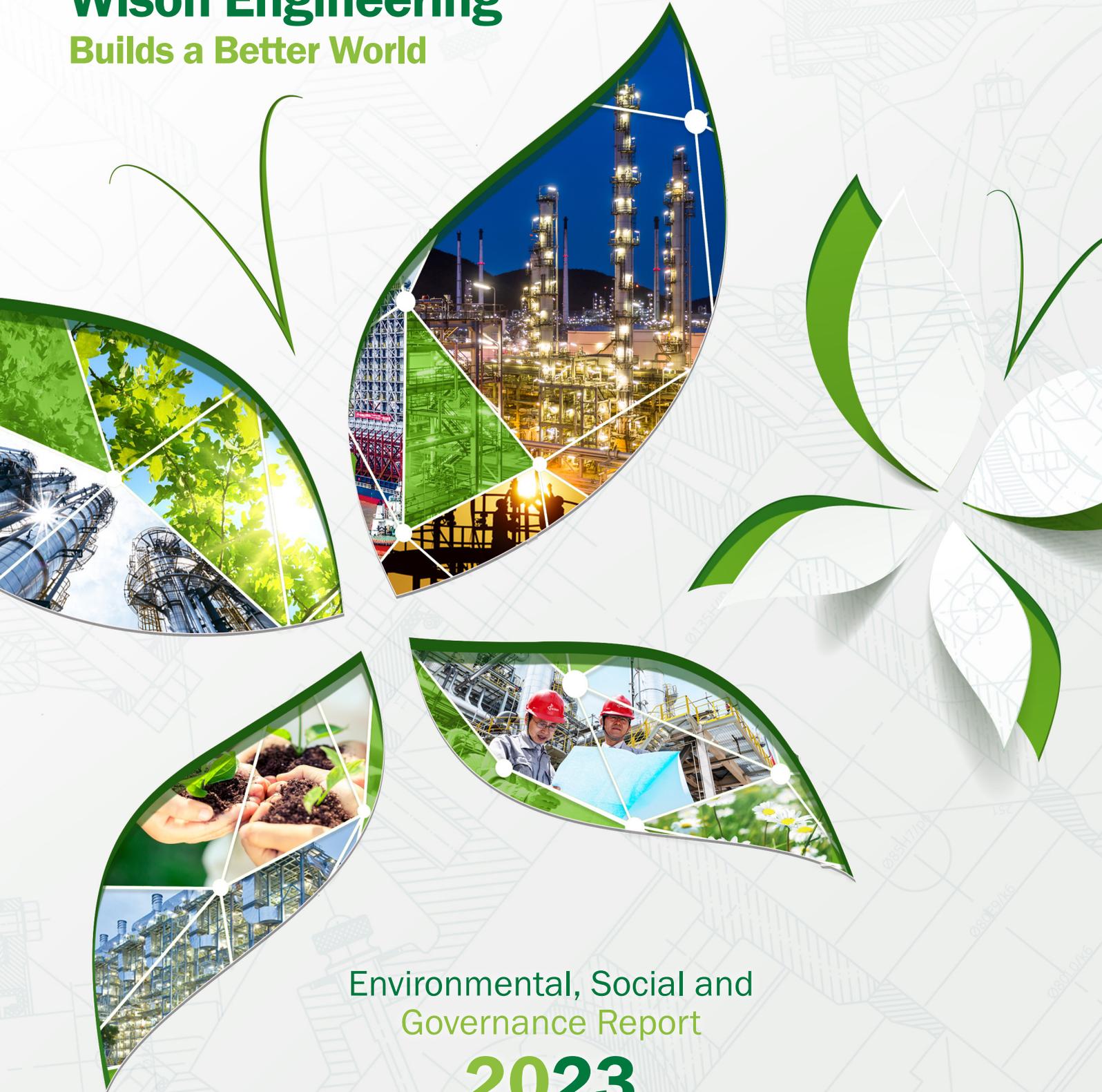


Wison Engineering Services Co. Ltd.

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



Wison Engineering **Builds a Better World**

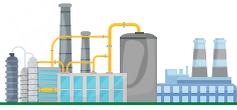


**Environmental, Social and
Governance Report**

2023

Environmental, Social and Governance Report 2023





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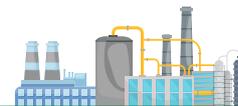
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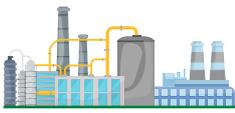


MANAGEMENT/CHAIRMAN'S MESSAGE

In 2023, the petrochemicals and energy market was faced with multi-faceted challenges and opportunities, as the global economic environment and policy continued to change and the energy price fluctuated. Against the backdrop of the times, upholding the strategy of “leading by innovation, focusing on principal operations and establishing global presence”, Wison Engineering gave full play to its advantages as a private enterprise in the field of energy and chemical engineering, and calmly responded to the ever-changing market environment. By holding a pragmatic and pioneering attitude, we continuously improved operation and management benefits and created more value for customers, committed to grow into a world-class energy and chemical engineering company.

During the past year, Wison Engineering continued to consolidate its core business market, maintaining a leading position in traditional areas such as ethylene, cracking furnace, propane dehydrogenation (PDH), coal gasification, methanol to olefin (MTO), synthetic ammonia, etc. Meanwhile, by proactively responding to the country’s “dual-carbon” policy and fully leveraging its professional advantages, Wison Engineering successfully created new performance growth points and satisfied the new customer needs by several key technological breakthroughs in new energy and new materials such as degradable plastics (“PGA”), methyl methacrylate (“MMA”), hydrogen energy, carbon dioxide (“CO₂”) emission reductions.

During the Year, Wison Engineering focused on green and low-carbon transformation to cope with climate change and systematically analysed the needs of and technological bottleneck in the transformation to the new energy industry that is driven by technological innovation and electricity-hydrogen coupling. Moreover, the Company focused on the recruitment of technical experts and core talents specialising in electricity-hydrogen coupling, green ammonia and methanol, carbon capture and utilisation, and biomass utilisation, set up a task force to coordinate the in-depth development of the technology roadmaps and solutions for deep decarbonisation of hydrogen, ammonia, methanol, and sustainable aviation fuel (SAF), etc., strove to be part of the strategic global energy transformation and national development of disruptive productive forces, in an early, rapid and professional manner and spared no efforts in creating new business and product lines dealing with services and delivery of renewable energy technology with core competitiveness. During the Reporting Period, Wison Engineering was awarded a number of new energy projects and provided many technical solutions for domestic and international customers regarding their needs and scenarios of low-carbon and green development. These projects included low-carbon methanol synthesis from carbon capture coupled with exhaust gas-hydrogen in an active large-scale refining and chemical integration project, methanol synthesis from carbon capture and hydrogen in a large-scale coal chemical project, hydrogen storage in organic liquids, on-shore carbon capture/liquefaction/shipping of offshore gas reinjection, offshore off-grid wind-based hydrogen and ammonia production.



MANAGEMENT/CHAIRMAN'S MESSAGE

We valued environmental protection and were committed to the sustainable development. We implemented green construction concepts during the design and operation phases of projects and continuously optimized energy-saving and emission-reduction solutions, such as advocating the recycle of waste materials in our projects, organizing the "One Hour Power-Off" campaign on World Earth Day. On the occasion of Safety Month and World Environment Day, both in the Company's headquarter and departments at project sites launched a wide range of safety and environmental protection activities.

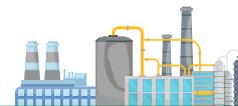
During the Year, we continued to strengthen quality, health, safety and environment ("QHSE") management. Following the principle of "pursuing safety throughout the project life cycle", Wison Engineering kept promoting the development of the QHSE management system and standardisation of QHSE management. We also made continuous efforts to promote the "1+3 co-construction" management model with builders, suppliers, construction contractors and strategic partners to create a good ecosystem of QHSE management for integration, collaboration, improvement and win-win results and demonstrated a safe and reliable image of Wison Engineering.

Wison Engineering adhered to the concept of "establishing global presence" at all time. As the international economy and energy demand gradually recovery, we continue to implement the globalisation strategy covering both domestic and international markets with greater confidence, strengthen and upgrade our core products, and utilize our project experience over the years to cooperate with our domestic and international customers to provide quality products and services for them. Meanwhile, we adhered to the talent strategy of cultivating design talents as the priority and international and localised talents as the core. We introduced senior management and technical personnel according to the changes in the external market environment, optimised and expanded the talent team, and encouraged the outstanding talents to give full play to their potentials, so as to bring the Group's innovation capability to a new level.

In the new year, Wison Engineering is committed to the transformation of internationalization in the face of complex and volatile economic environment and challenges. Coupled with opportunities of the emerging global new energy market, the Company aims to develop relevant core competitiveness, and achieve its systematic and comprehensive pivoting towards international market and new energy sector. The Company will continue to strengthen the research and development of independent technology, further expand its competitive products and enlarge investment in new energy and new materials. Moreover, the Company will maximise its bonding and connecting role in the commercialisation of new technologies as an engineering company, to achieve sustainable development and transform itself from a traditional energy and chemical engineering company into a leading provider for international clean energy services in the midst of both opportunities and risks.

Zhou Hongliang

Executive Director and Chief Executive Officer



ABOUT THIS REPORT

REPORT OVERVIEW

Wisou Engineering Services Co. Ltd. (the “Company” together with its subsidiaries, hereinafter referred to as the “Group” or “Wisou” or “we” or “us”) is pleased to present the annual environmental, social and governance report for year ended 31 December 2023 (the “ESG Report” or “this Report”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance (“ESG”) matters.

The Group puts the sustainable development of its business as the top priority of its long-term development goals, and incorporate climate-related issues and environmental, social and governance elements into its long-term business strategic planning. As the most important leading role of the Group, the board of directors (the “Board of Directors” or the “Board”) has the sole responsibility to oversee, manage and monitor the Group’s ESG issues and progress directly. The Board is committed to integrating ESG principles into our business management practices.

Looking ahead, the Board will continue to review and monitor the environmental, social and corporate governance performance of the Group and provide material, reliable, consistent and comparable environmental, social and corporate governance information to its stakeholders for making contributions to create a better environment.

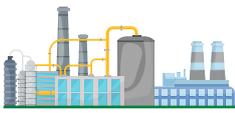
SCOPE OF REPORT

The policies and data contained in this Report cover the Company and its wholly-owned and controlled subsidiaries. Some of the content involves Wisou Group Holding Limited (the “Wisou Group”). The scope of data disclosure is from 1 January 2023 to 31 December 2023 (the “Reporting Period” or the “Year”), 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 C2 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”).

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



ABOUT THIS REPORT

Materiality	Quantitative	Balance	Consistency
<p>This Report has clearly identified and disclosed the process of significant ESG topics and the principles on which such topics are chosen, as well as the description of identified key stakeholders and the process and results of stakeholder engagement.</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>The Report provides a fair and objective 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>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 DATA

The data and cases in this Report mainly come from the Company's statistical reports and relevant files. The board of directors of the Group solemnly undertakes that the Report does not contain any false statements or misleading records, 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.

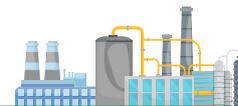
The electronic version of this Report is available in the section headed "Financial Statements/Environmental, Social and Governance Information" on the website of the Stock Exchange (www.hkexnews.hk) or on the official website of Wison Engineering (www.wison-engineering.com).

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.

Tel.: 852-21164313

Fax: 852-21169273

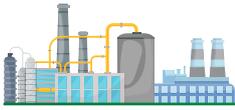
Address: Room 2507, 25th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong



AWARDS AND HONOURS

Over the years, Wison Engineering has been widely recognised for its quality engineering design, research and development (R&D) of innovative technology, and excellent consultancy results. During the Reporting Period, we once again won a number of awards and honours, which indicated a high level of recognition and acknowledgement from all walks of life.

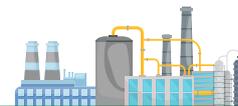
Awarded projects	Awards	Awarding institutions
Outstanding design results		
Shandong Yang Coal Hengtong's 300,000-tonne Methanol to Olefin Project	First Prize of Shanghai Excellent Engineering Exploration and Design Awards (Industrial Category)	Shanghai Exploration & Design Trade Association
1 Million Tonnes/year Ethylene Plant under Polyurethane Industry Chain Integration-Ethylene Project of Wanhua Chemical	Second Prize of Excellent Engineering Exploration and Design Awards in Petroleum and Chemical Industry for 2023	China Petroleum & Chemical Engineering Survey and Design Association
200,000 Tonnes/year Chlorination Method Titanium Dioxide Production Line Project of Henan Billions Advanced Material Co., Ltd.	Second Prize of Excellent Exploration and Design Awards in Henan Province for 2023	Survey and Design Association of Henan Province
100,000 Tonnes/year Butadiene Production Plant under 600,000 Tonne/year Methanol-to-olefins Production Optimization Project of Nanjing Chengzhi Yongqing Energy Technology Co., Ltd.	Second Prize of Excellent Exploration and Design Awards in Henan Province for 2023	Survey and Design Association of Henan Province
Huang Ze Shan Oil Transfer, Storage, and Transportation Project of Guangsha (Zhoushan) Energy Group Co., Ltd.	Second Prize of Excellent Exploration and Design Awards for the Second Batch of Water Transportation Projects in 2022-2023	China Water Transportation Construction Association



AWARDS AND HONOURS

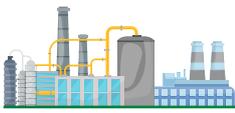
Awarded projects	Awards	Awarding institutions
Excellent consultancy results		
Feasibility Study Report on Coal-based High-performance New Material Project of Jiangsu Jinkong Equipment Xinhengsheng Chemical Co., Ltd.	First Prize of 2023 Excellent Engineering Consultancy Awards in Henan Province	Association of Engineering Consultation of Henan Province
Feasibility Study Report on 80,000 Tonnes/year Melamine Project of Xinjiang Yihua Chemical Co., Ltd.	First Prize of 2023 Excellent Engineering Consultancy Awards in Henan Province	Association of Engineering Consultation of Henan Province
Feasibility Study Report on New Chemical Materials Project (Phase I) of Xinjiang Xinlianxin Chemical Industry Co., Ltd.	First Prize of 2023 Excellent Engineering Consultancy Awards in Shanghai	Association of Engineering Consultation of Shanghai
Feasibility Study Report on Methanol to Olefin and Downstream Deep Processing Integration Project of Guangxi Huayi Energy Chemical Co., Ltd.	Second Prize of 2023 Excellent Engineering Consultancy Awards in Henan Province	Association of Engineering Consultation of Henan Province
Feasibility Study Report on Methanol to Olefin and Downstream Deep Processing Integration Project of Guangxi Huayi Energy Chemical Co., Ltd.	Second Prize of 2023 Excellent Engineering Consultancy Awards in Shanghai	Association of Engineering Consultation of Shanghai





AWARDS AND HONOURS

Awarded projects	Awards	Awarding institutions
AAAAA-grade projects in chemical engineering quality evaluation		
600,000 Tonnes/year Propane Dehydrogenation (PDH) Plant under C3 and C4 Comprehensive Utilization Project of Shandong Binhua New Materials Co., Ltd.	AAAAA-grade Project in Chemical Engineering Quality Evaluation	China National Association of Chemical Construction Enterprises
300,000 Tonnes/year Caustic Soda and 400,000 Tonnes/year PVC Project on the Integrated New Materials Base of Huayi Qinzhou Chemical Co., Ltd.	AAAAA-grade Project in Chemical Engineering Quality Evaluation	China National Association of Chemical Construction Enterprises
Awards	Awardees	Awarding institutions
Other awards		
Outstanding Enterprises with Market Competitiveness	Wison Engineering (China) Limited	China National Association of Chemical Construction Enterprises
Top 100 Suppliers in China's Petroleum and Chemical Industry for 2023	Wison Engineering (China) Limited	Supply Chain Working Committee of China Petroleum and Chemical Industry Federation
2023 Green Construction Project in Chemical Industry (300,000 Tonnes/year Caustic Soda and 400,000 Tonnes/year PVC Project on the Integrated New Materials Base of Huayi Qinzhou Chemical Co., Ltd.)	Wison Engineering (China) Limited	China National Association of Chemical Construction Enterprises
2023 Safe and Civilized Construction Site in Chemical Industry (300,000 Tonnes/year Caustic Soda and 400,000 Tonnes/year PVC Project on the Integrated New Materials Base of Huayi Qinzhou Chemical Co., Ltd.)	Wison Engineering (China) Limited	China National Association of Chemical Construction Enterprises



1. A CLOSER LOOK AT WISON ENGINEERING

1.1 AN OVERVIEW OF WISON ENGINEERING

Company Profile

Wison Engineering (Stock Code: 2236.HK) is a world-leading energy and chemical engineering company founded in Shanghai in 1997 and listed in Hong Kong in 2012. As one of the leading energy and chemical engineering, procurement, and construction (EPC) service and technology providers in China, Wison Engineering engages in three main business lines, that is, chemical engineering service, consultation and new energy & new materials. We have rich and extensive experience in procuring resources and providing construction services at home and abroad, and keep improving our health, safety, and environment (HSE) management system to reach the leading international standards. We specialise in providing technology and engineering construction services in five major fields: oil refining, petrochemicals, coal chemicals, new materials, and new energy. By virtue of extensive expertise and experience, we are committed to rendering customers with integrated solutions and providing comprehensive services in a wider range of fields.



<p>Project consultation and industrial park planning</p>	<p>Front-end process package and engineering design</p>	<p>Diversified procurement modes</p>
<ul style="list-style-type: none"> • Project proposals and feasibility studies • Market research, analysis, and comparison • Developing the most appropriate solutions and programmes for customers to meet their needs 	<ul style="list-style-type: none"> • Engineering consultation and abundant engineering design experience • A sound engineering project design execution system • Advanced software and hardware packages and digital design platforms • Sophisticated module design processes 	<ul style="list-style-type: none"> • Signing strategic partnerships with excellent suppliers for mutual benefits • Conducting efficient resource management and control through framework agreements • Effectively reducing procurement costs and achieving resource integration advantages through centralised procurement • Performing flexible and efficient site procurement
<p>Construction process and quality management</p>	<p>Professional project management</p>	<p>Digital solution</p>
<ul style="list-style-type: none"> • Realising overall control through standard construction management • Establishing a project construction quality management system, which includes training and supervising subcontractors • Applying a sound quality, health, safety, and environment (QHSE) management system to the day-to-day work of subcontractors and all personnel at construction sites • Developing the proactive construction management system (PCMS) • Commissioning and start-up 	<ul style="list-style-type: none"> • QHSE management • Project risk control • Project schedule management • Commissioning and start-up • Project information management 	<ul style="list-style-type: none"> • Digital integration of engineering design • Cloud3D visual platform • Digital procurement • Digital delivery



1. A CLOSER LOOK AT WISON ENGINEERING

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

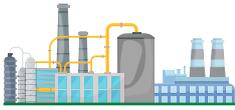
Industry qualifications	Fields for which solutions could be customised
<ul style="list-style-type: none"> GB/T 19001/ISO 9001 Quality Management System GB/T 24001/ISO 14001 Environmental Management System GB/T 28001/OHSAS 18001 Occupational Health and Safety Management System Grade A Engineering Design Qualification in Chemical, Petrochemical and Pharmaceutical Industries Grade A Engineering Consulting Qualification in Petrochemical, Chemical and Pharmaceutical Industries China Petroleum and Chemical Industry Technology Innovation Demonstration Enterprise and Shanghai High-Tech Enterprise Grade I Petrochemical EPC Qualification Special Equipment Production License (Pressure Vessel Design) (Pressure Pipeline Design) 	<ul style="list-style-type: none"> Petrochemicals, coal chemicals Oil refining Natural gas Environmental protection and renewable energy Green & low carbon technology Sustainable aviation fuel

Development Context

Wison Engineering was incorporated in Shanghai in 1997. The Group's course of development can be divided into four phases. In the first phase, we were dedicated to building up core competence in ethylene cracking furnace technology and project management step by step. In the second phase, we developed the EPC capabilities for complete plants and obtained relevant construction and design certifications such as the Class-A license as a general contractor, which enabled us to provide a full range of solutions while strengthening our design capabilities. In the third phase, we further consolidated our leading position in China's coal chemical market and successfully marched into overseas markets. To expand our overseas business presence, we were listed in Hong Kong in 2012, and since then we have grown larger and started to go global. With the goal of better serving our international clients, we successively set up execution centres in the Middle East and North America to enhance our influence in overseas markets. Now in the fourth phase of the Group's development, while continuously expanding and developing our business capabilities, we have gained a leading edge in the areas of technology integration, digitisation, and modular engineering services. At the same time, we aim to devise new technologies to develop new energy and chemicals.



As of 31 December 2023, the Group established business presence in regions such as Southeast Asia, Eastern Europe, the Middle East, Africa, North America, and South America. The business of the Group covers storage and utilisation of resources such as coal, oil, and natural gas, onshore energy engineering services, topside engineering design for marine engineering, and development of new downstream chemical materials, among others. We aim to grow into a world-class energy and chemical engineering company.



1. A CLOSER LOOK AT WISON ENGINEERING

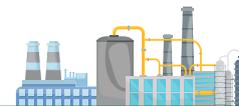
Core Values and Mission

Wison Engineering upholds its corporate philosophy of “Better Technology, Better Life”. This philosophy drives our continuous efforts to provide customers in the field of energy and chemical services with optimal solutions throughout the life cycle of their projects. Through technological innovations and excellent services, the Group seeks to make a substantial impact on society and promote the development of the energy industry.

Our corporate values are to put customers first and act in good faith. Bearing what customers actually need in mind, we are committed to establishing long-term partnerships. Integrity is the cornerstone of our efforts to ensure that our actions and decisions always meet the highest ethical standards.

Environmental protection, work safety, and health of employees are our primary focus. In our view, long-term business success can only be truly achieved on the premise of sustainable development. To this end, we integrate advanced QHSE concepts into our decision-making process and take preventive measures to ensure the safety of our employees, customers, contractors, suppliers, and other stakeholders in production activities from project planning to implementation.

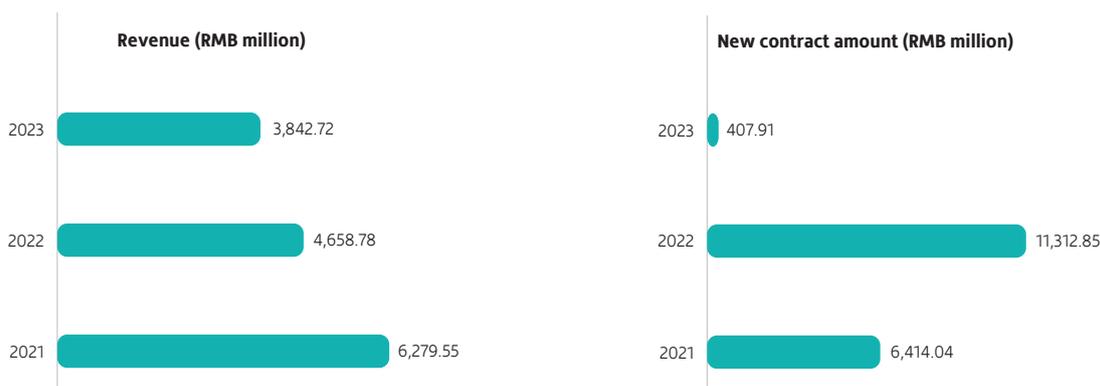




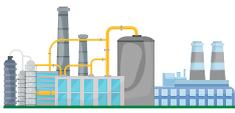
1. A CLOSER LOOK AT WISON ENGINEERING

Financial Performance

During the Reporting Period, Wison Engineering continued exploring its advantageous business fields, optimised the organizational structure, improved meticulous management, and strengthened risk control to sharpen its core competitiveness. As a result of the global economic slowdown and the post-COVID impacts in the past year, coupled with many other factors such as overseas interest rate hikes, high inflation rates abroad, Renminbi depreciation, rising global debt level, as well as the ongoing trade disputes and geopolitical conflicts, the Company had a poor performance in the first half of the year as compared to the improved profitability in the second quarter. In view of this, Wison Engineering continuously consolidated its core business market and maintained the leadership in terms of traditional competitive products, including ethylene, cracking furnace, propane dehydrogenation (PDH), coal gasification, methanol to olefin (MTO), and synthetic ammonia. We worked to continuously improve product quality and boost technological innovation to meet customer needs, while actively exploring emerging markets and product areas. As of 31 December 2023, revenue of Wison Engineering amounted to RMB3,842.72 million. In 2023, the Group secured new contracts with a total value of approximately RMB407.91 million.



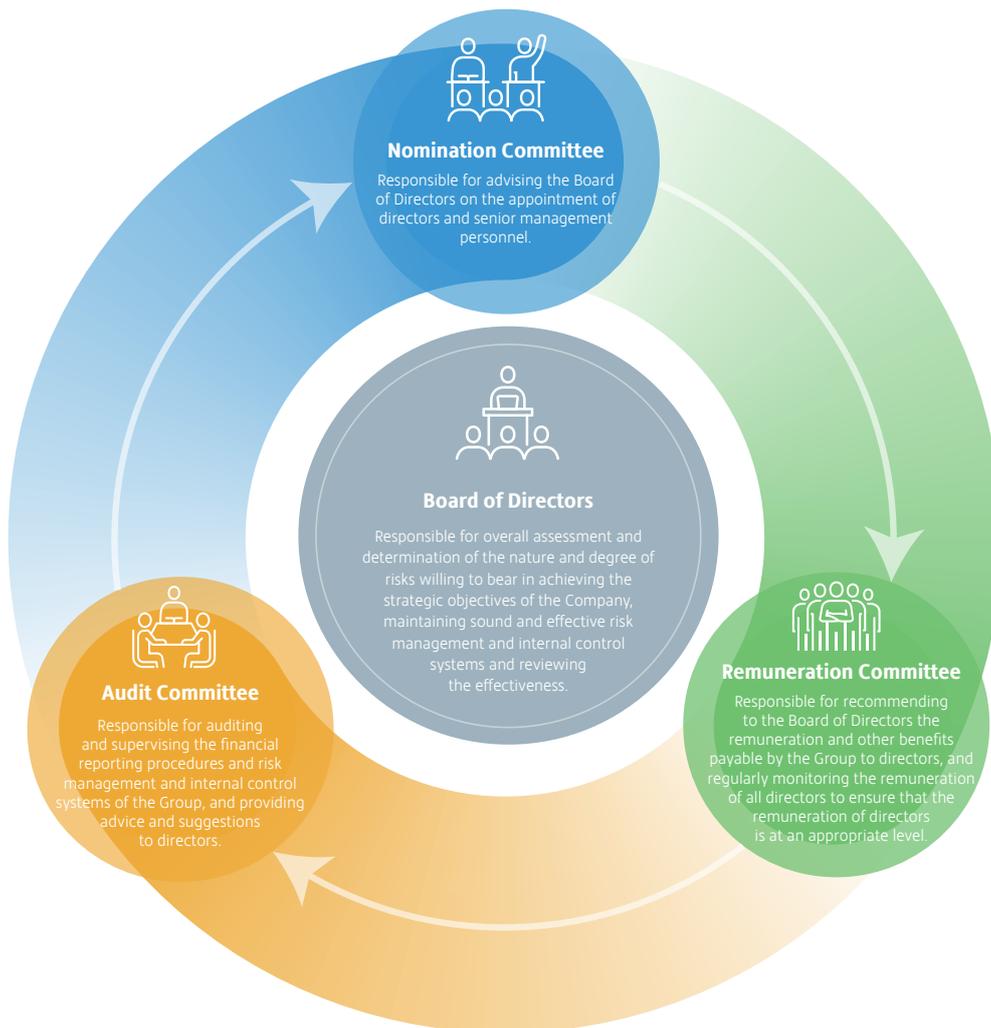
In the Year, Wison Engineering further explored emerging fields and stepped-up technological research and development in the new energy and new materials fields to accelerate the penetration into new markets. Continuous breakthroughs were made in oxidative dehydrogenation of ethane (ODHE) to ethylene, degradable plastics (i.e. polyglycolic acid) (PGA), methyl methacrylate (MMA), hydrogen energy, green coal chemical industry, butadiene, and other processes and catalysts. At the same time, we consolidated and expanded our leading position in the energy and chemical markets.



1. A CLOSER LOOK AT WISON ENGINEERING

1.2 GOVERNANCE SYSTEM

Wison Engineering believes that a sound corporate governance structure is the most fundamental part of running an enterprise. For this reason, we will strictly comply with the requirements set out in the Company Law of the People’s Republic of China and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. At the same time, the Group will endeavour to promote management innovation and achieve this goal by continuously raising governance standards. In order to implement a sound governance structure and relevant organisational systems on an ongoing basis, the Board will be at the centre of our efforts to ensure effective risk management and internal control systems by conducting holistic risk assessments and reviewing the effects of the measures adopted on a regular basis. Meanwhile, three specialised working bodies, namely the Nomination Committee, the Audit Committee, and the Remuneration Committee, have been set up to come up with proposals, carry out auditing and monitoring activities, and manage the remuneration system. These working bodies aim to ensure the transparency and efficiency of the Company’s internal operations.



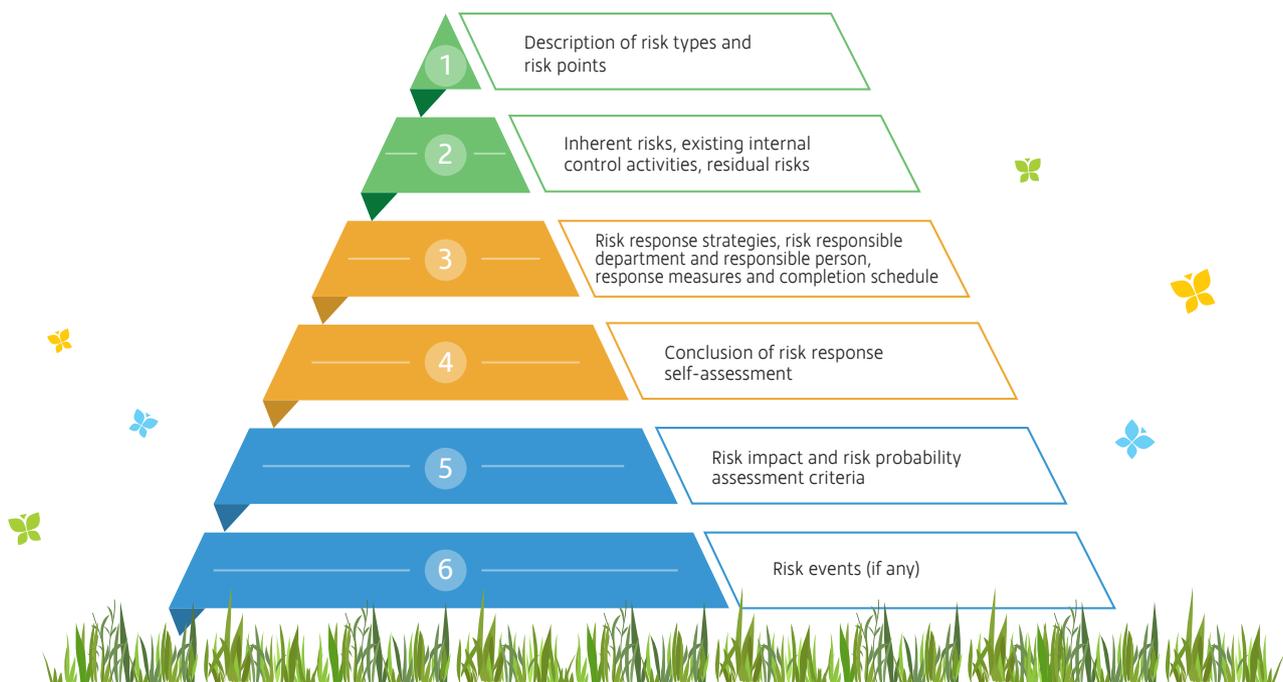


1. A CLOSER LOOK AT WISON ENGINEERING

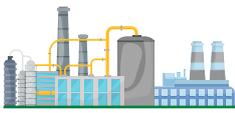
Risk Control

Risk management plays an important role in ensuring companies are able to maintain long-term operation and attain sustainable development. Therefore, Wison Engineering has created a clear organisational structure to address and manage risks that may arise, integrated risk control and internal monitoring into all business processes, and made sure that risk management measures can be implemented throughout any business process, from risk identification and assessment to risk control and monitoring. Meanwhile, in terms of risk management system establishment, 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. The purpose of these policies is to ensure that we are able to manage and address risks in a comprehensive and effective manner and to create a unified framework for providing guidance on our risk management practices.

Wison Engineering has established a sound risk management regime, which mainly involves two types of processes, that is, identifying, examining, and analysing key risks highly relevant to the business and maintaining the effective operation of the risk management and internal control systems. In order to guarantee the effectiveness of the risk management and internal control systems, the Group has established a dedicated team of three independent non-executive directors to review and supervise the implementation of such systems. The team provides comments and suggestions to the Board on a regular basis to ensure that the Company can make continuous improvements in risk management. The Group conducts periodic or occasional risk identification, assessment, response, and follow-up as well as internal auditing every year through its management and business departments to enhance the effectiveness of risk management and internal control. Besides, it also examines and evaluates the risk management process and results, follows up on the improvements made, and reports the results of examination and evaluation to the Board, to ensure that mechanisms for preventing material errors or losses can function well. Moreover, the Group has created a risk management database to evaluate the countermeasures against key risks, assess the extent of residual risks, and safeguard the legitimate rights and interests of stakeholders.



Risk Management Checklist



1. A CLOSER LOOK AT WISON ENGINEERING

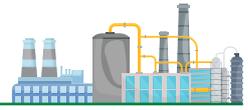
Upholding Integrity

Guided by the business philosophy of being “integrity-oriented and customer-centric”, Wison Engineering highly values honesty and integrity and strictly complies with applicable laws and regulations against 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, the Souvenirs Management Rules, and the Staff Behaviour Reward and Punishment Management Rules in accordance with the Prevention of Bribery Ordinance of the Hong Kong Special Administrative Region, the Company Law of the People’s Republic of China, the Anti-Unfair Competition Law of the People’s Republic of China, the Interim Provisions on Prohibition of Commercial Bribery, and other national laws and regulations in the places where the Company operates and under the jurisdictions governing contracts, to ensure that our business operations comply with laws and regulations and demonstrate ethical conduct. We are firmly committed to integrity and respect as the basis for building long-term relationships with our customers and strategic partners. As of 31 December 2023, the Group did not involve or find any violation of anti-bribery, anti-corruption, anti-competition, and anti-trust related laws and regulations.

The Group makes every effort to promote robust business development, while resolutely curbing any corporate behaviour and internal corrupt practices 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, the Interim Measures for Investigation and Handling of Violation Cases by the Group, and the Interim Rules on Management of Business Hospitality and Gifts, to protect the Company’s reputation and interests. As the Company attaches great importance to fair competition in both the internal and external environments, it will continue to improve Party conduct, build integrity, and combat corruption. To avoid any possible ethical risks in cooperation with third-party business partners, we require them to sign the “Commitment Letter for Integrity” before conducting business cooperation. This requirement aims to establish an equal and friendly business environment and to ensure that all partners can comply with our business guidelines and ethical principles.



Acts Prohibited by the Code of Business Conduct



1. A CLOSER LOOK AT WISON ENGINEERING

Compliance and Integrity Training

The Group has an office philosophy of upholding integrity, and works to ensure operational compliance by effectively regulating the behaviour of directors and employees. We provide anti-corruption training for our directors and employees on a regular basis, which covers anti-corruption laws and regulations in the places of operation and corporate compliance and anti-corruption measures. In the Year, we provided compliance and integrity training materials to our directors and employees for their perusal, such as the Policy for Managing Recusal due to Conflict of Interest and the Compliance Management Policy. Through these training sessions, directors and employees gained a clearer understanding of the relevant local laws and regulations, familiarised themselves with the measures for reporting corruption, and regulated their own behaviours to ensure operational compliance of the Company.

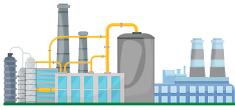
Whistleblowing Channels

To create a clean and fair workplace, Wison Engineering has set up clear whistleblowing channels in the hope of promoting corporate integrity and creating a healthy working environment for directors and employees through peer supervision. Besides, we have established a variety of whistleblowing approaches, such as a web page, e-mail, phone call, and mailbox. Moreover, anonymity is allowed to ensure the privacy of whistleblowers and encourage employees to report any form of violations such as corruption, embezzlement, and bribery.

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 2023, we made ESG efforts to move towards sustainable development by taking five initiatives, that is, promoting innovative development, enhancing sustainable development, boosting cooperation and mutual support, propelling integrated talent development, and contributing to the community.



Board’s Statement

Wison Engineering attaches importance to sustainability, committed to achieving sound development and continuously improving relevant governance work. 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. We undertake to strictly comply with the disclosure requirements of the Environmental, Social and Governance Reporting Guide under the Listing Rules.



1. A CLOSER LOOK AT WISON ENGINEERING

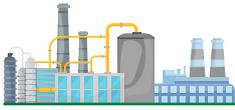
To strengthen our sustainability governance, we have established a social responsibility governance framework, in which the Board oversees the identification and assessment of ESG and climate-related risks and opportunities and ensures that appropriate and effective risk management and internal control systems are in place. The Board delegates the Social Responsibility Executive Committee to identify the Group’s material ESG topics 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, and reviewed and monitored the progress achieved to realise these targets. We have formulated emissions reduction measures as required by the governments in the places of operation to address climate change and other environmental challenges, and have incorporated the concept of sustainability into our management policies and strategies, business modes, and other decision-making processes as a move to respond to the expectations and requirements raised by all sectors of society for our sustainable development. In addition, the Board will continue to monitor the Group’s ESG efforts to ensure sustainable development goals can be achieved.

Social Responsibility Governance Structure

To smoothly fulfil its CSRs, Wison Engineering has created a top-down three-tier ESG governance structure, which is led by the Board and centred on the Social Responsibility Executive Committee to carry out the ESG-related work by integrating ESG concepts into the Group’s management policies and business plans. Various departments within the Group, including the Finance Department, the Personnel Department, the Project Management Department, the Risk Control Department, the Quality Safety Department, and the Market Department, act as the executive level to assist the Board and the Social Responsibility Executive Committee.

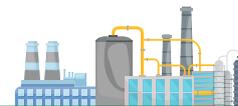




1. A CLOSER LOOK AT WISON ENGINEERING

Social Responsibility Governance Structure and Functions





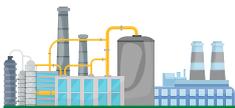
1. A CLOSER LOOK AT WISON ENGINEERING



- 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 topics and develop an initial framework for reporting on these topics to address stakeholder expectations.

ESG Risk Management System

A stable and effective risk management regime is essential for Wison Engineering. Based on the existing sound risk management system, the Group has incorporated sustainability into the management scope to identify and assess the ESG risks that may be exposed in the course of operation, so as to prioritise and manage them in a timely manner. Meanwhile, the Board is fully responsible for assessing and confirming the material ESG risks associated with the Company. These measures are designed to guarantee the effectiveness of risk management and internal control systems, and to ensure that we can act appropriately in the face of ESG challenges.



1. A CLOSER LOOK AT WISON ENGINEERING

Social Responsibility Management Concept

Guided by the development philosophy of “being people-oriented for common development”, Wison Engineering is committed to growing with society together. We strive to incorporate the concept of sustainability into different departments of the Group and include QHSE in the decision-making process, under the guidance of the governance concept of “green technology, community communication, safety and health, environmental cooperation, and quality assurance”.

SOCIAL RESPONSIBILITY MANAGEMENT CONCEPT OF WISON ENGINEERING				
<p>Green Technology</p> <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 “groundbreaking technology”, and integrate the concepts of social responsibility such as green, low carbon and sustainable development into the whole development process.</p>	<p>Community Communication</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>Safety and Health</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>Environmental Cooperation</p> <p>We proactively carry out research with peers and scholars, making good use of their advantages and working together towards green development. We conduct extensive surveys in the field of new energy and environmental protection to seek new opportunities for development.</p>	<p>Quality Assurance</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>

Assessment, Reporting, and Disclosure

Wison Engineering recognises that stakeholder expectations are constantly changing. To meet these changing expectations, the Group regularly reviews its business operations and actively communicates with various sectors of society. This practice makes it possible for us to identify and address emerging issues appropriately. In addition, the Group’s Social Responsibility Executive Committee regularly reviews its CSR performance and practices and makes reports to the Board. The Group’s ESG performance is not just made known internally, but also truthfully disclosed to the public through the Company’s website, annual reports, and ESG reports, among other methods. This Report was confirmed and approved by the Board on 27 March 2024.

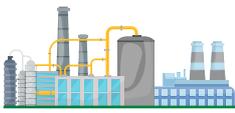


1. A CLOSER LOOK AT WISON ENGINEERING

Communication with Stakeholders

With great importance attached to communication with stakeholders, Wison Engineering adopts a variety of effective channels and methods to communicate and maintain a close bond with stakeholders. We are keen to understand and listen to the comments and suggestions of our stakeholders on ESG issues, review our performance, and provide feedback in a timely manner. The chart below sets out the key stakeholders with whom the Group communicate, including customers, investors/shareholders, employees, suppliers, business partners, and the community.





1. A CLOSER LOOK AT WISON ENGINEERING

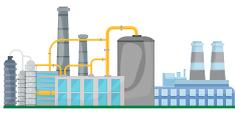
Stakeholders of Wison Engineering

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 communications such as letters to shareholders, circulars and notices of meetings	Ad hoc
			Interviews	Ad hoc



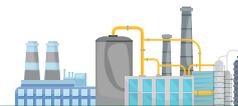
1. A CLOSER LOOK AT WISON ENGINEERING

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 employee training to promote the personal career development of employees. Regularly review the employee salary and benefits policy 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
			Regular meetings	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

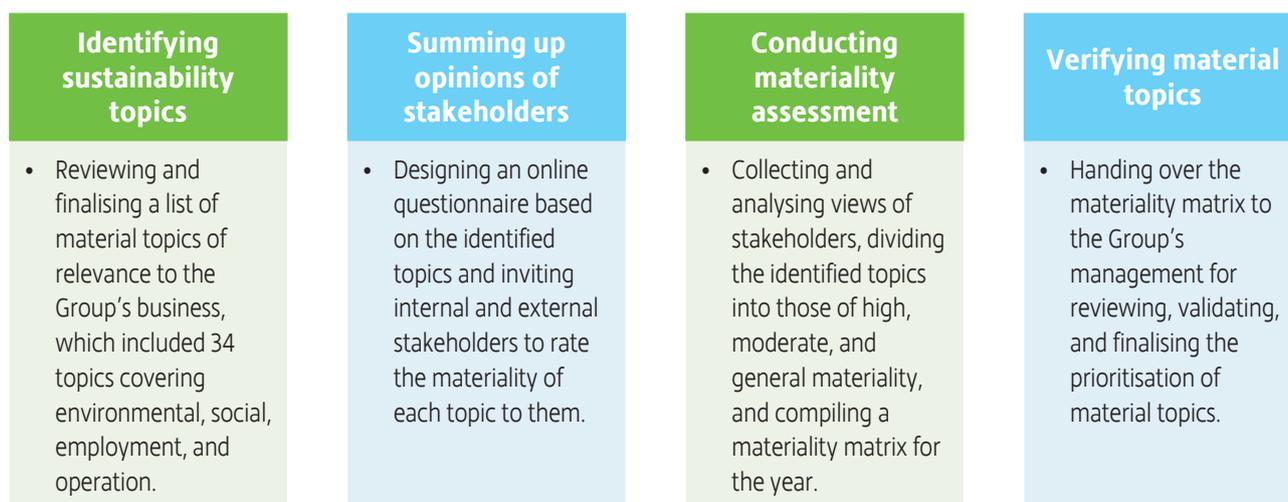


1. A CLOSER LOOK AT WISON ENGINEERING

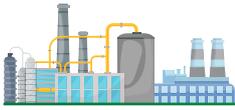
Materiality Matrix of ESG Topics

The Group values the views of stakeholders and maintains close communication with them to understand the issues of their concern and respond to their expectations. We have commissioned a third-party consultant to conduct an ESG materiality assessment and identify the topics that are material to our business, a prerequisite for allocating resources as needed by the ESG work efficiently. Referring to the disclosure obligations covered by the Guide, the Materiality Map of the Sustainability Accounting Standards Board ("SASB"), etc., taking into account our operating conditions, and aligning ourselves with the best practices in the industry, we have compiled a pool of material ESG topics and invited internal and external stakeholders to participate in an online questionnaire survey in the hopes of understanding their expectations and identifying material ESG topics of the Group.

Below are main steps for materiality assessment:

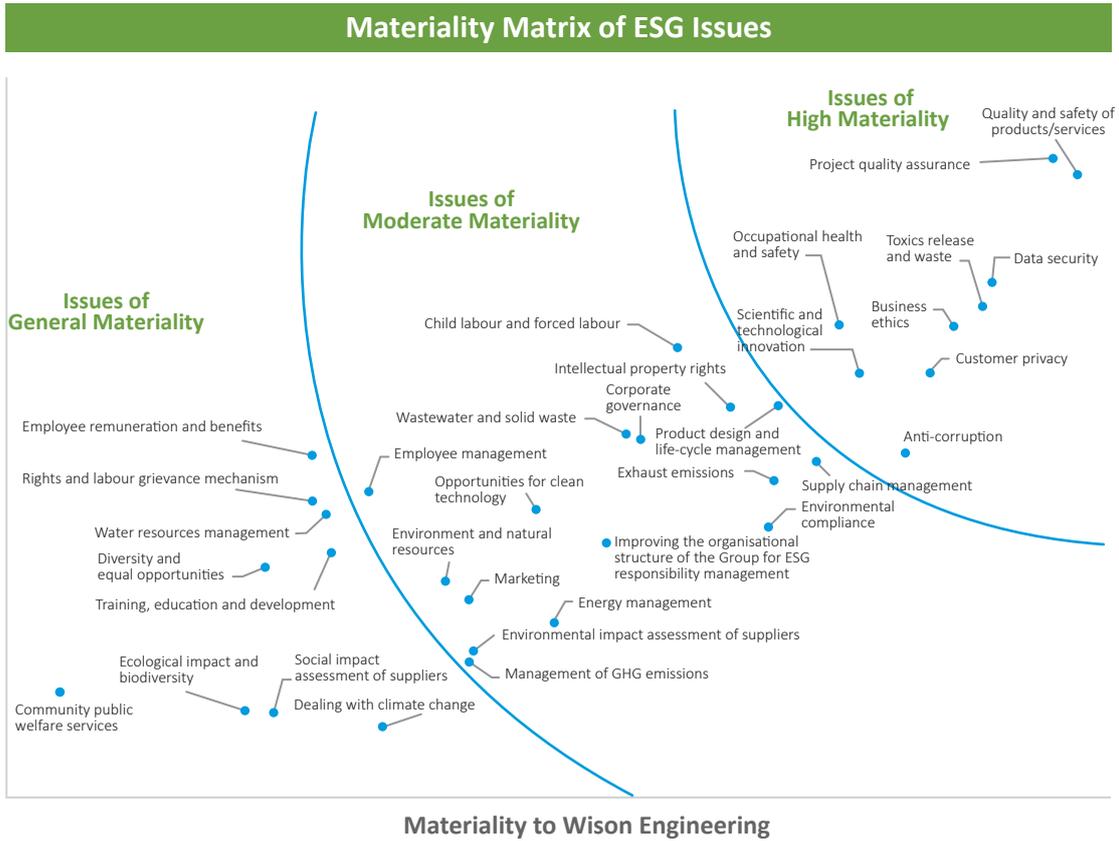


According to the feedback from stakeholders in their questionnaires and in light of the operating conditions of the Group, we ranked the 34 material ESG topics and finally arrived at 9 highly material topics, 16 moderately material topics, and 9 generally material issues. The aforesaid materiality assessment results were approved and confirmed by the Board.



1. A CLOSER LOOK AT WISON ENGINEERING

The results of materiality assessment for the Year are set out below:

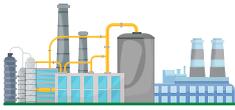




1. A CLOSER LOOK AT WISON ENGINEERING

According to the materiality matrix, Wison Engineering has proposed the possible initiatives to manage material ESG topics, such as promoting innovative development, enhancing sustainable development, boosting cooperation and mutual support, propelling integrated talent development, and contributing to the community. We have responded to the ESG topics material to stakeholders in this Report and focused on the highly material topics to reflect our ESG contributions in the following chapters/sections of this Report:

Topics of high materiality	Chapter/Section in this Report
Quality and safety of products/ services	3.2 SAFETY FIRST
	3.3 QUALITY FIRST
Engineering quality assurance	3.3 QUALITY FIRST
Data security	4.1 CUSTOMER CARE AND COMMUNICATION
Toxics release and waste	3.4 GREEN OPERATION
Business ethics	1.2 GOVERNANCE SYSTEM
Customer privacy	4.1 CUSTOMER CARE AND COMMUNICATION
Occupational health and safety	3.2 SAFETY FIRST
Scientific and technological innovation	2. PROMOTING INNOVATIVE DEVELOPMENT
Anti-corruption	1.2 GOVERNANCE SYSTEM



2. PROMOTING INNOVATIVE DEVELOPMENT

As a leading company in the energy and chemical industry, Wison Engineering is accurately aware that technological innovation acts as an important driver of core competitiveness. We have long pursued independent innovation and technological cooperation in parallel, applied new technologies to engineering projects, well fitted into the development trend of the times, and implemented the national strategy for carbon peaking and neutrality (Dual Carbon), in the hopes of constantly creating business value for customers and partners.

During the Reporting Period, the Group achieved remarkable results in the R&D of new materials and new processes, with critical breakthroughs made in the green production of methyl methacrylate (MMA), the development and industrialisation of innovative technologies for degradable plastics, the ethane-catalytic oxidative dehydrogenation of ethane (ODHE) to ethylene technology, and the utilisation of carbon dioxide. During the Year, our investment in technological R&D totalled RMB128.8 million, representing a decrease of 13.6% over last year.

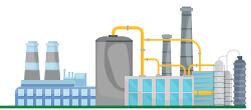
2.1 INDEPENDENT R&D

Enhancing R&D Achievements in New Materials and New Processes

Focused on its principal operations, the Group has continued to deepen the technological R&D and application in the energy and chemical engineering industry, consolidated its competitive edge by leveraging its market position and highly-profiled products developed over the years, and optimised the performance of ethylene and its downstream industrial products to improve relevant technologies and services. In the process, we have steadily expanded our market share.

Committed to Ethylene Production, Leading the Process Upgrade

In 2023, Wison Engineering participated in the development of and was awarded the EPC general contract of the first industrial project of new green ethylene-based MMA technology. Delivered upon completion in the Year, the project is China's first MMA industrialisation plant based on ethylene, which adopts complete domestic IPRs and effectively solves the problems of high pollution and high energy consumption faced by the prevailing processes of producing MMA via acetone cyanohydrin in China.



2. PROMOTING INNOVATIVE DEVELOPMENT

Panjin Sanli MMA Joint Installation Contracted by Wison Engineering

This project uses natural gas, ethylene and methanol as raw materials, and produces MMA, PMMA, propanol and sodium propionate through the process units of gas making, propionaldehyde, n-propanol, formaldehyde, sodium propionate, MAL, MMA and PMMA.



3D Model Diagram

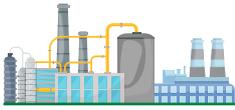


Installation Aerial View
(2023.12.29)

Cooperated with Rongxin Chemical Co., Ltd for 1,000 ton PGA Pilot Test Construction

In terms of innovative technology development and industrialisation of degradable plastics, the 1,000-ton pilot plant of PGA built by Wison Engineering together with Inner Mongolia Rongxin Chemical Co., Ltd. was constructed and commissioned, successfully producing crude products. Pilot studies are currently underway and commercial-scale process technology packages are being prepared during the same period. It is expected that the technology results will be ready for commercialisation and promotion by mid-2024.





2. PROMOTING INNOVATIVE DEVELOPMENT

Focusing on Green Energy Transformation to Accelerate Business Expansion

Wison Engineering accelerates customer and market demand-oriented business transformation. We have focused on key areas such as green hydrogen, green ammonia, green alcohol, carbon emissions reduction, and CO₂ utilisation, to tap into high-quality customers in the energy sectors like electricity. A number of solutions in key business areas have been devised to maintain our competitiveness and technological barriers in the market, which included carbon capture and chemical carbon fixation, combination of green/blue hydrogen with traditional energy, oil synthesis from CO₂ hydrogenation, and substitution of unstable green power off-grid/weak off-grid with hydrogen, ammonia, and alcohols.

During the Reporting Period, Wison Engineering completed the engineering design of a small-scale wind and solar-based hydrogen production pilot project (including electrolysis, electrochemical energy storage and fuel cell), several early consultation contracts on off-grid/grid-connected wind and solar-based hydrogen production coupled with coal chemical industry, flexible wind and solar-based ammonia production, and biomass/electricity-methanol production. We have also provided many technical solutions for domestic and international customers regarding their needs and scenarios of low-carbon and green development, such as methanol synthesis from carbon capture and hydrogen in a large scale coal chemical project, solar-based hydrogen production coupled with the product chain of specialty gas company, hydrogen storage in organic liquids, on-shore carbon capture/liquefaction/shipping of offshore gas reinjection, offshore off-grid wind-based hydrogen and ammonia production, and offshore floating liquefied hydrogen production, which better prepared us to expand the business boundaries of the Group and spot new growth drivers.



2. PROMOTING INNOVATIVE DEVELOPMENT

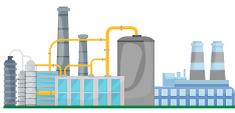
Enhancing Strategic Transformation in Line with the Trend of Times

In 2023, Wisom Engineering convened the Second Seminar on Transition to International Operation. In response to the drastic changes in the internal and external environments, company leaders were invited to share or report on the transition approach, initiatives, and progress in the six fields of project control, design, procurement, construction, marketing, and functional management. Besides, the Steering Group for Transition to International Operation was established, headed by the President, to promote the internationalisation of the Company from top to bottom.



Protecting IPRs

Wisom Engineering attaches great importance to the protection of intellectual property rights (IPRs). We strictly comply 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 have 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. Relying on the continuously improving policy management system, we combat various forms of infringement, protect the legitimate rights and interests of IPR owners, and offer positive incentives to patent innovation.



2. PROMOTING INNOVATIVE DEVELOPMENT

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, transfer, licensing, protection, rewards, and penalties of relevant patents. Meanwhile, we have also stipulated the classification, grading, promotion, application, and rewarding of technological R&D results. In the Year, Wison Engineering filed 9 new patent applications and obtained 14 authorised patents. A number of technical breakthroughs were achieved to further increase our IPR and technical reserves. We have so far made 225 patent applications and obtained 160 authorised patents and 28 software copyrights in total. As an outcome of our unremitting efforts, these IPRs not only demonstrate our innovative strength, but also provide us with a competitive edge.

2.2 CORE COMPETITIVENESS

Promoting Digital Applications

In 2023, the Group accelerated construction of the digital integrated project management system to enhance refined management. SIBUR's and Huayi's MTO projects were planned and executed in accordance with the international Capital Facilities Information Handover Specification (CFIHOS) standard and domestic standard of digital delivery for oil refining and petrochemical project GB51296 respectively, proving that the Company's digital delivery has reached top domestic level, and advanced level internationally.

During the Reporting Period, its investment in hardware and software grew by 25% over the previous year. With ECOSYS as the core project management system for progress, cost, contract and change management, the Company connected the information flow of multiple systems, including design, material control, manhours, office automation (OA) and accounting. It aimed to enhance project execution competency and project management capabilities by continuously refining project applications.

The Company launched the phase I application of the Wison Engineering material supply chain management system ("WEMS") within the Year, which offers integrated management of procurement planning, requisition, procurement, delivery reminder, manufacturing supervision, logistics, warehousing and suppliers. The system enabled information flow, fund flow and partial workflows.

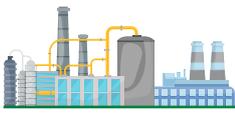


3. ENHANCING SUSTAINABLE DEVELOPMENT

3.1 SOUND MANAGEMENT SYSTEM

Wilson Engineering pursues an overall business strategy to develop innovative technologies, focus on chemical and energy businesses, and promote global development. We are committed to continuously promoting technological advances and seeking innovative solutions in a bid to meet market needs and enhance competitiveness. At the same time, we strictly comply with the ISO 14001 Environmental Management System, the ISO 45001 Occupational Health and Safety Management System, and the ISO 9001 Quality Management System to ensure that our business operations meet the highest environmental, health, and quality standards. We carry out meticulous management in depth, pay much attention to details, and enhance work efficiency in an effort to elevate our business operations to the optimum level. Therefore, Wilson Engineering has established a comprehensive QHSE management system after analysing the needs of employees, customers, and the general public.

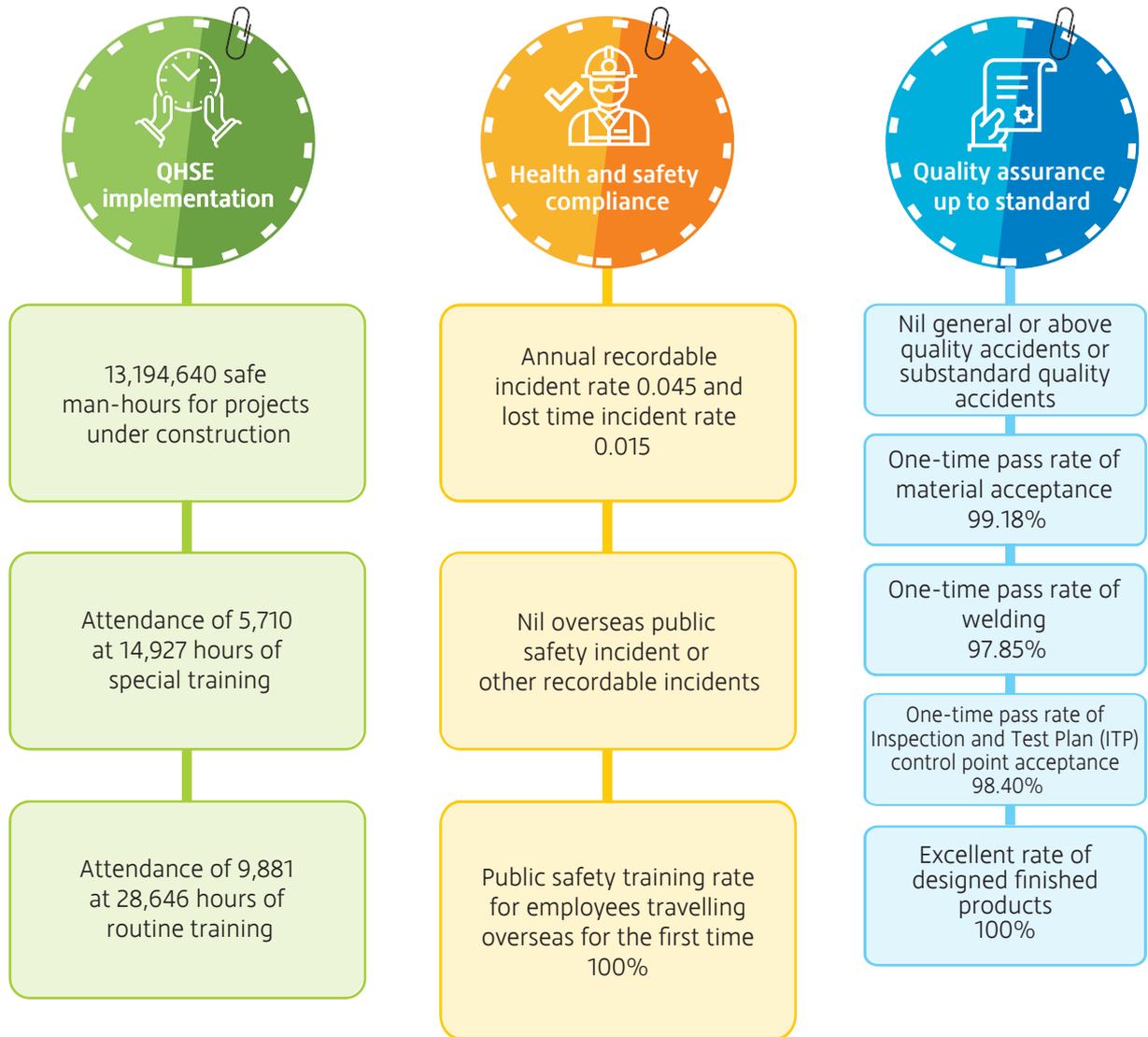


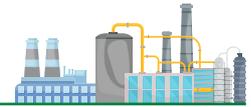


3. ENHANCING SUSTAINABLE DEVELOPMENT

In the Year, Wison Engineering continued to optimise and adjust its QHSE policy and management practices, with a view to deepening the staff’s understanding in this regard and getting them better prepared to implement projects and deal with emergencies. In view of this, Wison Engineering compiled the Work Safety Responsibility System to standardise the project process. In addition, we also launched the intelligent QHSE management platform to improve the efficiency of QHSE management. Through the platform, the engineering team is able to monitor and manage the QHSE issues of projects more effectively, thus making work safety management a more convenient and efficient process.

Achievement of Annual QHSE Management Objectives by Wison Engineering





3. ENHANCING SUSTAINABLE DEVELOPMENT

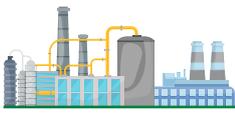
3.2 SAFETY FIRST

Wisom Engineering attaches great importance to the life safety and health of its employees and other stakeholders, always making work safety a top priority. The Group refers to a series of international advanced safety management approaches in the industry such as the Hazard and Operability Analysis (HAZOP), the Safety Integrity Level (SIL), and the Job Hazard Analysis (JHA) and strictly complies with the applicable laws and regulations in China such as the Law of the People's Republic of China on Work Safety and the Administrative Regulations on the Work Safety of Construction Projects. In addition, we also continue to develop and improve relevant in-house management policies to control the safety risks in the production process, thus creating a safe working environment for our employees and other stakeholders. With these policies, we can identify potential hazards and risks and adopt appropriate preventive measures. Furthermore, Wisom Engineering also regulates the safety practices of its employees and encourages them to actively attend safety training and comply with safety operation procedures. These steps not only help to reduce the rate of workplace accidents, but also create a safer working environment, which is essential to enhance work efficiency and productivity. During the Reporting Period, the Group did not involve any complaint or litigation regarding the violation of health and safety laws.



Work Safety Permit

To enhance the level of work safety management, we have formulated a series of guiding documents, such as the Laboratory Management Rules, the Hazardous Chemicals Safety Management Policy, and the Hazardous Waste Safety Management Policy. These documents set out requirements and measures for safety management, thus helping reduce the risk of safety accidents. By enforcing these policies, we ensure that every aspect of our work meets safety standards, thereby protecting the lives and health of our employees and other stakeholders. In addition, we have invested more funds to buy relevant safety equipment and supplies, which are essential to ensure that our employees can effectively prevent and avoid potential hazards and risks during their work. The efforts to formulate relevant guidelines and increase investment in safety have helped Wisom Engineering create a safe working environment and safeguard the lives and properties of employees and other stakeholders. During the Reporting Period, the Group invested RMB24.988 million in HSE. We recorded no work-related fatalities in the past three years, with 0.015 lost man-hour accident rate and 0.045 total recordable incident rate (TRIC) for every 200,000 working hours.

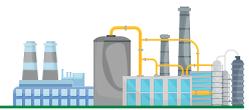


3. ENHANCING SUSTAINABLE DEVELOPMENT

Safety and Environmental Protection

Since Wison Engineering has always put safety in the first place, implementing the Work Safety Responsibility System becomes a basic requirement for it to safeguard the occupational safety and health of employees. The Group has prepared and issued the Work Safety Accountability System in accordance with the Work Safety Law of the People's Republic of China. This document strengthens and supplements our 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. In the meantime, we make sure that 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". Such a management system guarantees close attention to and great emphasis on work safety. The implementation of the work safety responsibility system is intended to avoid any unfavourable factors that may compromise the occupational safety of employees. Therefore, we keep studying and improving the entire employee safety management system, in an effort to create a safe working and construction environment in which our employees are well protected.

In addition, Wison Engineering has compiled a number of related processes and management documents, such as the Occupational Health Management Procedures, the Accident Reporting and Emergency Management, and the High (Low) Temperature, Toxic Dust, and Noise Management Rules, to provide clear guidelines and specifications for ensuring safety of employees in work. With respect to staff health management, we have established an occupational health management system to monitor and manage employees' health conditions. Meanwhile, we have also helped employee create health records and organise them to have regular health check-ups, ensuring their health conditions are managed properly and draw adequate attention. These measures, we believe, can reduce safety hazards to which employees may be exposed. Firstly, we remain concerned about the physical factors in the working environment, such as high (low) temperature, toxic dust, and noise and also by other factors that may have a negative impact on the health of our employees. Secondly, Wison Engineering has set up an HSE performance supervision and inspection mechanism and put it into continued operation. As per the work safety principle of "being people-oriented, putting safety first", Wison Engineering always deem safety as a top priority. We conduct regular inspections on the HSE system to ensure its effective operation, which includes hazard source identification, control of environmental factors, and construction site security. Through these inspections, we bring various risks at construction sites under proper control to protect the safety of our employees and the environment. In addition, we have prepared documents such as the 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 living facilities management. By doing so, we could better identify and eliminate potential risks in production and operation, thereby ensuring workplace safety.



3. ENHANCING SUSTAINABLE DEVELOPMENT

Emergency Response Management

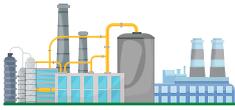
To improve the emergency response performance and capabilities of project departments, Wison Engineering strictly complies with the Law of the People's Republic of China on Work Safety, the Emergency Response Law of the People's Republic of China, and other pertinent laws and regulations, and have put in place a series of contingency plans, including Wison Engineering's Comprehensive Emergency Response Plan, Wison Engineering Headquarters' Emergency Response Plan, and Branches and Project Departments' Emergency Response Plan, which cover all levels of organisations and units of the Group and constitute a three-tier safety emergency response mechanism so as to help employees enhance their on-site emergency response management capabilities. These plans clearly define the organisational structure, division of responsibilities, and procedures for emergency response management. In the event of an emergency, we are able to respond quickly and in an orderly manner to minimise losses caused therefrom and protect the safety of our employees. Given our need to regularly check and evaluate the implementation and application of these emergency response plans, we will keep strengthening training and drills to get employees better geared up for emergency response and to ensure the effectiveness and adaptability of these plans.

Fire Evacuation Drill

On 26 October 2023, the Group, together with other tenants in the industrial park, participated in the annual fire evacuation drill, which registered a large attendance of 3,060 people from 56 units and departments. During the drill, volunteer firefighters guided persons of departments on different floors to evacuate to the assembly point in an orderly manner and then had them queue up for head counting. The whole process was well organised and everyone reacted quickly. By activating the fire-fighting facilities, the drill effectively tested the reliability of Wison Centre's emergency response system, and familiarised participants with the escape routes of the building and the location of the emergency assembly point in the industrial park under the state of emergency, hereby getting them better prepared for emergency response.

Training Programme

To spread the HSE concept among employees and boost their ability to implement the occupational health and safety management system (OHSMS), Wison Engineering carries out various types of safety awareness raising activities and training sessions, which include induction training, in-service training, mandatory training on applicable laws and regulations, and dedicated training in the areas of accident and emergency response management and hazardous chemical management according to particular safety norms. These training courses are designed to ensure employees understand the requirements of relevant codes and have a command of the skills and knowledge necessary to respond to emergency situations. Wison Engineering emphasises the effectiveness of training. We ensure that employees are able to apply what they have learnt to actual work through the combination of theoretical instructions and hands-on practices. Additionally, we regularly evaluate the effectiveness of our training and continuously improve the content and methodology of training, hence guaranteeing the constantly enhanced professionalism of our employees in occupational safety and related management.



3. ENHANCING SUSTAINABLE DEVELOPMENT

Wison Engineering’s Safety Month Campaign to Ensure Safety on the Production Floor

1. Raising Safety Awareness among Employees

June is the National Work Safety Month. In 2023, in response to the national call, Wison Engineering carried out an activity on the theme of “Everyone Thinks, Talk, and Act Safely”, with the aim to enhance the safety awareness and emergency response capabilities of employees at work.

2. Remarks from the President about Work Safety

The President of Wison Engineering delivered a safety speech to highlight the importance of a safety management system and the necessity for risk control. As a result, we announced the Ten Safety Concepts in the year and widely promoted them throughout the Company including all project departments.

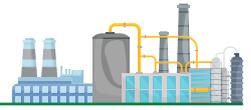
3. Wison Engineering’s Safety Awareness Raising Activities

Starting from 1 June, the “Wison Top 10 Safety Concepts” poster appeared as a desktop wallpaper on the computers of headquarters employees, which could reflect and implement Wison Engineering’s thinking on HSE management. In addition, a series of activities on emergency response and occupational safety & health were conducted in June to reinforce and strengthen the safety awareness of the staff.

4. Actual Practice Drills at Project Sites

Domestic and overseas project departments of Wison Engineering organised the launching ceremony of the Work Safety Month campaign and provided theoretical training to staff through various methods such as safety lectures. During the training, question and answer drills were performed to help employees raise their risk control awareness and skills.





3. ENHANCING SUSTAINABLE DEVELOPMENT

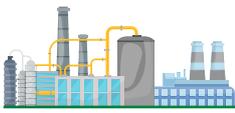
3.3 QUALITY FIRST

High-quality Engineering Projects

Wilson Engineering maintains a competitive edge in the market, endeavours to satisfy the needs and expectations of its customers, and lays a solid foundation for sound development after accumulating a wealth of achievements and a good reputation. The Group is not only committed to improving its project execution and delivery capabilities, but also takes meticulous management as an overall approach to continuously optimising all aspects of work to undertake engineering projects efficiently. With the efforts and expertise of all departments across the Group, we completed a number of major projects and delivered them to clients with high quality during the Reporting Period.



Engineering Consulting Qualification Certificate



3. ENHANCING SUSTAINABLE DEVELOPMENT

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

Project for retrofitting CNOOC Huizhou Petrochemical's Phase II hydrogen production facility: Through effective operation and continuous improvement of the quality management system, we were committed to optimising the project implementation processes and procedures so as to manage project operations more effectively.

- 1) The project was successful commissioned with its first try in March 2023, demonstrating the Group's sound quality management system in project design, procurement, and execution. Even though there were six other projects in progress during the same period, such as the Oriental Energy (Maoming) alkane resource utilisation project, the Group leveraged its sophisticated quality management system to achieve this commissioning safely.
- 2) This is the first general contracting project Wison Engineering undertook in the CNOOC system under basic & detailed engineering, procurement, construction and commissioning (BEPC) mode. We constructed it in the shortest period of time among the same type of projects, which can be seen as a result of our efforts to optimise the quality management system.

Normative Processes

Wison Engineering continues to optimise its QHSE system management and to ensure that the quality of its projects is continuously improved by refining the QHSE management modules. The Group sets its targets for project quality management as 100% customer satisfaction rate, 100% one-time pass rate for project delivery and acceptance, and 100% return visit rate for projects, to enhance the quality and management standards. As a result, we ensure 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 90% implementation rate of applicable projects in the Project Standardisation Atlas of domestic projects under construction in 2023
- All ongoing projects fully met the management requirements of quality and safety standardisation



3. ENHANCING SUSTAINABLE DEVELOPMENT

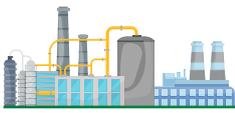
Implementation of Quality Model Projects

- The Model Project Compilation was used as a guide
- The number of model projects increased by 4 to 50 and the reuse rate of model projects exceeded 90%
- The project ITP was soundly implemented, and project departments established an ITP ledger, with an actual implementation rate of 98.4%

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

The Company has promoted and improved QHSE standards and processes. By earnestly analysing and formulating quality improvement measures, we have implemented model projects and special processes on all fronts, thus improving our quality management level remarkably. At the same time, all departments have continued to improve the quality of their products and services through proper quality management. Wison Engineering is committed to the pursuit of quality excellence and will continue to improve its performance through continuous improvement and innovation.



3. ENHANCING SUSTAINABLE DEVELOPMENT

3.4 GREEN OPERATION

With the effective promotion and implementation of the Dual Carbon policy in China, some new development trends have become increasingly evident, which are represented by the national energy reform and long-term deep carbon reduction. The introduction of the policy has pushed Wison Engineering in the direction of green and high-quality development, and has also provided a strong boost to the industry's upgrading and transformation. By adopting low-carbon and green ways of production and technological innovations, companies are able to achieve more sustainable development while reducing their negative impact on the environment. Therefore, Wison Engineering implements different green policies and operations at every stage of the project construction process in the hopes of minimising the environmental impact of its business development.

In the process of implementing the Dual Carbon policy and promoting green development, Wison Engineering strictly complies with the pertinent laws and regulations in China, including 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, and the Regulations on the Administration of Construction Project Environmental Protection. Meanwhile, we 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 emissions and waste management, energy management, water resources management, and green construction. The compliance with these laws, regulations, and internal codes could help us achieve our low-carbon and green goals while protecting the environment and realising sustainable development. During the Reporting Period, the Group was not aware of any cases of going against environmental protection laws or regulations.

Firstly, in terms of environmental management at construction project sites, Wison Engineering has set up environmental management teams in project departments. They require construction subcontractors to hire dedicated environmental management personnel and implement specific environmental management rules, environmental protection facilities, and environmental pollution prevention and control measures. As the work is based on mutual cooperation and understanding between the two sides, these measures can effectively improve the efficiency of resource utilisation and reduce the level of environmental pollution. Secondly, in terms of environmental management in office areas, Wison Engineering has implemented the green office initiative and set up an energy conservation and emission reduction team to oversee the energy consumption in office areas and hold energy saving and emissions reduction-themed meetings on a regular basis, thus spreading and practising the concept of energy conservation and carbon reduction. These steps will help Wison Engineering achieve its environmental sustainability goals, while serving as a catalyst for other companies in the industry to embark on similar journeys.

Wison Engineering has set directional environmental targets and will review or examine the progress of each target in a year. We reviewed and examined the progress of last year's targets when setting the initial environmental targets this Year, and confirmed that they could still be applicable for this Year's energy conservation and carbon reduction efforts. The Group vigorously implemented its policies and measures to reduce GHG emissions, save energy and water, and reduce waste. In the future, we 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.



3. ENHANCING SUSTAINABLE DEVELOPMENT

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. These in-house norms clearly define how to manage and dispose of solid waste, exhaust gas, and wastewater generated within construction areas of projects, and set out relevant requirements, duties, and procedures to ensure the emissions from the operations are in compliance with local laws and regulations.

As per the existing requirements for reducing pollution, we have formulated codes of practice, such as the Environmental Management Procedures, to further reduce emissions and waste. On this basis, the Group continues to explore and apply green processes and technological solutions in more projects to achieve a more eco-friendly way of doing business.

Reduction and Treatment of Air Pollutant Emissions

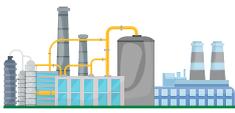
To embrace eco-friendly construction, Wison Engineering is committed to pursuing an approach to green construction. In other words, we reduce air pollutant emissions by applying various green processes and technical solutions.

We have clearly defined the processes and duties for the disposal of hazardous exhaust gas and wastewater discharged at project construction sites to ensure that these wastes are treated appropriately. In the process, construction contractors shall organise pollution disposal before discharge and discharge wastewater into sewage pipes and ditches designated by clients. When a construction contractor is unable or unqualified to dispose of these wastes, relevant work should be handed over to a capable or qualified unit for disposal as per the applicable requirements for environmental protection. To embrace eco-friendly construction, Wison Engineering is committed to pursuing an approach to green construction. In other words, we reduce air pollutant emissions by applying various green processes and technical solutions. The HSE management team of a project department is responsible for supervising and inspecting these processes to ensure that all operations comply with the relevant environmental protection standards and the course of the works strictly adheres to the pertinent laws and regulations, with a view to delivering a better performance in environmental protection.

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 2022	Emission load in 2023
Nitrogen oxides (NOx)	kg	2,113.03	2,425.50
Sulphur oxides (SOx)	kg	5.38	5.48
Particulate matter (PM)	kg	189.90	226.03

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. ENHANCING SUSTAINABLE DEVELOPMENT

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

Type of discharge	Unit	Discharge amount in 2022	Discharge amount in 2023
Total wastewater discharged	tonne	114,053.60	124,155.86
Intensity of wastewater discharge ²	tonnes/ten-thousand-yuan revenue	0.24	0.32

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, we aim to help ameliorate environmental problems and move towards green development.

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 from electricity consumption during operations. Wison Engineering adopts a variety of energy-saving measures to reduce its carbon emissions and carbon footprint. For example, we find the ideal air conditioner temperature for electricity savings and advocate double-sided printing to save energy and reduce paper waste. In short, Wison Engineering actively adopts energy-saving technologies and devises solutions for enhanced energy efficiency so as to reduce energy consumption and GHG emissions.

² The density of wastewater discharge in the Year increased compared to last year, mainly due to the increase in overall amount of wastewater as many projects were in the later project stage of commission in 2023, while the revenue in 2023 decreased approximately 17.5% compared to last year.



3. ENHANCING SUSTAINABLE DEVELOPMENT

Wison Engineering calculates its GHG emissions with reference to the Greenhouse Gas Inventory Protocol developed by the World Resources Institute and the 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 11,773.07 tonnes, and the intensity of GHG emissions was 0.031 tonnes per RMB10,000 revenue.

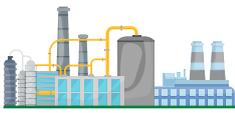
The table below sets out the GHG emissions of Wison Engineering during the Reporting Period:

Type of emission	Unit	Emission load in 2022	Emission load in 2023
GHG emissions (scope 1)	tonnes of CO ₂ e	2,464.54	3,882.83
GHG emissions (scope 2)	tonnes of CO ₂ e	5,967.84	7,890.23
Total GHG emissions	tonnes of CO ₂ e	8,432.38	11,773.07
Intensity of GHG emissions ³	tonnes of CO ₂ e/ ten-thousand-yuan revenue	0.018	0.031

Waste Management

There are many types of waste generated by Wison Engineering, which include hazardous waste, non-hazardous waste, recyclable waste, domestic waste, construction waste, food waste, and medical waste. A number of measures have been adopted in order to manage these wastes in a uniform manner. First, we collect wastes by category and treat them uniformly, encourage waste reduction and reuse at source, and engage in recycling and outside disposal. This practice is intended to help reduce the amount of waste generated and maximise the efficiency of resource utilisation. Second, the Group entrusts qualified disposal service providers to dispose of hazardous wastes properly, causing no damage to the environment and human health. To carry out waste management more effectively, 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, specifying the disposal requirements, work duties, and processes for various types of waste to ensure compliance and adequacy of waste management. Moreover, different treatment and storage methods are adopted for general waste and hazardous waste (solid and liquid) to ensure their safety and environmental friendliness.

³ The intensity of GHG emissions during the Year increased compared to that of last year, which was mainly due to several projects located in the Middle East region had entered into peak construction period, so the demand for personnel and equipment transportation increased significantly.



3. ENHANCING SUSTAINABLE DEVELOPMENT

Below are the five principles of waste management:

Categorised management	Reduction at source	Reuse	Recycling	Outside disposal
Waste is collected by category and treated uniformly 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 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.

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. The color and marking of garbage bins should comply with the requirements of regulations and standards.	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.

To manage various types of waste effectively, Wison Engineering takes a series of measures to ensure their proper handling and disposal. One important step of the process is to keep waste separately by category and property. For example, some waste may be recyclable, non-recyclable, or hazardous. To ensure that the process of waste sorting and disposal is carried out effectively, each waste container should be added with clear signs indicating the type of waste. In addition, extra care must be taken when handling hazardous waste, as it may contain toxic substances or other substances that are harmful to the environment and human health. Therefore, the Group will follow stringent safety standards and procedures when collecting, storing, and disposing of hazardous waste in order to avoid secondary pollution caused by leakage and diffusion.



3. ENHANCING SUSTAINABLE DEVELOPMENT

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

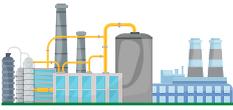
Type of waste	Unit	Waste in 2022	Waste in 2023
Food waste	tonne	453.38	878.14
Domestic waste	tonne	173.11	269.25
Recyclable waste	tonne	612.64	370.94
Total non-hazardous ⁴	tonne	1,239.13	1,518.33
Intensity of non-hazardous waste	tonnes/ten-thousand-yuan revenue	0.0027	0.0040
Construction waste	tonne	5,418.70	9,697.20
Disposal volume of hazardous waste	tonne	886.85	652.32
Disposal intensity of hazardous waste	tonnes/ten-thousand-yuan revenue	0.0019	0.0017
Total waste	tonne	7,544.68	11,867.85
Waste intensity ⁵	tonnes/ten-thousand-yuan revenue	0.016	0.031

Energy Management Measures

The Group has introduced specific and clear guidelines and requirements, such as the Energy and Resource Consumption Management Rules. These documents explicitly set out the energy consumption measures we adopt in engineering projects and office running, which include setting energy saving targets, formulating energy saving plans, and taking energy saving steps. We treat the economical use of energy resources as a responsibility and mission, which could not only help us to reduce the impact on the environment, but also create economic benefits for us. With these energy conservation and emissions reduction measures, we can reduce GHG emissions and mitigate the impact of climate change.

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

⁵ The waste emission intensity for the Year increased compared with that of last year, which was due to the fact that more projects were completed during the Year, so the overall amount of waste increased, while the revenue for the Year decreased compared with that of last year. In the future, we will strengthen waste management to minimise waste generation.



3. ENHANCING SUSTAINABLE DEVELOPMENT

Construction Sites

- Actively explore ways to reduce carbon dioxide emissions and turn carbon dioxide into a resource through the researches on energy-saving and emission-cutting technologies for petrochemical and coal chemical plants
- Optimise or refine the researches on the ethylene cracking furnace technology and devise energy-saving solutions for ethylene quenching and separation
- Improve the environmental, energy-efficient, technical, and safety standards of projects by meeting green construction indicators through proper planning, design, construction, and optimisation
- Continuously improve the green supplier management system by means of reviewing suppliers' offer documents, technical negotiations and confirmation, etc., and check whether equipment and materials can comply with environmental indicators
- Develop resource utilisation and environmental protection technologies with the aim of developing green construction innovatively
- Make full use of resources to establish and improve management methods for the promotion, restriction, and elimination of construction programmes

Office Areas

- Make zero-cost or low-cost-per-day energy-saving retrofits and promote energy-efficient products and technologies by establishing a mechanism for tracking, monitoring, and evaluating energy-saving programmes
- Electricity: We adopt energy-efficient new processes, equipment, materials and technologies, such as photoconductive lighting. In addition, employees are encouraged to set office air conditioners to 26 degrees Celsius or higher in summer and 20 degrees Celsius or lower in winter in order to use less electricity. Moreover, Wison Engineering has always watered greenery with surface water, made ice at night in summer using valley time electricity price, and enabled the underfloor heating system in winter
- Water: Water-saving upgrades and regular inspections are carried out in offices and cafeterias, where water demand is high. In addition, water-saving appliances and equipment are promoted for extensive use, such as adjusting taps to reduce the maximum flow and save water
- Energy: Priority is given to energy-efficient vehicles, the "one fuel card for one single vehicle" system is implemented, and public transport or non-motorised transport is advocated among employees
- Paper: Double-sided printing and electronic documents are used as far as appropriate. Employees are encouraged to use their own notepads, with the expenses reimbursed by the Company



3. ENHANCING SUSTAINABLE DEVELOPMENT

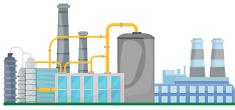
Below is energy consumed by Wison Engineering during the Reporting Period:

Type of energy	Unit	Consumption in 2022	Consumption in 2023
Gasoline	tonne	229.69	156.70
Diesel	tonne	385.60	887.15
Natural gas	m ³	75,955.85	94,713.57
Electricity purchased	kWh	10,249,157.78	13,529,337.66
Intensity of electricity purchased ⁶	kWh/ten-thousand-yuan revenue	22.00	35.21
Direct energy consumption	GJ	31,705.25	48,930.49
Indirect energy consumption	GJ	36,896.97	48,705.62
Total energy consumption intensity	GJ/ten-thousand-yuan revenue	0.15	0.25

Water Resources Management

Wison Engineering is committed to raising awareness of water conservation, actively increases the application of water-saving technologies and the comprehensive use of wastewater recycled, and continues to strengthen water-saving management measures during projects and operations. Our goal is to use water more efficiently and save water. We have no problem in sourcing suitable water sources.

⁶ The intensity of electricity purchased during the Year increased compared with that of last year, which was due to the fact that the number of personnel utilizing the Company's office buildings increased during the Year, as well as a number of projects entered into peak construction period, while the revenue for the Year decreased compared with that of last year. In the future, we will strengthen our energy management to reduce the use of purchased electricity.



3. ENHANCING SUSTAINABLE DEVELOPMENT

Green Construction

<p>Improving Water Use Efficiency</p>	<ul style="list-style-type: none"> • Use construction techniques that conserve or recycle water, such as rationally designing equipment and piping pressures and recycling water for pressure testing repeatedly; • Rationally arrange the temporary water supply network at a construction site in light of its water consumption; • Install meter gauges on water mains at construction sites and arrange regular manned inspections and repairs to reduce leakage; • Set up a system for collecting, treating, and reusing reusable water at construction sites and collect and treat water used for pressure testing, flushing, and concrete curing at such sites to recycle water resources; • Set up recycled water devices for machinery, equipment, and vehicle washing; • Determine water quota indicators for domestic water and engineering water and measure and manage them separately.
<p>Utilising Non-traditional Water Sources</p>	<ul style="list-style-type: none"> • Advocate reclaimed water mixing and maintenance for civil engineering construction water in areas where the conditions for using reclaimed water are met; • 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; • Prioritise non-traditional water sources for water used in machinery, equipment, vehicle washing, road spray, and greening; • Build a rainwater harvesting and utilisation system at large construction sites, especially those in areas with abundant rainfall, to collect rain for suitable construction and living places.



3. ENHANCING SUSTAINABLE DEVELOPMENT

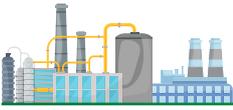
Green Office

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. Prolonged unnecessary water flow is prohibited;
	<ul style="list-style-type: none"> Water-saving banners are posted in the pantry to raise related awareness. According to the data, water consumption during the Reporting Period was 10% lower than the previous year.

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

Type of water resource	Unit	Consumption in 2022	Consumption in 2023
Municipal water supply	m ³	143,543.77	143,315.16
Surface water	m ³	9,400.00	9,600.00
Underground water	m ³	0.00	847.00
Total water consumption	m ³	152,943.77	153,762.16
Total water consumption intensity ⁷	m ³ /ten-thousand-yuan revenue	0.33	0.40

⁷ The total water consumption during the Year was similar with 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. In the future, we will strengthen our water management to reduce the water consumption intensity.



3. ENHANCING SUSTAINABLE 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”. We always comply with the pertinent laws and regulations in China and prioritise the use of new technologies, equipment, materials, and processes that are beneficial to the environment. By constantly encouraging the development of innovative green construction technologies, we work to reduce the negative impacts on the environment and the pressure on energy consumption caused by our project construction. With the goal of practising green construction, we follow the Rules on the Provisions on the Administration of Civilized Construction of Engineering Projects as a guide and make every effort to ensure that our project sites meet the environmental requirements for green and civilised construction. Meanwhile, we endeavour to minimise the impact of the construction process on the environment. Specifically, we improve construction efficiency and reduce energy consumption by saving energy, reducing waste, and making the best of resources. Wison Engineering endeavours to minimise the impact on soil, water, and air quality in the construction process, thus ensuring projects can co-exist with their surroundings in harmony.

Before Construction

- Relevant departments inspect a construction site to know the existing surrounding environment. Then, the environmental management team develops risk mitigation measures based on assessment results. These measures include formulating green construction management programmes and technical requirements and explicitly listing steps for resource conservation.
- The environmental management team proposes project-specific programmes, and green construction programmes, such as an energy conservation and use programme, to ensure that energy consumption is minimised during construction. Meanwhile, programmes for disposing of solid waste (including construction waste) will be developed to make sure that such waste can be disposed of properly, hence minimising negative impacts on the environment.

During Construction

- We assist construction contractors to adopt resource-efficient and eco-friendly construction processes and techniques and eliminate or restrict those that are energy-intensive and not eco-friendly.
- When formulating construction programmes and green construction programmes, and organising operations, we develop effective management and control measures in respect of soil protection, waste disposal, dust/smoke control, noise control, and so on. Besides, we also set up car washing machines and fog guns in plant areas and cover bare soil with dust nets to exercise effective dust control.
- We ensure the construction site environment management complies with the pertinent laws and regulations, and carry out energy and materials consumption management by formulating and implementing measures to make better use of energy and reduce resource waste.



3. ENHANCING SUSTAINABLE DEVELOPMENT

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

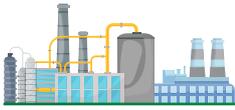
Yang Coal Qilu First Fertiliser Project

- Equipment and pipelines were insulated with new flexible cryogenic insulation materials, which could be used as a substitute for traditional polyurethane and foam glass materials;
- The large sheet of the new materials could shorten the splicing process and reduce the use of volatile and polluting glue;
- Operation tools were simple, the material was easy to cut, and little waste was generated for easy clean-up;
- The material could replace traditional insulation materials that tended to cause pollution, such as mastic and glass fabric;
- The equipment was simple to overhaul and did not require large-scale dismantling, thus reducing pollution.



Xinjiang Weigerui Project

- Earth excavation proceeded, followed by a heavy replacement and backfill workload;
- The divided excavation method was adopted to effectively control the dust-exacerbated air pollution in light of the actual process steps of the project;
- We organised construction under centralised stacking in the field and sub-regional backfilling, and adopted the method of combining the preloading and the use of two working surfaces;
- All these steps not only shortened the distance of earthwork transportation, but also improved the utilisation efficiency of the site, thereby meeting dust control requirements.



3. ENHANCING SUSTAINABLE DEVELOPMENT

Addressing Climate Change

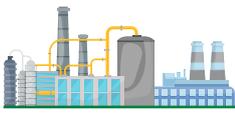
Climate change is an issue of paramount significance, as a series of consequences caused therefrom, like water shortages, rising temperatures, more frequent extreme weather events, and natural disasters, affect everyone in the world. To cope with this challenge, the Chinese government has introduced 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. Meanwhile, it has also indicated that renewable resources and raw materials are not subject to the control of energy consumption, thus bringing new opportunities for the engineering services market. In this context, relevant companies can utilise renewable resources and raw materials to develop more eco-friendly products and services, which can not only meet market demand, but also promote green construction. Therefore, Wison Engineering will make full use of these new opportunities to accelerate the adoption of new energy technologies, increase the application of biodegradable materials, and seek opportunities for cooperation with related industries.

Wison Engineering responds to national policies and international trends on an ongoing basis, and identifies and manages the physical risks, transition risks, and opportunities that climate change poses to its operations and supply chain. We incorporate climate change-related factors into our business decisions and strategic focus areas to maintain our business competitiveness in a sustainable future. In the meantime, we have advanced technological R&D in fields such as hydrogen energy chain, industrial exhaust gas capture, and carbon sequestration through chemistry, in order to advance the use of and transition to clean energy. These endeavours not only help reduce carbon emissions, but also enable us to spot new business opportunities and venture into new markets.



3. ENHANCING SUSTAINABLE DEVELOPMENT

Type of risk	Climate risk	Risk level	Potential risks/ opportunities	Potential financial impact	Responses
Physical risk	Acute risk (e.g., typhoons, floods, storm)	Low	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"> • Potential damage to existing infrastructure may cause increasing maintenance expenditure • Supply chain disruptions may cause the shortage of raw materials and the decrease in operation income • Operation may be interrupted and other problems involving breach of contract, compensation and legal liabilities may arise during extreme weather 	<ul style="list-style-type: none"> • Develop extreme weather contingency plan • Arrange extreme weather training among employees • Keep the electronic version of relevant documents for backup and the backup data center should be in other place • Adopt the most advanced engineering techniques and build to the highest standards, taking into account maximum affordability • Deploy in advance by the project department and activate the emergency plan against typhoons; reinforce the project office area, material supply warehouse and other areas; conduct safety inspections to the construction area, identify risk and hidden danger in the project site to reinforce the safety management and control of the project construction. • Take geographical location into account when selecting site, and provide special protection for operations in coastal zone • 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))
	Chronic risk (e.g., extreme high temperature, water scarcity)	Low	Extreme hot weather may increase the demand for cooling and threaten the health of employees working outdoors	<ul style="list-style-type: none"> • Operation cost may increase due to increased resource and energy usage as a result of rising temperature 	<ul style="list-style-type: none"> • Provide appropriate health and safety training and heatstroke prevention measures for employees • Adopt additional low-cost emission reduction measures, which is favorable to the environment, and reduces potential risk of energy price increase • Use renewable sources of energy to reduce energy consumption (i.e. increasing the use of PV power) • Optimise the operational efficiency of heating and air conditioning systems to minimise power consumption



3. ENHANCING SUSTAINABLE DEVELOPMENT

Type of risk	Climate risk	Risk level	Potential risks/ opportunities	Potential financial impact	Responses
Transition risk	Market Risk	Low to moderate	Growing concern of stakeholders on sustainability	<ul style="list-style-type: none"> As the market tends to select low-carbon products and services, failure to meet market requirements may result in lower profits and reduce operation income 	<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 Proactively implement energy conservation and consumption reduction and cleaner production to decrease carbon emissions Take climate-related factors into account in business operation and consider the feasibility for using new and alternative energy sources
	Technical Risk	Low to 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"> 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 Follow the development and application of new technologies in the industry, e.g. developing carbon capture and re-use to reduce carbon emissions during production Study on the feasibility and benefits for applying the latest low-carbon and energy-saving technologies to operations
	Policy and regulatory risks	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"> Increase in compliance costs Increase in R&D costs 	<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 Incorporate the "3060 Dual Carbon Goal" into the staff training program Increase investment in the development of technologies and projects in low-carbon and emission reduction
	Reputational Risk	Low to moderate	As higher standards on climate actions are requested by the stakeholders, failure to respond effectively could jeopardize the reputation of the business	<ul style="list-style-type: none"> Additional costs will occur from transformation to a low-emission production process Investors may cancel or reduce their investment to the Company 	<ul style="list-style-type: none"> Proactively respond to the national call for "Dual Carbon" by actively communicating with stakeholders, formulating and disclosing emission reduction targets Pay more attention on climate change, including strengthening the identification, management and planning of climate change risks Publicly disclose the Company's GHG emissions data and its efforts on low-carbon operations, etc. in ESG reports, to effectively maintain its corporate image Establish all-round communication channels with stakeholders, to regularly communicate with stakeholders and provide timely feedback on the measures and actions taken by the Company on climate issues.



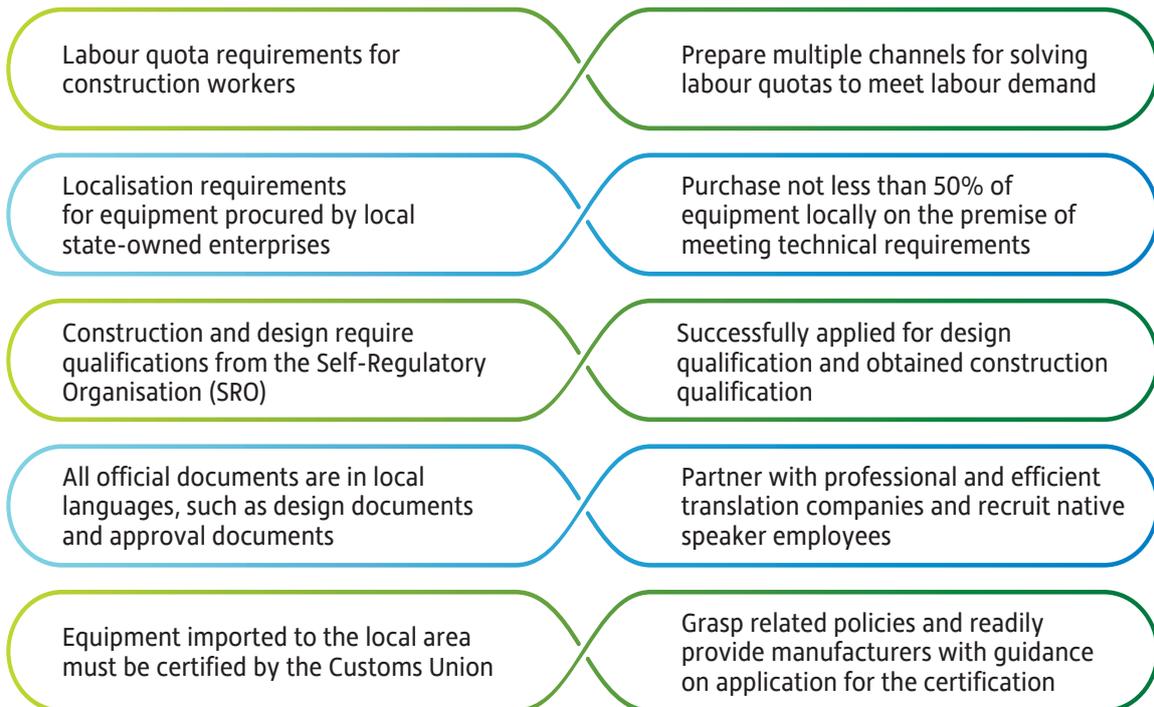
4. BOOSTING COOPERATION AND MUTUAL SUPPORT

4.1 CUSTOMER CARE AND COMMUNICATION

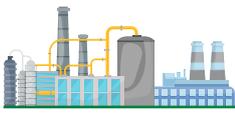
Wison Engineering provides quality customer service in order to continue good customer relationships. The Group maintains close contact with each of its customers and conducts regular customer satisfaction surveys to ensure that they are satisfied with our services. Meanwhile, we also conduct occasional visits to customers, which allows us to understand and address their needs and problems first hand. The Group attaches great importance to customer feedback and suggestions and takes them into consideration so as to continuously improve the quality of our services. Through close interaction, we are able to build long-term relationships with customers, thereby ensuring they are satisfied with and loyal to us.

Communication and Advice

Wison Engineering is constantly improving its customer communication channels and providing a variety of methods for customer service and complaints so as to better meet the customers need. We value each and every customer and ensure that they can feel our attention and focus. In addition to this, we have established clear service specifications to ensure the quality and efficiency of our services. Meanwhile, we attach particular focus to the special local needs and suggestions of overseas customers. We do our best to respond to the needs of our customers and provide optimal solutions.



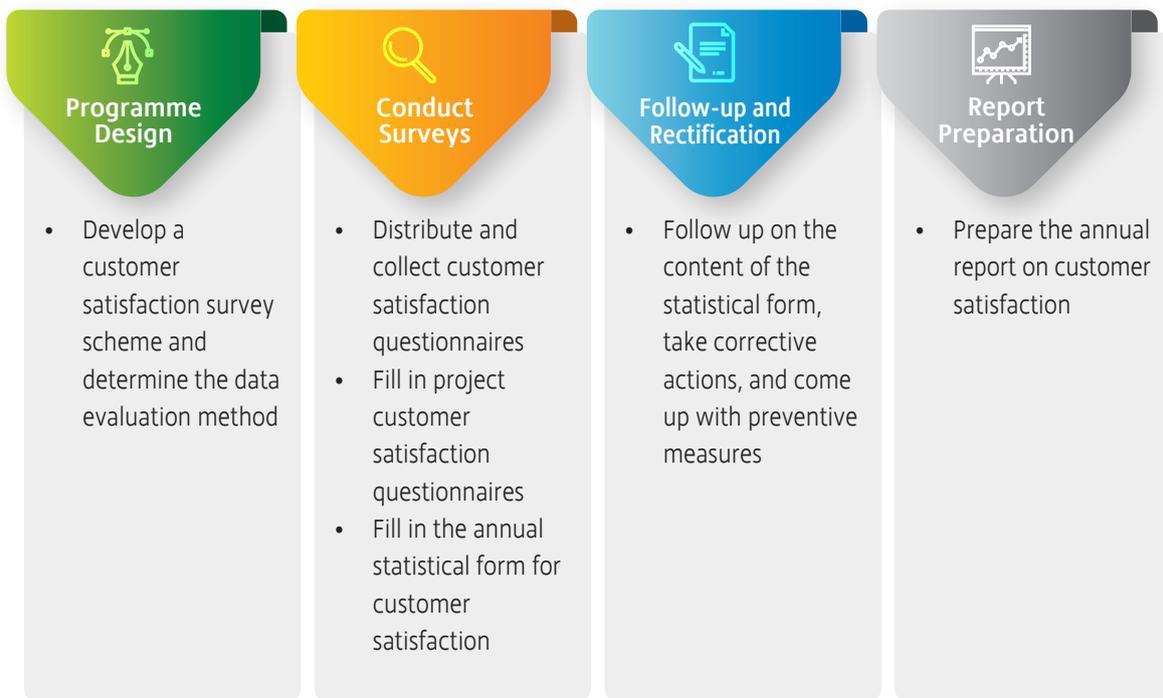
Meeting Special Requirements of Overseas Customers



4. BOOSTING COOPERATION AND MUTUAL SUPPORT

Customer Satisfaction Survey

The Company has compiled the External Customer Satisfaction Measurement Procedures for reference with the aim of enhancing customer satisfaction. We value the opinions and feedback from each customer and regard them as invaluable resources for us to improve our services and management practices. We conduct customer satisfaction surveys on a regular basis, including programme design and surveying, in order to understand their comments and suggestions on our services. Wison Engineering is committed to communicating with customers in a positive, proactive, and friendly manner to ensure that they receive satisfactory answers and support. In addition, we hold regular project meetings to follow up on how projects proceed and ensure effective communication with a view to providing customers with an even better service experience.



Customer Satisfaction Survey Process

7 Design Elements

- Evaluation dimensions: Fourteen dimensions, such as integrity and self-discipline, professionalism, design quality, and start-up support
- Average satisfaction score: 9.64



8 Subcontracting Projects

- Evaluation dimensions: Project management, design, procurement, QHSE, construction, and peers
- Average satisfaction score: 9.13



2023 Customer Satisfaction Survey Results



4. BOOSTING COOPERATION AND MUTUAL SUPPORT

Information Security Protection

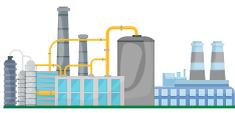
Wison Engineering strictly abides by the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Electronic Commerce Law of the People's Republic of China, and other relevant laws and regulations in China, and has formulated the Information Identifier Processing Procedures as an in-house policy. The clear awareness of the importance of customer information security and privacy drives us to protect the rights and interests of our customers in all aspects. A number of measures have been adopted to protect customers and the Company from suffering unnecessary economic losses and legal disputes due to inappropriate use or breach of information. Firstly, we provide training to our staff on the protection of customer privacy, familiarize them with the relevant laws/regulations and protective measures, and strictly prohibit the unauthorised sharing and disclosure of information in any form. These steps guarantee a high degree of professionalism and confidentiality in the handling of customer information by our employees. In addition, the Company has also set up a specialised team to be responsible for archiving and storing customer information. This team focuses on creating a harmonious and responsible workplace to ensure that customer information is properly stored and readily accessible. It takes measures to ensure the security and integrity of relevant information in strict accordance with the requirements of the Information Identifier Processing Procedures.

Before Project

- Sign confidentiality agreements with customers
- 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

After Project

- 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

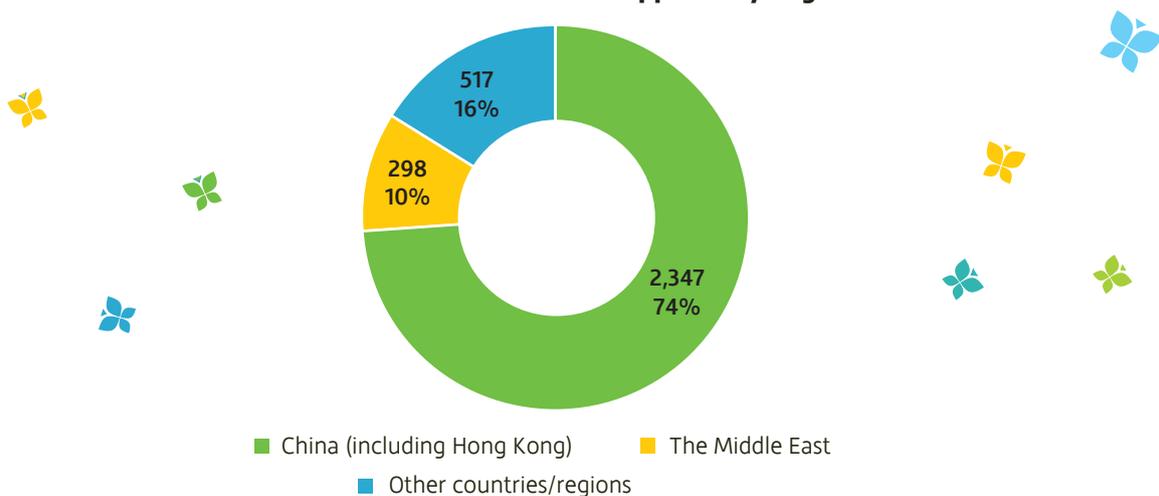


4. BOOSTING COOPERATION AND MUTUAL SUPPORT

4.2 SUSTAINABLE SUPPLY CHAIN MANAGEMENT

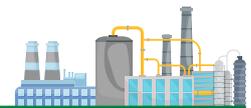
Wison Engineering capitalises on its professional technical background in cost control to provide efficient and quality procurement services to its customers. To this end, the Group will continue to implement stable, sound, compliant, and sustainable procurement practices and optimise the processes and systems of supplier onboarding and appraisal. By doing so, we ensure that our purchases and supplies are based on our commitment to environmental protection, product quality, and social responsibility. At the same time, we provide supplies of stable quality and superior services in the long run, meet high QHSE standards, and maintain close and effective communication with our suppliers, in an effort to build a sustainable and robust supply chain system. The Group had a total of 3,162 suppliers, including 815 overseas suppliers. Distribution of suppliers by region is set out below:

Distribution of Partnered Suppliers by Region



Supplier Assessment and Audit

Wison Engineering strictly complies with the principles of “fairness, impartiality, openness, and transparency”, especially in the areas of supplier onboarding and assessment. To strengthen supplier resource management, the Company has formulated the procurement standards “Supplier Management Rules”, which clearly outline the principles for categorised supplier management and define the processes and management requirements for supplier onboarding, selection, assessment, dynamic management, incentivisation, and development. The purpose of the document is set to ensure that our cooperation with suppliers is conducted by consistent standards and that quality suppliers are selected. In addition, Wison Engineering has a set of standardised processes to govern the management of construction subcontractors, design subcontractors, suppliers of materials and services, and so on. Relying on the supplier evaluation and supervision mechanism, the Group is able to better control and manage the quality and performance of suppliers, a prerequisite for ensuring smooth business developments and operations in accordance with high standards.



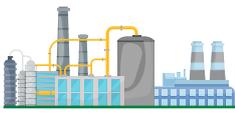
4. BOOSTING COOPERATION AND MUTUAL SUPPORT



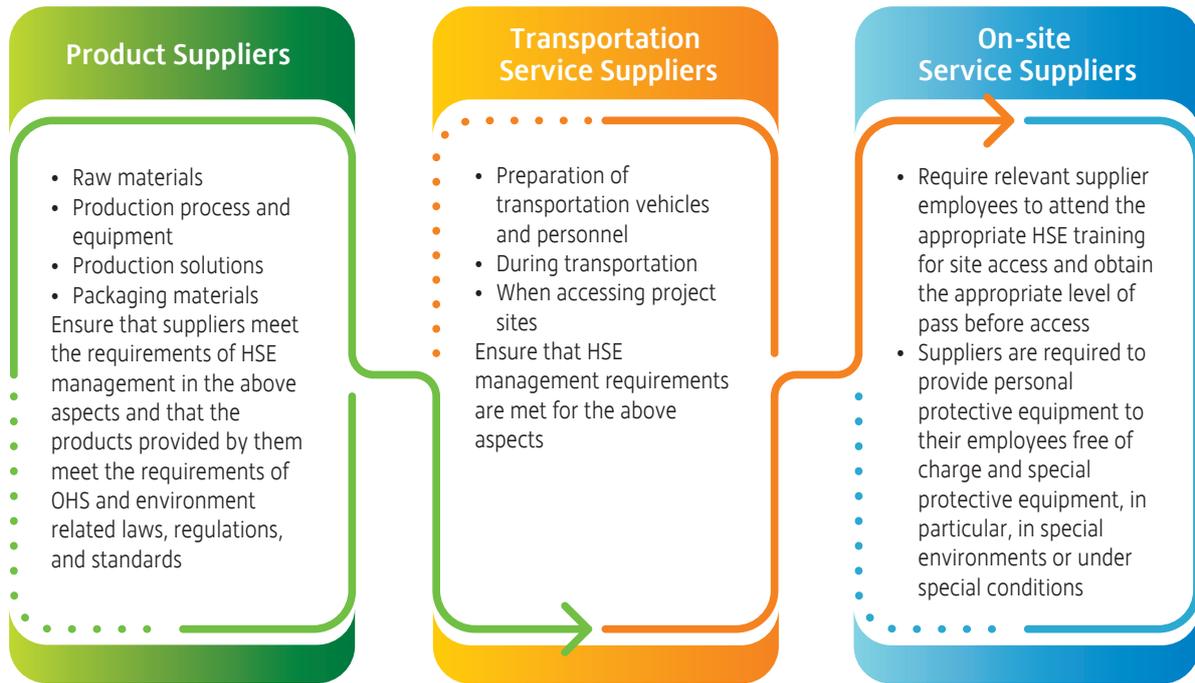
Supplier Assessment, Audit, and Categorisation

Environmental and Social Requirements for Suppliers

Wison Engineering pays high attention to the Code of Conduct on Corporate Social Responsibility, which involves labour standards, health and safety, and the environment, among other aspects. The Group wishes to establish long-term partnerships with suppliers who are socially responsible. We strictly follow the pertinent laws and regulations in China, including the Anti-Unfair Competition Law of the People’s Republic of China, the Civil Code of the People’s Republic of China, and the Law of the People’s Republic of China on Bid Invitation and Bidding, and have accordingly formulated a number of in-house policies, such as the Management Policy for Anti-corruption, Anti-bribery, and Anti-money Laundering and the Contract Negotiation Management Measures. When working with suppliers, we also need to ensure that they have fully understood, signed, and complied with the HSE Management Requirements for Projects of Wison Engineering and the Equipment Packaging, Labelling and Shipping Requirements. In addition, we make it mandatory for suppliers in cooperation to obtain the ISO 9001 quality management system certification. With all things being equal, priority will be given to selecting suppliers with ISO 14001, OHSAS 18001/ISO 45001, ISO 27001, and other certifications.



4. BOOSTING COOPERATION AND MUTUAL SUPPORT

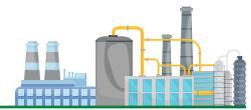


HSE Management Requirements for Suppliers

To ensure the integrity and honesty of our business activities, we firmly require all suppliers to sign the Letter of Commitment to Integrity before conducting business activities with us. Such an arrangement aims to ensure that both parties conduct their business activities in strict compliance with the pertinent laws and regulations and resolutely eliminate any form of underhand dealings and exchange of benefit. This measure could not only help safeguard the Group’s reputation, but also provide a level playing field, making sure that the business activities between the Company and its suppliers are in compliance with both ethical and regulatory requirements. During the Reporting Period, 100% of the Group’s suppliers signed the Letter of Commitment to Integrity, thus ensuring that the cooperation between the Company and its suppliers is based on integrity.

Green Procurement Policy

Wison Engineering strives to reduce the environmental impact of the supply chain and make the supply chain more eco-friendly. To this end, the Group has adopted a series of measures. Firstly, the Group gives priority to sourcing raw materials or products that are eco-friendly, such as energy, water and material-saving ones, to reduce the adverse impact on the environment. Meanwhile, we prioritise establishing long-term partnerships with suppliers that are more socially responsible to promote environmentally sustainable development together. Secondly, we work to devise transportation solutions that would reduce traffic costs and energy consumption. In this regard, we explore the use of more efficient modes of transport, such as centralised procurement, to effectively reduce procurement costs, thereby implementing a green supply chain in the Group’s procurement process.



4. BOOSTING COOPERATION AND MUTUAL SUPPORT

Communication and Cooperation

Good communication is beneficial to Wison Engineering and its suppliers in many aspects. Through targeted training and guidance, the Company can help suppliers to solidify their production operations and enhance their supply capabilities. The communication process ensures that both parties can understand each other's expectations and needs accurately, an essential prerequisite for establishing close partnerships. Enhanced communication on the two sides allows the Company to effectively manage and anticipate the supply chain risks that suppliers may cause to the Group.

Quality Control

- Implement the standardised procurement processes
- Strictly control supplier onboarding and dynamically manage, evaluate, and monitor suppliers
- Monitor the quality and progress of equipment and materials manufactured throughout the entire process



Cooperation Support

- Develop an online business system for suppliers to register in order to facilitate the acquisition and management of various data flows between the two parties, such as workflows and fund flows
- Sign long-term strategic cooperation agreements with suppliers to ensure that resources and benefits can be shared to provide steady technical support and production capacity

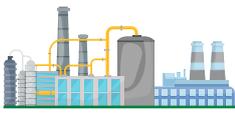


4.3 MUTUAL BENEFITS AND WIN-WIN RESULTS

Wison Engineering believes that cooperation among all parties is indispensable to achieve a win-win situation with mutual benefits, which is also a goal that it makes unremitting efforts to realize. The Company will take the initiative to collaborate with people from various industries, and share expertise with experts to gain complementary advantages. This mode of cooperation not only enhances our professional competence and comprehensive competitiveness, but also promotes the development of our partners towards a common success.

Standard Setting

Wison Engineering needs to develop standards to guarantee its sustained progress and avoid unreasonable competition. To this end, the Company actively participates in industry events such as exchange meetings with peers. At the same time, continuous attention to and support for the formulation of industry norms will also help harmonise our behaviour with the latest standards.



4. BOOSTING COOPERATION AND MUTUAL SUPPORT

Cooperation on Advanced Technology

To maintain its pace of progress and competitive edge, Wison Engineering continuously advances independent R&D and external cooperation to lead innovative technology and engineering. Through continuous innovation and technological advancement, the Group establishes partnerships with external parties to share resources and achieve win-win results.

Cooperation with Dalian Institute of Chemical Physics, Chinese Academy of Sciences on Catalytic ODHE to Ethylene Technology

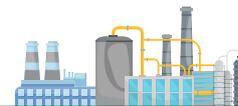
During the Reporting Period, Wison Engineering's research on the catalytic ODHE to ethylene technology in collaboration with the Dalian Institute of Chemical Physics, Chinese Academy of Sciences continued to deepen, and a total of 17 patents were applied for in respect of the core process. The new technology has entered into the commercialisation stage. Technology demonstration and application intentions have been reached with a number of Chinese enterprises. The technology is suitable for ethylene production from various ethane feedstocks, and its investment costs, energy consumption, and carbon emissions are significantly lower than those of traditional technologies, which is of groundbreaking significance for ethylene production and fits the global trend of lightening olefin feedstocks, thus presenting a broad application prospect.

In-depth Exchanges with Other Enterprises on Catalysts and Complete Set of Technology for Oxidative Dehydrogenation of Butene to Butadiene

The Company proactively promoted the catalyst and complete set of technology for the oxidative dehydrogenation of butene to butadiene. The commercial plant that uses the catalyst and complete set of technology for the oxidative dehydrogenation of butene to butadiene shows remarkable operation effects, and the technology has been unanimously recognised and is leading domestically and internationally. So far, a number of Chinese and foreign enterprises have made in-depth communication with Wison Engineering, indicating the promising commercialisation of this technology.

Technology-driven Innovation: Promoting New Technology for Butadiene and Carbon Tetra Utilisation

On 23 September 2023, Wison Engineering held a seminar for promoting the new technology of utilising butadiene and carbon tetra, to invite various professionals in the industry for discussion and research together. During the seminar, the R&D staff introduced the self-developed catalyst for oxidative dehydrogenation of butene to butadiene and its industrial application, energy-saving butadiene extraction technology, and new MTBE/Butene-1 technology. Wison Engineering hopes to create a new ecosystem for promoting industry exchange, innovation, and development through this event.



5. INTEGRATED TALENT DEVELOPMENT

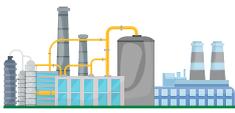
Wison Engineering firmly believes that employees are the most valuable assets of the Group. It is this belief that has laid the foundation for our development in talent management. We endeavour to be a responsible employer and therefore enforce and comply with the relevant regulations and rules stringently. The Group aims to provide an equal, diversified, and inclusive career development platform for its employees. At the same time, we actively introduce capable persons, continuously improve the personnel management and skills development system, and seek to grow with our employees together. Meanwhile, the Group also safeguards the rights and interests of employees by taking good care of them, sharing the fruits of development with them, and helping them realise their value.

5.1 EQUALITY, OPENNESS, AND INTEGRATION

Wison Engineering is committed to all-round joint development with its employees. We actively optimise and improve the equal and compliant employment system to ensure that all employees are treated fairly. Guided by the merit-based recruitment philosophy and equal hiring standards, the Group strives to implement its corporate employment policies from start to finish. We believe that systematic personnel management makes sure that human resources can be fully developed and utilised. We firmly believe that through these efforts, Wison Engineering can create a healthy and stable working environment in favour of staff innovation and growth, thus laying a solid foundation for sustainable development. Wison Engineering will achieve the mission of “Better Technology, Better Life”, driven by the vision of building a world-class energy and chemical engineering company that leads the economy and rallies public support and the core values of upholding integrity, putting customers first, remaining innovative and inclusive, and achieving win-win results through cooperation. To continuously optimise our talent management, we strengthened personnel management in the three domains of staff supervision, service quality, and training in the Year.

Fairness and Compliance

Keenly aware that employees are the cornerstone of a company’s success, Wison Engineering has formulated a fair, just, and open system for employee recruitment, and strictly abides 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. Given the nature of its operations, the Group has made overall structural optimisation to better allocate human resources and has formulated the Employee Recruitment Management Rules and the Annual Human Resources Plan 2023 in order to streamline the staff recruitment process, optimise the allocation of human resources, and ensure fair opportunities in recruitment and hiring.

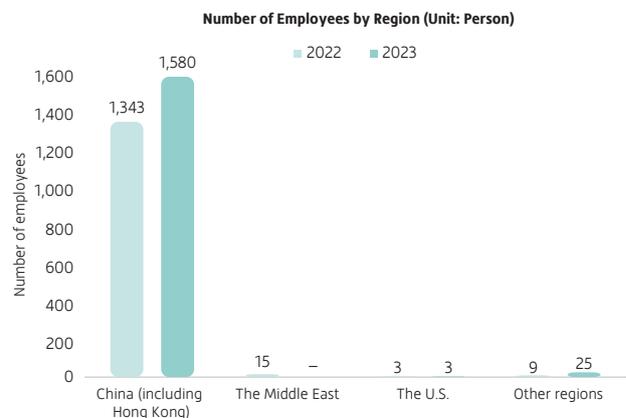
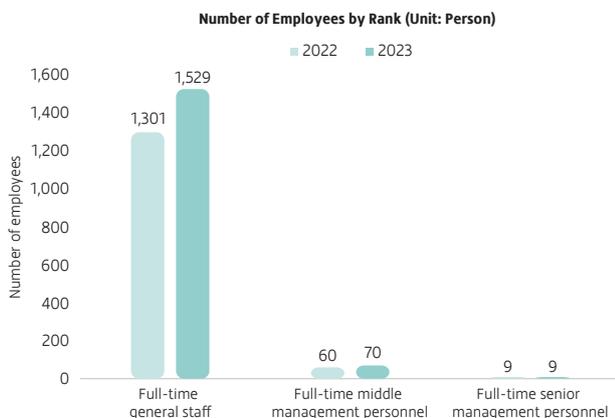
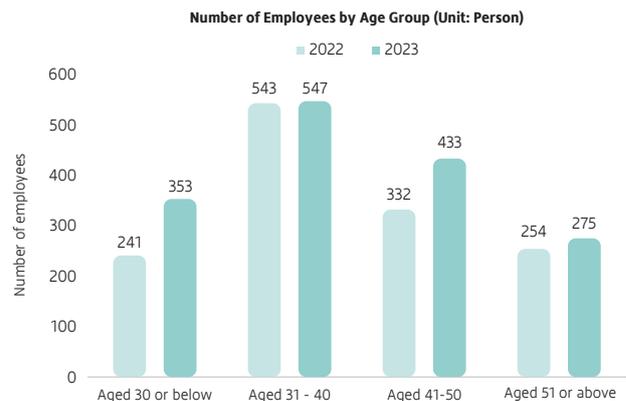
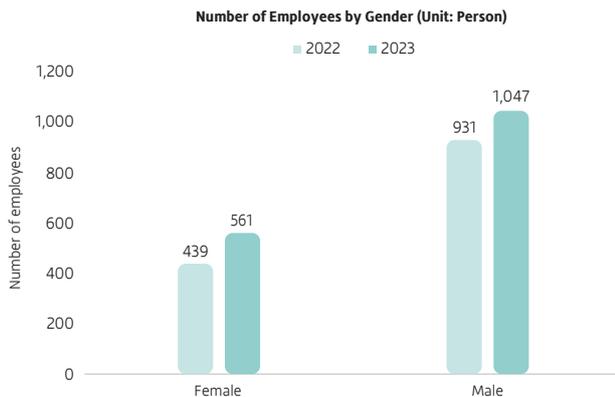


5. INTEGRATED TALENT DEVELOPMENT

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. Child labour will be eliminated resolutely. We believe that due diligence is necessary to identify loopholes and implement remedial measures with a view to preventing the hiring of the persons, which include but are not limited to those who are serving a prison sentence or are wanted and those who are still in an employment relationship with their original employers. In the meantime, we implemented the Comprehensive Working Hours System on a trial basis during the Year to avoid the risk of labour disputes, such as overtime work, complemented the flexible staffing mechanism for projects, and optimised the employment system of outsourced and dispatched staff. Besides, we have clearly defined work and rest hours to eliminate forced labour completely, and followed 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

We continue to recruit capable people to ensure the high-quality and stable development of the Group. As of 31 December 2023, we had a total of 1,608 employees (all being full-time staff). The breakdowns of employees by gender, age group, rank, and region are set out below:





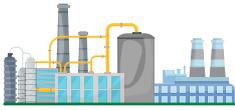
5. INTEGRATED TALENT DEVELOPMENT

In terms of talent attraction, Wilson Engineering always focuses on campus recruitment and the introduction of overseas professionals. In 2023, we continued to promote our campus recruitment programme and expanded its coverage. For students from different regions, colleges, academic backgrounds, and professional performance levels, we will adopt individualised recruitment programmes to ensure merit-based recruitment. With respect to introducing overseas talents, we will recruit more employees for overseas branches.

During the Reporting Period, the total employee turnover rate of the Group was 9.81%. The employee turnover rates by gender, age group, and region are set out below:

Employee Turnover Rate	Turnover in 2022	Turnover in 2023
Total employees	13.33%	9.81%
Turnover Rate by Gender		
Male	13.51%	10.12%
Female	12.93%	6.24%
Turnover Rate by Age Group		
30 or below	15.05%	4.53%
31-40	17.64%	9.32%
41-50	13.14%	15.47%
51 or above	1.74%	2.55%
Turnover Rate by Region		
Mainland China and Hong Kong	13.19%	8.73%
Other regions	17.95%	7.14%

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 and return related documents and articles of the Company 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 Company's talent management system in light of actual conditions.



5. INTEGRATED TALENT DEVELOPMENT

Diversity and Inclusion

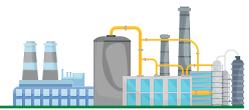
Wison Engineering has extended its service reach from China to Southeast Asia, South Asia, the Middle East, Africa, North America, and South America, among other places all over the world. Driven by the strategic goal of internationalisation, we will make continued progress in staff diversity and localisation, in the hopes of fitting well into local cultures in the places of operation.

At the same time, the Group endeavours to create a diverse and inclusive working environment to ensure that employees can develop equally, be treated with respect, and feel valued at Wison Engineering. We believe that such an environment can foster a culture of creativity and cooperation in our team, laying a solid foundation for our long-term success. To pursue an equal and non-discriminatory hiring policy, we have developed the Employee Handbook, which requires treating candidates and employees of different genders, ages, nationalities, races, cultural backgrounds, and religious beliefs equally and respecting local customs and cultures in the places of operation. Our employees are asked to respect the religious beliefs and customs of each other and incorporate the values of inclusion and mutual assistance into the corporate culture. Such a working environment fosters harmonious cooperation among employees and provides them with equal opportunities for development. Employees from different backgrounds will be more innovative and creative in a mutually supportive workplace. These initiatives aim to create a work environment that advocates equality, diversity, and respect, where every employee can fully demonstrate their abilities and fulfil their potential. This culture of employment will inspire employees' creativity in and enthusiasm for work, promote their continuous development and growth, and firmly resist any discrimination and harassment.

A Series of Activities Organised by Wison Engineering to Celebrate the International Women's Day at Work

Activity 1	"Making a DIY Bouquet for Yourself": A total of 30 female employees from different departments and offices gathered together on 3 March 2023 to make their own bouquet of flowers.
Activity 2	"Thank You Flowers for Women": The Company prepared 150 bouquets of flowers on 6 March 2023. Every staff member can take a bouquet for themselves, their female co-worker, or their female family member, showing gratitude to her for her constant dedication and support.
Activity 3	On 7 March 2023, the Group, in collaboration with Shanghai Foreign Service Holding Co., Ltd., prepared gift packs for all female employees at Wison Engineering to celebrate the International Women's Day.





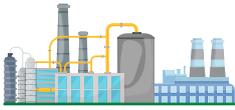
5. INTEGRATED TALENT DEVELOPMENT

5.2 TRAINING AND DEVELOPMENT PLANNING

Wisom Engineering regards personnel training and development as one of the keys to its success, because it is of great significance to the sustainable growth and competitiveness of the Group. The Company provides diversified training opportunities through a series of methods such as the Employee Training Management Rules and the Wisom Academy to help employees improve their professional competence and vocational skills constantly. These skills training, management training, leadership enhancement training, and other training programmes aim at encouraging employees to plan clear paths for career progression or project management. At the same time, we continue to provide high-performing employees with promotion opportunities through our performance management and career development system. Additionally, we attach importance to the training and promotion of internal personnel, and motivate our employees to achieve their personal and professional goals by establishing clear career development paths and promotion mechanisms. With these measures, we ensure that personnel training and development is effectively supported and valued at Wisom Engineering. We believe that this will help to increase job satisfaction among employees and promote team cohesion, while laying a solid foundation for the long-term development of the Group.

Personnel Training Programmes

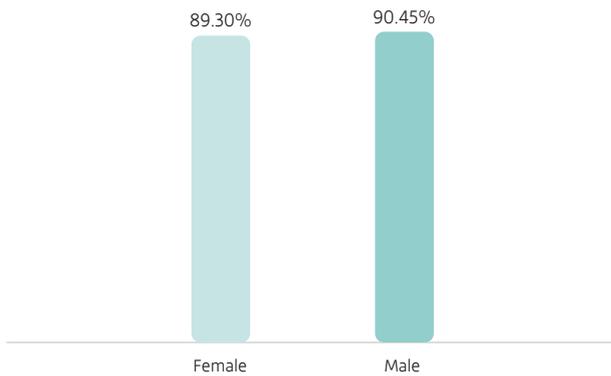
To regulate the management of staff training, promote staff career development, and establish a personnel training mechanism, Wisom Engineering has formulated the Rules on the Management of Staff Training, which sets out the purposes and types of training. In the Year, the Company implemented the Fresh Graduates and Young Backbone Employees Selection and Training Programme, which was built on the past apprenticeship programme. According to it, the Personnel Department will formulate different general and business training paths and coordinate efforts to implement a trainee programme given the development potential of fresh graduates who have joined the Company in the past five years. To effectively implement this programme, the Personnel Department will establish a dedicated assessment team and develop uniform questionnaires, profiles, and assessment measures. At the same time, we also run an overall training and rotation programme for a period of three to five years. The Personnel Department is responsible for coordination, management, and annual follow-up appraisal to ensure the smooth implementation of these programmes. These initiatives help to discover and foster young capable persons, forming a steady talent pipeline as needed by the Group's long-term development.



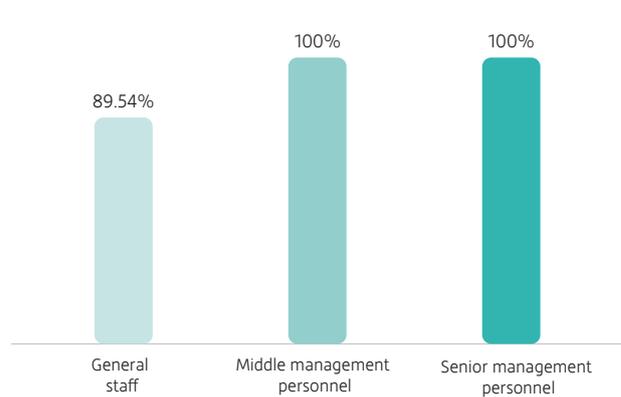
5. INTEGRATED TALENT DEVELOPMENT

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 in domestic and overseas projects and marketing campaigns. During the Reporting Period, we continued to arrange various design competitions, fitness activities, practical courses, and invited professionals to give lectures, with a view to creating an all-employee learning atmosphere. During the Reporting Period, we organised 61 learning and exchange sessions at the corporate level, which posted an attendance of 6,189 people and lasted 36,615 hours⁸, with an average of 23 hours per employee.

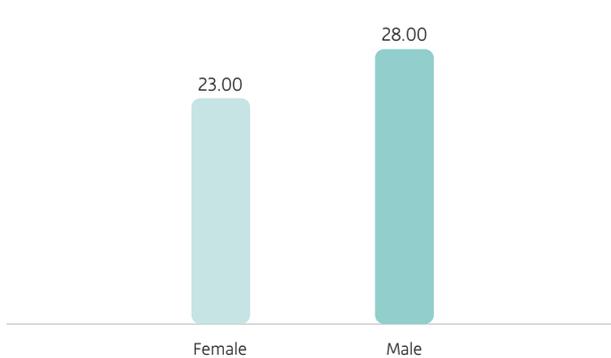
Percentage of Trained Employees by Gender⁹



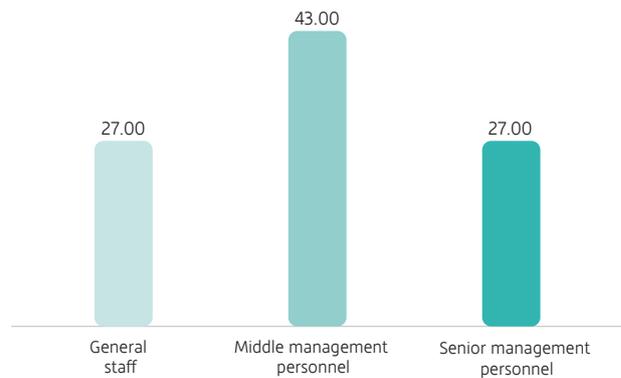
Percentage of Trained Employees by Rank⁹



Average Number of Training Hours of Employees by Gender¹⁰ (Hour/Person)



Average Number of Training Hours of Employees by Rank¹⁰ (Hour/Person)

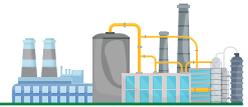


During the Reporting Period, Wison Engineering was committed to providing training at all levels, for different departments, and through various programmes in a systematic manner so as to ensure employees could acquire new knowledge and hone their personal skills. The Company implemented a comprehensive and well-managed training regime, which consisted of a project management system, an information security management system, and an IPRs management system. Through these well-established management systems, the Personnel Department can understand the personal development of employees in a timely and objective way, and propose appropriate suggestions and measures for improvement.

⁸ The training data cover employees in the Chinese mainland and Hong Kong, China.

⁹ Percentage of Employees Trained = Employees trained in the category/Number of employees in the category x 100%.

¹⁰ Average Training Hours of Employees = Training hours of employees trained in the category/Number of employees in the category x 100%.



5. INTEGRATED TALENT DEVELOPMENT

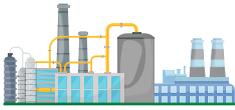
A New Learning Experience In the Digital Age: Wiscon Cloud Academy

In 2023, the Group officially launched the Wiscon Cloud Academy, an exclusive e-learning platform that could help employees enhance their skills and provide them with better training opportunities. It aims to create a learning environment that enables employees to ask questions and get answers instantly and connect learning with work closely, thus helping them continuously upgrade their skills and attend various courses and departmental training. In addition to getting their questions answered at any time, the platform also establishes a community for employees to interact with each other and broaden their knowledge. Moreover, the e-learning platform allows employees to select courses they are interested in, manage such courses, and track their learning on their own.

“Start Your Career at Wiscon Engineering”: 2023 Training Camp for Fresh Graduates

Over the period from 7 August to 18 August 2023, Wiscon Engineering held a 15-day training camp for 119 fresh graduate employees at the Shanghai headquarters. The camp offered a comprehensive set of professional courses, which covered professional knowledge, skills development, and business etiquette, and also invited attendees to share their stories. The valuable experience learned from their seniors could better prepare them for their careers and make fewer mistakes at work. In this sense, the camp provided a platform for new employees to make their career plans and attain professional development.





5. INTEGRATED TALENT DEVELOPMENT

Apart from training new hires, Wison Engineering also attaches importance to its existing managerial personnel at the junior, middle, and senior levels. Below are our training policies and programmes for all levels of managerial personnel:

Junior Managerial Personnel

The Group conducts a training programme for project managers and backup project managers (twice a year), as well as a training programme for design managers. As a result, the reserve of project managers and design managers will continue to expand and make up the bulk of the employees selected across the Company for job rotation and intensive training. These training programmes are aimed at improving the professional competence and leadership skills of project managers and design managers.

Middle and High-level Managerial Personnel

During the Year, Wison Engineering implemented leadership training programmes for middle and high-level managers. For example, we sponsored some managerial personnel to pursue advanced studies such as an MBA program, and selected some managers to attend targeted training programmes such as external management training courses lasting three to six months, in an effort to help middle and high-level managers develop and enhance their leadership and professional skills.

Senior Managerial Personnel

We promote master-level technical training across the Company and work with technical departments to conduct annual sharing and training sessions for deputy chief engineers at the company level and in professional lines at the Wison Academy. These sessions are designed to enhance the professional competence and knowledge of our technicians.



5. INTEGRATED TALENT DEVELOPMENT

2023 Training Camp for Project Managers at Wison Engineering

On 3-4 February 2023, Wison Engineering convened a special training camp for 70 persons, including management members, project managers, and department heads of the Company. During the camp, attendees had in-depth discussions and exchanges around a number of topics such as safety management, large-scale project management, cost management, contract management, and procurement cost control, with the aim of enabling these managerial personnel to share their wisdom and experience and enhance their thinking, knowledge, and skills. The Group will continue to organise training for project managers, combining project management theories with invaluable practical experience to ensure that project managers attending the camp will not only acquire comprehensive management knowledge, but also learn skills and lessons from actual project cases that can be immediately applied to their day-to-day work. Ultimately, they will play a key role in driving the development of the Company and providing efficient and quality services to customers.

With these steps, Wison Engineering endeavours to enhance the professional competence and overall quality of its staff and to create an enabling environment for their career development. At the same time, the personnel training mechanisms and the actions to promote corporate culture in turn help to enhance the competitiveness of the Group.

Career Paths

Wison Engineering has planned three career paths for its staff, that is, technical path, management path, and project management path.

Technical path

From assistant engineers to professor-level senior engineers, technical personnel are encouraged to obtain professional qualifications, and provided with learning opportunities and incentives every year.

Management path

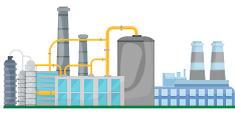
Employees have access to a development path from the basic level to the management level.

Project management path

Engineers are encouraged to advance their careers and take project management positions such as auditors, design managers, and project managers.

Particular attention will be paid to the high-performing and promising employees identified after the Group made an inventory of staffing in each department. Cost savings and incentives will be introduced in addition to staffing optimisation. Our remuneration and incentives are decided following the market-based principles, flexible adjustments are made for core talents and high-calibre personnel introduced externally, and staff turnover is prevented in a timely manner. The Group hopes to provide and create all-round career development opportunities for highly qualified personnel. Meanwhile, the remuneration and benefits, room for development, and project platforms we provide could enable our employees to realise their career ambitions, a prerequisite for retaining our staff effectively.

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", and defines professional sequences based on skill differences. Meanwhile, we set out explicit requirements on work, capability, and experience for employees at different levels, to ensure they plan their careers clearly according to their own circumstances. Therefore, this system can help employees to further develop their professional competence, better perform in work, and attain personal growth.



5. INTEGRATED TALENT DEVELOPMENT

5.3 EMPLOYEE CARE AND BENEFITS

Employees are an invaluable 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. The Group creates a healthy and safe working environment to ensure the well-being of employees. Meanwhile, Wison Engineering focuses on communication with the staff. We establish effective communication channels to hear out their suggestions and needs and provide timely feedback. At Wison Engineering, we value the opinions and contributions of our employees and take active action to enhance the work environment and meet what staff need. By doing so, the Group aims to create a caring work culture where employees feel valued and important.

Employee Communication

Wison Engineering always pursues an open communication policy to establish a harmonious relationship between internal management and staff and between employees, create an efficient and transparent working environment that encourages mutual trust, and minimise possible misunderstandings during the transmission of information. The effective communication mechanism, we believe, will encourage teamwork, enhance efficiency, and increase job satisfaction. Wison Engineering is committed to establishing a multi-directional communication channel that facilitates mutual respect and support to ensure that employees could get their ideas heard and ability appreciated and that the Company would implement its relevant policies in an effective and precise manner.

Top-down Communication	Bottom-up Communication
<p>In order to help employees understand our development philosophy and strategic decisions more effectively, we make sure heads of various departments receive the opinions of the Senior Management and then communicate such opinions within their respective departments at regular meetings. Meanwhile, we interpret the management’s decisions on the official website and WeChat Official Account of the Company from time to time to strengthen internal communication.</p>	<p>In order to enable senior executives to better understand the real needs and ideas of primary-level employees, we have 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 hold 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 voice their personal views to their superiors.</p>	



5. INTEGRATED TALENT DEVELOPMENT

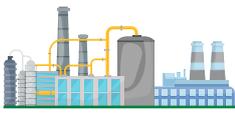
Below are employee communication channels of Wison Engineering:

Online Communication	Off-line Communication
<ul style="list-style-type: none"> • House journal • WeChat Official Account • Online employee questionnaires • Release of meeting minutes 	<ul style="list-style-type: none"> • Talks with employees about their performance • Staff assemblies • Fresh graduate and all-employee forums • Team-building activities • Departmental meetings

Employee Benefits and Support

Wison Engineering is committed to taking better care of its employees, so as to enhance their sense of belonging. In this regard, we have adopted a number of innovative measures to improve the work experience of our staff. Firstly, annual leave incentives are provided to long-serving employees in recognition of their long-term contribution to the Company. Secondly, we also have thoughtful ways to celebrate employee birthdays. The birthday cards and gifts make them feel warm and cared for. Thirdly, we strengthen care for and communication with employees, especially when they reach important milestones of their career such as entry, departure, and transfer, to enhance their sense of honour. Moreover, we carry out careful management and hold various ceremonies innovatively to make employees feel valued and respected by us at important moments.





5. INTEGRATED TALENT DEVELOPMENT

Through these endeavours, Wison Engineering will create a caring working environment for employees, thus enhancing their job satisfaction and sense of belonging to the Company.

Employee Benefits and Assistance

As a people-oriented company, Wison Engineering endeavours to maximise the benefits and provide appropriate assistance to employees. We have introduced an annuity scheme for all staff. As this scheme is designed in light of actual cost and budget conditions, it will be more flexible in approving under special circumstances. In terms of insurance, apart from providing basic social security and work-related injury insurance for every employee, we also buy them additional commercial insurance and annual complimentary health check-ups to take care of and ensure their physical and mental health. Meanwhile, for employees who work overseas during the Chinese New Year holidays, we pay consolatory visits to their families to express our gratitude and care for them. At Wison Engineering, employee satisfaction matters, and we endeavour to be a supportive and caring employer.

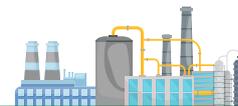
- During the Reporting Period, 33 employees were recommended to apply for subsidies from critical illness aid and livelihood aid programmes
- We helped employees in need and their families to apply for government subsidies. In the Year, we helped 15 employees to get material support from governments, including duvets and diagnosis and treatment devices

Employee Activities

To help employees maintain a good work-life balance, Wison Engineering holds a variety of cultural, sports, and recreational activities in hopes of enriching the after-work life of employees and building their bodies. During the Reporting Period, we organised 9 staff activities to show our care for employees (each with an attendance of 10-80 persons). Meanwhile, we also joined hands with other companies to organise networking events, with the aim of helping our employees expand their networks and increase their communication with peers.

Creating a Welcoming Environment for English Learners: Wison English Club

The Wison English Club was established in October 2023 aimed to improve the English oral skill of our staff. In this sense, it focuses on conversation practice. With the mission of turning passion into tangible progress through persistent efforts, it has invited English interpreters of the Group as resident tutors to give English lessons and provide professional guidance to club members. During the Reporting Period, we held four activities to provide staff with more opportunities to speak English. The activities were mainly conducted in the form of group discussions under real-world scenarios to ensure that participants had sufficient opportunities to practice, thus improving their language fluency and boosting their confidence.



5. INTEGRATED TALENT DEVELOPMENT

DIY Activities of Wisom Engineering

Handbag DIY Activity in Summer

On 28 July 2023, a summer-themed handbag DIY activity was held at the Wisom Academy. A total of 80 staff members from different departments and offices gathered to make their own handbags, thus enriching their after-work life.

Mid-autumn Festival Lantern DIY Activity

On 15 September 2023, Wisom Engineering, in collaboration with China CITIC Bank, held a paper carving lamp DIY workshop. Thirty staff members from different departments and offices gathered to make their lanterns in celebration of the Mid-autumn Festival. The purpose of the activity was to celebrate the festival and help employees relax.

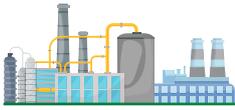


Diversified Sports Activities organised by Wisom Engineering in Cooperation with Other Companies

Handbag DIY Activity in Summer A Friendly Badminton Competition between Wisom Engineering and Dow Chemical

Wisom Engineering cares about the physical and mental health of its employees and strongly supports them in networking with workers from other companies. On 8 August 2023, Wisom Engineering and Dow jointly organised a badminton-themed networking event, which provided an opportunity for employees to expand their social circles and communicate with each other during leisure time. This sports activity managed to draw employees closer and enhance their sense of belonging to the Company. While helping to establish a friendly working environment and improve teamwork through better communication, it exerted a positive impact on the Company's business development and the personal growth of employees.





6. CONTRIBUTING TO THE COMMUNITY

As a listed company, Wison Engineering recognises the importance of social responsibility and makes community involvement and commitment a strategy for sustainable development. We actively engage in various types of public interest programmes, such as voluntary blood donation and beach clean-up, to give back to the community and make it a better place. We believe that small deeds can have tremendous effects. For example, by encouraging our staff to donate blood, we could educate them on the importance of blood donation and ease the pressure on the healthcare system. Our beach clean-up initiatives help protect and preserve the environment, ensuring a clean and healthy ocean ecosystem. Wison Engineering will keep looking for opportunities to get involved in more public benefit activities to take care of and give back to the community. With our concrete efforts, we hope to inspire more corporations and individuals to take up social responsibility, while achieving our mission of “Better Technology, Better Life”.

Voluntary Blood Donation to Pass on Love

Wison Engineering held its annual blood donation activity on the morning of 14 November 2023. During the activity, fresh graduate employees and senior employees who had been donating blood for many years gathered together, encouraged each other, and contributed their part to the community. As public-spirited persons, they did what they could do to help others in need and give back to society. By drawing employees closer, the activity turned the Company into a more caring and united big family. In short, the blood donation activity could not only show the sense of responsibility of the Company and its staff, but also attest to their respect for life.





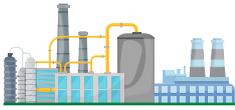
6. CONTRIBUTING TO THE COMMUNITY

Organization of Thematic Activity on “World Environment Day cum Corporate Social Responsibility”

Wison Engineering consistently encouraged all of its employees to practice the environmental protection concepts of “Harmony between Human and Nature” and “Green Development” by doing from the little thing around to fulfill their environmental responsibility, protect environment and build a green home together.

On 4 June 2023, Wison Engineering and Wison Offshore & Marine co-held a plastic litter pick-up activity along the seawall of the Nanhuizui Guanhai Park. The purpose of the activity was to increase staff participation in environmental protection issues, as plastics are having an increasing impact on the environment and human health. Before the start of the activity, a gift quiz about ecological protection was held, which not only brought employees closer, but also increased their understanding of and interest in environmental issues. After that, employees picked up plastic litter on the seawall, including beverage bottles, foam products, and plastic bags. What they did has contributed substantially to the environment.





6. CONTRIBUTING TO THE COMMUNITY

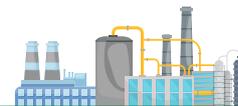
World Environment Day

To celebrate the World Environment Day on 5 June 2023, Wison Engineering and Wison Offshore & Marine once again called on all employees to make environmental commitments. On the day, employees solemnly pledged to save water, electricity, and paper, refuse disposable products, and prioritise green travel to reduce carbon emissions in the future. They signed and put their handprints on the environmental pledge board to show their support for and involvement in environmental protection. The blossoming tree on the board symbolised their expectation and sincere wish for a better environment.



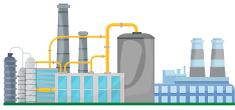
During the Year, Wison Engineering (China) Limited, a subsidiary of the Group, was rated as a “CSR Qualified Enterprise of Pudong New Area” by the Pudong Joint-Conference Office of Corporate Social Responsibility and awarded a certificate in recognition of its excellent performance in fulfilling CSRs.





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 the Protection of Consumer Rights and Interests (《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》)
Law of the People's Republic of China on Work Safety (《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》)
Administrative Regulations on the Work Safety 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 the 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》)



APPENDIX I LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

List of Major Applicable Laws and Regulations

Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》)

Law of the People's Republic of China on the 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 the 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 Environmental Impact Assessment (《中華人民共和國環境影響評價法》)

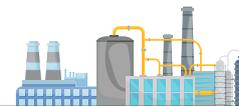
Management Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》)

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》)

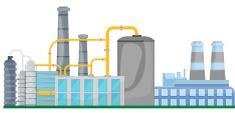
Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)

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	Type of emission	
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 Operation
KPI A1.1	Types of emissions and respective emissions data.	3.4 Green Operation
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 Operation
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 Operation
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 Operation
KPI A1.5	Description of the emission target(s) and steps taken to achieve them.	3.4 Green Operation
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 Operation
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3.4 Green Operation
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 Operation
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.4 Green Operation



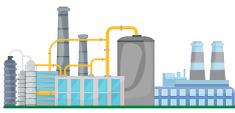
APPENDIX II CONTENT INDEX OF HKEX ESG REPORTING GUIDE

Major scope, aspect, general disclosure and key performance indicators (KPI)		Sections in the Report
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.4 Green Operation
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 Operation
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 Operation
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 Operation
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 Operation
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 Operation
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. Integrated Talent Development
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5.1 Equality, Openness, and Integration
KPI B1.2	Employee turnover rate by gender, age group, and geographical region.	5.1 Equality, Openness, 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.	3.2 Safety First 5.3 Employee Care and Benefits
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.2 Safety First
KPI B2.2	Lost days due to work injury.	3.2 Safety First
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.2 Safety First 5.3 Employee Care and Benefits
Aspect B3 Development and Training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work.	5.2 Training and Development Planning
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2 Training and Development Planning
KPI B3.2	The average training hours completed per employee by gender and employee category.	5.2 Training and Development Planning
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, Openness, and Integration
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Equality, Openness, and Integration
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Equality, Openness, and Integration



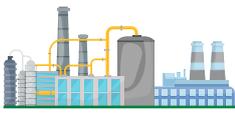
APPENDIX II CONTENT INDEX OF HKEX ESG REPORTING GUIDE

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.	4.2 Sustainable Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	4.2 Sustainable Supply Chain Management
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.	4.2 Sustainable Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.2 Sustainable Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.2 Sustainable Supply Chain Management
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: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 	3.2 Safety First 4.1 Customer Care and Communication 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.	3.3 Quality First
KPI B6.2	Number of products and services related complaints received and how they are dealt with.	4.1 Customer Care and Communication
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	3.3 Quality First
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.2 Customer Care and Communication



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 Governance 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 Governance System
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.2 Governance System
KPI B7.3	Description of anti-corruption training provided to directors and employees.	1.2 Governance 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. Contributing to the Community
KPI B8.1	Focus areas of contribution (e.g. education, environment, labour needs, health, culture, sports).	6. Contributing to the Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6. Contributing to the Community



APPENDIX III GRI STANDARDS CONTENT INDEX

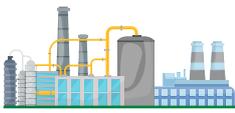
Statement of use	Wison Engineering Services Co., Ltd. reported the information cited in this GRI Content Index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Indicators	Details	Chapter Index
GRI 2: General Disclosure 2021		
The Organisation 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 Customer Care and Communication 4.2 Sustainable Supply Chain Management
2-7	Employees	5. Integrated Talent Development
Governance		
2-9	Governance structure and composition	1.2 Governance System 1.3 Sustainability Governance
2-11	Chair of the highest governance body	1.2 Governance System 1.3 Sustainability Governance
2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Governance System 1.3 Sustainability Governance
2-13	Delegation of responsibility for managing impacts	1.2 Governance System 1.3 Sustainability Governance



APPENDIX III GRI STANDARDS 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 Governance 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 Governance System 3.2 Safety First 3.4 Green Operation 4.1 Customer Care and Communication 4.2 Sustainable Supply Chain Management 5.1 Equality, Openness, 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 Employee Care and Benefits for details).



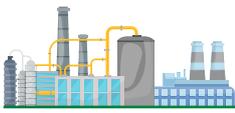
APPENDIX III GRI STANDARDS CONTENT INDEX

GRI Indicators	Details	Chapter Index
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
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 Governance System
205-2	Communication and training about anti-corruption policies and procedures	1.2 Governance System
205-3	Confirmed incidents of corruption and actions taken	1.2 Governance System
GRI 206: Anti-competitive Behaviour 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2 Governance System
206-1	Legal actions for anticompetitive behaviour, anti-trust, and monopoly practices	1.2 Governance System
GRI 301: Materials 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Green Operation
301-1	Materials used by weight or volume	3.4 Green Operation



APPENDIX III GRI STANDARDS CONTENT INDEX

GRI Indicators	Details	Chapter Index
GRI 302: Energy 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Green Operation
302-1	Energy consumption within the organisation	3.4 Green Operation
302-3	Energy intensity	3.4 Green Operation
302-4	Reduction of energy consumption	3.4 Green Operation
GRI 303: Water and Effluents 2018		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Green Operation
303-1	Interactions with water as a shared resource	3.4 Green Operation
303-2	Management of water discharge-related impacts	3.4 Green Operation
303-3	Water withdrawal	3.4 Green Operation
303-4	Water discharge	3.4 Green Operation
303-5	Water consumption	3.4 Green Operation
GRI 305: Emissions 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Green Operation
305-1	Direct (Scope 1) greenhouse gas emissions	3.4 Green Operation
305-2	Energy indirect (Scope 2) greenhouse gas emissions	3.4 Green Operation
305-4	Greenhouse gas emissions intensity	3.4 Green Operation
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.4 Green Operation



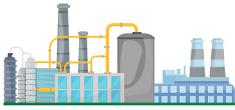
APPENDIX III GRI STANDARDS CONTENT INDEX

GRI Indicators	Details	Chapter Index
GRI 306: Waste 2020		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Green Operation
306-1	Waste generation and significant waste-related impacts	3.4 Green Operation
306-2	Management of significant waste-related impacts	3.4 Green Operation
306-3	Waste generated	3.4 Green Operation
GRI 401: Employment 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Equality, Openness, and Integration 5.3 Employee Care and Benefits
401-1	New employee hires and employee turnover	5.1 Equality, Openness, 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 Benefits
GRI 403: Occupational Health and Safety 2018		
GRI 3: Material Topics 2021	3-3 Management of material topics	3.2 Safety First 5.3 Employee Care and Benefits
403-1	Occupational health and safety management system	3.2 Safety First
403-2	Hazard identification, risk assessment, and incident investigation	3.2 Safety First
403-3	Occupational health services	3.2 Safety First 5.3 Employee Care and Benefits
403-4	Worker participation, consultation, and communication on occupational health and safety	3.2 Safety First 5.3 Employee Care and Benefits
403-5	Worker training on occupational health and safety	3.2 Safety First



APPENDIX III GRI STANDARDS CONTENT INDEX

GRI Indicators	Details	Chapter Index
403-6	Promotion of worker health	3.2 Safety First 5.3 Employee Care and Benefits
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.2 Safety First
403-8	Workers covered by an occupational health and safety management system	3.2 Safety First
403-9	Work-related injuries	3.2 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 Planning
404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Training and Development Planning
GRI 405: Diversity and Equal Opportunity 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Equality, Openness, and Integration
405-1	Diversity of governance bodies and employees	5.1 Equality, Openness, and Integration
GRI 406: Non-discrimination 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Equality, Openness, and Integration
406-1	Incidents of discrimination and corrective actions taken	There were no relevant incidents of non-compliance during the Reporting Period.



APPENDIX III GRI STANDARDS CONTENT INDEX

GRI Indicators	Details	Chapter Index
GRI 413: Local Communities 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	6. Contributing to the Community
413-1	Operations with local community engagement, impact assessments, and development programmes	6. Contributing to the Community
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	4.1 Customer Care and Communication
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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