution to the Company.

Facing the new situation, new challenges and new opportunities, Wison Engineering will continuously step up its presence in the fields of energy and chemical engineering, take root in the existing markets and actively explore new markets. In the meantime, it will accelerate the pace to make its presence in the fields of new energy and new materials, in order to take the lead in seizing the market opportunities in the fields. While actively developing our business, we will also actively respond to the "Dual Carbon" and sustainable development trends at home and abroad, aiming to make greater efforts and contributions in the environment, society and governance areas to promote the development of the engineering services industry, create customer value, reward our employees and shareholders and give back to the community.

Zhou Hongliang

Executive Director and Chief Executive Officer

AWARDS AND HONOURS

Over the years, Wison Engineering has won numerous awards for its quality engineering design, research and development (R&D) of innovative technology, and excellent consultancy results. This year, we continued to sweep a number of awards and honours, gaining recognition and acknowledgement from all walks of life.

Awards and Honours	Awarding Institution
Outstanding design results	
First Prize of 2022 Excellent Survey and Design Awards in Henan Province — Wanhua Chemical's 1 million tonne/year integrated ethylene plant project	Survey and Design Association of Henan Province
Second Prize of 2022 Excellent Survey and Design Awards in Henan Province — Nanjing Chengzhi Yongqing Energy Technology Co., Ltd.'s 600,000 tonne/year methanol-to-olefins (MTO) plant project	Survey and Design Association of Henan Province
Third Prize of 2022 Excellent Survey and Design Awards in Henan Province — a project to relocate Yangzhong Section of Luoyang Metro Line 1 for Yima-Zhengzhou Gas Pipeline	Survey and Design Association of Henan Province
Second Prize for Engineering Design in the Petroleum and Chemical Industry under the 2021 Industry Awards (Secondary Industries) — Zhejiang Dushan Energy Co., Ltd.'s 2.2 million tonne PTA project	China Engineering & Consulting Association
Innovative technologies	
First Prize of Scientific and Technological Advance Awards in 2022 — Research and application of modular construction technologies for large ethylene cracking furnaces	China Installation Association
An energy-saving crude butadiene pre-separation process (a patent promoted across the chemical construction industry in 2022)	China National Association of Chemical Construction Enterprises
An ethylene cracking furnace (a patent promoted across the chemical construction industry in 2022)	China National Association of Chemical Construction Enterprises

AWARDS AND HONOURS

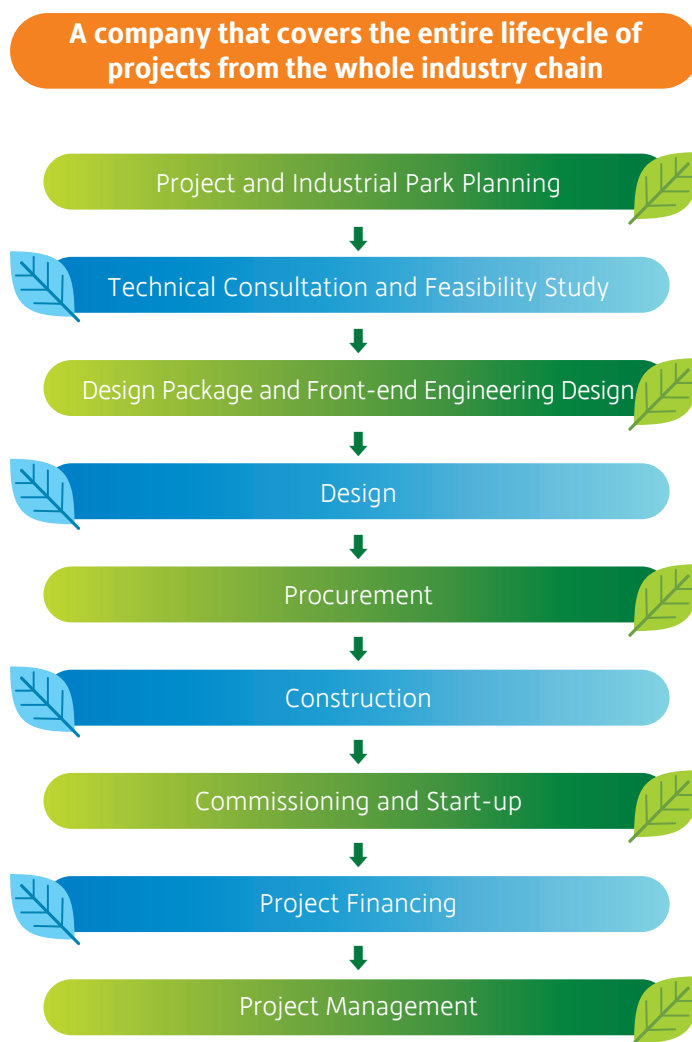
Awards and Honours	Awarding Institution
Excellent consultancy results	
First Prize of 2022 Excellent Engineering Consultancy Awards in Henan Province — Xinjiang Xinlianxin Energy Chemical Co., Ltd.'s feasibility study report on a new chemical materials project (phase I)	Association of Engineering Consultation of Henan Province
First Prize of 2022 Excellent Engineering Consultancy Awards in Henan Province — Yankuang Xinjiang Coal Chemical Co., Ltd.'s feasibility study report on a 60,000 tonne/year melamine project	Association of Engineering Consultation of Henan Province
Others	
Best Strategic Client for International Business	China CITIC Bank
The paper "Technical Seminar on Why the Instrument Condenser Should Be Installed Higher than the Process Primary Valve" was rated one of the second-class scientific and technological papers in the chemical construction industry for 2022.	China National Association of Chemical Construction Enterprises
The paper "Key Points of P91 Steam Pipe Welding Technology for Ethylene Plants" was rated one of the third-class scientific and technological papers in the chemical construction industry for 2022.	China National Association of Chemical Construction Enterprises

1. A CLOSER LOOK AT WISON ENGINEERING

1.1 AN OVERVIEW OF WISON ENGINEERING

Company Profile

Founded in 1997 and listed in Hong Kong in 2012, Wison Engineering (Stock Code: 2236.HK) is a leading provider of energy and chemical engineering EPC (engineering, procurement, and construction) management services and integrated technology solutions in China. The Company boasts abundant procurement resources and construction service resources at home and abroad, and has established a world-class and stringent quality, health, safety, and environment (QHSE) management system covering the whole process of project implementation. Specialising in the provision of technical and engineering construction services in the five fields of oil refining, petrochemicals, coal-to-chemicals, new materials, and new energy, we actively seek technological innovation and expand the areas of products and services to provide solutions and services that cover the entire project lifecycle.



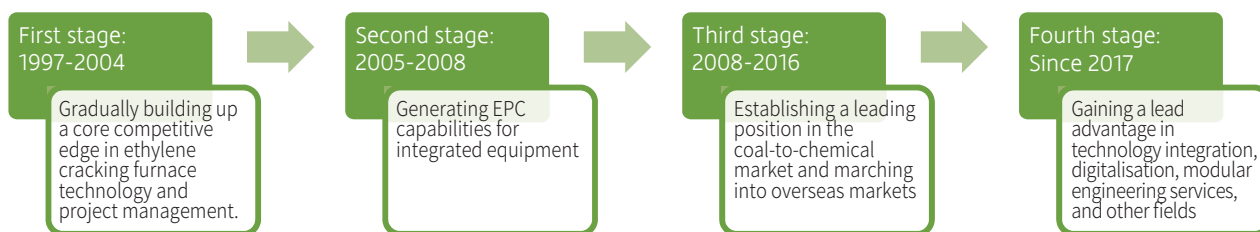
1. A CLOSER LOOK AT WISON ENGINEERING

Key industry qualifications obtained and fields for which solutions could be customised:

Industry qualifications	Fields for which solutions could be customised
<ul style="list-style-type: none"> Grade A Engineering Design Qualification in Chemical, Petrochemical and Pharmaceutical Industries Grade A Engineering Consulting Qualification in Petrochemical, Chemical and Pharmaceutical Industries Grade I Petrochemical EPC Qualification Special Equipment Production License (Pressure Vessel Design) (Pressure Pipeline Design) 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 	<ul style="list-style-type: none"> Petrochemicals, Coal-to-chemicals Oil refining Natural gas Salt chemical engineering Environmental protection, renewable energy Storage and transportation, public utilities Light textile Potential fields

Development History

Wison Engineering was incorporated in Shanghai in 1997, since then it has gradually built up its core competitive edge in ethylene cracking furnace technology and project management. Over the three years from 2005 and 2008, we developed our EPC capabilities for integrated equipment. After that, we wrapped up a number of large project clusters to establish our leading position in the coal-to-chemical market. Meanwhile, we kept marching into overseas markets, establishing an overseas branch in 2008 and getting listed on the Main Board of the Stock Exchange of Hong Kong in 2012. To date, Wison Engineering has been committed to building a leading position in technology integration, digitalisation, and modular engineering services, tapping deep into overseas markets, and providing customers from different industries with professional services and high-quality engineering products.



As of 31 December 2022, Wison Engineering established branches or subsidiaries with a global presence in regions such as Asia (Southeast Asia), the Middle East, North America, and Europe. We are committed to growing into a world-class energy and chemical engineering company.

1. A CLOSER LOOK AT WISON ENGINEERING

Corporate Philosophy and Mission

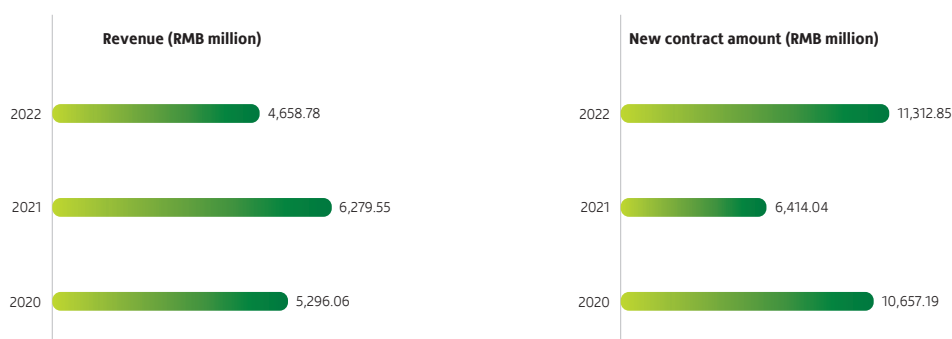
Over the years, Wison Engineering has adopted a corporate motto of “Better Technology, Better Life”, adhered to a strategy of “focusing on principal operations, establishing a global presence, and seeking cutting-edge innovation”, and been committed to providing customers with satisfactory solutions covering the full lifecycle of projects in the field of energy and chemical engineering services, with the aim to promote the development of the engineering service industry, create value for customers, reward employees and shareholders, and give back to society.

Pursuing a customer-centric, integrity-based approach, we rely on innovation to build up technical and engineering capabilities. Meanwhile, we give top priority to protecting the environment and the lives, safety, and health of our employees. So far, we have developed a comprehensive quality, health, safety and environment (QHSE) system and integrated it into the entire decision-making process, and continued to fulfil social responsibility and carry out a variety of public benefit activities. Looking into the future, we will endeavour to accomplish our mission of creating social value and promoting the harmonious development of human life and natural environment.

1. A CLOSER LOOK AT WISON ENGINEERING

Financial Performance

During the Reporting Period, Wison Engineering calmly responded to market changes and the COVID-19-inflicted impact. It forged ahead in a pioneering spirit, rose to challenges with a pragmatic attitude, upheld the development strategy of “seeking cutting-edge innovation, focusing on principal operations, and establishing a global presence”, and fully leveraged the fast and flexible mechanisms unique to private enterprises. At the same time, the Company continued to streamline its organisational structure, improve refined management, tighten risk control, and consolidate its core competitiveness, striving to enhance its operational and management efficiency. In the past year, the geopolitical tension led to the surge in global energy prices and the resurgence of COVID-19 outbreaks posed challenges to business development. However, policies also presented new opportunities for a booming energy industry. As of 31 December 2022, Wison Engineering racked up a revenue of RMB4,658.78 million, representing a decrease of 25.8% over 2021. In 2022, the Group secured new contracts with a total amount of approximately RMB11,312.85 million, representing a year-on-year increase of 76.4%.



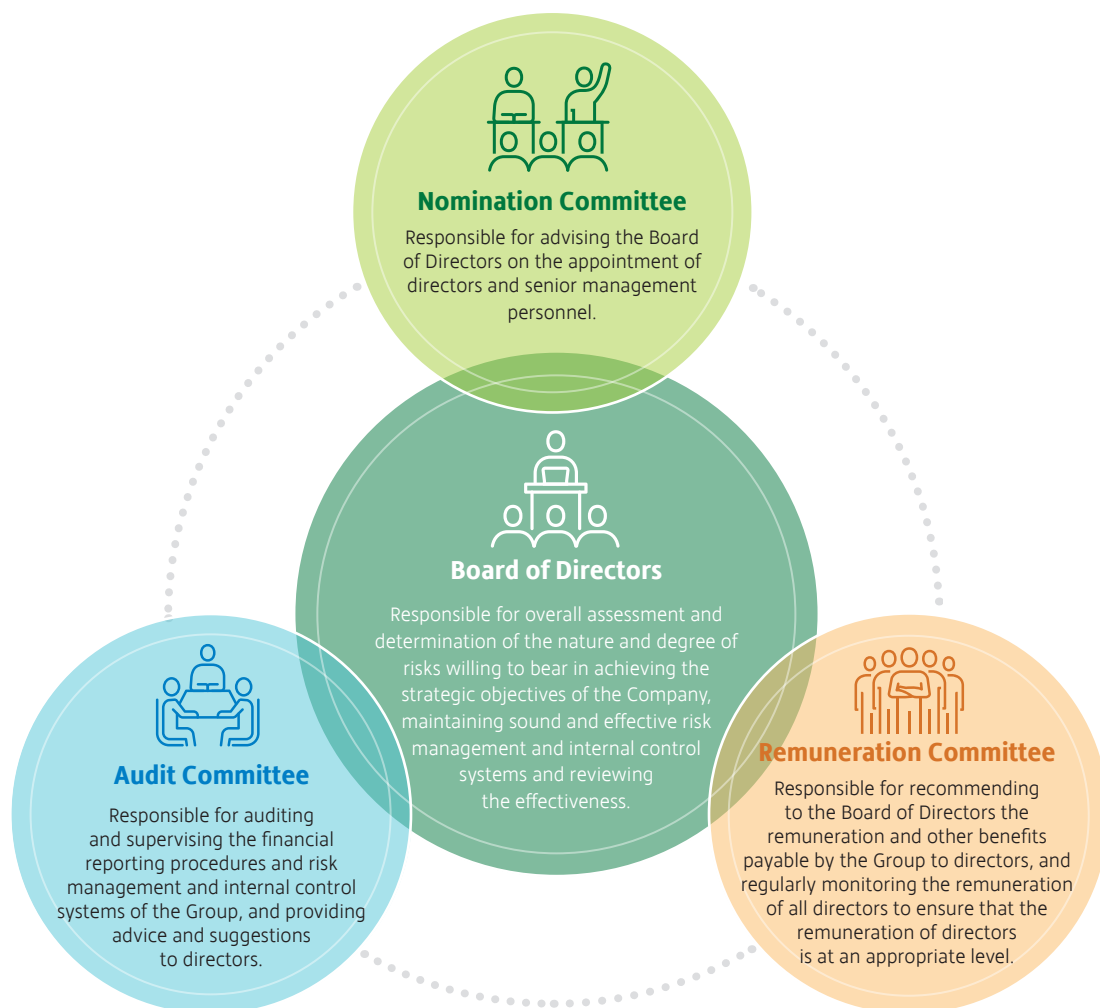
During the Reporting Period, Wison Engineering continued to consolidate its core business market, maintaining a leading position in traditional hit products such as ethylene, cracking furnace, propane dehydrogenation (PDH), coal gasification, methanol to olefin (MTO), synthetic ammonia, and melamine. In 2022, by actively exploring how to build up technological and engineering service capabilities through innovation, strengthening independent R&D and strategic cooperation, and accelerating the penetration into new energy business, Wison Engineering achieved remarkable results in the R&D of new materials and processes, made continuous progress in adopting digitalised means, quickening up the intelligent transition, and building up modular capabilities, and broke new grounds in a wide range of fields such as the industrialisation of polyglycolic acid, green ethylene process, butadiene production, catalytic oxidative dehydrogenation of ethane to ethylene, and hydrogen energy.

1. A CLOSER LOOK AT WISON ENGINEERING

1.2 MANAGEMENT SYSTEM

With strict adherence to the requirements of the Company Law of the People’s Republic of China and the Corporate Governance Code set out in Appendix 14 to the Listing Rules, Wison Engineering regards improving its corporate governance structure as the focus of its work and is committed to attaining development through management innovation and continuously enhanced governance standards.

During the Reporting Period, the Company continued to uphold a sound governance structure and corresponding organisational policies. With the Board of Directors as the core, three specialised working bodies have been set up, which are the Nomination Committee, the Audit Committee, and the Remuneration Committee. The Board of Directors is responsible for assessing risks overall, maintaining an effective risk management and internal control system, and reviewing the effectiveness of the system, while the other three specialised working bodies are responsible for providing advice, reviewing and monitoring, and managing the remuneration system, respectively.



1. A CLOSER LOOK AT WISON ENGINEERING

Risk Management

For an enterprise, effective risk management could not only help it maintain sustained operations over the long run, but also greatly underpin its sustainable development. With a clear organisational structure, Wison Engineering has integrated risk management and internal control into all its business processes, and brought them under full-process control and monitoring. Meanwhile, the Group has also formulated a number of risk management documents, including the Risk Management Manual, the Rules for Risk Management in the Early Stage of Engineering Projects, and the Risk Management Procedures for Implementation of Engineering Projects, in accordance with the Enterprise Risk Management-Integrated Framework issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission of the U.S.

Wison Engineering has established a risk management system, which mainly involves two types of processes, that is, identifying, collating, and analysing the key risks most relevant to the business and maintaining a risk management system and an internal control system. The Audit Committee, comprising three independent non-executive directors, is responsible for reviewing and overseeing risk management and internal control policies. It also provides advice and recommendations to the Board. The Group conducts periodic or occasional risk identification, assessment, response, and follow-up on an annual basis through its management and business departments. Besides, it also has an internal audit function that examines and evaluates the review process and results, follows up on the improvements made after the examination, and reports the results of examination and evaluation to the Board, thus providing assurance against material errors or losses. Moreover, the Group considers assessing residual risks based on countermeasures to key risks, and establishing a risk management database. All these steps will help exercise effective risk control and safeguard the legitimate rights and interests of investors.



RISK MANAGEMENT CHECKLIST

1. A CLOSER LOOK AT WISON ENGINEERING

Integrity

Guided by the idea of being “integrity-oriented and customer-centric”, Wison Engineering has long laid great emphasis on integrity and compliance. It strictly complies with applicable laws and regulations regarding bribery, extortion, fraud, and money laundering with a “zero tolerance” attitude towards unethical behaviour. We have formulated a number of rules and policies such as the Anti-Corruption, Anti-Bribery and Anti-Money Laundering Management Policy, Souvenirs Management Rules, and Staff Behaviour, Reward and Punishment Management Rules in accordance with the Prevention of Bribery Ordinance of the Hong Kong Special Administrative Region, Company Law of the People’s Republic of China, Anti-Unfair Competition Law of the People’s Republic of China, Interim Provisions on Prohibition of Commercial Bribery, and other national laws and regulations in the place where the Company operates and under the jurisdiction of the contract law. We proactively perform daily supervision and strengthen the fulfilment of responsibilities. In 2022, the Group did not involve or find any violation of anti-bribery, anti-corruption, anti-competition and anti-trust related laws and regulations.

We have long made every effort to promote sound business development and stop corporate practices and internal corruption cases that violate laws, ethics, and policies. To this end, a number of rules and norms have been formulated, such as the Code of Business Conduct, Interim Measures for Investigation and Handling of Violation Cases by the Group, Interim Measures for Punishment of Violation of Compliance Regulations, and Interim Rules on Management of Business Hospitality and Gifts, to maintain a fair and competitive environment within the Company and beyond and to improve the Party conduct and integrity in practice (including anti-corruption) on an ongoing basis. At the same time, to avoid possible ethical risks in cooperation with third-party business partners, the Company requires their signing of the “Commitment Letter for Integrity” before conducting business cooperation to create an equal and friendly business environment.



Acts prohibited by the Code of Business Conduct

1. A CLOSER LOOK AT WISON ENGINEERING

Anti-corruption Training

To effectively regulate the behaviour of our directors and employees and uphold the concept of integrity and compliance, we conduct anti-corruption training for our directors and employees on a regular basis. During the Reporting Period, directors and employees of Wison Engineering attended relevant training sessions, which covered aspects of content such as anti-corruption laws and regulations in the places where we operate, corporate compliance, and anti-corruption measures. Through the anti-corruption training sessions, employees gained a clearer understanding of the relevant local laws and regulations and measures for reporting corruption, which helped them to regulate themselves and provide timely feedback on non-compliant or corrupt practices in the Company.

Feedback and Whistleblowing

To create a clean and fair workplace, we have defined whistleblowing measures to further raise awareness of anti-corruption among directors and employees and to promote the healthy and sustainable development of the Company. Besides, we have established a variety of whistleblowing channels, such as web page, email, phone call, and mailbox, ensuring the privacy of whistleblowers, encouraging employees to regulate themselves and report violations, and creating a fair and sustainable corporate climate.

Whistleblowing website and email:

Whistleblowing website: <http://www.wison-engineering.com/site/honesty>

Whistleblowing email: ethics@wison.com

1. A CLOSER LOOK AT WISON ENGINEERING

1.3 SUSTAINABILITY GOVERNANCE

Concept of Sustainability

Spearheaded by the strategy of “seeking cutting-edge innovation, focusing on principal operations, and establishing a global presence”, Wison Engineering is committed to building a world-class energy and chemical engineering company. In 2022, the Group’s ESG efforts were made as per five sustainability strategies, that is, making cutting-edge innovation, seeking sound green development, promoting collaboration and mutual support, caring for the growth of employees, and giving back to society.



Board’s Statement

Committed to the concept of sustainability, Wison Engineering keeps improving its sustainability-related governance and practices in order to achieve sound development. The Board, as the highest governing body of the Group, takes full responsibility for ESG governance and oversees all aspects of the Group’s sustainability efforts. The Board undertakes that the Company strictly complies with the disclosure requirements of the Environmental, Social and Governance Reporting Guide under the Listing Rules.

1. A CLOSER LOOK AT WISON ENGINEERING

We have established a social responsibility governance structure, with the Board of Directors as the highest decision-making body, to oversee the identification and assessment of ESG and climate-related risks and opportunities and to ensure that an appropriate and effective risk management and internal control system is in place. The Board has delegated the Social Responsibility Executive Committee to identify the Group’s ESG material issues and key ESG risks and submit them to the Board for approval. The Social Responsibility Executive Committee reports to the Board on the status of ESG management on a regular basis.

The Group has set directional targets in relation to the environment, reviewed and monitored the progress of these targets, formulated emission reduction measures as required by the governments in the places of operation, and incorporated the concept of sustainability into its management policies and strategies, business models, and other decision-making processes as a move to respond to the expectations and requirements raised by all sectors of society for its sustainable development. To attain more robust and sustainable business development, the Board will continue to monitor the Group’s ESG performance and related targets, striving to create a harmonious and win-win future that could be sustainable.

Social Responsibility Governance Structure

Wison Engineering continues to actively fulfil its social responsibility by establishing an implementation body that is led by the Board with the Social Responsibility Executive Committee as the core and ESG coordinators from various functional departments as members as well as by setting up a top-down three-level ESG governance structure, with each level assigned with clearly-defined functions. By doing so, the Group strives to integrate the ESG concept into its management guidelines, business plans, and policies.



1. A CLOSER LOOK AT WISON ENGINEERING

Social Responsibility Governance Structure and Functions

Decision-making level: Board of Directors

- To discuss major ESG affairs and future development
- To review the ESG work plan and achievements
- To review ESG strategies and policies
- To review the effectiveness of ESG management

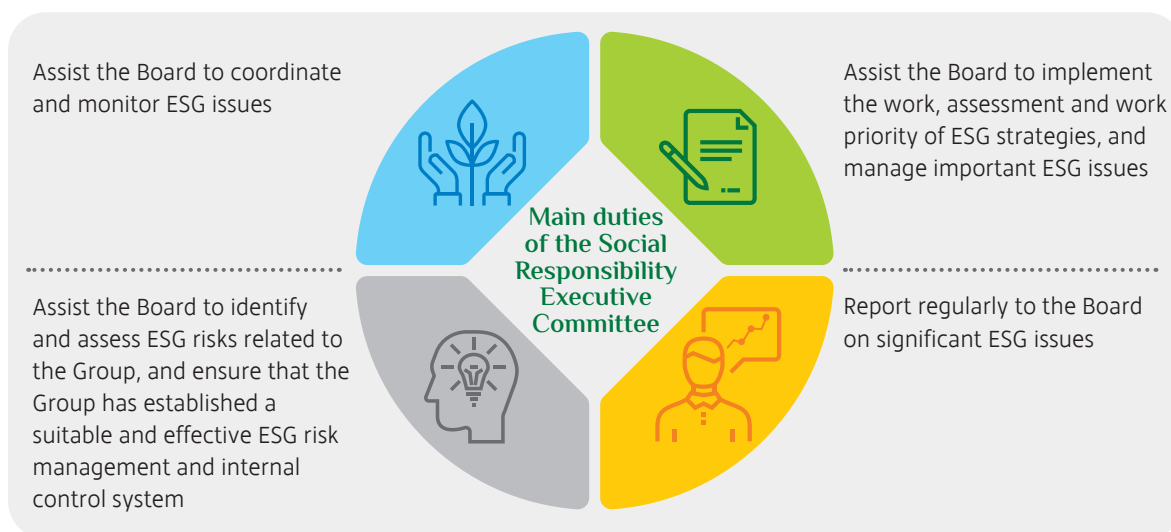
Coordination level: Social Responsibility Executive Committee

- To identify material ESG issues and major risks of the Group
- To formulate ESG plans and manage targets
- To coordinate ESG management and disclosure
- To formulate ESG strategies and approaches
- To coordinate and arrange communication with stakeholders
- To report the status of ESG management to the Board on a regular basis

Implementation level: ESG coordinators of departments

- To implement ESG information and policy management
- To support the tasks of the Social Responsibility Executive Committee

1. A CLOSER LOOK AT WISON ENGINEERING



- The Social Responsibility Executive Committee is responsible for ESG risk identification and assessment, and assessing, establishing and updating relevant management policies accordingly. We have put in place effective monitoring mechanisms to ensure that our ESG risk management policies are implemented effectively and that the effectiveness and appropriateness of the policies are tracked on an ongoing basis.
- The Social Responsibility Executive Committee identifies and selects four environmental areas — greenhouse gas (GHG) emissions, waste generation, energy use, and water use — by reviewing information on the Group’s key environmental factors, significant environmental risks, materiality issues, and operations. It sets directional targets for these environmental areas and develops action plans or related measures for the targets.
- The Social Responsibility Executive Committee conducts a materiality assessment by inviting internal and external stakeholders to participate in a questionnaire to help the Company identify materiality issues and develop an initial framework for reporting on these issues to address stakeholder expectations.

ESG Risk Management System

A stable and effective risk management system is essential for corporate governance. Based on the existing sound risk management system, the Group will incorporate sustainable development into the management scope to identify and evaluate the ESG risks that may be exposed in the course of operation, so as to prioritize and manage them in a timely manner. These measures have shaped a good corporate risk control culture and laid a solid foundation for sustainable development. The Board has overall responsibility for evaluating and determining the Group’s material ESG risks, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems.

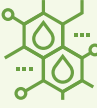




1. A CLOSER LOOK AT WISON ENGINEERING

Review, Reporting and Disclosure

Recognizing that stakeholders’ expectations are constantly changing, the Group regularly reviews its business operations and proactively communicates with stakeholders to identify and respond to emerging issues as appropriate. In addition, the Group’s Social Responsibility Executive Committee regularly reviews its performance and practices on corporate social responsibilities and reports to the Group’s Board of Directors. The Group’s performance on ESG is not only disclosed through internal communication channels, but also truthfully disclosed to the public through the Group’s website, Annual Report and ESG report. The Report is confirmed and approved by the Board on 28 March 2023.

Social Responsibility Management Concept

Always committed to the development philosophy of “being people-oriented for common development”, Wison Engineering strives to instil the concept of sustainability into all levels and processes. As a result, QHSE has been integrated into its decision-making process. By implementing the social responsibility concept of “green technology, community communication, health and safety, environmental cooperation, and quality assurance”, we are committed to building ourselves into a world-leading energy and chemical engineering company.

SOCIAL RESPONSIBILITY MANAGEMENT CONCEPT OF WISON ENGINEERING				
				
Green Technology	Community Communication	Safe and Health	Environmental Cooperation	Quality Assurance
<p>We adhere to the strategy of “driving green development with technology innovation”, maintain the strategic R&D investment in the fields of “green technology”, “energy saving and consumption reduction” and “breakthrough technology”, and integrate the concepts of social responsibility such as green, low carbon and sustainable development into the whole development process.</p>	<p>We place great importance on communication with local communities while expanding our overseas markets. Through active communication and understanding, we make good use of local resources, promote local development, and respond to community needs.</p>	<p>We adhere to a “people-oriented” corporate culture, with a focus on employee career development and health & well-being. We work hard to provide employees with reasonable remuneration, equal development opportunities, and a safe working environment.</p>	<p>We proactively carry out research with peers and scholars, making good use of their advantages and working together toward green development. We conduct extensive surveys in the field of new energy and environmental protection to seek new opportunities for development.</p>	<p>We lay emphasis on quality assurance for our products and services and have established and implemented a quality assurance system. We have adopted advanced and stringent quality control measures at all stages of our business operations, such as establishing a supplier compliance system and protecting customer privacy.</p>

1. A CLOSER LOOK AT WISON ENGINEERING

Identification of and Communication with Stakeholders

During the Reporting Period, Wison Engineering continued to open up more communication channels to establish close contact with stakeholders through a multi-faceted communication mechanism. Through in-depth communication and exchanges, we understood and heard stakeholders' views and suggestions on ESG issues, and provided timely review and feedback so as to jointly promote the sustainable development of the Company and achieve mutual benefits. The chart below sets out the communication between Wison Engineering and stakeholders during the Reporting Period, including different stakeholders and the issues of concern to them as well as response measures, communication channels, and frequency on the front of the Company.



1. A CLOSER LOOK AT WISON ENGINEERING

Stakeholders of Wison Engineering

Stakeholders	Issues of Concern to Stakeholders	Response of Wison Engineering	Communication and Feedback Channels	Communication Frequency
Customers	<ul style="list-style-type: none"> Develop green technology Protect customers' privacy Protect intellectual property rights Improve the quality of products and services 	<ul style="list-style-type: none"> Follow the low-carbon and sustainability policy of the State and the industry, guarantee the strategic investment in the R&D of green chemical engineering technology and energy saving & emission reduction technology, and develop a number of green processes and catalytic technologies independently and together with other parties to promote sustainable business development. Earnestly protect customer privacy and intellectual property rights (IPRs), take the initiative to sign confidential agreements with customers, and carry out routine maintenance of customer information in an orderly and secure way through a sound customer information management system. Continuously optimise the quality management system, introduce the standardised management of projects, and adopt rigorous quality management measures in all stages of business operations, including project planning and control, procurement, design, and construction management. 	Contract negotiation	Before entering a contract
			Customer satisfaction survey	Regular
			Customer communication	Regular
			Customer service	Regular
			Interviews	Regular
Investors/ Shareholders	<ul style="list-style-type: none"> Business development and financial performance Compliant operations Safeguard the rights and interests of shareholders 	<ul style="list-style-type: none"> Maintain a sound financial position in the face of internal and external challenges, and share our business results and breakthroughs in domestic and overseas markets with investors via various channels. 	Annual and interim reports	Regular
			Annual general meeting	Regular
			Results announcement	Regular
			Business communication, such as letters to shareholders, circulars and notices of meetings	Ad hoc
			Interviews	Ad hoc

1. A CLOSER LOOK AT WISON ENGINEERING

Stakeholders	Issues of Concern to Stakeholders	Response of Wison Engineering	Communication and Feedback Channels	Communication Frequency
Employees	<ul style="list-style-type: none"> Personnel training and development Salary and benefits Healthy and safe working environment Well-established employee grievance mechanism 	<ul style="list-style-type: none"> Continuously establish and improve the employee training system and strengthen staff training to promote the personal career development of employees. Regularly review the salary and benefits policy of employees to ensure that all employees enjoy fair and competitive remuneration 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 endeavour 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 and furnish feedback in a timely manner. 	Labour contract	Before induction
			Routine meetings of the Group and departments	Regular
			Appraisal of work performance	Regular
			Internal announcements	Regular
			Internal forums	Often
			Interviews and surveys	Ad hoc
			Education and training	Ad hoc
			Employee Intranet	Regular
Suppliers	<ul style="list-style-type: none"> Establish a steady and long-term cooperation relationship Management of suppliers' social responsibility Improve occupational health and safety management 	<ul style="list-style-type: none"> Develop rigorous supplier access and assessment criteria and effectively implement the green procurement policy for suppliers. Strengthen day-to-day supply chain management through ad hoc supplier evaluation and management at different levels. Establish and improve the occupational health and safety management system to ensure the effective implementation of relevant policies and measures. Carry out regular supervision and inspection to ensure the construction safety of engineering projects. 	Contract negotiation	Before entering a contract
			Inspection and evaluation on site	Ad hoc
			Supplier/Contractor evaluation system	Regular
			Education and training	Ad hoc
			Regular meetings	Regular
			Interviews	Ad hoc

1. A CLOSER LOOK AT WISON ENGINEERING

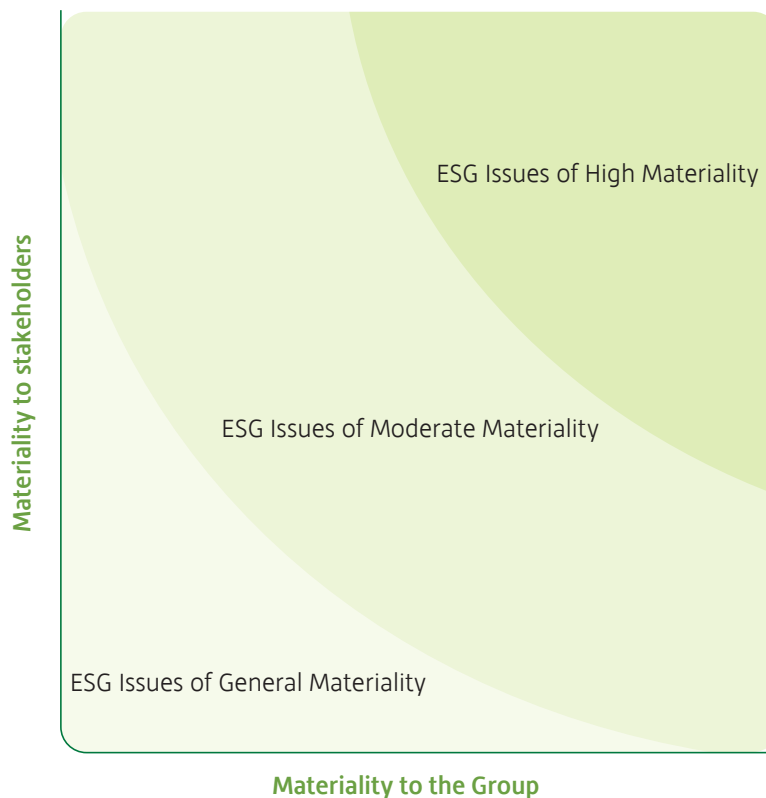
Stakeholders	Issues of Concern to Stakeholders	Response of Wison Engineering	Communication and Feedback Channels	Communication Frequency
Business partners	<ul style="list-style-type: none"> Business development and financial performance Actively develop green technology Reduce resources consumption and pollution Improve internal anti-corruption management 	<ul style="list-style-type: none"> Maintain a sound financial position in the face of internal and external challenges, and achieve better-than-expected business results in domestic and foreign markets. Strive to rapidly grasp the knowledge in related fields and achieve breakthroughs in green technology through independent R&D and cooperation with external scientific research institutions. Develop and apply green technology to provide production technology with low energy consumption and high efficiency, and reduce resources consumption during operation. 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 programme, with a view to deepening the Group's integrity culture. 	Multi-channel cooperation and technical research	Long-term
			Contract negotiation	Before entering a contract
			Regular meetings	Regular
			Interviews	Regular
Community	<ul style="list-style-type: none"> Impact on the community environment Care about and respond to community needs 	<ul style="list-style-type: none"> Conduct an environmental risk assessment on the construction site and surrounding communities prior to the construction of each project, and minimise 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, such as organising various educational, cultural and environmental activities. 	Participate in and organise public welfare activities	Ad hoc

1. A CLOSER LOOK AT WISON ENGINEERING

Materiality Matrix of ESG Issues

Assessing key ESG issues could help the Group gain insights into the risks affecting business development and seize new opportunities. In combination with the issues of concern to stakeholders and their suggestions/views, and considering our business operations and data analysis results, we finally identified 37 material issues for the year, including 14 issues of high materiality, five issues of moderate materiality, and 18 issues of general materiality with reference to the disclosure responsibility covered by the Environmental, Social and Governance Reporting Guide, the materiality issue database of the Sustainability Accounting Standards Board (SASB), and the peer practices. This report will focus on the following issues to reflect our contribution to ESG work.

Materiality Matrix of ESG Issues



1. A CLOSER LOOK AT WISON ENGINEERING

Issue of High Materiality	Issue of Moderate Materiality	Issue of General Materiality
Scientific and technological innovation	Improving the organisational structure of the Group for ESG responsibility management	Water resources management
Project quality assurance	Employee management	Wastewater and solid waste
Corporate governance	Environmental impact assessment of suppliers	Energy management
Anti-corruption	Management of GHG emissions	Dealing with climate change
Business ethics	Exhaust emissions	Use of materials
Quality and safety of products/ services		Environment and natural resources
Product responsibility		Environmental grievance mechanism
Supply chain management		Child labour and forced labour
Intellectual property rights		Security measures
Customer privacy		Diversity and equal opportunities
Education, training and development		Employee remuneration and benefits
Occupational health and safety		Rights grievance mechanism
Environmental compliance		Labour grievance mechanism
Toxics release and waste		Non-discrimination
		Social impact assessment and risk management of suppliers
		Procurement model
		Marketing
		Community public welfare services

1. A CLOSER LOOK AT WISON ENGINEERING

Issue of High Materiality	Chapter in this Report
Scientific and technological innovation	2. MAKING CUTTING-EDGE INNOVATION
Project quality assurance	3. SEEKING SOUND GREEN DEVELOPMENT
Corporate governance	1. A CLOSER LOOK AT WISON ENGINEERING
Anti-corruption	1. A CLOSER LOOK AT WISON ENGINEERING
Business ethics	1. A CLOSER LOOK AT WISON ENGINEERING
Quality and safety of products/services	3. SEEKING SOUND GREEN DEVELOPMENT
Product responsibility	2. MAKING CUTTING-EDGE INNOVATION
Supply chain management	3. SEEKING SOUND GREEN DEVELOPMENT
Intellectual property rights	4. PROMOTING COLLABORATION AND MUTUAL SUPPORT
Customer privacy	4. PROMOTING COLLABORATION AND MUTUAL SUPPORT
Education, training and development	2. MAKING CUTTING-EDGE INNOVATION
Occupational health and safety	4. PROMOTING COLLABORATION AND MUTUAL SUPPORT
Environmental compliance	5. CARING FOR THE GROWTH OF EMPLOYEES
Toxics release and waste	3. SEEKING SOUND GREEN DEVELOPMENT

2. MAKING CUTTING-EDGE INNOVATION

Wison Engineering is committed to building up innovation-led technological and engineering capabilities. Guided by global trends in energy development as well as national strategies and policies, we actively adapt to the “peaking carbon emissions and achieving carbon neutrality” (“Dual Carbon”) policy of the State and related industry trends, uphold the innovation-led strategy, and forge ahead with a pragmatic and pioneering attitude, in the hopes of winning market opportunities and creating more business value for customers, partners, and other stakeholders through the combination of independently and jointly developed technologies with engineering.

During the Reporting Period, the Company continued to accelerate the penetration into new energy business, achieved significant results in exploring new materials and processes, advanced the intelligent transition with the increased adoption of digital means, and kept building up modular capabilities to bolster core competitiveness. In 2022, we spent RMB149 million in technological R&D, representing a decrease of 11.8% compared to last year.

2.1 INDEPENDENT R&D

Accelerating Penetration into New Energy Business

The Group continues to regard new energy as its new strategic business field. While pressing ahead with the energy reform, it has accelerated the pace to develop technologies, explore new forms of business, and optimise the business structure in the fields of hydrogen energy industry chain, industrial exhaust carbon capture, CO₂ chemical fixation, biomass fuel, etc. Meanwhile, it has kept strategic partnerships with global advanced technology providers to spot new opportunities presented by the “Dual Carbon” policy in a wide range of business fields, such as chemical hydrogen storage and transportation, hydrogen liquefaction, combination of green/blue hydrogen with traditional energy and chemicals, methanol/petroleum product synthesis from CO₂ hydrogenation, and fuel synthesis from waste oil.

During the Period under Review, relying on several front-end projects on synthesis of methanol/ethanol/jet fuel from CO₂ hydrogenation and conversion of waste oil into jet fuel, Wison Engineering was expected to continuously improve its business results or contribution along the path to the implementation of the “Dual Carbon” strategy. On this basis, we would further consolidate our technical reserves in the fields of CO₂ chemical utilisation and renewable energy, becoming more competitive in the market.

2. MAKING CUTTING-EDGE INNOVATION

Strengthening the Integration with External Technical Resources

During the Reporting Period, the Company signed a strategic cooperation agreement with Hanxing Energy to complement each other's advantages in CCUS from industrial gas, chemical energy storage, green hydrogen, etc., join hands with industry customers, and provide technical solutions concerning the high-value utilisation system of industrial exhaust gas, a choke point hindering the implementation of the "Dual Carbon" strategy. Meanwhile, it signed strategic cooperation agreements with the leading Chinese research institutions of carbon capture and purification technology. They would be jointly committed to the technology licensing and engineering project implementation in the field of overseas carbon dioxide capture and purification.

R&D Related to Hydrogen Energy Technology

During the Reporting Period, the Company signed a strategic cooperation framework agreement with the Academy of Aerospace Propulsion Technology, a research institution focusing on aerospace liquid power under the China Aerospace Science and Technology Corporation. The two parties set up a close cooperation mechanism, under which they would focus on green hydrogen liquefaction and storage/transportation technology, and carry out hydrogen technology R&D, project implementation, and major equipment manufacturing. They launched a pilot programme for comprehensive cooperation on a liquid hydrogen project in the first half of 2022.

Exploring New Materials and New Processes

Wison Engineering looks with great hope to and makes active explorations in emerging areas. As a move to act on the "Dual Carbon" policy and ride on the development trend of the industry, we develop and utilise new materials and new processes such as degradable materials, and make them one of our development directions and key focus areas. We have continued to make R&D investments and accumulated technologies, with significant breakthroughs and progress achieved in a number of key technologies during the Reporting Period.

2. MAKING CUTTING-EDGE INNOVATION

Development and Industrialisation of Innovative Technologies concerning Degradable Plastics

During the Reporting Period, Wison Engineering continuously pushed forward with the industrialisation of polyglycolic acid (PGA). We signed a new technology cooperation agreement on PGA and the general contract on a pilot study with Inner Mongolia Rongxin Chemical Co., Ltd. on 1 May 2022. The Company leveraged self-developed innovative technology to build the pilot plant and proactively promote engineering scale-up and industrialisation of new technologies. It signed a contract on the preparation of a feasibility study report about the 100,000 tonne/year PGA project with Anhui Haoyuan Chemical Group Co., Ltd. on 25 March 2022. Moreover, Wison Engineering was actively exploring new engineering markets in the field of other degradable materials. On 7 March 2022, it signed a contract on the preparation of a feasibility study report about 200,000 tonne/year butadiene-to-BDO project with Nanjing Chengzhi Clean Energy Co., Ltd., marking a new breakthrough it has made in the field.

Panjin Sanli's 100,000-ton/year MMA Project

The project is China's first MMA industrialisation plant based on ethylene, which adopts leading olefin hydroformylation technology and new technology of one-step oxidative esterification of methacrolein with complete IPRs. Through innovative, green and sustainable technical solutions, the project could effectively solve the problems of high pollution and high energy consumption in domestic processes of producing MMA.

Protecting IPRs

Wison Engineering strictly complies with IPR-related laws and regulations in China, such as the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Advertising Law of the People's Republic of China, and has formulated a number of internal documents including the Patent Management Rules and the Rules on the Management of Technical Research and Development Results, all of which are certified by the GB/T 29490-2013 intellectual property management system. The Company is committed to managing its IPRs such as patents, trademarks, and copyrights and combating infringements in accordance with the applicable national laws and regulations effectively.

2. MAKING CUTTING-EDGE INNOVATION

The Group continues to provide incentives to inventors and designers and improve the rewarding mechanism in the hope of encouraging employees to innovate and enhancing the innovation capability of the Company. We have clearly set out processes and management practices with respect to the application, acquisition, implementation, transfer, licensing, maintenance, termination, protection, rewards and penalties of relevant patents, as well as stipulated the classification, grading, promotion, application, and rewarding of technological R&D results. During the Reporting Period, Wison Engineering filed 13 new patent applications and obtained 14 authorised patents as well as 1 software copyright, with significant breakthroughs achieved in multiple technologies. By doing so, it continued to increase its IPR and technical reserves. In total, Wison Engineering made 216 patent applications and obtained 146 authorised patents and 28 software copyrights, indicating an abundance of IPR assets.

2.2 CORE CAPABILITIES

Advancing Digital Application

2022 was a critical year for the rapid advancement of the Company's digitalisation. The project management system of progress, cost, contract and change based on data management has been launched to realise refined project planning, process data classification, aggregation, analysis and forecast. Focusing on design management and process document control, the phase II development of document control and collaborative management has achieved standardised and automated business workflow, which covers the whole process of EPCC projects.

During the Reporting Period, we completed the overall structure of the project management system and sorted out EPC master data; launched the first-stage design and management function for the document control and management platform; deployed a digital construction process management system.

Strengthening Modular Capacity

Modular delivery is one of the core competencies of Wison Engineering. We combine modular design with many construction processes such as factory prefabrication, transportation, and on-site lifting to form integrated, digitalised, and standardised modular solutions, effectively facilitating our expansion in overseas markets and landing of foreign-funded projects in China. In recent years, the Company has accelerated the building of modular design capability and improved project implementation quality and efficiency, providing competitive modular schemes and attaining maximal modular advantages.

2. MAKING CUTTING-EDGE INNOVATION

During the Reporting Period, the Company accelerated the development of the third-generation module technology. The use of standardised modules promoted the combination of digitalisation and modularisation, which minimised the design cycle and cutted costs. Meanwhile, we further promoted modular delivery to overseas implementation projects. For Saudi Aramco’s DPCU project, despite harsh conditions at the construction site, modularisation helped solve various problems, including resource organisation difficulties and low efficiency of on-site construction. The implementation of multiple industrial modularisation projects further improved the Company’s module design capabilities. It began to build a processing and transportation supplier ecosystem, laying a foundation for further reducing costs and becoming an industry benchmark in the future.



Promotion of Modular Delivery among Overseas Implementation Projects

During the Reporting Period, Wison Engineering further promoted modular delivery to overseas implementation projects. In U.S. AP’s synthetic ammonia project, modularisation brought cost advantages. As to Juhua Abu Dhabi fluorination and chlor-alkali chemical plant module projects, modularisation made it possible for related enterprises to go global. For Saudi Aramco’s DPCU project, modularisation helped solve various problems, including resource organisation difficulties and low efficiency of on-site construction, despite harsh conditions at the construction site.

3. SEEKING SOUND GREEN DEVELOPMENT

3.1 SOUND SYSTEM

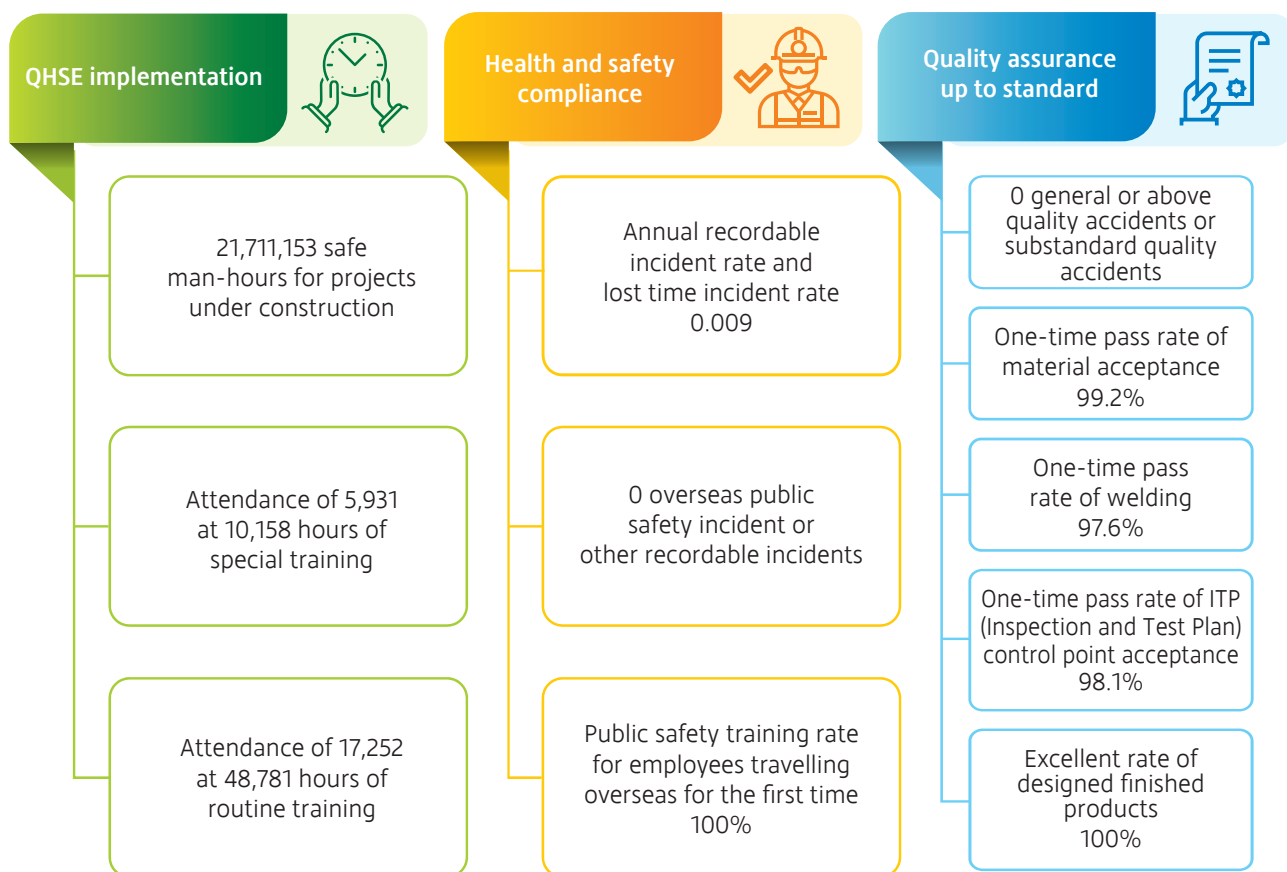
During the Reporting Period, centred on the strategic goals of “seeking cutting-edge innovation (technology + engineering), focusing on principal operations (chemical + energy), and establishing a global presence (at home + abroad), Wison Engineering was committed to optimising management systems and processes, to improving the overall requirements and arrangements for work safety in strict compliance with the ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 9001 Quality Management System, to building a QHSE management system that could match the corporate culture of the Company with manpower, markets, equipment and procurement as the key factors of production and operation, and to building its project management capabilities in terms of target setting, management procedures, management evaluation, compliance, and information communication through refined management.



3. SEEKING SOUND GREEN DEVELOPMENT

During the Reporting Period, against the backdrop of the routinised COVID-19 response, we continued to instil the QHSE concept into all staff members, upgraded the project QHSE management modules, and built up our ability to manage and handle various emergencies such as COVID-19 outbreaks and extreme weather conditions in different regions. Meanwhile, we formulated standards for project QHSE management and compiled and released the Work Safety Responsibility System; increased the adoption of information technology (IT) and launched the intelligent QHSE management platform to further enhance the efficiency of QHSE management; and completed a supervisory audit of the QHSE management system in December 2022, which was certified as an appropriate, adequate, and effective management system. Wison Engineering is dedicated to delivering quality projects to clients and looks forward to fulfilling social responsibility with external parties together.

Achievement of Annual QHSE Management Objectives by Wison Engineering



3. SEEKING SOUND GREEN DEVELOPMENT

3.2 QUALITY FIRST

High-quality Projects

The survival and development of an enterprise depend on the quality of the projects contracted by it or the level of its QHSE management in the whole process of project implementation. Those are the preconditions and foundation for Wison Engineering to withstand market competition, meet customers' requirements and expectations, accumulate prestige and reputation, and attain long-term development. Therefore, the Group is dedicated to building up its project implementation and delivery capabilities, a prerequisite for better project quality. As per the principle of meticulous management, we continue to strengthen our project planning and project management capabilities, while issuing early warnings against and exercising control over various risks beforehand. During the Reporting Period, all of the major projects contracted by the Group were completed with high quality.



3. SEEKING SOUND GREEN DEVELOPMENT

Implementing Project Quality Control Measures and Optimising the Quality Management System Continuously

Shandong Binhua Project: Through the effective operation and continuous improvement of the quality management system, the Company brought the design, procurement, and construction of the project under full-process and all-around control. (1) The quality management system of the project was created and forwarded to the construction units for learning; (2) The construction site was put under standardised management and the Implementation Plan for Model Project and Standardised Management was formulated in advance; (3) Inspections and tests of each process were conducted and related results were reported in strict accordance with the control points in the inspection and test plan (ITP) that had been approved during the construction process.

Normative Processes

Wison Engineering is committed to continuously strengthening QHSE management, upgrading project QHSE management modules, and adhering to the principle of putting quality first. We continuously improve and promote the quality management system jointly built with our suppliers, construction subcontractors, and strategic partners, to improve the management level of relevant enterprises, and enhance the standardised project workflow from three dimensions, that is, standardised project construction, implementation of quality model projects, and special management for project quality.

We aim to achieve 100% customer satisfaction, 100% one-time pass rate for project delivery and acceptance, 100% return visit rate for projects, and 100% follow-up and handling rate for problems. As of 31 December 2022, we ensured that all projects were carried out with high quality and that no project or product was returned for quality, safety, or health reasons.

Standardised Project Construction

- The standardisation of all projects under construction was inspected and supported
- Over 80% implementation rate of applicable projects in the Project Standardisation Atlas of domestic projects under construction in 2022
- All ongoing projects fully met the management requirements of quality and safety standardisation

3. SEEKING SOUND GREEN DEVELOPMENT

Implementation of Quality Model Projects

- The Model Project Compilation was used as a guide
- The number of model projects increased by 3 to 53 and the reuse rate of model projects exceeded 80%
- The project ITP (Inspection and Test Plan) was soundly implemented, and the project department established an ITP ledger, with an actual implementation rate of approximately 98.1%

Special Management of Project Quality

- The Rules on the Management of Special Construction Processes of Engineering Projects was strictly followed to regulate the special process management of engineering projects
- The Company identified special construction processes prior to construction and recorded all procedures in a strict compliant manner, and better identified the main factors affecting special processes in accordance with relevant design standards
- The special monitoring process was improved continuously and the Special Process Implementation Plan was implemented in parallel with the construction process

During the Reporting Period, the Company promoted QHSE standards, continued to analyse and formulate quality improvement measures in the light of its actual conditions, stepped up efforts to implement model projects and special processes, and improved the quality management level of various departments accurately, thus demonstrating its QHSE image. Meanwhile, it did everything possible to forge a shining quality brand by enhancing quality awareness.

3. SEEKING SOUND GREEN DEVELOPMENT

The 2022 “Quality Month” Campaign of Wison Engineering: Creating Value through Quality Work, Casting a Corporate Brand with Quality Projects

Large-scale launch and extensive promotion

On 1 September 2022, the “Quality Month” themed poster was displayed on the large LED screen in the headquarters of the Company, the “Quality Month” themed wallpaper was pushed to staff computers, slogans, banners and posters were placed on the site of each project under construction, and signature collection activities were held to spread the Group’s quality management philosophy.

Quality training for awareness enhancement

The Quality Safety Department made use of the Wison Academy platform to arrange training for internal auditors by Li Haiyan, the head of the quality management system, to help internal auditors from all departments familiarise themselves with the Company’s quality management processes, key points, related standards and clauses, and other relevant knowledge.

Knowledge quizzes to enhance competence

The enhancement of business skills is a top priority of the Group, because it concerns the quality of each project. Ten quizzes were given as part of the “Quality Month” campaign, which was well received by all departments and project departments, with an attendance of 2,043.

Quality inspections for better assurance

Project departments organised self-inspection and self-correction activities to strengthen on-site quality checks. Through quality inspections, they flexibly improved the quality of projects. For example, the Panjin Sanli project conducted a special inspection and generated one quality inspection record on 29 September. The Binhua PDH project organised a monthly inspection and four special inspections with the project owner and the supervisor, which exposed 25 non-conformities. At the same time, the headquarters of the Company, led by the Design Department, organized business offices to update 2,195 design standards and specifications under 23 business lines.



3. SEEKING SOUND GREEN DEVELOPMENT

3.3 SAFETY FIRST

Wison Engineering upholds the “safety first” concept by always putting the protection of the lives and health of employees and other stakeholders in the first place. With reference to a series of international advanced safety management approaches in the industry such as the Hazard and Operability Analysis (HAZOP), Safety Integrity Level (SIL), and Job Hazard Analysis (JHA) and in strict accordance with the applicable laws and regulations in China such as the Work Safety Law of the People’s Republic of China and the Regulations on Work Safety Management of Construction Projects, the Company starts from the aspects of safe operation, safety emergency management, safety culture promotion, and COVID-19 response to control the safety risks in the production process by improving its management policies and to regulate the safety practices of its employees. By doing so, it aims to create a safe and healthy working environment for each and every employee. During the Reporting Period, the Group did not involve any complaint or litigation regarding the violation of health and safety laws.



Work Safety Permit

We have formulated a series of guiding documents to enhance the level of work safety management, such as the Laboratory Management Rules, the Hazardous Chemicals Safety Management Policy, and the Hazardous Waste Safety Management Policy, so as to reduce the risk of safety incidents. Meanwhile, we have also spent more buying safety equipment and supplies, so as to create a safe working environment. During the Reporting Period, the Group invested RMB1,586.5 million in HSE, and recorded no work-related fatalities in the past three years, with zero lost man-hour accident rate and 0.009 total recordable incident rate (TRIC) for every 200,000 working hours.

3. SEEKING SOUND GREEN DEVELOPMENT

Safe Environment

To control and eliminate factors unfavourable for employees' occupational health, protect employees' occupational health, and implement the requirements of the work safety responsibility system, Wison Engineering has continuously improved the occupational health and safety management system for employees, committed to creating a safe working environment and equipment. To date, it has compiled a host of process and management documents, such as the Occupational Health Management Procedures, Accident Reporting and Emergency Management, and High (Low) Temperature, Toxic Dust, and Noise Management Rules, to provide clear guidelines and specifications on occupational health, safe work environment, health declaration, and accident handling, and focus on the health and safety of employees. Meanwhile, we have also established an occupational health management system, where employee health records are created and employees are organised to have regular health check-ups, with a view to implementing occupational health management of staff members. Moreover, we have extended the health and safety norms to the supply chain, and work with subcontractors to identify, prevent, and mitigate the potential safety hazards facing employees.

Wison Engineering has established and promoted an HSE performance supervision and inspection mechanism, under which it regularly examines the operation of the HSE system, control of hazard sources and environmental factors, and on-site construction safety as per the work safety principle of "being people-oriented, putting safety first". We have prepared documents such as Identification, Evaluation and Control of HSE Hazard Sources to carry out hazard source identification, risk assessment, and risk control in all aspects of the production process from project design to construction and operation facilities management, so as to comprehensively identify and eliminate potential risks in production and operation. Meanwhile, we keep improving HSE coordination and management and seek consistency in laws/regulations, standards, and policies to provide standardised guidance for the occupational health and safety of employees. During the Reporting Period, the Group prepared and issued the Work Safety Responsibility System in accordance with the Work Safety Law of the People's Republic of China, to strengthen and supplement its QHSE management system that could feature "Felt leadership — Line responsibility — Territorial management" and ensure that all staff members could fulfil their responsibility for work safety. At the Group, work safety is in the charge of principal leaders at all levels, who are the first responsible person for the work safety of their respective department/project, to perform and assume their related duties as per the principles of "whoever takes charge is responsible", "whoever manages production must ensure work safety" and "whoever owns a business is responsible for its safety".

At the same time, Wison Engineering has carried out risk identification for public health emergencies. Based on the different COVID-19 response stages of projects and the extreme weather conditions in the places where the projects are located, we have conducted more targeted risk identification and evaluation, established public health emergency management policies for different enterprises and projects along with corresponding control measures to prevent the occurrence of safety accidents.

3. SEEKING SOUND GREEN DEVELOPMENT

Emergency Response Management

Improving safety emergency management standards and capabilities in each place of operation in a balanced way is an essential prerequisite for Wison Engineering to create a safe and healthy working environment. We continue to advance the standardisation of emergency response procedures, strictly comply with the Work Safety Law of the People's Republic of China, Emergency Response Law of the People's Republic of China, and other laws and regulations, have put in place a three-level safety emergency response mechanism comprising Wison Engineering's Comprehensive Emergency Response Plan, Wison Engineering Headquarters' Emergency Response Plan and Branches and Project Departments' Emergency Response Plan to improve on-site emergency response management capabilities.

Wison Engineering has formulated a number of documents such as the Emergency Response Plan of Wison Centre, Emergency Response Plan of Wison Engineering Beijing Branch, Emergency Response Plan of Wison Engineering Henan Branch, Safety Accident Emergency Response Plan for New Technology Research Institute Laboratory of Wison Engineering, and Emergency Management Procedures to raise the level of safety emergency response management in different places of operation. Meanwhile, the Group has also set up a steering group in full charge of emergency response to deal with emergencies effectively. In 2022, Wison Engineering carried out accident and emergency response management drills to help employees boost their emergency handling ability.

Fire Evacuation Drill

Wison Centre conducted an annual fire evacuation drill on 23 September 2022 to test the reliability of its fire alarm system, verify the effectiveness of its emergency response management, familiarise its staff with emergency response procedures and emergency exit routes, and boost emergency response capabilities of its employees. A total of 1,321 persons, including employees, tenants and visitors, attended the drill with prompt and organised response, greatly enhancing participants' fire safety awareness.



3. SEEKING SOUND GREEN DEVELOPMENT

Awareness Enhancement and Training

Wison Engineering carries out various types of safety awareness raising activities and training sessions to spread the HSE concept among employees effectively, which include induction training and in-service training on occupational safety and health & safety management system, mandatory training on applicable laws and regulations, special training for all levels and categories of personnel, and dedicated training in the areas of accident and emergency response management, and hazardous chemicals management.

“Work Safety Month” Campaign: Complying with Work Safety Laws, Being the First Responsible Person

June 2022 is the 21st National Safety Month, with the theme of “Complying with Work Safety Law, Being the First Responsible Person”. Wison Engineering’s Shanghai headquarters and project departments in different places made careful planning and arrangements to jointly carry out a series of work safety activities under the theme of “Implementing the Work Safety Responsibility System, Being the First Responsible Person in the Place of Operation”. The purposes of these activities are to continuously disseminate work safety laws and regulations, raise the safety awareness of all staff members, implement safety measures, and create a safety culture where everyone would be proactively responsible. Some examples of these activities include “Wison Academy: Safety Lectures from Senior Executives”, “Wison Project Department: Ensuring Safety Together in Different Places of Operation” and “Wison Culture — Various Publicity Initiatives to Emphasise Safety”, to promote the implementation of the safety responsibility system and enhance the concept of safety legislation among all staff members.



COVID-19 Response

During the Reporting Period, COVID-19 continued to cause inconvenience and challenges to the Company and its staff. Wison Engineering responded positively to the varying COVID-19 response policies in different places of operation. Specifically, it formulated different plans and set up COVID-19 response teams to ensure the safety of employees and normal operations.

3. SEEKING SOUND GREEN DEVELOPMENT

Organisational structure	Actions
<ul style="list-style-type: none"> • Emergency response team: evaluating the evolution of the situation and formulating response plans • Logistic support team: taking pandemic prevention and control measures such as disinfection in public areas • Prevention and control team: taking body temperatures and inspecting the implementation of relevant policies 	<ul style="list-style-type: none"> • Wearing a face mask • Implementing isolation policies • Encouraging vaccination • Giving relevant lectures

3.4 GREEN DEVELOPMENT

With the effective promotion and implementation of the “Dual Carbon” policy in China, the national energy reform and long-term deep carbon reduction will become two mainstream trends in the country. In response to the 14th Five-Year Plan for Developing the Petrochemical Industry, Wison Engineering will be committed to promoting the green and high-quality development of the industry, helping the industry to upgrade and transform itself and achieve low-carbon, green goals, and earnestly implementing green operation and construction requirements in the environmental management of project construction sites and office areas, so as to effectively reduce the impact of its business on the environment.

We strictly comply with the Environmental Protection Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Regulations on Environmental Protection Management of Construction Projects, and other laws and regulations, and have formulated and implemented a number of internal documents such as the Environmental Protection Management Procedures, the Rules on the Management of Energy and Resource Consumption, and the Rules on Waste Management, all of which set out clear working rules, standards, and requirements in respect of emission and waste management, energy management, water resources management, and green construction, to continuously advance the standardisation of environmental protection. During the Reporting Period, the Group was not aware of any cases of non-compliance with environmental protection laws and regulations.

In terms of environmental management at construction project sites, Wison Engineering has set up environmental management teams in project departments and requires construction subcontractors to hire dedicated environmental management personnel and implement specific environmental management rules, environmental protection facilities, and environmental pollution prevention and control measures, with a view to increasing resource utilisation efficiency and reducing damage to the environment. With respect to environmental management in office areas, it has set up an energy conservation and emission reduction team to oversee the energy consumption in office areas and hold energy saving and emission reduction-themed meetings on a regular basis, in a bid to minimise the environmental impact of its daily operations. In the management process, the Group will also assess the impact of climate change risks and formulate appropriate response mechanisms and measures.

3. SEEKING SOUND GREEN DEVELOPMENT

Wison Engineering set initial directional environmental targets last year. During the Year, we have reviewed and audited the implementation process of each goal and confirmed that the environmental goal should be applicable in this Year. When planning next year’s environmental tasks, we have implemented its policies and measures to reduce GHG emissions, save energy and water, and reduce waste. In the future, it will maintain or gradually reduce the intensity of GHG emissions (Scope 1 and Scope 2), waste intensity, and electricity and water consumption intensity while maintaining a similar level of operations.

Emissions and Waste Management

Wison Engineering strictly complies with the laws and regulations on pollutant emissions in the countries and regions where it operates, and has formulated a number of internal documents such as the Rules on the Management of Solid Waste, Exhaust, Gas and Wastewater and the Rules on Waste Management to set out the norms, requirements, duties, and procedures for the management and disposal of solid waste, exhaust gas, and wastewater generated within the construction areas of its projects. The Company ensures emissions compliance to prevent environmental pollution due to improper disposal of solid waste or disorderly discharge of exhaust gas and wastewater.

The Company is also committed to reducing pollutant emissions. To this end, we have developed internal documents such as the Environmental Management Procedures, continue to explore and apply green processes and technology solutions, and implement green practices in our engineering design and office operations.

Reduction and Treatment of Air Pollutant Emissions

The Group pursues an approach to green construction. We reduce air pollutant emissions from the construction process through various green processes and technical solutions and regulate the process of handling pollutants generated from the construction process.

We have clearly defined the processes and duties for the disposal of hazardous exhaust gas and wastewater at project construction sites. Construction contractors shall organise pollution disposal before discharge. Special pipelines should be set up to discharge wastewater into sewage pipes and ditches designated by clients. When a construction contractor has no treatment capacities or qualifications, relevant work should be handed over to a capable or qualified unit for disposal. The HSE management team of the Project Department is responsible for supervision and inspection

During the Reporting Period, the data for air pollutant emissions¹ from vehicles of the Group are set out below:

Type of emission	Unit	Emission load in 2021	Emission load in 2022
Nitrogen oxides (NOx)	kg	6,319.08	2,113.03
Sulphur oxides (SOx)	kg	10.40	5.38
Particulate matter (PM)	kg	609.82	189.90

¹ We calculate the Group’s vehicle air pollutant emissions with reference to the Stock Exchange’s “How to Prepare an Environmental, Social and Governance Report — Appendix II: Reporting Guidance on Environmental Key Performance Indicators”.

3. SEEKING SOUND GREEN DEVELOPMENT

During the Reporting Period, the wastewater discharge data of the Group are set out below:

Type of discharge	Unit	Discharge amount in 2021	Discharge amount in 2022
Total wastewater discharged	tonne	65,885.00	114,053.60
Intensity of wastewater discharge ²	tonnes/ten-thousand-yuan revenue	0.11	0.24

At the same time, the Group keeps investing in the research, development, and design of processes to reduce and dispose of air pollutants. By adopting new processes and technologies that are green, eco-friendly, and efficient, it helps protect the environment and attain sustainable development of the national economy.

R&D in pollutant emissions control measures	R&D in clean production processes
The Company strictly complied with the emission standards for nitrogen oxides (NOx) in the Emission Standards for Petrochemical Industry (GB 31571-2015), and committed itself to reducing the emission of NOx and air pollution through making NOx reduction transformations to the burners and adopting SCR/ SNCR denitration process.	The Company searched for alternatives to similar foreign technologies to reduce foreign exchange incurred in the introduction of foreign technologies, improve the strength of China's environmental protection technology in the international arena, accelerate the application of denitration technology in China, and develop a flue gas purification industry suitable for national conditions.

GHG Emissions Reduction

Greenhouse gas (GHG) emissions are divided into direct emissions (Scope 1) and indirect emissions (Scope 2). Scope 1 refers to direct GHG emissions from sources that are owned or controlled by the Group. Scope 2 refers to the GHG emissions indirectly caused by the electricity purchased by the Group from external sources. For Wison Engineering, the GHG emissions mainly come from the Group's fuel consumption and fuel used by its vehicles (Scope 1) as well as electricity consumption during operations (Scope 2).

We are taking a serious view of climate change and have made it our goal to reduce carbon emissions and footprint by adopting a number of energy-saving measures to become carbon neutral as soon as possible or in tandem with peers at home and abroad. For example, we encourage employees to use telephone or video conferencing more often to reduce unnecessary business trips.

² The density of wastewater discharge in the current year increased significantly compared to last year, mainly due to the addition of wastewater discharge after rainwater collection and utilization in the current year's calculation, which was 134,635 tons after revision in last year.

3. SEEKING SOUND GREEN DEVELOPMENT

Wison Engineering calculates its GHG emissions with reference to the Greenhouse Gas Inventory Protocol developed by the World Resources Institute and World Business Council for sustainability as well as the ISO 14064-1 standard set by the International Organisation for Standardization. During the Reporting Period, GHG emissions (Scopes 1 and 2) of the Group were 8,432.38 tonnes, and the intensity of GHG emissions was 0.018 tonnes per RMB10,000 of revenue.

The table below sets out the GHG emissions of Wison Engineering during the Reporting Period:

Type of emission	Unit	Emission load in 2021	Emission load in 2022
GHG emissions (scope 1)	tonnes CO ₂	3,435.50	2,464.54
GHG emissions (scope 2)	tonnes CO ₂	10,446.57	5,967.84
Total GHG emissions	tonnes CO ₂	13,882.07	8,432.38
Intensity of GHG emissions ³	tonnes CO ₂ /ten-thousand-yuan revenue	0.022	0.018

Waste Reduction and Disposal

Our waste includes hazardous waste, non-hazardous waste, recyclable waste, domestic waste, construction waste, food waste, and medical waste. As per the five principles of waste management, that is, categorised management, reduction at source, reuse, recycling, and outside disposal, we collect wastes by category and treat them uniformly, and entrust qualified disposal service providers to dispose of hazardous wastes, so as to reduce the impact on the environment. Besides, we have also formulated a number of internal documents such as the Waste Management Rules and the Solid Waste, Waste Steam (Gas) and Wastewater Management Rules formulated to further elaborate on the management of waste. Different treatment and storage methods for general waste and hazardous waste (solid and liquid) are adopted to ensure no harm is caused to the environment and the health and safety of employees.

³ The intensity of GHG emission during the Year decreased by 18% from that of the last year. Impacted by Covid-19, part of the office area were locked down, so the intensity of GHG emission during the Year was greatly reduced from the emission of last year.

3. SEEKING SOUND GREEN DEVELOPMENT

Below are the five principles of waste management:

Categorised management	Reduction at source	Reuse	Recycling	Outside disposal
Waste is managed by category in accordance with the regulations and standards in the place where a project is located	Effective measures are adopted to reduce the amount of waste generated at source, such as raw material control, inventory control and management, and substitution of raw materials	Materials or products are put back into the production process in their original form	Waste is recycled as resources or by-products to reduce the amount of useless waste generated	Waste is transported outside and disposed of at a designated site or handed over to a qualified waste contractor/service provider for disposal

Given the complexity of the nature of waste involved in our business activities, the administrative departments, project departments and construction contractors of the headquarters and branches are asked to categorise and collect waste based on the characteristics of waste, separate waste from the source, and minimise the impact of waste on the environment through recycling and separate disposal.

Below are specific measures for waste disposal:

Specific disposal measures and rules		
All garbage generating units need to set up containers such as garbage bins for the temporary storage of waste in construction sites, offices, living quarters, and other areas.	If a customer has clear regulations on the disposal of waste within the construction scope of a project, the waste should be disposed of in accordance with the customer’s disposal rules with approval from the local administrative authority. Otherwise, we have to determine specific disposal methods and disposal sites with the customer before handling waste. It is strictly prohibited to dispose of, discharge, or bury waste on site without authorisation.	We have a waste disposal ledger to monitor the effectiveness of waste management procedures, including the categorisation of waste, monthly waste generation, management plan verification, and waste disposal contractors.

3. SEEKING SOUND GREEN DEVELOPMENT

As per the pertinent provisions, the waste should be stored separately by category and property, and storage locations should be equipped with clear signs indicating the type of waste. All waste should be cleaned and transported to the centralised waste storage site from garbage bins at construction sites, offices, living quarters, and other areas in a timely manner. Meanwhile, we are also very cautious about the collection and disposal of hazardous waste to avoid secondary pollution caused by loss, leakage, and diffusion.

Below is solid waste generated by Wison Engineering during the Reporting Period:

Type of Waste	Unit	Waste in 2021	Waste in 2022
Food waste	tonne	85.53	453.38
Domestic waste	tonne	74.61	173.11
Recyclable waste	tonne	248.60	612.64
Total non-hazardous waste ⁴	tonne	408.74	1,239.13
Intensity of non-hazardous waste	tonnes/ten-thousand-yuan revenue	0.00065	0.0027
Construction waste	tonne	475.62	5,418.70
Disposal volume of hazardous waste	tonne	7.13	886.85
Disposal intensity of hazardous waste	tonnes/ten-thousand-yuan revenue	0.00001	0.0019
Total waste	tonne	891.49	7,544.68
Waste intensity ⁵	tonne	0.0010	0.016

Energy Management

Wison Engineering is committed to energy conservation, reduction of resource consumption, and sustainable development. During the Reporting Period, the Shanghai Green Chemical and Energy Conservation Engineering Technology Research Centre built by us passed the evaluation organised by Shanghai Municipality. The technology research centre specialises in technology development and cooperation in the fields of carbon dioxide use, degradable materials, used plastic recycling, and high-end new materials, and the engineering application of such new technologies, with an aim to make breakthroughs in green technology. Meanwhile, our internal documents, such as the Energy and Resource Consumption Management Rules, put forth specific and clear guidance requirements in terms of energy management, clearly stipulate the relevant management requirements for energy conservation and consumption reduction in engineering projects and administrative offices to use energy resources reasonably and economically, reduce waste, and cut consumption.

⁴ Total non-hazardous waste = Total food waste, domestic waste and recyclable waste.

⁵ As more projects have entered the closing stage this Year, given the waste was mainly treated in the later stage of the projects, therefore the waste discharge density this year has increased significantly compared with last year. In future, we would enhance our waste management to generate less waste.

3. SEEKING SOUND GREEN DEVELOPMENT

Construction Sites

- Use energy-saving materials as much as possible for temporary facilities and materials with good thermal insulation properties for walls and roofs to reduce the usage and energy consumption of air conditioners in summer and heating equipment in winter;
- Select construction machinery and equipment with matching power and load to avoid the long-term operation of high-power construction machinery and equipment at low load;
- Arrange procedures reasonably to improve the utilisation rate and full load rate of various machinery and reduce the unit energy consumption of various equipment;
- Put in place a management system for construction machinery and equipment, measure electricity and oil consumption, improve equipment archives, and perform maintenance in a timely manner to keep machinery and equipment operating efficiently with low energy consumption;
- Prioritise energy-saving wires and lamps, design and arrange circuits reasonably, use automatic control devices for the equipment, and recommend the use of energy-saving lighting fixtures such as voice control lighting and photosensitive lights as much as possible;
- Meet the principle of minimum illuminance and limit the illuminance to up to 20% of the minimum illuminance for lighting design.

Office Areas

- Maintain the equipment well to keep the equipment in good condition and reduce energy consumption;
- Set the cooling and heating temperatures of air conditioners within a suitable range to avoid increased energy consumption;
- Strictly control the number of lights turned on in the case of good lighting;
- Prohibit the use of electric stoves and electric heaters at offices and doormen;
- Turn off the power for various electrical equipment such as water dispensers, printers, and photocopiers in time after getting off work;
- During festivals and holidays, electrical equipment such as lighting and air conditioners should be selectively turned on based on the number of overtime workers;
- Respond to government departments' electricity restriction requirements, and develop and take the corresponding electricity restriction measures based on the requirements.

3. SEEKING SOUND GREEN DEVELOPMENT

Below is energy consumed by Wison Engineering during the Reporting Period:

Type of Energy	Unit	Consumption in 2021	Consumption in 2022
Gasoline	tonne	450.69	229.69
Diesel	tonne	124.25	385.60
Natural gas	m ³	114,146.57	75,955.85
Electricity purchased	kWh	17,114,578.26	10,249,157.78
Intensity of electricity purchased ⁶	kWh/ten-thousand-yuan revenue	27.25	22.00
Direct energy consumption	GJ	30,050.54	31,705.25
Indirect energy consumption	GJ	61,612.48	36,896.97
Total energy consumption intensity	GJ/ten-thousand-yuan revenue	0.15	0.15

Water Resources Management

Wison Engineering advocates water conservation, promotes the application of water-saving technologies and the comprehensive reuse of wastewater recycled on all fronts, continuously strengthens water conservation management in the course of project operations, and strives to consume less water more efficiently.

Green Construction

Improving Water Use Efficiency	<ul style="list-style-type: none"> Design and arrange the water supply pipe network with reasonable pipe diameters and simple pipelines at a construction site based on water consumption and take effective measures to reduce the leakage of the pipe network and water appliances;
	<ul style="list-style-type: none"> Use water-saving systems and appliances for domestic water in the office and living areas of construction sites and improve the ratio of water-saving appliances;
	<ul style="list-style-type: none"> Set up a system for collecting, treating and reusing reusable water at construction sites and collect and treat water used for pressure tests, flushing, and concrete curing at such sites to recycle water resources in a cascade manner;
	<ul style="list-style-type: none"> Set up recycled water devices for machinery, equipment, and vehicle washing water;
	<ul style="list-style-type: none"> Determine water quota indicators for domestic water and engineering water and measure and manage them separately.

⁶ The Intensity of electricity purchased during the Year decreased by 19% from that of the last year. Impacted by Covid-19, part of the office area were locked down, so the total waste consumption intensity during the Year was greatly reduced from the emission of last year.

3. SEEKING SOUND GREEN DEVELOPMENT

Utilising Non-traditional Water Sources	<ul style="list-style-type: none"> Prioritise reclaimed water mixing and maintenance for civil engineering construction water in areas where the conditions for using reclaimed water are met;
	<ul style="list-style-type: none"> Prioritise the use of the groundwater extracted as the construction water that does not require high water quality at construction sites in the stage of foundation pit dewatering;
	<ul style="list-style-type: none"> Prioritise non-traditional water sources for water used in machinery, equipment, vehicle washing, road spray, and greening;
	<ul style="list-style-type: none"> Build a rainwater collection and utilisation system at large construction sites, especially those in areas with abundant rainfall to collect rain for suitable places in construction and lives.

Green Office

Water-saving Management measures	<ul style="list-style-type: none"> The general management department should urge the property management company to regularly check the valves, fire hydrants, pipes and other water supply facilities in valve wells and promptly eliminate defects such as running out, spraying, dripping and leaking;
	<ul style="list-style-type: none"> If employees find that there are drips or leaks in domestic water facilities such as sinks and toilet flushing tanks, they should promptly eliminate them or contact the employee service centre for repairs;
	<ul style="list-style-type: none"> Faucets or valves should be shut off in time after use, and it is strictly forbidden to run the water for a long time.

Below is water consumed by Wison Engineering during the Reporting Period:

Type of Water Resource	Unit	Consumption in 2021	Consumption in 2022
Municipal water supply	m ³	142,599.31	143,543.77
Surface water	m ³	9,402.00	9,400.00
Underground water	m ³	9,600.00	0.00
Total water consumption	m ³	161,601.31	152,943.77
Total water consumption intensity ⁷	m ³ /ten-thousand-yuan revenue	0.26	0.33

⁷ The total water consumption during the Year was 5% lesser than that of last year, but due to a lower revenue than that of last year, the water consumption intensity during the Year increased slightly than that of last year. We would enhance water resource management to reduce water consumption intensity in future.

3. SEEKING SOUND GREEN DEVELOPMENT

Green Construction

Wison Engineering upholds the green construction principles of “putting people first, adapting to local conditions, giving priority to environmental protection, and making efficient use of resources” to ensure that environmental protection measures during construction are in line with national laws and regulations, prioritise adopting eco-friendly new technologies, equipment, materials, and processes, minimise the negative impact of construction projects on the environment and the pressure on energy consumption, and facilitate ecological progress. We will take the Rules on the Management of Civilised Construction on Site as a guide to make sure project sites can meet the requirements of a green and civilised construction environment.

Before Construction

- We conduct an environmental risk assessment on the construction site and surrounding community and the environmental management team develops risk mitigation measures based on assessment results;
- Relevant measures include formulating construction plans including green construction management and technical requirements, explicitly listing requirements and control measures for resource conservation and environmental protection, and formulating project-specific plans for green construction when necessary, such as special plans for energy conservation and energy utilisation, and special plans for solid waste (including construction waste) disposal.

During Construction

- The Project Department shall require and assist construction contractors to adopt construction processes and techniques favourable for resource conservation and environmental protection and eliminate or restrict those that are energy-intensive and eco-unfriendly;
- The Company organises operations according to construction plans and special plans for green construction, and formulates effective management and control measures in respect of soil protection, waste disposal, dust/smoke control, and noise control. It sets up car washing machines and fog guns in the plant areas and covers bare soil with dust nets. It also ensures the construction site environment management complies with the pertinent laws and regulations by performing effective dust control to promote ecological protection. Meanwhile, the Company should carry out energy and materials consumption management by formulating and implementing related measures according to the Energy and Resource Consumption Management Rules.

3. SEEKING SOUND GREEN DEVELOPMENT

Policies and Measures for Green Construction (before and during Project Construction)

The Project of Qilu Yihua

- Pipeline and structure anti-corrosive coating proceeded in an indoor workshop; material shot blasting and paint spraying were also carried out indoors; and waste generated from the anti-corrosion process was put under centralised disposal, to reduce paint volatilization, dust from rust removal, and other pollutants;
- Flooring came before the installation of piping, electrical equipment, and apparatus, to realise dust-free construction and optimise the construction environment;
- Impermeable flooring was designed in areas where contamination was likely to occur;
- Roads at the construction site were swept every day and watering trucks were deployed to reduce dust on site;
- Fencing between the construction area and surrounding roads was erected to reduce road pollution;
- Fog guns were used and bare soil was covered with dust nets at the construction site to protect the environment.

The Project of SP Chemicals

- Exposed soil was covered by fine mesh nets to reduce dust;
- Sedimentation tanks were installed at the construction site so that the construction water could settle before it was discharged to the designated location, as a move to reduce wastewater discharge;
- Dedicated workers were arranged to sort out fragmentary reusable materials from the waste yard at the construction site, in order to reduce waste.

The Project of Henan Shenma

- Many measures were adopted to reduce dust and realise green construction, which included covering bare soil with nets, reducing dust with dust guns and sprinklers, setting up shelters from the hot summer sun, and providing car washers at the construction site.



3. SEEKING SOUND GREEN DEVELOPMENT

Climate Change

Climate change is an issue of great concern to the international community, and a series of consequences caused therefrom, like water shortages, rising temperatures, more frequent extreme weather events, and natural disasters, affect everyone on a daily basis. In recent years, the Chinese government has introduced the “Dual Carbon” policy to encourage the elimination of outdated production capacity, accelerate the use of new energy sources such as hydrogen energy, wind power, and photovoltaic power as well as the R&D of new materials such as biodegradable plastics, and indicated that renewable resources and raw materials are not subject to the control of energy consumption. The relevant policies will bring new opportunities for the engineering services market, helping to alleviate the constraints on the energy consumption of chemical raw materials, release the industry capital expenditure, and promote the combined use of coal and new energy by enterprises.

Wison Engineering will respond to national policies and international trends on an ongoing basis, identify and manage the physical risks, transition risks, and opportunities that climate change poses to its operations and supply chain, and incorporate climate change-related factors into its business decisions to promote sustainable development of itself and society. We have made new energy business one of our strategic focus areas, advanced technological R&D in areas such as hydrogen energy chain, industrial exhaust gas capture, and carbon sequestration through chemistry, actively explored new business opportunities, and collaborated with world-leading patent holders to get prepared for climate change challenges.

Wison Engineering has identified the following climate change risks and opportunities, taking into account the existing risk management system, following the latest laws and regulations, and referring to the relevant international standards, industry characteristics, and development trends:

3. SEEKING SOUND GREEN DEVELOPMENT

Type of Risk	Climate Risk	Risk Level	Potential Risks/ Opportunities	Responses
Physical risk	Acute risk	Moderate	Increase in extreme weather conditions such as typhoons and rainstorms may cause damage to infrastructure facilities, delays in construction progress, and supply chain disruptions	<ul style="list-style-type: none"> • Develop extreme weather contingency plan • Regularly check whether buildings are compliant with the latest local building standards and carry out necessary repairs • Add back-up power and water storage facilities • Have early discussion with suppliers and logistics companies on emergency measures in extreme weather (including discussion with owners on contingency plans and timely communication on relevant matters such as additional budgets, overtime arrangement, and additional equipment on site (water pumps)) • Adopt the advanced engineering techniques and build to the highest standards, taking into account maximum affordability
	Chronic risk	Low	Extreme hot weather may increase the demand for cooling and threaten the health of employees working outdoors	<ul style="list-style-type: none"> • Provide appropriate health and safety training and heatstroke prevention measures for employees • Use ground water for cooling to reduce electricity consumption in the office • Use renewable sources of energy to reduce energy consumption (i.e. increasing the use of PV power) • Optimise the operational efficiency of heating, ventilation, and air conditioning systems to minimise power consumption

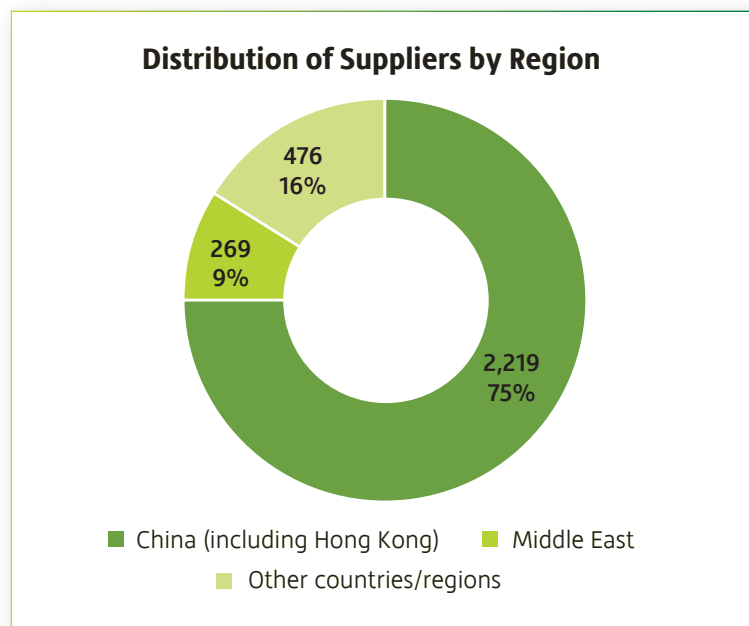
3. SEEKING SOUND GREEN DEVELOPMENT

Type of Risk	Climate Risk	Risk Level	Potential Risks/ Opportunities	Responses
Transition risk	Market risk	Moderate	Address the growing concern of stakeholders on sustainability	<ul style="list-style-type: none"> Respond to national policies and international trends by focusing on new energy business and energy saving & emission reduction measures Get informed of the latest policy requirements by communicating with clients, industry associations, and government organs and enhance staff training on these requirements
	Technical risk	Moderate	Increase relevant R&D costs and investments in technology innovation for the transition to a low carbon economy	<ul style="list-style-type: none"> Develop new and clean energy sectors such as solar power, wind power, hydrogen energy, and CO₂ integrated use
	Policy and legal risk	Low	China is resolutely implementing the “Dual Carbon” policy, promoting advanced technology and factory transformation and upgrading, and encouraging the use of new energy sources and the development of new materials	<ul style="list-style-type: none"> Keep abreast of the latest climate change related laws and regulations and integrate them into business management strategies Accelerate the pace of penetration into new energy business, and give full play to the advantages in independent R&D and engineering technologies

4. PROMOTING COLLABORATION AND MUTUAL SUPPORT

4.1 SUSTAINABLE SUPPLY CHAIN

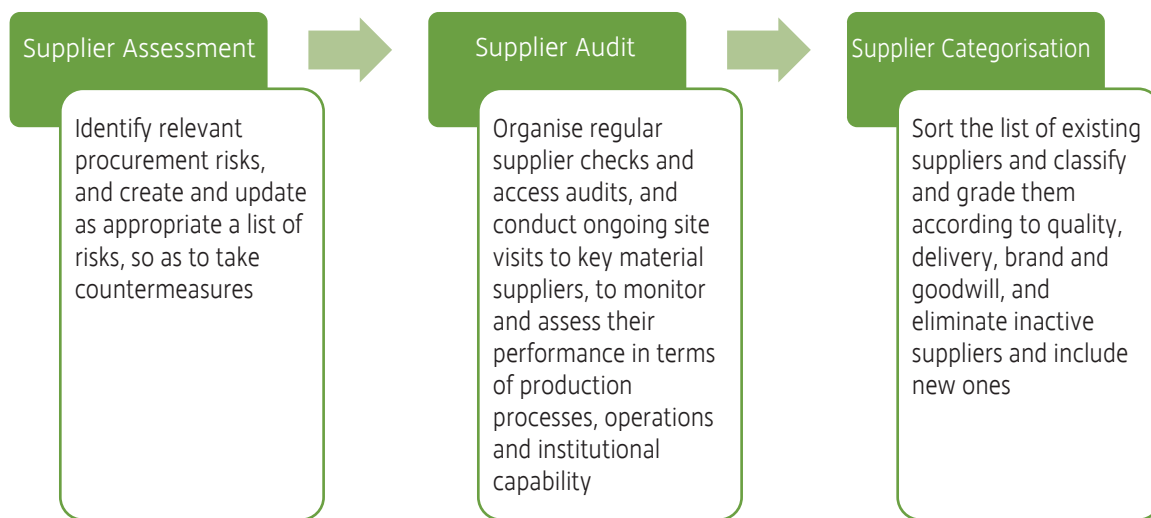
Wison Engineering is committed to implementing stable, healthy, compliant, and sustainable procurement practices and works closely with suppliers to provide quality-consistent products and long-term quality services that meet high QHSE standards. During the Reporting Period, the Group continued to improve its processes and systems for supplier access and assessment, complied with its commitments to environmental protection, product quality, and social responsibility, and communicated actively and effectively with suppliers. By doing so, it was able to create a robust sustainable supply chain, which would help manage risks, improve efficiency, and reduce costs. The Group had a total of 2,964 suppliers, including 745 overseas suppliers. Distribution of suppliers by region is set out below:



Supplier Assessment and Audit

The Company upholds the principles of “fairness, impartiality, openness, and transparency” in the access and assessment of suppliers. To regulate and strengthen the management of supplier resources, select qualified suppliers, and ensure that the engineering materials procurement services provided by suppliers can meet the relevant regulations and requirements, the Supplier Management Rules has been formulated, which sets out many aspects of content including the principles of supplier management and categorisation, the process and management requirements for supplier access, selection, assessment and evaluation, dynamic management, incentive and cultivation, the management policies for construction subcontractors, design subcontractors, and design subcontractors, material and service suppliers, etc., and the specific processes of risk assessment, audit, access, and grading of suppliers. The Supplier Management Rules are applied to the selection and engagement of all our suppliers, and the purpose of this set of rules is to continuously enhance the efficiency and effectiveness of supplier management.

4. PROMOTING COLLABORATION AND MUTUAL SUPPORT

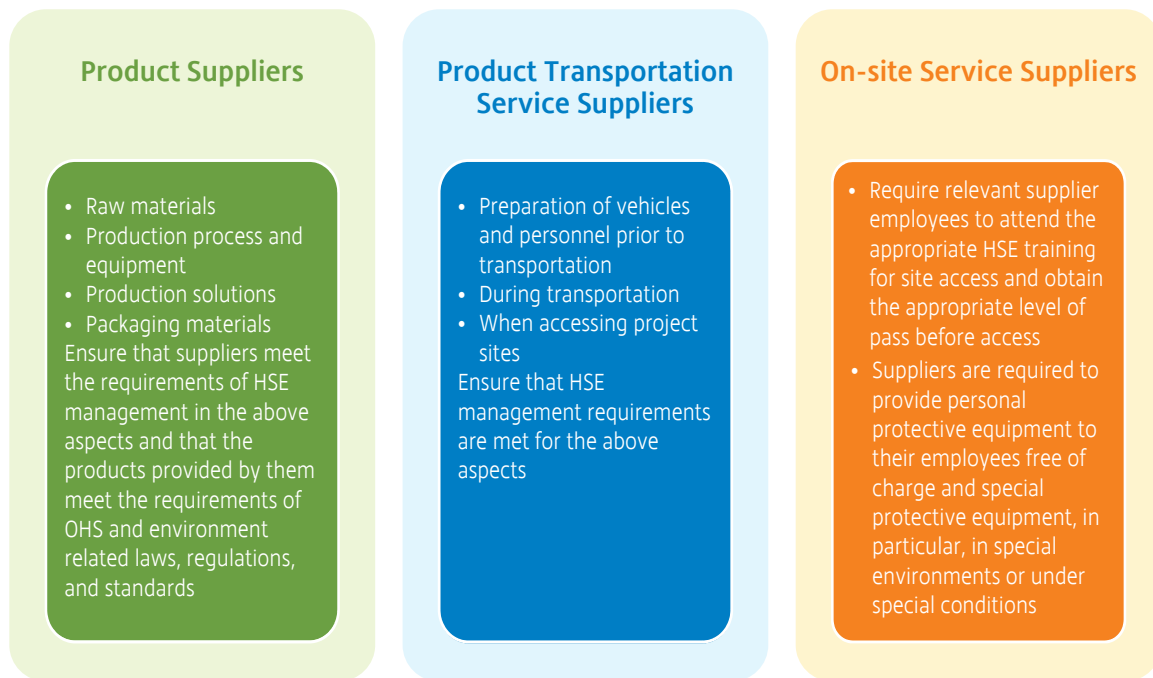


Supplier Assessment, Audit and Categorisation

Environmental and Social Requirements for Suppliers

While pursuing more competitive terms and conditions for procurement, Wison Engineering also pays close attention to labour standards, HSE, and other social responsibility-related codes of conduct in the hope of establishing long-term relationships with socially responsible suppliers, thereby creating a healthy and reciprocal supply chain ecosystem. We strictly follow the Anti-Unfair Competition Law of the People’s Republic of China, the Civil Code of the People’s Republic of China, the Bidding Law of the People’s Republic of China, and other laws and regulations, and have accordingly formulated such internal documents as the Management Policy for Anti-corruption, Anti-bribery and Anti-money Laundering and the Contract Negotiation Management Measures. To encourage suppliers to take social responsibility and value and enhance the QHSE standards, the Group requires them to understand, sign, and comply with the HSE Management Requirements for Projects of Wison Engineering and the Equipment Packaging, Labelling and Shipping Requirements, and makes it mandatory for manufacturers to obtain the ISO 9001 quality management system certification. With all things being equal, it gives preference to suppliers with ISO 14001, OHSAS 18001/ISO 45001, ISO 27001, and other certifications.

4. PROMOTING COLLABORATION AND MUTUAL SUPPORT



HSE Management Requirements for Suppliers

We also make efforts to ensure clean and compliant partnerships by requiring all suppliers to sign the Letter of Commitment to Integrity before engaging in business activities with us, and strictly abide by laws and regulations during the business negotiation process to eliminate underhanded operation and exchange of benefit, so as to ensure clean practices in the Group. During the Reporting Period, 100% of the Group’s suppliers signed the Letter of Commitment to Integrity.

Green Procurement

Wison Engineering continues to develop green procurement, hoping to reduce the environmental impact of the supply chain and make the supply chain more eco-friendly with effective measures. The Group gives priority to sourcing raw materials or products that are environmentally friendly, such as energy, water and material-saving ones, and to establishing long-term partnerships with suppliers that are more socially responsible. Meanwhile, we also devise transportation solutions to reduce traffic costs and energy consumption. For example, we require transportation service suppliers to make plans in advance, inspect transportation routes, and select vehicles and vessels, so as to practice the concept of green supply chain.

4. PROMOTING COLLABORATION AND MUTUAL SUPPORT

Communication and Cooperation

Enhancing communication between an enterprise and its suppliers is conducive to mutual assistance and common growth on the two sides. Through cooperation and communication about technical solutions, Wison Engineering provides focused training and guidance to relevant parties, which is conducive to solidifying the production and operation standards and supply capabilities of its suppliers, thereby effectively controlling their supply chain risks to the Group.

Quality Control



- Screen out technical issues in advance
- Prepare equipment standard drawings
- Provide guidance on points prone to quality problems

Cooperation Support



- Actively recommend Chinese suppliers to be included in the supplier list of overseas project owners, and improve the capabilities in overseas project execution

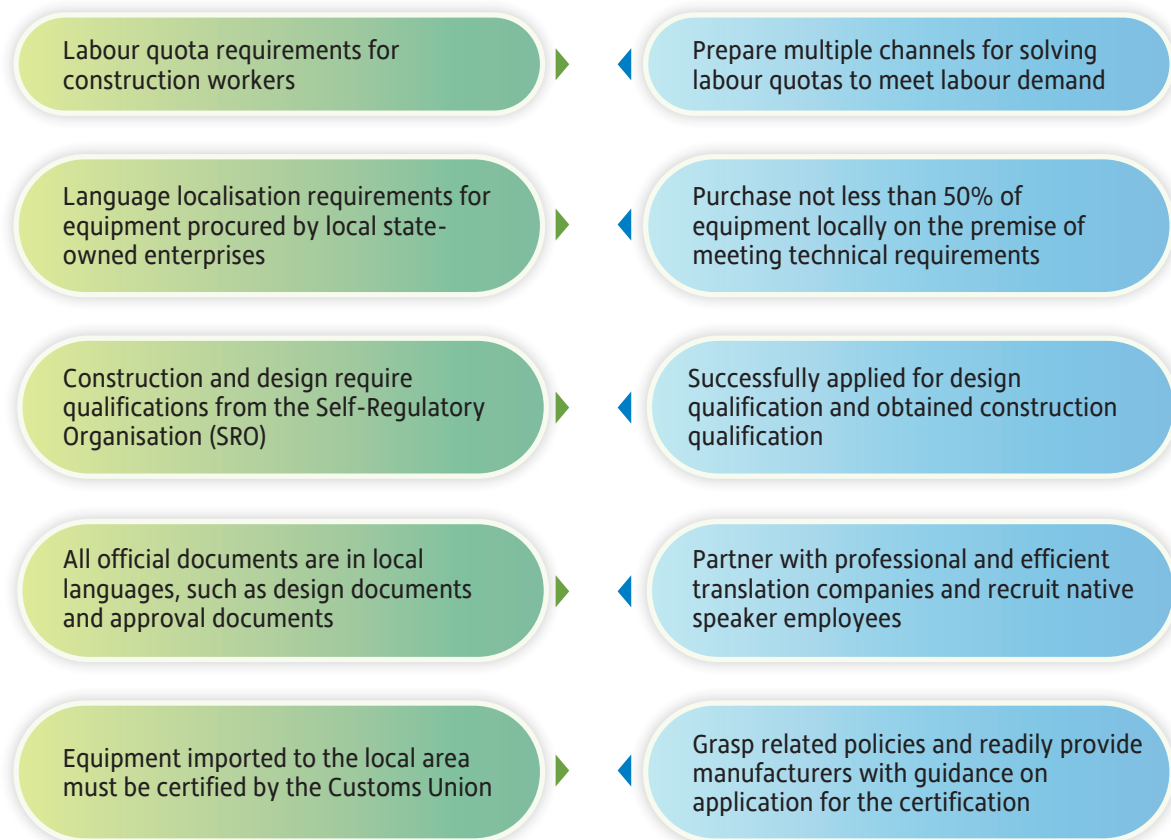
4.2 CUSTOMER SERVICE

Wison Engineering is committed to maintaining good customer relationships and providing high-quality customer service. With our products and technologies accurately pinpointed in the market, we integrate all technologies from various parties and maintain close contact with each customer by conducting regular satisfaction surveys and occasional visits to collect their suggestions and take them into account promptly. Meanwhile, we make every effort to protect the information security and privacy of customers as per various regulations.

Communication and Advice

The Group continues to improve its customer communication channels and does every possible to meet the needs of each customer. We provide unimpeded and diverse methods to render customer service and deal with customer complaints, achieving effective control over customer service, and put in place clear service specifications to help address customer suggestions and comments in a timely manner, which in turn enables us to improve our service quality continuously. In addition, Wison Engineering endeavours to make every customer feel valued, and will do its best to respond to the special needs and suggestions of overseas customers.

4. PROMOTING COLLABORATION AND MUTUAL SUPPORT

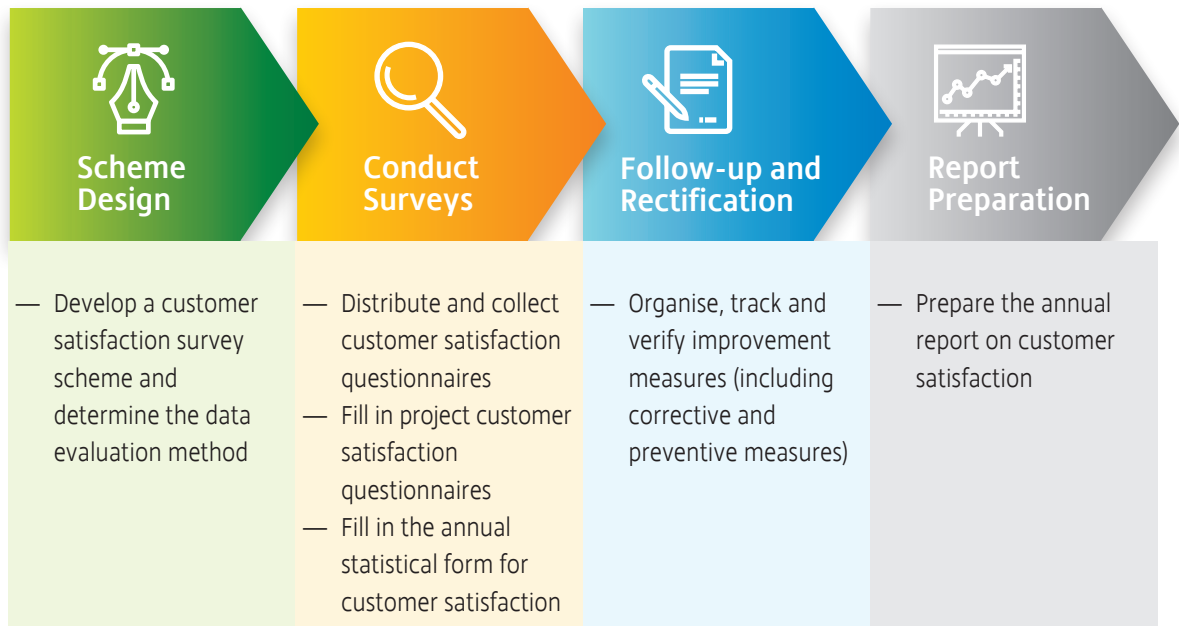


Meeting Special Requirements of Overseas Customers

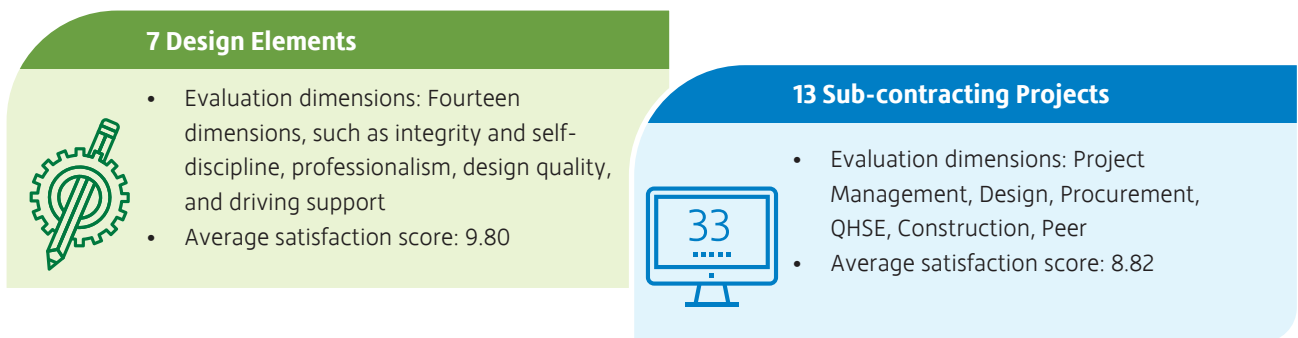
Customer Satisfaction

Customer satisfaction surveys and feedback are useful for the Group to review its own services and further reflect on and improve its management. Wison Engineering has prepared the External Customer Satisfaction Assessment Procedures as a reference, and regularly conducts customer satisfaction surveys from dimensions such as programme design, surveying, follow-up rectification, and report preparation, and summarises survey findings given the concerns of different projects and different assessment dimensions. At the same time, Wison Engineering communicates with clients in a positive, proactive, and friendly manner to solve problems and implement projects together. To this end, project managers are stationed at project sites to assist in solving clients' problems and project meetings are convened on a regular basis to follow up on progress. All these steps are intended to improve customer satisfaction continuously. During the Reporting Period, we did not receive any complaint about our products and services.

4. PROMOTING COLLABORATION AND MUTUAL SUPPORT



Customer Satisfaction Survey Process



2022 Customer Satisfaction Survey Results

4. PROMOTING COLLABORATION AND MUTUAL SUPPORT

Information Security

Wison Engineering strictly abides by the Law of the Consumer Protection Law of the People’s Republic of China, the E-Commerce Law of the People’s Republic of China, and other relevant laws and regulations, and has formulated the Information Identifier Processing Procedures to protect customers’ information security and privacy in all aspects, better manage all kinds of information of customers in production, technology, and operation activities, and to prevent customers and the Company from suffering unnecessary economic losses and legal disputes due to inappropriate use or leakage of information. Meanwhile, we also provide training to our staff on the protection of customer privacy, raise their awareness of privacy and security, strictly prohibit the arbitrary sharing and disclosure of information, and arrange for dedicated employees to archive and retain customer information, thus creating a harmonious and responsible workforce. Furthermore, we resolutely prevent the leakage of information on suppliers, partners, and customers, and in the event of such leakage, we will act in strict accordance with the pertinent laws and regulations.

Before Project	After Project
<ul style="list-style-type: none"> • Sign confidentiality agreements with customers with 100% of signing rate during the Reporting Period • The agreement stipulates that only project employees have the privileges to use customer data; • any data or information provided by customers cannot be disclosed without their permission 	<ul style="list-style-type: none"> • Strictly prohibit disclosure of the following customer-related information to third parties or the public without the permission from customers: projects, other suppliers, project or production equipment photos, capital, organisational structure and employees • Check with owners before releasing news on new projects, and confirm with all parties involved before releasing press releases on contracts and cooperation

4.3 MUTUAL BENEFITS AND WIN-WIN RESULTS

Wison Engineering is committed to working with others to form a mutually beneficial and win-win pattern of development. We actively cooperate with industry peers and share expert resources to gain complementary advantages, reach practical collaboration, and establish strategic partnerships for common growth.

4. PROMOTING COLLABORATION AND MUTUAL SUPPORT

Standard Compilation

The formulation of standards can promote the continued progress of the industry and industry chain and avoid unreasonable competition. Wison Engineering actively participates in activities and exchanges for the development of industry standards, and pays ongoing attention to and supports the standardised and orderly development of the industry. During the Reporting Period, Wison Engineering implemented or issued two standards at the national level and two at the group level.

Technical Cooperation

Wison Engineering continues to push forward independent R&D and external strategic cooperation, generating win-win outcomes with external parties around the strategic goal of “making cutting-edge innovation (technology + engineering)”.

Collaboration on Research of Technology Used to Liquefy Green Hydrogen for Storage and Transportation

During the Reporting Period, the Company signed a strategic cooperation framework agreement with the Academy of Aerospace Propulsion Technology, a research institution focusing on aerospace liquid power under the China Aerospace Science and Technology Corporation. The two parties set up a close cooperation mechanism, under which they would focus on green hydrogen liquefaction and storage technology, and carry out research and application on hydrogen technology, project implementation and major equipment manufacturing. They launched their comprehensive strategic cooperation on a liquid hydrogen project in the first half of 2022.

Collaboration on Innovative Technologies concerning Degradable Plastics

The Company signed a new technology cooperation agreement on PGA and the general contract on a pilot study with Inner Mongolia Rongxin Chemical Co., Ltd. on 1 May 2022, to promote the engineering scaling up and industrialisation of the new technology. During the Reporting Period, it also signed a contract on the preparation of a feasibility study report about the PGA project with Anhui Haoyuan Chemical Group Co., Ltd.

5. CARING FOR THE GROWTH OF EMPLOYEES

Wison Engineering firmly believes that employees are the cornerstone of corporate success, and this has set the direction for its talent management efforts, that is, it strives to become a responsible employer. The Group strictly abides by relevant laws and regulations, upholds the principles of “equality, diversity, and inclusion” in the recruitment process to hire capable persons extensively, continuously improves the personnel management and skills development system, and cares for employees and their well-being from their perspective. In doing so, we sincerely hope that each and every employee could benefit from our development and realise their value.

5.1 EQUALITY AND INTEGRATION

Wison Engineering continues to optimise and improve its human resources management, enhance the equality and compliance of its employment system, and ensure a diversified and inclusive working environment through efficient human resources management, thus achieving the all-around development of personnel and the Company. With the vision of “building a world-class energy and chemical engineering company” and the development strategy of “seeking cutting-edge innovation, focusing on principal operations, and establishing a global presence”, we rely on the corporate culture of “vitality, efficiency, excellence, compliance, and mutual benefits” to continuously improve the management regimes, rules, and policies by establishing three management systems, that is, project management, technical management, and operation management, and the corresponding three talent teams. We improve the cadre management mechanism and continue to promote the employee equity incentive scheme and the categorised assessment incentive mechanism. Besides, a dynamic talent management system has been put in place to promote the building of talent development channels and platforms. Meanwhile, efforts are made to explore and optimise the Human Resources Business Partner (HRBP) programme, which was exemplified in strengthening management, supervision, and service intensity this year.

Fairness and Compliance

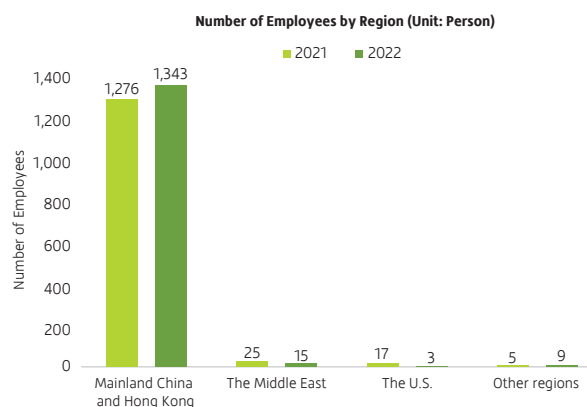
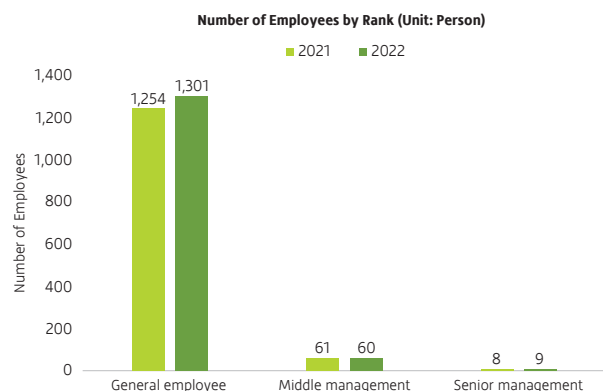
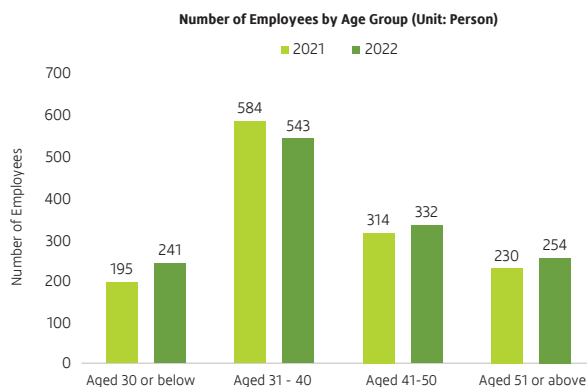
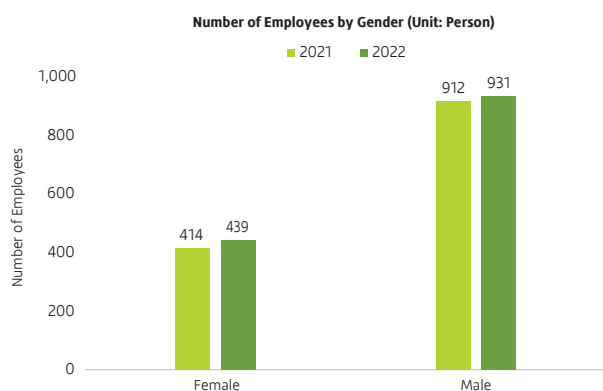
Keenly aware that employees are the cornerstone of a company’s success, Wison Engineering has developed and upheld a fair, just, and open system for employee recruitment for a long time. We strictly abide by the Labour Law of the People’s Republic of China, the Labour Contract Law of the People’s Republic of China, the Social Insurance Law of the People’s Republic of China, and other pertinent laws and regulations, and have formulated the Employee Recruitment Management Rules and the Annual Human Resources Plan 2022 given our business nature and operation conditions, in order to streamline the staff recruitment process, optimise the allocation of our human resources, and ensure fairness in recruitment and hiring opportunities.

5. CARING FOR THE GROWTH OF EMPLOYEES

We strictly check and review the identity documents of applicants, their relevant certificates and work experience, etc. during the recruitment process. If any non-compliance is spotted, the applicants concerned shall not be hired. We will resolutely eliminate child labour. In case of any loopholes, investigation and remedial measures will be conducted to prevent the occurrence of similar conditions. Meanwhile, we have clearly defined work and rest hours to eliminate forced labour completely, and follow the principles of “legality, fairness, consensus, and integrity ” when signing employment contracts. Wison Engineering is committed to continuously improving its management policies to protect the rights and benefits of its employees. We determine salaries of employees based on their qualifications and positions and our pay scale, and formulate rules to ensure employees have access to remuneration, benefits, and leave.

Extensive Recruitment of Capable Persons

Wison Engineering has continued to optimise the allocation of human resources in recent years to attract high-calibre talent. As of 31 December 2022, we had a total of 1,370 employees (all being full-time employees). The breakdowns of employees by gender, age group, rank, and region are set out below:



5. CARING FOR THE GROWTH OF EMPLOYEES

During the Reporting Period, the total employee turnover rate⁸ of the Group was 13.33%. The employee turnover rates by gender, age group and region are set out below:

Employee Turnover Rate	Turnover in 2021	Turnover in 2022
Total employee	19.13%	13.33%
Turnover Rate by Gender		
Male	18.80%	13.51%
Female	19.86%	12.93%
Turnover Rate by Age Group		
30 or below	22.75%	15.05%
31-40	23.25%	17.64%
41-50	16.33%	13.14%
51 or above	10.04%	1.74%
Turnover Rate by Region		
Mainland China and Hong Kong	18.78%	13.19%
Other regions	19.15%	17.95%

Both the Group and its employees have the right to terminate the employment relationship. We will handle the separation procedures for employees who have submitted applications for resignation given the conditions set out in the Employee Handbook, and employees need to hand over their work as required. The Personnel Department will arrange exit interviews for employees who request to resign to learn about the reasons for their departure and, if necessary, to optimise the Group's human resources management policies.

⁸ Total employee turnover rate = Number of employees leaving during the Reporting Period deducting the headcount dismissed on the Company's own initiative/average monthly total number of employees during the Reporting Period x 100%.

5. CARING FOR THE GROWTH OF EMPLOYEES

Diversity and Inclusion

With the size of overseas markets growing year by year, Wison Engineering has extended its service reach from China to Southeast Asia, the Middle East, and North America, among other places all over the world. Driven by the strategic goal of internationalisation, we will make continued progress in staff diversity and localisation, and hope to fit well into the cultures and boost economic development and employment in the places where we operate, while seeking our cultural and business development. Meanwhile, we will focus on training core personnel to ensure team stability, a prerequisite for enhancing our international competitiveness, and flexibly adjust our payroll process to protect employees' salaries and benefits from currency devaluation and other adverse factors.

At the same time, Wison Engineering works to build an inclusive and supportive working environment for its employees, giving them equal opportunities for development through the diverse and inclusive human resources management methods. We have developed the Employee Handbook that advocates treating candidates and employees of different genders, ages, nationalities, races, cultural backgrounds, and religious beliefs equally as per the equal and non-discriminatory employment policy. Ensuring employees from varying backgrounds stay in a mutually supportive work environment will stimulate innovation and creativity, and help form a mutually beneficial and healthy relationship in favour of business development. In seeking business development in each operating region, Wison Engineering respects the local culture. For example, local cultural and religious elements are incorporated into the process of office decoration. Cultural integration is promoted to help employees respect each other's religious beliefs, customs, and personal preferences. Besides, we also advocate integrating the concept of inclusion and mutual assistance into our routine management, organise annual training and awareness-raising activities to create an inclusive, mutually supportive, and diverse working atmosphere and resolutely resist any form of discrimination and harassment at the workplace.

"Power of Women: the Amazing She" Special Event of Wison Engineering

In March 2022, Wison Engineering organised a special event called "Power of Women: the Amazing She" to select 45 model female employees across the Company and compile their stories into a special issue of the house journal in celebration of the Women's Day. While expressing our gratitude to every female employee for their dedication, this event could also advocate building an equal and inclusive workplace environment. Wison Engineering is always concerned about the opportunities and challenges faced by female engineers. We are convinced that women should be equally respected and motivated in the workplace.

5. CARING FOR THE GROWTH OF EMPLOYEES

5.2 TRAINING AND DEVELOPMENT

Wison Engineering regards employee training and development as a vital part of corporate development. During the Reporting Period, the Company continued to improve its talent training system, reformed its programmes for building talent development channels and platforms, and increased training opportunities for employees through a series of methods such as the Employee Training Management Rules and the Wison Academy. Meanwhile, it continued to provide promotion channels through the performance management-based career development system, and improved the employee equity incentive scheme in the hope of motivating employees to perform better, a prerequisite for ultimately achieving joint development of the Company and employees.

Personnel Training

To regulate the management of staff training, promote staff career development, and establish a personnel training mechanism, Wison Engineering has formulated the Rules on the Management of Staff Training, which sets out the purposes and types of training as well as the requirements for training plan, budgeting, implementation, and management. The aforesaid document is intended to promote the joint development of the Company and its employees. We provide employees with induction training, skills training, IPR training, and corporate culture training, divide training courses into internal and external ones, and formulate various types of training plans, which are mainly aimed to assess attendees with indicators such as degree of engagement, learning quality, and key initiatives.

Skill Training

- External skill training
- Occasional thematic training events

Business Training

- Annual inter-departmental training
- Centralised departmental training
- International talent training

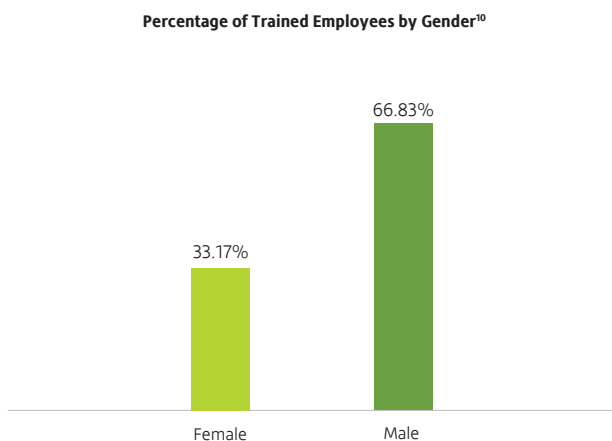
General Training

- Induction training
- Corporate culture training

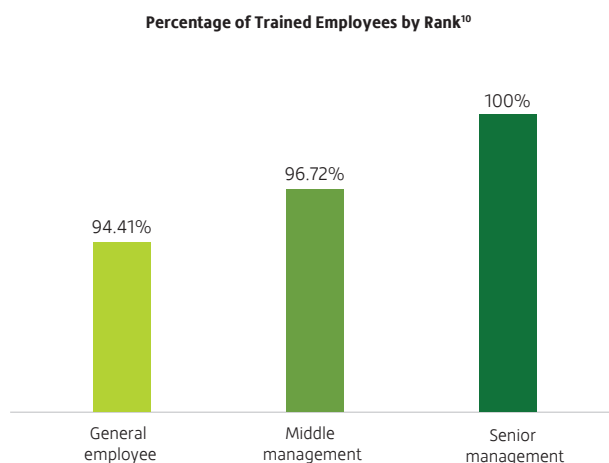
5. CARING FOR THE GROWTH OF EMPLOYEES

In addition, Wison Engineering has operated and improved the Wison Academy, which has the task of turning out talents, optimising staff distribution, and promoting corporate culture for overseas and domestic projects and marketing campaigns. During the Reporting Period, we continued to organise and plan various design simulation competitions, themed sharing sessions, and practical courses, and invited professionals to give lectures, with a view to creating an all-employee learning atmosphere. In doing so, we hoped to establish a platform vital for talent training, corporate culture dissemination, corporate image display, and staff communication, so as to enhance the professional skills of staff on all fronts and meet the needs for joint development of employees themselves and corporate business. During the Reporting Period, we organised 46 learning and exchange sessions at the corporate level, which posted an attendance of 3,376 and lasted 22,367 hours⁹, with an average of 17.60 hours per employee.

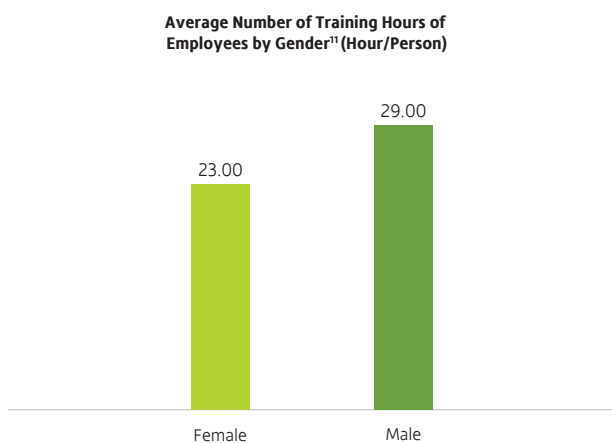
Percentage of Trained Employees by Gender¹⁰



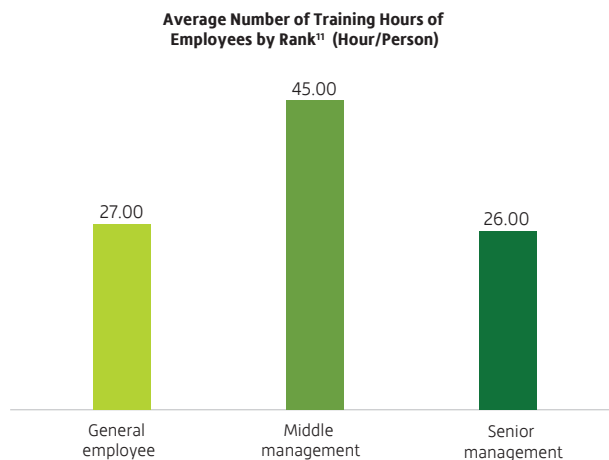
Percentage of Trained Employees by Rank¹⁰



Average Number of Training Hours of Employees by Gender¹¹ (Hour/Person)



Average Number of Training Hours of Employees by Rank¹¹ (Hour/Person)



⁹ The training data cover employees in the Chinese mainland and Hong Kong, China.

¹⁰ Percentage of Employees Trained = Employees trained in the category / Number of employees in the category × 100%.

¹¹ Average Training Hours of Employees = Training hours of employees trained in the category / Number of employees in the category × 100%.

5. CARING FOR THE GROWTH OF EMPLOYEES

During the Reporting Period, the Group's three-tier training regime remained relatively stable, with training sessions at the levels of the Group, departments, and projects gradually being systematised, which was exemplified by the compliant implementation in many spheres, such as course schedules, lecturer teams, frequency of training and management ledgers, and online tracking and feedback, the systematised qualification management, and the proper implementation of incentive policies for obtaining relevant certifications and passing qualification examinations. At the same time, due to COVID-19 and other objective factors, a large number of online training courses were launched and obtained government subsidies of RMB1.45 million.

"New Life with a Dream" — 2022 Training Camp for Fresh Graduates

In August 2022, 45 fresh graduates from Shanghai, Beijing and Zhengzhou gathered at the Wison Centre in Shanghai to attend a four-day induction training for new recruits. Taking a long-term perspective, the course focused on developing self-awareness and internal motivation, providing a platform for new employees to gain comprehensive qualities that are essential for breaking down the barriers of professions and departments, and helping new employees deeply integrate their career planning with the Company's future development strategy.



Promotion Channels

Wison Engineering is committed to attaining joint development of the Group and its employees. By improving and implementing clear talent pool and incentive policies such as the Performance Management System and the Wison Career Development System, we provide employees with equal access to promotion channels and make employees' individual career development better-planned and more down-to-earth.

In terms of performance management, the Company continues to optimise its appraisal system, which could provide more detailed advice for career planning for employees in a science-based and equitable manner. The results of performance management can be used as a basis for salary incentives and job promotions, effectively identifying and motivating outstanding employees, implementing personnel training programmes, and proposing optimisation plans for those underperforming. At the same time, we continue to improve and implement the equity incentive mechanism, hoping to establish a fair and transparent rewarding system, a prerequisite for further motivating employees and promoting their growth with us together.

5. CARING FOR THE GROWTH OF EMPLOYEES

The Group has also established the Wison Career Development System, which provides two parallel career paths for employees, that is, “Professional Technicians” and “General Management Personnel”, defines professional sequences based on skill differences, and sets out explicit requirements for the work capability and experience of employees at different levels, thus helping employees to plan their careers according to their own circumstances and enhancing the Company’s organisational capabilities.

5.3 EMPLOYEE CARE AND WELL-BEING

Employees are a valuable asset to Wison Engineering. We recognise their dedication, care for their physical and mental health, and pay close attention to their needs at work and in life, which is a concrete manifestation of our people-oriented management philosophy. From health and safety, to communication, to well-being and care, we are committed to ensuring the health and safety of our employees, establishing effective communication channels to hear out their suggestions and needs and provide timely feedback, and offering a range of benefit policies to bring much-needed care and assistance to our employees.

Employee Communication

Wison Engineering adopts an open communication policy to establish a harmonious relationship between internal management and staff and between employees, create an efficient and open working environment that encourages mutual trust, and minimise possible misunderstandings during the transmission of information. By creating diverse methods for communication and combining online and offline channels, we hope to ensure efficient, accurate, and timely communication with our employees.

Top-down Communication	Bottom-up Communication
<p>In order to help employees understand our development philosophy and strategic decisions more effectively, we made sure heads of various departments received the opinions of the Senior Management and then communicate such opinions within their respective departments at regular meetings. Meanwhile, we interpreted the management’s decisions on Wison’s WeChat Official Account from time to time to strengthen the internal communication of the Company.</p>	<p>In order to enable senior executives to better understand the real needs and ideas of general employees, we launched the activity of “Issues Concerned by Wison’s Employees” on our mobile platform to collect the issues concerned and demanded by primary-level employees. We also held a Spring Festival seminar and a staff assembly for face-to-face dialogues, thus enhancing sense of belonging among employees and effectively helping them to solve their problems.</p>
Two-way Communication	
<p>The minutes of the weekly management meetings are also uploaded to the website to ensure that every employee is kept informed of the Company’s strategy and progress of various projects, and can show their personal views to their superiors.</p>	

5. CARING FOR THE GROWTH OF EMPLOYEES

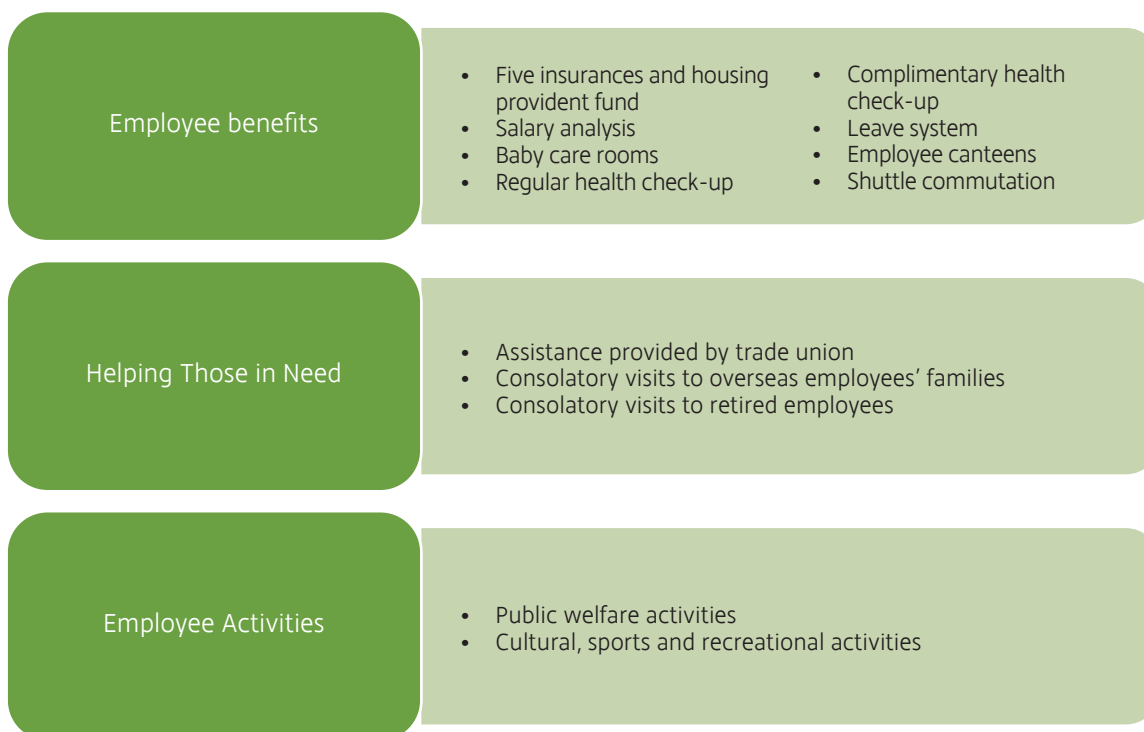
Below are employee communication channels of Wison Engineering:

Online Communication	Off-line Communication
<ul style="list-style-type: none"> • President’s Mailbox • House journal • WeChat Official Account • Online voting • Release of meeting minutes 	<ul style="list-style-type: none"> • Talks with employees • Departmental meetings • Team-building activities • Staff assemblies • Talks with President

In addition, Wison Engineering encourages employees to put forward useful suggestions on the development and routine management of the Company, which can be sent to the designated email address. The Group also protects the rights of employees to make suggestions, complaints, and appeals on matters relating to work, labour conditions, and relationship between co-workers, with a view to ensuring equal communication between the Company and its employees.

Employee Benefits and Care

Regarding employees as a valuable asset, Wison Engineering endeavours to safeguard the well-being of its staff members, care for their physical, mental, financial, and social health, understand their needs and provide appropriate assistance, including various kinds of subsidies, allowances, and consolatory visits, thus helping employees solve their problems, bringing the Company and its staff closer together, and creating a caring and harmonious workplace environment.



5. CARING FOR THE GROWTH OF EMPLOYEES

Employee Benefits and Assistance

As a people-oriented company, we strive to provide benefits and moderate assistance for our employees. During the Reporting Period, we analysed and adjusted employee remuneration, emphasising the linkage between employee performance and reward, in order to enhance their motivation and enthusiasm for work, while coping with inflation and relieving the pressure of life. The Group continued to purchase additional commercial insurance for its employees to cover their personal safety at work. At the same time, we expressed our sincere gratitude to all our staff members for their dedication, and continued to send our New Year greetings to our overseas staff and their families in appreciation of their contribution.

- During the Reporting Period, 17 employees were recommended to apply for subsidies from critical illness aid and livelihood aid programmes.
- We helped employees in need and their families to apply for government subsidies. This year, we helped 13 employees to get material support from governments, including duvets and diagnosis and treatment devices.

Employee Activities

A good work-life balance enables employees to maintain physical, mental, and social health. Therefore, Wison Engineering holds a variety of cultural and sports activities to enrich the after-work life of employees, promote their health and safety, help them well fit into the Company, and ultimately build a harmonious and cohesive team. During the Reporting Period, Wison Engineering organised 11 staff activities to show its care for employees (each with an attendance of 30).

5. CARING FOR THE GROWTH OF EMPLOYEES

DIY Activities of Wison Engineering

Mid-autumn Festival Lantern DIY Activity

On the afternoon of 9 September 2022, Wison Engineering Trade Union, in collaboration with China CITIC Bank, held a DIY activity on the theme of Mid-autumn Festival. Thirty staff members from various departments and offices gathered at the Wison Academy to make lanterns, creating a strong festive atmosphere.

Review of Two Summer DIY Activities for Employees

In July 2022, Wison Engineering Trade Union, in cooperation with China CITIC Bank, organised two consecutive summer DIY activities at the Shanghai headquarters of the Company, in which employees made aromatherapy essential oils and mini succulents as office plants. The two sessions were well received by staff members and made a hit. The purpose of these activities is to enrich the spiritual and cultural life of staff after work.



Diverse Sports Activities of Wison Engineering

Always caring about the physical and mental health of its staff, Wison Engineering spares no effort to hold various sports activities for employees. We have an in-house gymnasium, which comes with a variety of sports facilities such as badminton courts, treadmills, and fitness equipment, and provide funding for the activities of our football club, badminton club, and basketball club. Our badminton club held a series of activities from September to October 2022 to improve mutual understanding and teamwork collaboration in the workplace and help employees maintain physical and mental health.



6. GIVING BACK TO SOCIETY

Wison Engineering has always been committed to fulfilling corporate social responsibility. Deeming “involvement in and dedication to community affairs” as a sustainable development strategy and upholding the corporate mission of “Better Technology, Better Life”, we continue to give back to society, take social responsibility through various forms, and facilitate the formulation of a harmonious win-win situation. We have been actively engaged in public welfare activities for a long time. Specifically, we have established the Wison Art Centre as a non-profit art institution; built Wison Hope Primary Schools in poor areas of China; made donations in times of major natural disasters; and worked on the front line of the fight against COVID-19 by providing manpower and financial support for local communities.

This year, we were awarded a donation certificate for our support to the campaign of “East-West Collaboration to Pursue Rural Revitalisation by Building on Success in Poverty Alleviation”.



APPENDIX I LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

List of Major Applicable Laws and Regulations
Enterprise Risk Management Integration Framework (《企業風險管理整合框架》)
Foreign Corrupt Practices Act 1977 of the United States (《美國 1977 年反海外腐敗法》)
Bribery Act 2010 of the United Kingdom (《英國 2010 年反賄賂法》)
Prevention of Bribery Ordinance of the Hong Kong Special Administrative Region (《香港特別行政區防止賄賂條例》)
Company Law of the People's Republic of China (《中華人民共和國公司法》)
Criminal Law of the People's Republic of China (《中華人民共和國刑法》)
Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》)
Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》)
Law of the People's Republic of China on Consumer Rights Protection (《中華人民共和國消費者權益保護法》)
Electronic Commerce Law of the People's Republic of China (《中華人民共和國電子商務法》)
Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》)
Law of the People's Republic of China on Emergency Response (《中華人民共和國突發事件應對法》)
Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》)
Regulations on Safety Production Management of Construction Projects (《建設工程安全生產管理條例》)
Regulations on Safety Management of Dangerous Chemicals (《危險化學品安全管理條例》)
Law of the People's Republic of China on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》)
Regulations on Work-Related Injury Insurance (《工傷保險條例》)
Regulations on the Administration of Overseas Public Safety (《境外公共安全管理規定》)
Regulations on Reporting, Investigation and Handling of Work Safety Accidents (《生產安全事故報告和調查處理條例》)
Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)
Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution (《中華人民共和國環境噪聲污染防治法》)
Water Pollution Prevention Law of the People's Republic of China (《中華人民共和國水污染防治法》)

APPENDIX I LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

List of Major Applicable Laws and Regulations
Law of the People's Republic of China on Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》)
Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》)
Law of the People's Republic of China on Assessment of Environmental Impact (《中華人民共和國環境影響評價法》)
Management Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》)
Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》)
Labour Law of the People's Republic of China (《中華人民共和國勞動法》)
Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)
Special Provisions on Labour Protection of Female Employees (《女職工勞動保護特別規定》)

APPENDIX II CONTENT INDEX OF HKEX ESG REPORTING GUIDE

Major scope, aspect, general disclosure and key performance indicators (KPI)		Sections in the Report
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	3.4 Green Development
KPI A1.1	Types of emissions and respective emissions data	3.4 Green Development
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.4 Green Development
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.4 Green Development
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.4 Green Development
KPI A1.5	Description of the emission target(s) and steps taken to achieve them.	3.4 Green Development
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	3.4 Green Development
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3.4 Green Development
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	3.4 Green Development
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.4 Green Development

APPENDIX II CONTENT INDEX OF HKEX ESG REPORTING GUIDE

Major scope, aspect, general disclosure and key performance indicators (KPI)		Sections in the Report
KPI A2.3	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	3.4 Green Development
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	3.4 Green Development
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group does not involve packaging materials due to the nature of the business.
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources.	3.4 Green Development
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.4 Green Development
Aspect A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	3.4 Green Development
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	3.4 Green Development
B. Social — Employment and Labour Practices		
Aspect B1	Employment	
General Disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	5. Caring for the Growth of Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5.1 Equality and Integration
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	5.1 Equality and Integration

APPENDIX II CONTENT INDEX OF HKEX ESG REPORTING GUIDE

Major scope, aspect, general disclosure and key performance indicators (KPI)		Sections in the Report
Aspect B2	Health and Safety	
General Disclosure	Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	3.3 Safety First 5.3 Employee Care and Well-Being
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.3 Safety First
KPI B2.2	Lost days due to work injury.	3.3 Safety First
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.3 Safety First 5.3 Employee Care and Well-Being
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work.	5.2 Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2 Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	5.2 Training and Development
Aspect B4	Labour Standards	
General Disclosure	Information relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	5.1 Equality and Integration
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Equality and Integration
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Equality and Integration

APPENDIX II CONTENT INDEX OF HKEX ESG REPORTING GUIDE

Major scope, aspect, general disclosure and key performance indicators (KPI)		Sections in the Report
B. Social — Operating Practices		
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.1 Sustainable Supply Chain
KPI B5.1	Number of suppliers by geographical region.	4.1 Sustainable Supply Chain
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.1 Sustainable Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.1 Sustainable Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.1 Sustainable Supply Chain
Aspect B6	Product Responsibility	
General Disclosure	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	3.3 Safety First 4.2 Customer Service Due to the nature of the business, the advertising and labelling of the group's products and services is not applicable.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.2 Quality First
KPI B6.2	Number of products and services related complaints received and how they are dealt with.	4.2 Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.1 Independent R&D
KPI B6.4	Description of quality assurance process and recall procedures.	3.2 Quality First
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.2 Customer Service

APPENDIX II CONTENT INDEX OF HKEX ESG REPORTING GUIDE

Major scope, aspect, general disclosure and key performance indicators (KPI)		Sections in the Report
Aspect B7	Anti-corruption	
General Disclosure	Information relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	1.2 Management System
KPI 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 Management System
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.2 Management System
KPI B7.3	Description of anti-corruption training provided to directors and employees.	1.2 Management System
B. Social — Community		
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6. Giving Back To Society
KPI B8.1	Focus areas of contribution (e.g. education, environment, labour needs, health, culture, sports).	6. Giving Back To Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6. Giving Back To Society

APPENDIX III GRI CONTENT INDEX

Statement of use	Wison Engineering Services Co., Ltd. reported the information cited in this GRI Content Index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Indicators	Details	Chapter Index
GRI 2: General Disclosures 2021		
The Organization and its Reporting Practices		
2-1	Organisational details	1.1 An Overview of Wison Engineering
2-2	Entities included in the organisation's sustainability reporting	1.3 Sustainability Governance
2-3	Reporting period, frequency and contact point	About this Report – Scope of the Report About this Report – Access and Response to the Report
Activities and Workers		
2-6	Activities, value chain and other business relationships	1.1 An Overview of Wison Engineering 4.1 Sustainable Supply Chain 4.2 Customer Service
2-7	Employees	5. Caring for the Growth of Employees
Governance		
2-9	Governance structure and composition	1.2 Management System 1.3 Sustainability Governance
2-11	Chair of the highest governance body	1.2 Management System 1.3 Sustainability Governance
2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Management System 1.3 Sustainability Governance
2-13	Delegation of responsibility for managing impacts	1.2 Management System 1.3 Sustainability Governance

APPENDIX III GRI CONTENT INDEX

GRI Indicators	Details	Chapter Index
2-14	Role of the highest governance body in sustainability reporting	1.3 Sustainability Governance
2-15	Conflicts of interest	1.3 Sustainability Governance
2-16	Communication of critical concerns	1.3 Sustainability Governance
2-18	Evaluation of the performance of the highest governance body	1.2 Management System 1.3 Sustainability Governance
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	1.3 Sustainability Governance
2-27	Compliance with laws and regulations	1.2 Management System 3.3 Safety First 3.4 Green Development 4.1 Sustainable Supply Chain 4.2 Customer Service 5.1 Equality and Integration
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	1.3 Sustainability Governance
2-30	Collective bargaining agreements	The Group does not have a formal collective bargaining agreement, but has established clear and open channels of communication for employees to express their views (please see 5.3 Caring for Well-being for details).
GRI 3: Material Topics 2021		
Disclosures of material topics		
3-1	Process to determine material topics	1.3 Sustainability Governance
3-2	List of material topics	1.3 Sustainability Governance
3-3	Management of material topics	1.3 Sustainability Governance

APPENDIX III GRI CONTENT INDEX

GRI Indicators	Details	Chapter Index
GRI 201: Economic Performance 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.1 An Overview of Wison Engineering
201-1	Direct economic value generated and distributed	1.1 An Overview of Wison Engineering
GRI 205: Anti-corruption 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2 Management System
205-2	Communication and training about anti-corruption policies and procedures	1.2 Management System
205-3	Confirmed incidents of corruption and actions taken	1.2 Management System
GRI 206: Anti-competitive Behavior 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2 Management System
206-1	Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	1.2 Management System
GRI 301: Materials 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Green Development
301-1	Materials used by weight or volume	3.4 Green Development
GRI 302: Energy 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Green Development
302-1	Energy consumption within the organisation	3.4 Green Development
302-3	Energy intensity	3.4 Green Development
302-4	Reduction of energy consumption	3.4 Green Development

APPENDIX III GRI CONTENT INDEX

GRI Indicators	Details	Chapter Index
GRI 303: Water and Effluents 2018		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Green Development
303-1	Interactions with water as a shared resource	3.4 Green Development
303-2	Management of water discharge-related impacts	3.4 Green Development
303-3	Water withdrawal	3.4 Green Development
303-4	Water discharge	3.4 Green Development
303-5	Water consumption	3.4 Green Development
GRI 305: Emissions 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Green Development
305-1	Direct (Scope 1) GHG emissions	3.4 Green Development
305-2	Energy indirect (Scope 2) GHG emissions	3.4 Green Development
305-4	GHG emissions intensity	3.4 Green Development
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.4 Green Development
GRI 306: Waste 2020		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Green Development
306-1	Waste generation and significant waste-related impacts	3.4 Green Development
306-2	Management of significant waste-related impacts	3.4 Green Development
306-3	Waste generated	3.4 Green Development
GRI 401: Employment 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Equality and Integration 5.3 Employee Care and Well-Being
401-1	New employee hires and employee turnover	5.1 Equality and Integration
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Employee Care and Well-Being

APPENDIX III GRI CONTENT INDEX

GRI Indicators	Details	Chapter Index
GRI 403: Occupational Health and Safety 2018		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.3 Safety First 5.3 Employee Care and Well-Being
403-1	Occupational health and safety management system	3.3 Safety First
403-2	Hazard identification, risk assessment, and incident investigation	3.3 Safety First
403-3	Occupational health services	3.3 Safety First 5.3 Employee Care and Well-Being
403-4	Worker participation, consultation, and communication on occupational health and safety	3.3 Safety First 5.3 Employee Care and Well-Being
403-5	Worker training on occupational health and safety	3.3 Safety First
403-6	Promotion of worker health	3.3 Safety First 5.3 Employee Care and Well-Being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.3 Safety First
403-8	Workers covered by an occupational health and safety management system	3.3 Safety First
403-9	Work-related injuries	3.3 Safety First
GRI 404: Training and Education 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Sustainability Governance
404-1	Average hours of training per year per employee	5.2 Training and Development
404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Training and Development
GRI 405: Diversity and Equal Opportunity 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Equality and Integration
405-1	Diversity of governance bodies and employees	5.1 Equality and Integration

APPENDIX III GRI CONTENT INDEX

GRI Indicators	Details	Chapter Index
GRI 406: Non-discrimination 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Equality and Integration
406-1	Incidents of discrimination and corrective actions taken	There were no relevant incidents of non-compliance during the Reporting Period.
GRI 413: Local Communities 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	6. Giving back to Society
413-1	Operations with local community engagement, impact assessments, and development programs	6. Giving back to Society
GRI 416: Customer Health and Safety 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Sustainability Governance
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No relevant incidents of non-compliance occurred in the Group during the Reporting Period.
GRI 418: Customer Privacy 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	4.2 Customer Service
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the Reporting Period, the Group received no substantiated complaints concerning breaches of customer privacy and losses of customer data.



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