Neway Valve (Suzhou) Co., Ltd.
2024 Environmental, Social and Governance (ESG) Report

Report description

Reporting scope

This is the Neway Valve (Suzhou) Co., Ltd. 2024 ESG Report. The report covers Neway Valve (Suzhou) Co., Ltd. and its subsidiaries, including Neway Industrial Material (Suzhou) Co., Ltd., Neway Industrial Material (Dafeng) Co., Ltd., Wujiang Dongwu Machinery Co., Ltd., Neway Oil Equipment (Suzhou) Co., Ltd., Neway Precision Forging (Liyang) Co., Ltd., Neway Flow Control (Suzhou) Co., Ltd., Neway Engineering Services (Suzhou) Co., Ltd., Baowei Technology Co., Ltd., Suzhou Hechuang Testing Service Co., Ltd., Neway Flow Technology (Lianyungang) Co., Ltd., Neway Technology (Yantai) Co., Ltd., Neway Flow Technology (Chengdu) Co., Ltd., Neway Engineering Services (Huizhou) Co., Ltd., Neway Flow Equipment Vietnam Company Limited, Neway Valve West Africa FZE, Neway Oil Field Equipment LLC, Neway Flow Control Inc, Neway Valve International Inc, Neway Valve (Europe) B.V., Neway Valve (Europe) S.R.L, Neway Valve (Singapore) Pte. Ltd., etc. The information and data in this report primarily cover Neway's environmental, social and governance- related activities from January 1 to December 31, 2024. Based on the continuity and comparability of the report, some data and information are not limited to 2024.

Compilation principles

This report is prepared with reference to the GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB), ISO 26000:2010 Guidance on Social Responsibility issued by the International Organization for Standardization, the Shanghai Stock Exchange Guidelines No. 4 for Listed Companies - Preparation of Sustainability Reports, and the United Nations Sustainable Development Goals (SDGs).

Defining Report Content

In the process of selecting the content of the report, we followed the GRI standards' principles of materiality, completeness and responsiveness and elaborated on the three aspects of environment, society, and governance (ESG), focusing on the organization's responsibilities in ESG governance, product responsibility, environmental responsibility, employee responsibility, charity, etc. The data and information collection for this report was carried out in accordance with the company's existing work processes.

Abbreviations

For ease of expression and readability, Neway Valve (Suzhou) Co., Ltd. is referred to as "Neway," "we," or "the company" in this report. The copyright of this report belongs to Neway.

Publication

The report is published once a year and can be viewed or downloaded online on the company's official website (https://www.neway.com.cn/). If you have any questions or suggestions about the content of this report, please call or write to us.

Tel: +86-0512-66658692
Email: song.xu@neway.com.cn

CONTENTS

Chairman's speech

2024 was a year of perseverance and outstanding achievements for Neway. With the trust and support of all our customers & suppliers, and the efforts of all Neway employees, we overcame external challenges, met all operational indicators as planned, and laid a solid foundation for the company's sustainable development. These accomplishments reflect the wisdom and hard work of every Neway employee and embody our corporate spirit of "Daring to ask where the path lies."

Technology innovation is the core driver of Neway's development. In 2024, we increased R&D investments, focusing on technological upgrades, product optimization, and equipment improvements to constantly enhance product performance, production efficiency and delivery cycles, meeting customer needs with better products and services. We firmly believe that only through continuous innovation can we remain invincible in the fiercely competitive market. Over the past year, our R&D team engaged with the market firsthand, listened to customer feedback, and launched a series of new products that met market demands, achieving significant breakthroughs. We are convinced that only by closely integrating technology innovation with customer needs can we create greater value for customers.

Green manufacturing is Neway's solemn commitment to environmental protection. We implemented green development concepts, committed to low-carbon production, and achieved energy-saving and emission-reduction goals through front-end energy conservation and end-process efficiency improvements. We collaborated closely with customers and supply chain partners to streamline production and logistics, upgrade equipment and optimize upstream & downstream industrial chains, achieving energy efficiency throughout the product lifecycle while promoting sustainable development. In recent years, we have obtained such international certifications as ISO 50001, ISO 14064, and ISO 14067, achieved PAS 2060 carbon neutrality certification for some products, and been honored as a provincial green factory. These achievements affirm our past efforts and inspire us for future progress.

Employee care is a core value of Neway's corporate culture. We firmly believe that employees are the company's most valuable asset. Over the past year, we constantly improved our employee welfare system, providing employees with a better working environment and development opportunities. We encouraged employees to participate in company management, emphasizing continuous improvement and excellence by integrating the philosophy that "refinement is innovation" into corporate culture, thus injecting vitality into the company's growth. We believe that only through mutual growth between employees and the company can true sustainable development be achieved.

Looking ahead, Neway will uphold the spirit of "Daring to ask where the path lies" and adhere to the corporate culture of simplicity, pragmatism, exploration & innovation, and respecting systems & processes, driving high-quality development by leveraging technology innovation leadership. We will further increase R&D investments and enhance production flexibility and automation, strengthening our core competitiveness. With the efforts of all Neway employees, Neway is confident of achieving greater success on its journey toward sustainable development, creating enhanced value for such stakeholders as partners, shareholders, employees and society. Together, let us create a brighter future!

Chairman:

Enterprises culture

Enterprises mission

To provide a complete set of industrial valve solutions

Enterprises Spirit

Dare to ask where the path lies

Enterprises core culture

Simple and Pragmatic; Exploration and Innovative; Respect Systems and Processes

Enterprises vision

To be the world's leading manufacturer of industrial valves

Core values

Respect Employee's Self-realization; Create Value for Customers; Bear Social Responsibility

Highlights of 2024 ESG data

Economic

Total assets (¥100 million)
87.11

Annual product volume (units)
713,745

Sales revenue (¥100 million)
62.38

R&D investment (¥10,000)
16,728.81

Environment

Wastewater and exhaust gas emissions compliance rate (%)
100%

Industrial waste recycling rate (%)
86.89%

Year-on-year reduction in unit product scope 1 & 2 emissions intensity (TCO_2-e /T)
15.38%

Percentage of green electricity (%)
9.59%

Social

Employee satisfaction rate (%)
94.63%

Total investment in safety (in RMB10,000)
1879.3

Number of work-related fatalities and severe injuries
0

Lost time incident rate (LTIR) per 200,000 work hours
0.24

Average staff training duration (hours/person/year)
29.84

Number of patents granted (items/year)
63

Governance

Percentage of women in senior management (%)
10%

Anti-commercial bribery & business ethics training (number of participants)
4053

01 About Neway

Neway is a leading industrial valve company with technology-driven core competitiveness, specializing in the R&D, design, and manufacturing of high-end valves, and committed to providing diversified and high-quality valve solutions for global energy and industrial sectors.

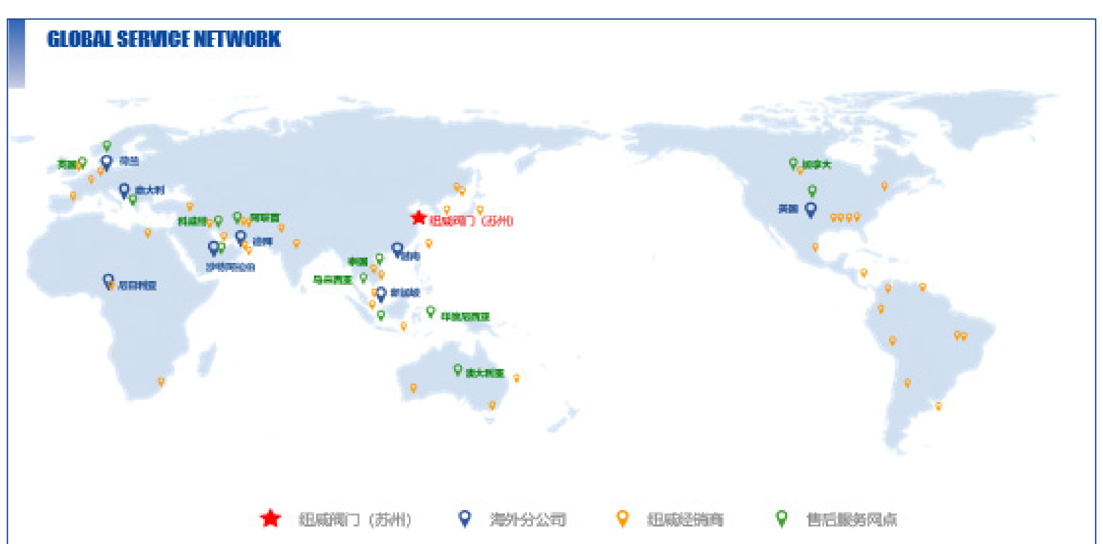
1.1 Company overview

Founded in 1997, Neway has consistently dedicated itself to the industrial valve sector with the spirit of "Daring to ask where the path lies," committed to providing a complete set of valve solutions for global industrial development. In 2014, we were listed on the Shanghai Stock Exchange (stock code: 603699.SH), ushering in a new chapter in corporate development. Today, Neway has grown into a leader in China's industrial valve sector, maintaining its position as the domestic industry leader for more than a decade. Headquartered in Suzhou City, Jiangsu Province, the company owns 3 casting and forging manufacturing facilities and 7 valve production bases, establishing a robust manufacturing system. In addition, we have established 3 major R&D centers both domestically and internationally, forming a collaborative innovation system that provides strong momentum for product development and technological breakthroughs. With 10 product series, our products are exported to more than 90 countries and regions worldwide, achieving an annual output value of 7 billion RMB, and are widely used in oil, natural gas, chemicals, power, metallurgy, and other industries.

With a global vision, Neway has strategically expanded its market presence, building a worldwide marketing and service network. We operate 3 domestic sales subsidiaries and have established 9 overseas sales subsidiaries to provide customers with efficient and convenient service experience. Against the backdrop of the "dual-carbon" goals and industrial transformation, Neway adheres to the principles of "technology leadership, global collaboration, smart manufacturing, and sustainable development" and drives the establishment of flexible digital production lines with intelligent manufacturing as its driving force to enhance production efficiency and product quality, setting a benchmark for high-quality industry development.

With a global vision, Neway has strategically expanded its market presence, building a worldwide marketing and service network. We operate 3 domestic sales subsidiaries and have established 9 overseas sales subsidiaries to provide customers with efficient and convenient service experience. Against the backdrop of the "dual-carbon" goals and industrial transformation, Neway adheres to the principles of "technology leadership, global collaboration, smart manufacturing, and sustainable development" and drives the establishment of flexible digital production lines with intelligent manufacturing as its driving force to enhance production efficiency and product quality, setting a benchmark for high-quality industry development.

In recent years, the company has obtained ISO 50001 Energy Management System Certification, ISO 14064 Greenhouse Gas Verification Certification, and ISO 14067 Product Carbon Footprint Certification, with some products achieving PAS 2060 Carbon Neutrality Certification. Additionally, the headquarter in Suzhou has been honored with the title of "Provincial Green Factory" for its achievements in green manufacturing. These accomplishments affirm Neway's efforts in sustainable development and demonstrate the company's determination and actions toward industry sustainability.



Global sales & service network

Core manufacturing bases

Neway Valve (Suzhou) Co., Ltd.: covers an area of 230,000 square meters, with its main products including ball valves, GGC valves, control valves, and nuclear power valves.

Neway Flow Control (Suzhou) Co., Ltd.: covers an area of 67,000 square meters, with its main products including high-performance butterfly valves and forged steel valves.

Neway Oil Equipment (Suzhou) Co., Ltd.: covers an area of 30,000 square meters, with its main products including API 6A valves, wellheads, Christmas trees, 16C drilling manifolds, and 17D subsea equipment.

Wujiang Dongwu Machinery Co., Ltd.: covers an area of 30,000 square meters, with its main products being safety valves.

Neway Industrial Material (Suzhou) Co., Ltd.: covers an area of 11,250 square meters, with its main products being sand castings.

Neway Industrial Material (Dafeng) Co., Ltd.: covers an area of 85,000 square meters, with its main products being precision castings.

Neway Precision Forging (Liyang) Co., Ltd. covers an area of 158,500 square meters, with its main products including free forgings, ring forgings, and sand castings.

Neway Flow Equipment Vietnam Company Limited: covers an area of 20,000 square meters, with its main products including PI6A valves, wellhead devices, and oil production trees.

1.2 Development history

Establishment and growth

1997-2001

Founding of Suzhou Neway Machinery;

2002-2006

· Formal establishment of Neway Valve;
·Annual sales surpassed $50 million, becoming one of China's leading industrial valve manufacturers;
· Receiving approval from Royal Dutch Shell;

Foundation building for expansion

2007-2011

· Neway Valve obtained design and manufacturing licenses from China's National Nuclear Safety Administration;
· Achieving ASME nuclear certification with N & NPT stamps;
· Neway Valve acquired Wujiang Dongwu Machinery Co., Ltd., expanding product portfolio to include safety valves.

Rapid growth for enhanced efficiency

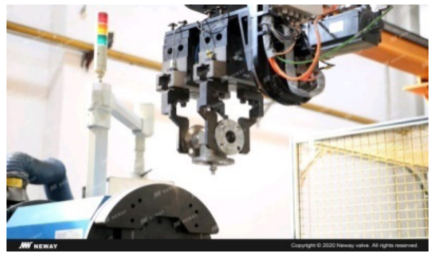
2012-2020

· Successful IPO of Neway Valve on the Shanghai Stock Exchange;
· Obtaining API 6DSS certification for subsea valves;
· Winning China's first nuclear grade valve order for UK's HPC project;
· Obtaining Nuclear Class 1 certification from NNSA;

Strategic leap into high-quality development

2021 - present

· Awarded Shell's third five-year EFA framework agreement;
· Comprehensive implementation of digital management systems;
· Achieving automated assembly line production for select valve types;
· Securing first nuclear grade valve order for thermonuclear fusion reactor;



1.3 Product portfolio

In industrial valves, Neway remains customer-focused, delivering a complete set of customized valve solutions. Our extensive portfolio includes 10 product series: ball valves, butterfly valves, gate valves, globe valves, check valves, regulating valves, API 6A valves with manifolds, subsea valves, safety valves and nuclear power valves, serving oil & gas, chemical, marine, power and new energy sectors. We strictly control material quality, using carbon steel, stainless steel, alloy steel and other premium materials to ensure that our products can withstand such extreme conditions as high temperature/pressure and corrosion. With strong R&D and manufacturing capabilities, Neway offers more than 90,000 product specifications and models for a variety of complex scenarios to meet customers' diversified needs ranging from basic infrastructure to technology upgrades, aiding various industries in achieving stable and efficient operations.

Ball Valve | Butterfly Valve | Gate Valve | Globe Valve | Butterfly Valve

Regulating valve | AP16A Valve | Subsea Valve | Safety valve | Nuclear Power Valve

Product series display

Industrial distribution

As a leading manufacturer of industrial valves in China and an important player in the global industry, New Wave has always been focusing on the research and development, manufacturing and intelligent upgrading of industrial valves, and is committed to providing customers around the world with valve solutions covering the entire industry chain and customized engineering services, providing a full range of high-performance, highly reliable products in a variety of fields, such as oil and gas, chemical industry, offshore shipbuilding, water treatment, electric power and new energy. The company has successfully built a multi-level marketing network system covering the whole world, which ensures efficient and convenient service support for customers in the global scope.

Established for **28** years

Supplied to **90+** countries

Participated in **10,100+** projects

Over **10,648,000+** units of valves

1.4 Business strategy

In 2024, industrial valve manufacturing showed trends of sustained demand growth, accelerated technology innovation & intelligent automation, material & design diversification, and a deepening of regional clustering & competitive landscape. Against this backdrop, Neway seized the industry' s opportunities by constantly deepening technology innovation and global layout in the field of industrial valves, achieving high-quality development and exceeding all operational indicators.

In 2024, the company achieved sales revenue of 6.238 billion yuan, a year-on-year increase of 12.50%, rewarding shareholders, customers and partners with strong performance.

Key economic data (2022 - 2024)

Item	2022	2023	2024
Total assets (¥100 million)	69.70	78.39	87.11
Annual product volume (units)	711,846	811,459	713,745
Sales revenue (¥100 million)	40.59	55.44	62.38
R&D investment (¥10,000)	17641.99	18,580.19	16,728.81
Government rewards and subsidies (¥10,000)	2157.69	2589.00	791.10

Business strategy analysis

Opportunities

- National strategy driving manufacturing upgrade: China's emphasis on high-quality manufacturing development provides strong momentum for corporate growth.
- Global cooperation expanding market presence: International initiatives (such as the One Belt One Road (OBOR) initiative) create extensive opportunities for overseas market expansion.
- Technology innovation unleashing unlimited potential: Advancements in AI, big data, and IoT technologies generate continuous innovation opportunities.
- Industry trends creating new growth areas: Industry shifts toward intelligent, digital, and green development, fostering new business growth opportunities.
- Dual-carbon strategy driving transformation: Implementation of China's dual-carbon strategy promotes companies to accelerate their pace of low-carbon transitions, harboring significant development potential.

Opportunities

- Stricter environmental standards increasing operating costs: Stringent regional environmental emission standards substantially increase operating costs.
- Regulatory compliance testing ESG progress: Increasingly rigorous global ESG regulations present significant challenges to corporate ESG initiatives.
- Process upgrades creating cost pressures: Urgent process upgrade requirements necessitate greater resource investments, significantly increasing costs.
- Intensified market competition increasing entry barriers: Growing competition in domestic and international valve markets, including price wars, creates market entry challenges.
- Customization demands increasing production complexity: Rising customer demands for customized solutions significantly raise production complexity.
- Addressing low-carbon requirements and carbon risks: Customer expectations for low-carbon products necessitate proactive carbon risk management.

Response strategies

- Enhancing market and production management: Develop niche markets and increase R&D investment to enhance product performance; implement lean production to improve efficiency; optimize supply chain management to deliver premium services globally through comprehensive product offerings, superior quality and competitive pricing.
- Strengthening ESG management system: Constantly improve ESG management system by integrating compliance requirements to enhance corporate reputation, brand value and industry leadership.
- Responding to the dual-carbon strategy transformation: Support national dual-carbon strategy through carbon audits and carbon footprint assessments, secure government backing, and drive low-carbon transformation across product supply chains to meet customer demand for low-carbon products.
- Accelerating intelligent manufacturing transformation & upgrading: Accelerate the transition to Industry 4.0 and intelligent manufacturing to boost production automation & intelligence, enhancing production efficiency while meeting customers' customization needs.

1.5 Honors and awards

Company honors (2023 - 2024)

No.	Honor name	Award year	Award-winning unit	Issuing unit
1	National 5G factory	2023	Neway Valve (Suzhou) Co., Ltd.	Ministry of Industry and Information Technology
2	Jiangsu Province key developed and cultivated well-known international brand	2023	Neway Valve (Suzhou) Co., Ltd.	Jiangsu Provincial Department of Commerce
4	High-tech enterprise certificate	2023	Neway Valve (Suzhou) Co., Ltd.	Jiangsu Provincial Department of Science and Technology, etc.
6	Jiangsu Provincial Enterprise Technology Center	2023	Wujiang Dongwu Machinery Co., Ltd.	Jiangsu Provincial Department of Industry and Information Technology, etc.
7	Specialized, refined, differential and innovative "little giant" (National-level)	2023	Wujiang Dongwu Machinery Co., Ltd.	Ministry of Industry and Information Technology
8	Liaoning Science & Technology Progress Award for "Key Technologies and Applications of High-Performance Industrial Valve Design and Manufacturing for Extreme Conditions" (First Prize)	2023	Wujiang Dongwu Machinery Co., Ltd.	The People's Government of Liaoning Province
9	Philanthropic enterprise	2023	Neway Industrial Material (Dafeng) Co., Ltd.	Yancheng Dafeng District Volunteers Association
15	Industrial Design Center of Neway Oil Equipment (Suzhou) Co., Ltd.	2023	Neway Oil Equipment (Suzhou) Co., Ltd.	Suzhou Bureau of Industry and Information Technology
16	Jiangsu specialized, refined, differential and innovative SME	2023	Neway Oil Equipment (Suzhou) Co., Ltd.	Jiangsu Provincial Department of Industry and Information Technology
3	National-level single-item champion enterprise	2024	Neway Valve (Suzhou) Co., Ltd.	Ministry of Industry and Information Technology
5	Top Taxpayer in Wujiang District, Suzhou City	2024	Wujiang Dongwu Machinery Co., Ltd.	Wujiang District People's Government
10	Dafeng District star enterprise, Yancheng	2024	Neway Industrial Material (Dafeng) Co., Ltd.	Dafeng District Committee, Yancheng
11	2023 star enterprise for excellence	2024	Neway Industrial Material (Dafeng) Co., Ltd.	Yancheng Municipal People's Government
12	Liyang City work safety management advanced enterprise	2024	Neway Precision Forging (Liyang) Co., Ltd.	Liyang City Production Safety Committee
13	2023 Innovation demonstration enterprise	2024	Neway Precision Forging (Liyang) Co., Ltd.	Zhulin Town People's Government, Liyang
14	2023 outstanding contribution award	2024	Neway Precision Forging (Liyang) Co., Ltd.	Zhulin Town People's Government, Liyang
17	National-level specialized, refined, differential and innovative "little giant"	2024	Neway Oil Equipment (Suzhou) Co., Ltd.	Ministry of Industry and Information Technology
18	Jiangsu Province Green Factory	2024	Neway Valve (Suzhou) Co., Ltd.	Jiangsu Provincial Department of Industry and Information Technology

Association participation

No.	Association name	Association status	Unit	Year joined
1	Jiangsu Valve Industry Association	Executive vice chairman unit	Neway Valve (Suzhou) Co., Ltd.	2008
2	China General Machinery Industry Association	Member unit	Neway Valve (Suzhou) Co., Ltd.	2010
3	Suzhou Hi-Tech Zone Environmental Protection Industry Association	Member unit	Neway Valve (Suzhou) Co., Ltd.	2010
4	Suzhou Hi-Tech Zone Safety Production Management Association	Governing unit	Neway Valve (Suzhou) Co., Ltd.	2010
5	Valve Branch of China General Machinery Industry Association	Governing unit	Wujiang Dongwu Machinery Co., Ltd.	2016
6	Jiangsu Valve Industry Association	Governing unit	Wujiang Dongwu Machinery Co., Ltd.	2018
7	China Foundry Association	Member unit	Neway Industrial Material (Suzhou) Co., Ltd.	2020
8	Jiangsu Foundry Society	Governing unit	Neway Industrial Material (Suzhou) Co., Ltd.	2020
9	Suzhou Foundry Association	Member unit	Neway Industrial Material (Suzhou) Co., Ltd.	2020
10	Jiangsu Foundry Association	Governing unit	Neway Industrial Material (Suzhou) Co., Ltd.	2020
11	Suzhou Hi-Tech Zone (Huqiu District) Safety Production Management Association	Member unit	Neway Industrial Material (Suzhou) Co., Ltd.	2023
12	China Foundry Association	General member unit	Neway Precision Forging (Liyang) Co., Ltd.	2023
13	Liyang Foundry Association	Governing unit	Neway Precision Forging (Liyang) Co., Ltd.	2023
14	China General Machinery Industry Association	Member unit	Neway Oil Equipment (Suzhou) Co., Ltd.	2024

16 Peace, justice and strong institutions

17 Partnerships for the goals

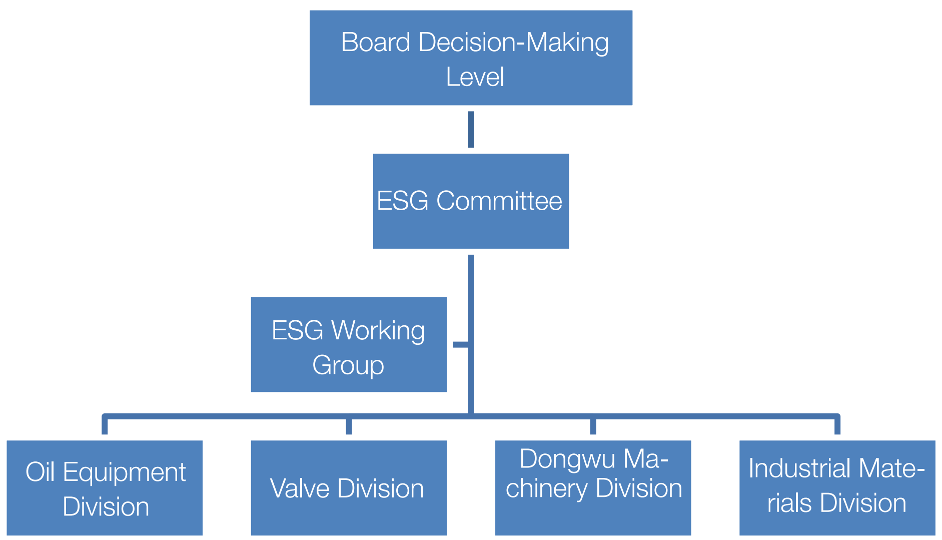
02 ESG governance for sustainable development

Neway builds a sustainable governance system, strictly complies with regulations, and implements comprehensive risk controls, establishing a solid foundation in complex market environments and facilitating steady progress toward green and responsible development.

2.1 ESG development strategy

ESG governance structure

Neway attaches great importance to Environmental, Social and Governance (ESG) initiatives, establishing a well-defined ESG management framework that includes the Decision-Making Level, ESG Committee, ESG Working Group, and relevant business unit implementation teams, with clearly delineated responsibilities at each level to provide solid institutional safeguards for sustainable development.



Sustainability governance structure

As the supreme decision-making body for ESG issues, the Board of Directors is responsible for formulating ESG strategic plans, approving ESG development objectives, endorsing ESG reports and other disclosure documents, and making decisions on significant ESG issues. With a global perspective, the Board of Directors guides the company' s ESG direction, ensuring ESG principles are integrated throughout corporate governance.

The ESG Committee serves as the central guidance body, undertaking responsibilities in both theoretical research and practical guidance. The Committee identifies ESG risks and opportunities, monitors ESG policy dynamics, guides ESG strategy execution, reviews ESG reports & target achievement, and formulates response plans for major ESG events. Through professional expertise, the Committee systematizes ESG initiatives and provides technical support for ESG strategy.

As the executing and coordinating body for ESG work, the ESG Working Group is responsible for collecting and organizing ESG policy information, drafting or organizing the preparation of ESG work plans, policy documents and reports, monitoring the daily implementation of ESG activities, and maintaining communication with each stakeholder. The Working Group also refines and optimizes ESG performance indicator system and conducts regular ESG system' s operation and target achievement, ensuring effective ESG strategy implementation through operational excellence.

Sustainability strategy

Anchored by three pillars of high-quality development -- "strategic foresight, innovation-driven core, and the resilient foundation for sustainable development" , Neway implements a four-dimensional strategy encompassing "advanced intelligent manufacturing, green productivity, ethical technology application, and supply chain symbiosis" to build a global ecosystem of smart, low-carbon and high-reliability industrial valves. Neway has established a sustainability strategy regarding social responsibility, product stewardship, and environmental protection, and is dedicated to delivering safe and efficient full-scenario solutions for energy transformation and industrial upgrades while fostering clean, low-carbon and digitally integrated industrial paradigms to create a new green industrial future with global partners.

Social responsibility - building harmonious communities

Guided by people-centric core values, we safeguard employees' rights & interests and occupational health, advocate sustainable procurement, and engage in philanthropy to demonstrate corporate social responsibility.

Product responsibility - precision manufacturing

We constantly invest in product R&D and process improvements to enhance product performance, production efficiency and capacity while shortening lead times. Through lean production and optimized supply chain management, we strengthen competitiveness while promoting smart manufacturing to boost efficiency and reduce environmental impact.

Environmental responsibility - dual-carbon commitment

In response to China's dual-carbon strategy, we implement clean production, improve energy efficiency, increase recycled material usage, enhance wastewater & waste gas treatment and reduce emissions to contribute to global climate governance.

ESG goals and progress review

ESG topics	Goals and commitments	2024 progress	2024 initiatives and performance
Product quality	Zero product quality incidents	Achieved	Zero product quality incidents in 2024
	Product design incorporates energy efficiency and the use of non-hazardous materials	Achieved	Energy-saving measures in product design and process improvement
	Investment in product R&D and technology innovation shall be no less than 4% of sales revenue	In process	2024 sales revenue 6.238 billion yuan, R&D investment 167.288 million yuan, accounting for 2.68% of sales revenue.
Environmental protection	Increase clean energy usage to 30% by 2030, and achieve carbon neutrality by 2050	In process	Clean energy usage reached 9.59% in 2024
	Comprehensive energy consumption per unit product reduced by 20% by 2030 (vs. 2021 baseline)	Achieved	Jiangsu Provincial Energy Management System Excellence Award in 2024, and 22% reduction in comprehensive energy consumption per unit product (vs. 2021 baseline)
	GHG emissions per unit product reduced by 20% by 2030 (vs. 2021 baseline)	Achieved	27% reduction in GHG emissions per unit product in 2024 (vs. 2021 baseline)
	Establishing a carbon management system to conduct product carbon footprint assessments and constantly reduce environmental impact throughout product lifecycle	In process	Completing product carbon footprint verification and launching the first carbon-neutral product in 2023
	Water consumption per unit product reduced by 5% by 2025 and 15% by 2030 (vs. 2021 baseline)	In process	3% reduction in water consumption per unit product in 2024 (vs. 2021 baseline)
	Constantly improving recycling rates of discarded products and utilization of recycled materials through technology innovation	In process	Developing and implementing wood pallet recycling program and other environmental initiatives to increase recycled material usage
Social responsibility	Zero severe injuries or fatalities	Achieved	Zero severe injuries or fatalities in 2024
	Promoting sustainable procurement to enhance key suppliers' ESG management performance	In process	Holding Supplier Conference themed "Creating a Fair and Harmonious Business Environment" to promote sustainable procurement in August 2024
	Providing training opportunities and career development platforms to constantly improve employee satisfaction	In process	Conducting job skills training and implementing mentor-apprentice program to develop high-skilled professionals
	Expanding corporate volunteer team and participating in social welfare programs	In process	Awarded "Outstanding Philanthropic Contribution Enterprise" title

Sustainability development milestone events

2022

January Established ESG Committee and Working Group to develop a ESG strategy
May Conducted first carbon verification for Neway Valve

2023

June Completed first product carbon footprint verification for Neway Valve
August Delivered first batch of carbon-neutral products
November Liquid hydrogen valves showcased at COP28

2024

March Received Jiangsu Provincial Energy Management System Operation Quality Excellence Award
November Joined customer T.EN's ESG committee

2025

January Ranked among China's Top 500 Energy Enterprises 2024
February Certified as a Jiangsu Province Green Factory in 2024
February Awarded EcoVadis Bronze Medal

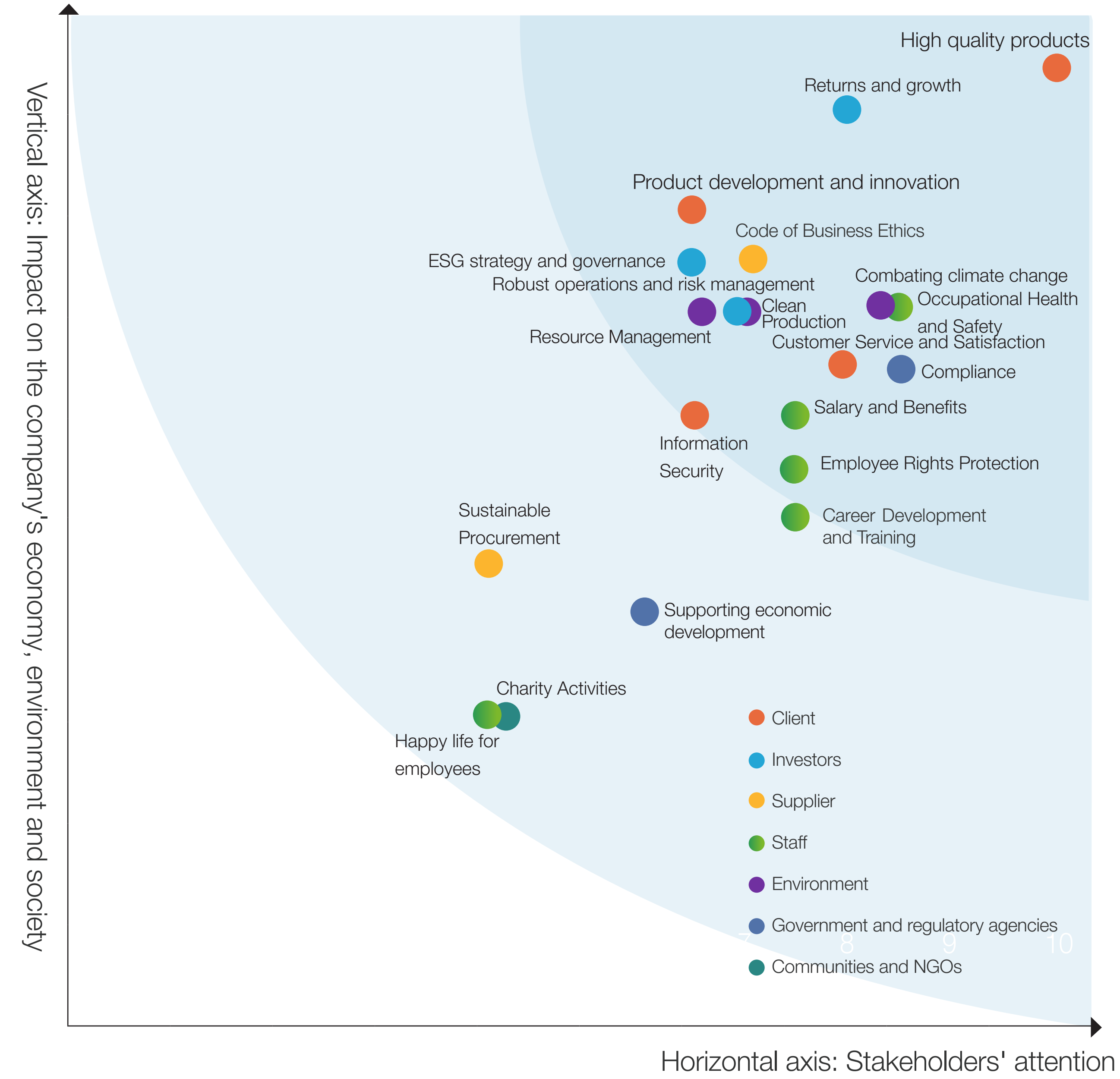
2.2 ESG material issues

To promptly identify and respond to stakeholder needs, the company follows ISO 26000: 2010 Guidance on Corporate Social Responsibility and GRI Sustainability Reporting Standards to identify stakeholder requirements & expectations and ESG topics, and evaluate ESG material issues using a "matrix assessment method" across two dimensions: "impact on the company' s economic, environmental & social aspects" and "stakeholder concern level" . Through stakeholder engagement, the company aims to respond to stakeholder requirements and expectations, manage ESG risks, and achieve its strategic development objectives.

Stakeholder engagement and ESG topic list

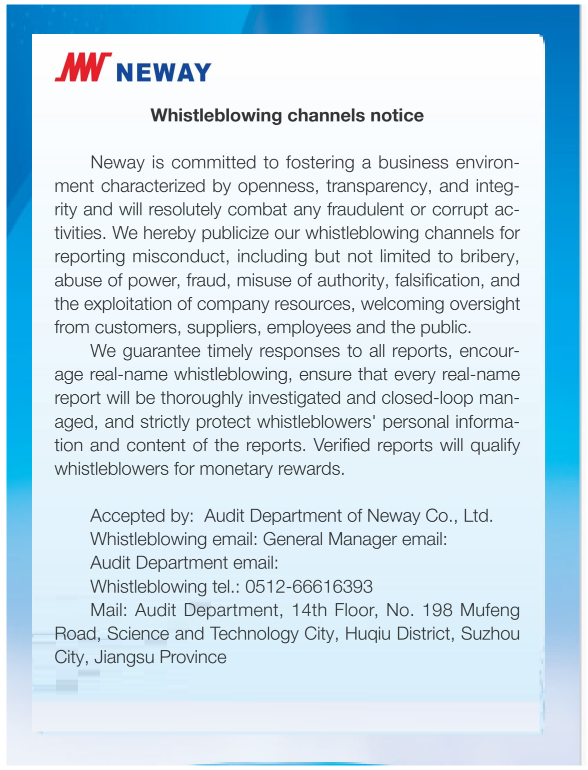
Stakeholder	Material topic	Engagement method	Disclosure section
Customer	> High-quality product > Customer service and satisfaction > Product R&D and Innovation > Information security	> Customer satisfaction survey > Client communication meeting > Customer complaint	Chapter 3 Chapter 3 Chapter 3 Chapter 2
Investor	> Returns and Growth > Sound operations and risk management > ESG Strategy and governance	> Financial report release > Shareholder communication meeting	Chapter 1 Chapter 2 Chapter 2
Supplier	> Code of business ethics > Sustainable procurement	> Supplier meeting > Site audits and supervision	Chapter 2 Chapter 6
Employee	> Compensation and benefits > Occupational health and safety > Employee rights and interests protection > Career development and training > Employee well-being	> Employee satisfaction survey > OHS management system > Internal meeting	Chapter 5
Environment	> Environmental management system > Resource management > Clean production > Climate change response	> Pollutant monitoring > ESG report > Internal meeting	Chapter 4
Government and regulators	> Compliance > Economic development support > Rural revitalization	> Government conference and seminar > On-site visit and communication	Chapter 2 Chapter 2 Chapter 6
Community & NGOs	> hilanthropic activity	> Field visit	Chapter 6

ESG Key Material Evaluation Matrix



2.3 Code of business ethics

Neway always regards high quality and ethical standards as the cornerstone of its development, believing sustainable development requires strict legal compliance and steadfast adherence to the Code of Business Conduct. We established the Code of Conduct and Ethics outlining core values of "Respect, Integrity and Collaboration" to guide our ethical business practices, supported by a series of rigorous measures ensuring ethical compliance and sustainable growth.



NEWAY

Whistleblowing channels notice

Neway is committed to fostering a business environment characterized by openness, transparency, and integrity and will resolutely combat any fraudulent or corrupt activities. We hereby publicize our whistleblowing channels for reporting misconduct, including but not limited to bribery, abuse of power, fraud, misuse of authority, falsification, and the exploitation of company resources, welcoming oversight from customers, suppliers, employees and the public.

We guarantee timely responses to all reports, encourage real-name whistleblowing, ensure that every real-name report will be thoroughly investigated and closed-loop managed, and strictly protect whistleblowers' personal information and content of the reports. Verified reports will qualify whistleblowers for monetary rewards.

Accepted by: Audit Department of Neway Co., Ltd.
Whistleblowing email: General Manager email:
Audit Department email:
Whistleblowing tel.: 0512-66616393
Mail: Audit Department, 14th Floor, No. 198 Mufeng Road, Science and Technology City, Huqiu District, Suzhou City, Jiangsu Province

Anti-corruption and business ethics code management performance

Indicator	2022	2023	2024
Anti-commercial bribery & business ethics training (number of participants)	3618	3744	4053
Employee anti-commercial bribery training coverage rate (%)	86.3%	100%	100%
Anti-commercial bribery training coverage rate of management employees (%)	100%	100%	100%
Number of reported cases (times/year)	0	0	0
Coverage rate of corruption risk assessments in workplaces and departments (%)	100%	100%	100%
Proportion of workplaces/departments covered by business ethics internal audits (%)	55.56%	66.7%	66.7%

Anti-Corruption Policy

The company strictly enforces its Anti-Corruption Policy, explicitly prohibiting bribery, kickbacks, etc., eliminating improper benefits between employees and clients, and combating all corrupt practices. Any identified violations will trigger immediate reporting and disciplinary actions.

Corruption risk assessment

To identify operational corruption risks, we conduct regular risk assessments at operating sites and internal audits on business ethics, achieving 100% assessment coverage and auditing 66.7% of sites & departments in 2024.

Business ethics training

To enhance employees' ethical awareness and clarify the boundaries of proper business conduct, we constantly provide ethics training, achieving 100% coverage (4,053 employees trained) in anti-commercial bribery programs during 2024.

Business ethics training

To enhance employees' ethical awareness and clarify the boundaries of proper business conduct, we constantly provide ethics training, achieving 100% coverage (4,053 employees trained) in anti-commercial bribery programs during 2024.

Establishment of whistleblowing mechanism

The company established whistleblowing mechanism to encourage both internal and external parties to report commercial bribery and corruption, with dedicated departments handling and investigating reports, enforcing accountability according to law while protecting whistleblowers' personal information.

2.4 Enterprise risk management

Neway elevates enterprise risk management to strategic importance, committed to building and constantly optimizing a comprehensive risk management system covering all processes. This system forms a closed-loop management from clarifying internal controls and operational objectives, through risk tolerance assessment, identification and analysis, to developing scientific risk response strategies and rigorous internal audits, providing robust safeguards for the company to withstand risks and achieve stable & sustainable development.

Neway' s risk management and internal control

Risk tdentification and assessment	Establishment of core risk database	Enhanced risk compliance training	Conduct of rigorous internal control audits	Conduct of annual self-evaluation

In risk control practices, the company integrates risk management into all operations through systematic management, process controls and routine supervision, implementing multi-dimensional measures to enhance risk prevention and control capabilities.

Risk identification and assessment: The company integrates risk identification and control processes into all business operations, establishing a routine mechanism for analyzing both internal and external operating environments, and regularly organizes comprehensive risk identification and evaluation across departments to ensure that all types of risks can be addressed promptly, thoroughly and effectively.

Construction of core risk database: Based on the outcomes of risk identification and evaluation, the company accurately defines core risk areas such as strategy, market, operations, compliance and finance, and has preliminarily established a clear and relatively comprehensive risk database to provide strong data support for risk management decision-making.

Strengthened risk compliance training: To enhance employees' compliance awareness and risk management capabilities, multiple departments, including Audit, Legal and Finance, collaborate to deliver comprehensive training programs for all management personnel and other employees.

Conduct of rigorous internal control audits: The company establishes a regular internal spot-check and internal control audit mechanism to verify the soundness of internal control systems, the rationality of control procedures, and the effectiveness of their execution. or issues identified during the audit process, the audited entity is immediately ordered to make corrections, with continuous follow-up evaluations of the rectification effectiveness. In 2024, 62 audit projects were completed, focusing on key areas including engineering management, related-party transactions, fundraising management, financial investments and securities & derivatives transactions.

Conduct of annual self-assessment: Besides engaging professional accounting firms for audits, the company annually conducts comprehensive internal control self-assessments to objectively analyze the effectiveness of internal controls and pinpoint existing issues, providing precise directions for subsequent improvements and enhancements.

2.5 Information security management

Neway has always considered information security management fundamental to stable operations, establishing a systematic information security management system. As the leading department, the Information Management Department is responsible for formulating and constantly improving relevant policies, supervising their implementation, and conducting ongoing awareness campaigns to enhance employees' information security consciousness, ensuring that information security concepts are ingrained across the organization.

Information security system → Information security training → Data, network and system security prevention & control → Emergency prevention and response → Information security system

Information security management system

Information security system: The company has issued such management system documents as the Information Security Management Regulations and the Data Backup Regulations, covering areas including network usage, system permissions, and data backup, requiring strict compliance from all employees in order to ensure the security of information and network systems.

Information security training: To safeguard corporate information security, the company enhances employee security awareness training, ensuring all staff understand

Data backup strategy: The company has developed comprehensive data backup strategies and employed efficient backup technologies to ensure the timeliness and integrity of data backups. In addition, he company has established a data recovery mechanism to address potential data loss or corruption, ensuring business continuity.

Cybersecurity management: The company employs advanced technologies such as NGFW and Traps/WildFire to establish secure zones with strict access controls, and uses network intelligence analysis to reconstruct attack chains, identify unknown threats and locate risky hosts, enabling timely preventive and control measures.

System terminal security: The company enforces strict security management on hosts, storage devices, databases, and terminals by deploying antivirus software, peripheral control, and internet activity monitoring tools to supervise user operations, preventing virus intrusions and policy violations.

Access rights management: The company has implemented strict SAP authorization management policies, clearly defining role design, permission request and approval processes, with users only able to access system functions relevant to their job responsibilities to maintain system security.

Emergency response for prevention: The company has established IT system security contingency plans that clearly define the emergency response procedures and measures for major information security incidents, ensuring timely responses and minimizing losses when significant events occur.

8 Decent work and economic growth

9 Industry, innovation and infrastructure

12 Consumption and production

03 Innovation-driven quality excellence

With innovation at its core, Neway has earned numerous quality accolades, crafting high-end valve products and providing exceptional service to customers worldwide, contributing to the advancement of industrial excellence.

3.1 R&D innovation mechanism

Neway firmly believes technology leads the future, positioning R&D and innovation of new products as the core drivers of sustained corporate growth. We prioritize technology innovation and product R&D through increased R&D investment to build a specialized R&D team and implement efficient R&D management systems, establishing a lean and international R&D innovation platform. In 2024, the company's R&D investment reached 167.288 million yuan, yielding 63 patents, demonstrating the significant impact of technology innovation on corporate performance growth.

Neway's technology innovation and R&D performance

Indicator data	2022	2023	2024
R&D investment (in ¥10,000/year)	17,641.99	18,580.19	16,728.81
Number of R&D personnel (persons/year)	324	352	380
Proportion of R&D personnel by education level (Master's/Bachelor's)	17/236	17/285	23/309
Number of patents granted (items/year)	50	51	63

R&D team

To strengthen R&D capabilities, the company has established three R&D centers in China, Italy and the U.S., forming an international R&D network with a highly qualified R&D team. Our R&D professionals possess both robust theoretical knowledge and extensive practical experience. They closely track industry trends, analyze market needs and customer feedback, swiftly respond to market changes and efficiently transform R&D results, providing solid support for technology innovation and product upgrades.

R&D project management

To ensure full-process control of R&D projects, Neway has implemented a comprehensive R&D project management system: The system covers project initiation, progress review, evaluation, final assessment, technology transfer, etc. For funding management, we implement specialized budgeting, monitoring, settlement and benefit evaluation processes under project leader responsibility. A cross-disciplinary expert panel is formed to oversee research planning, project review and performance evaluation.

R&D incentive mechanism

Neway is committed to stimulating R&D teams' initiative and creativity by establishing generous talent incentive systems and rigorous performance evaluation mechanisms, and has successively introduced such incentive programs as the Research Paper Awards, the Annual Progress Plan Awards, the Patent Management Regulations, the Engineer Rank Evaluation System, and the Neway Valve Technology Innovation Incentive Management Rules to provide R&D personnel with preferential treatment and management support. The company provides diverse career paths to accommodate various professional development needs, continuously boosting its R&D capabilities. Additionally, the company leverages overseas R&D platforms to promote exchanges and cooperation between domestic and international R&D personnel, facilitating sustainable HR development and enhancing the company's competitiveness.

3.2 Sci-tech R&D achievements

Over the years, Neway has consistently prioritized technology innovation as its core driving force, continuously increasing R&D investment and deepening global R&D collaboration, resulting in a series of remarkable achievements. By end-2024, we held 181 patents including 56 invention patents. Our breakthrough ultra-low temperature valves and large-diameter high-pressure ball valves have filled domestic technology gaps. By introducing digital design platforms and intelligent manufacturing processes, the company has significantly enhanced product development efficiency and quality, injecting momentum into corporate sustainability and industry technological progress.

Authorized patent achievements

Neway's granted patents in 2024 (partial)

序号	Patent name	Category
1	Subsea valve hydraulic actuator	Invention
2	Hydraulic balanced bi-directional valve for subsea compensation equipment, and subsea compensation equipment	Utility model
3	Protective high/low pressure fracturing manifold	Utility model
4	Sand discharge device and fracturing valve	Utility model
5	Geothermal wellhead equipment	Invention
6	Connector lock device for subsea blowout preventer (BOP) control units, and subsea BOP control unit	Utility model
7	Compact subsea hydraulic dual-valve assembly	Invention
8	All-metal sealing mechanism and metal ball valve	Utility model
9	Pressure regulating valve and subsea BOP control unit	Utility model
10	Subsea pilot-operated control valve and subsea BOP control unit	Utility model
11	Sealing structure and subsea sealing device	Utility model
12	Safety valve with redundant backpressure balance device	Invention
13	Special tool for mechanical limit switch travel control	Invention
14	Safety valve performance test tool and method	Invention
15	Safety valve pushrod mechanism and safety valve blockage test device	Invention
16	Breathing valve with portable breathing valve online calibration device	Utility model
17	Safety valve with reseat adjustment	Invention
18	Pilot-operated safety valve	Invention
19	Main steam safety valve with leak prevention	Utility model
20	Safety valve	Utility model
21	Position indicator adjustment tool	Utility model

New product R&D achievements

Product name	R&D achievements	Product image
Plug valve product	Our newly developed plug valve series obtained the API 6D certification, marking that Neway's plug valves meet the high international standards for design and manufacturing.	
Large-diameter high-pressure regulating valve	We successfully developed customized 24" 900LB and 18" 1500LB regulating valves for an important CNOOC project that are suitable for harsh operating conditions, showcasing our excellence in technology innovation, quality control, market service, etc.	
Subsea valve	Our independently developed 28" 900LB subsea valves for 1000m depth applications expand our product range to cover 24", 26", 28", 30" and 32" sizes with pressure ratings up to 900LB, highlighting our capabilities in design, manufacturing and testing.	
Main steam safety valve prototype	Dongwu Machinery developed a 1:1 full-scale prototype of the main steam safety valve for the Hualong One nuclear units to meet the qualification requirements of the Shandong Shidao Bay Nuclear Power Plant's Phase I expansion project. The prototype features a well-designed structure, appropriate material selection, compact design and reliable performance, and has passed the qualification acceptance tests.	

Standardization management

Neway participates in the development of national and industry standards by integrating our technical strengths and practical experience into these standards to enhance its voice within the industry, promote technological progress & standardization, and highlight technical capabilities and industry influence.

Industry and national standards that the company participates in drafting and revising (partial)

Standard No.	Standard name	Name of participating unit
GB/T 40079	Classification and qualification for valve fugitive emissions testing	Neway Valve (Suzhou) Co., Ltd.
JB/T14318	Oxygen service butterfly valve	Neway Valve (Suzhou) Co., Ltd.
T/CGMA0405	General testing methods for hydrogen cryogenic valves	Neway Valve (Suzhou) Co., Ltd.
T/CGMA0406	Safety requirements and testing methods for high-pressure hydrogen valves	Neway Valve (Suzhou) Co., Ltd.
T/CGMA0407	General technical specifications for hydrogen cryogenic valves	Neway Valve (Suzhou) Co., Ltd.
GB/T 43949-2024	Configuration and technical requirements for offshore mobile drilling systems	Neway Oil Equipment (Suzhou) Co., Ltd.
T/CPCIF 0282-2023	Evaluation criteria for valve suppliers in oil & chemical industry	Neway Oil Equipment (Suzhou) Co., Ltd.
GB/T 12241-2021	General requirements for safety valves	Wujiang Dongwu Machinery Co., Ltd.
GB/T 12242-2021	Performance test methods for pressure relief devices	Wujiang Dongwu Machinery Co., Ltd.
GB/T 29026-2012	Spring-loaded safety valves for cryogenic service	Wujiang Dongwu Machinery Co., Ltd.
GB/T 43619-2023	Controlled safety pressure relief systems for overpressure protection	Wujiang Dongwu Machinery Co., Ltd.

Industry-academia-research collaboration

By leveraging our self-developed capabilities and using our R&D center as a platform, we deepen long-term technical cooperation with prestigious universities and research institutes such as Zhejiang University, East China University of Science and Technology, Xi' an Jiaotong-Liverpool University, Lanzhou University of Technology, Soochow University, Shenyang Aerospace University, China University of Petroleum, Institute of Metal Research at the Chinese Academy of Sciences, Shanghai Nuclear Engineering Research & Design Institute, Nuclear Power Institute, Iron and Steel Research Institute, Nuclear Power Institute No. 2, and the 719 Research Institute. By combining industrial needs with academic research, we develop new products and technologies, achieving integration of industry, academia & research, enhancing our independent innovation & technology transfer capabilities, and constantly injecting innovation and vitality into the company.

3.3 Quality excellence management

Quality certification

Strengthen management for continuous improvement to enhance product quality and customer satisfaction

Neway benchmarks itself against international management standards, strictly adhering to ISO9001, API Q1 and other international standards. The company has established a quality management system covering the entire process from design & development, procurement, production, to sales & service. With a process management approach, each stage operates under high standards. Neway sets quantifiable quality performance targets, which are broken down at every level and monitored throughout the process to ensure efficient goal achievement. To ensure the continuous effectiveness and compliance of the system, the company regularly conducts internal quality audits, dynamically checks the operation of the system, promptly addresses any issues found and constantly optimizes quality management, providing a solid foundation for product quality.

Neway' s excellence in product quality management has earned certifications and recognition from multiple international authoritative institutions and renowned oil companies. We have obtained multiple prestigious certifications, including API 591, Sinopec and CNPC supplier approvals, Bureau Veritas (BV) CE certification, American Bureau of Shipping (ABS) marine valve type approval, Lloyd' s Register (LR) fire test certification, TÜV TA-LUFT certification, API 6A certification, etc., highlighting our technical leadership and superior quality in the valve industry. In 2024, the company obtained type approval from the American Bureau of Shipping (ABS) for cryogenic marine valves, marking a significant technological breakthrough in this field and further solidifying our global leadership in the valve industry.

The company has obtained certificates from multiple internationally recognized certification bodies

Quality performance target

In 2024, the company’s final inspection pass rate was consistently above 92%, demonstrating the reliability and stability of its quality control processes. With a commitment to excellence and scientific rigor in management, Neway provides trustworthy products and services to customers, constantly setting quality benchmarks in the industry.

Product quality performance indicator statistics

Quality indicator	2022	2023	2024	Affiliated unit
Final inspection pass rate	99%	99%	99%	Neway Valve (Suzhou) Co., Ltd.
Final inspection pass rate	99%	99%	99%	Neway Oil Equipment (Suzhou) Co., Ltd.
Final inspection pass rate	99%	100%	100%	Neway Industrial Material (Suzhou) Co., Ltd.
Final inspection pass rate	89%	90%	92%	Neway Precision Forging (Liyang) Co., Ltd.
Final inspection pass rate	94%	96%	96%	Wujiang Dongwu Machinery Co., Ltd.

Quality control measure

Technology-driven quality: Our GGC valve workshop has introduced a versatile line innovation solution, featuring robotic technology and automated production lines to enable the efficient and continuous processing and assembly of wedge gate valves across multiple specifications. This solution achieves a first-pass yield of over 98% by implementing integrated quality inspection throughout the critical production processes. We’ve also developed AI-based solutions for online detection and preventive/predictive maintenance of valve internal leakage, as well as a digital intelligent management system for industrial valves, to significantly enhance production efficiency.

Versatile line innovation solution

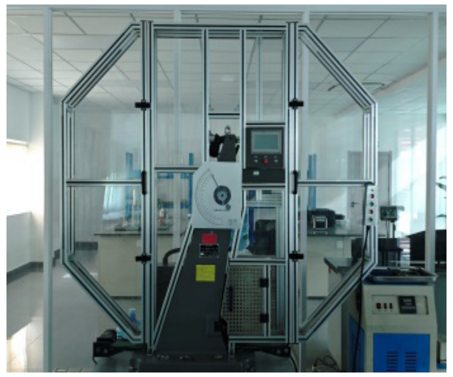
Quality training and awareness: The company regularly organizes training programs in quality management, operational skills, problem-solving, etc., and establishes a quality reward system to recognize and commend individuals or teams who excel in quality improvement and defect prevention, motivating employees’ enthusiasm and creativity. In addition, the company organizes quality sharing sessions, knowledge competitions, self-inspection competitions and other engaging activities to cultivate a quality culture involving all employees, laying a solid foundation for the continuous improvement of product quality.

In 2024, the company organized a 'Quality Issue Analysis & Resolution' competition

In 2024, the company organized "NEWAY Quality Month"

Supplier quality control: The company strictly implements the Supplier Quality Control Procedures, establishing a systematic supplier management mechanism that covers supplier admission, approval and management. The company has established quality monitoring standards for raw materials and components. A professional testing team conducts rigorous sampling inspections of incoming materials to ensure that every batch meets high-quality requirements. In addition, the company employs a variety of management measures, including monthly performance evaluations, annual audits, on-site inspections and supplier training programs to constantly drive supplier quality improvement.

Product inspection and testing: The company's laboratory is equipped with advanced testing facilities, including material microscopy labs, corrosion testing labs, mechanical property testing labs, non-metallic materials labs, etc., capable of conducting routine hydrostatic, pneumatic and low-leakage tests, as well as simulating extreme conditions for fire-safe, high-temperature and cryogenic testing. These comprehensive tests validate product reliability and durability, ensuring the delivery of high-performance and trustworthy valve solutions to customers.



Various professional inspection and testing equipment

3.4 Enhancing customer satisfaction

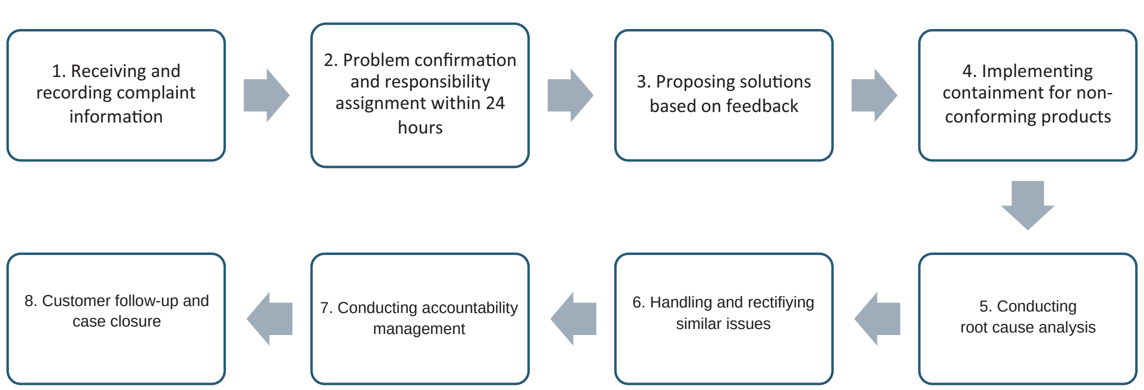
After-sales service system

Neway adopts a customer-centric approach, establishing a comprehensive, efficient and professional after-sales service and extended customer service system, covering technical consultation, training, maintenance support, on-site & return-to-factory repairs, product recalls, regular follow-ups, etc. Relying on its global service network, the company can swiftly respond to customer needs, providing on-site maintenance, system inspections, spare parts supply and other support to ensure smooth customer operations.

The company always prioritizes product quality and has established a product recall management process to proactively recall defective products, demonstrating its commitment to quality and responsibility towards customers. The on-site service team focuses on quick response, precise diagnostics, and efficient problem-solving, emphasizing transparency and customer engagement throughout the service process. This approach creates greater value for customers and strengthens the company’s brand and reputation within the industry.

Handling of customer complaints

Neway has always placed high importance on customer feedback and views it as a crucial opportunity to enhance product quality and service standards. The company has established a scientific and comprehensive customer complaint management mechanism in strict compliance with the ISO 9001 international standard. This mechanism encompasses multiple stages, including complaint reception, issue confirmation, responsibility determination, containment measures, root cause analysis, corrective & preventive actions, accountability, case closure, etc., ensuring that every customer complaint is addressed promptly and effectively.



Customer complaint handling process

Customer satisfaction survey

The company has developed the Customer Satisfaction Management Program, utilizing scientific processes and detailed questionnaires to gain in-depth insights into domestic customers’ evaluations and needs regarding products and services. The survey covers such aspects as technology, product quality and after-sales service. Through this mechanism, the company identifies the strengths and weaknesses of its products and service shortcomings, providing support for product strategy adjustments and service quality improvements. It also gains insights into competitors’ advantages, explores potential demands, and identifies opportunities for enhancing customer service. From 2022 to 2024, the overall customer satisfaction of the company’s subsidiaries showed an upward trend, reflecting continuous improvements in products and services.

Statistics of the company's customer satisfaction survey results

Unit	2022	2023	2024
Neway Valve (Suzhou) Co., Ltd.	90.70%	90.10%	90.80%
Neway Industrial Material (Suzhou) Co., Ltd.	98.41%	97.23%	97.70%
Neway Industrial Material (Dafeng) Co., Ltd.	99.72%	97.82%	98.63%
Wujiang Dongwu Machinery Co., Ltd.	95.00%	95.00%	95.00%
Neway Oil Equipment (Suzhou) Co., Ltd.	91.70%	91.00%	92.60%
Neway Precision Forging (Liyang) Co., Ltd.	99.00%	96.50%	97.00%

Note: Neway Flow Control (Suzhou) Co., Ltd. data is consolidated with Neway Valve (Suzhou) Co., Ltd.

12 Consumption and production
13 Climate action
15 Life on Land

04 Clean and low-carbon development for environmental protection

Neway advances its green transformation, explores green innovation technologies and leads the industry toward environmentally friendly and efficient production models through practical actions, contributing to the building of a beautiful China.

4.1 Environmental management system

Environmental policy

Comply with laws and regulations, health first, safety first, protect the environment
Energy saving, risk elimination, scientific management, and continuous improvement

To protect the environment and ensure personnel health & safety, Neway implements scientific management across all aspects, from products to services, to promote sustainable development in environmental & occupational health and safety management. The company commits to compliance with laws and regulations, prioritizing environmental protection, conserving energy and reducing pollution, constantly optimizing efficiency, and promoting the environmental policy to be fully implemented.

Environmental management system

Neway adheres to the ISO 14001:2015 international standard, establishing a scientific and comprehensive environmental management system that employs the PDCA (Plan-Do-Check-Act) closed-loop mechanism for continuous optimization and improvement. Through layered environmental goal-setting and a dynamic compliance management mechanism, the company ensures full compliance with national and local regulations across all operational processes, while leveraging a digital monitoring platform to track environmental performance data in real time, achieving precise environmental management.

ISO14001 Environmental Management System Certificate

Neway has established a dynamic compliance tracking mechanism, supported by a regulatory early-warning system to promptly respond to policy changes and ensure ongoing compliance with environmental protection regulatory requirements. By the end of 2024, all seven subsidiaries of the company had obtained ISO 14001 Environmental Management System certification, achieving 100% environmental system coverage across production bases, demonstrating the company’s firm commitment to environmental protection and sustainable development.

Environmental factor identification

In 2024, the company conducted the identification and evaluation of environmental factors in accordance with the Environmental Factors Management Standard, formulating control measures and actions for significant environmental risks to mitigate the negative impact of production operations on the environment.

Hidden hazard investigation mechanism

The company has established a robust hidden hazard investigation mechanism, combining routine inspections with specialized environmental checks to ensure timely identification and rectification of environmental risks. In 2024, the company conducted 12 environmental inspections, completed 89 corrective actions, and implemented real-time reporting and tracking of hazard investigation data through an environmental management platform. In addition, the company has developed and enforced an environmental prevention and control responsibility system, fostering a culture of full participation in hazard identification and remediation to enhance environmental management standards.

Emergency prevention and response

The company prioritizes the development of environmental emergency response capabilities, considering it a key measure to safeguard production and ecological safety. It regularly conducts specialized drills and training for environmental incidents, combining theoretical learning with scenario simulations to improve staff emergency response capabilities and efficiency.

Environmental compliance evaluation

The company conducts annual environmental compliance reviews, comprehensively assessing the alignment of its operations with environmental regulations through audits and evaluations. It continuously improves and optimizes identified issues to ensure all environmental protection efforts comply with legal requirements. In 2024, the company experienced no environmental pollution incidents or violations of environmental regulations.

The company's environmental indicator statistics for 2022 - 2024

Indicator	2022	2023	2024
Main production material — steel (tons/year)	39,524.28	49,433.38	45,614.73
Main production materials — castings and forgings (tons/year)	65,441.76	75,600.60	97,910.01
Total water consumption (tons/year)	545,029.00	487,557.00	505,566.00
Wastewater discharge (tons/year)	89,300.00	87,700.00	83,235.00
Volume of recycled and reused water (tons/year)	11,155.00	11,339.00	18,975.80
Water reuse rate (%)	2.05%	2.33%	3.75%
Wastewater treatment compliance rate (%)	100%	100%	100%
Water consumption per unit product (tons/ton)	3.66	4.28	4.25
Benzene emissions (tons/year)	0.17	1.00	2.59
Ethyl acetate emissions (tons/year)	0.02	0.04	0.16
Non-methane total hydrocarbon emissions (tons/year)	3.10	3.26	4.64
Particulate matter emissions (tons/year)	9.97	8.31	9.79
SO2 exhaust gas emissions (tons/year)	0.08	0.15	0.15
Nitrogen oxide exhaust gas emissions (tons/year)	5.37	0.75	2.63
Exhaust gas emissions compliance rate (%)	100%	100%	100%
General solid waste emissions (tons/year)	11,209.16	12,215.97	14,411.20
Waste recovery rate (%)	87.14%	87.41%	86.89%
Hazardous waste (tons/year)	675.86	906.91	1,042.22
Hazardous waste transfer rate (%)	100%	100%	100%

Note: The data covers Neway Valve (Suzhou) Co., Ltd., Neway Industrial Material (Suzhou) Co., Ltd., Neway Industrial Material (Dafeng) Co., Ltd., Wujiang Dongwu Machinery Co., Ltd., Neway Oil Equipment (Suzhou) Co., Ltd., Neway Precision Forging (Liyang) Co., Ltd., and Neway Flow Control (Suzhou) Co., Ltd.

4.2 Building a green factory

Establishing green factories is a crucial approach to achieving sustainable development in the manufacturing industry. The company has integrated green factory construction into its long-term corporate development strategy, setting clear goals for energy conservation, emission reduction, and resource recycling. During production, low-energy-consumption and low-emission processes are adopted to minimize pollutant discharge. Additionally, intelligent and digital technologies are introduced to optimize production workflows, reducing energy consumption and waste generation.

In 2024, Neway Precision Forging (Liyang) obtained Green Factory certification of Changzhou; and Neway Valve (Suzhou) Co., Ltd. was recognized as a Provincial Green Factory in Jiangsu. Looking ahead, Neway will continue advancing the green transformation of its production bases, exploring innovative green technologies, and taking concrete actions to transition toward more environmentally friendly and efficient production models.

In 2024, Neway Precision Forging (Liyang) Co., Ltd. was granted the title of "Municipal Green Factory."

Neway Valve (Suzhou) Co., Ltd. was awarded the title of "Provincial Green Factory" in 2024.

Water management

Protecting ecosystems, alleviating water scarcity, and driving corporate green transformation are key initiatives for enterprises to fulfill their environmental responsibilities. The company promotes water-saving technologies and equipment to safeguard precious water resources through practical actions. For water recycling, Neway Flow Control (Suzhou) Co., Ltd. has installed a reclaimed water treatment system, where wastewater is treated by specialized wastewater treatment facilities and converted into reclaimed water for workshop reuse.

Industrial wastewater, such as cleaning and pump-testing wastewater, is generated during production at each base. The company has deployed wastewater treatment devices, assigned professionals to manage the wastewater treatment stations, installed online monitoring systems for real-time pollution tracking, and commissioned third-party sampling tests biannually to ensure compliant discharge. In 2024, the company achieved a 100% compliance rate in wastewater discharge.

Exhaust pollutant control

The primary exhaust emissions during production originate from painting, paint mixing, drying, and non-destructive testing, containing pollutants such as SO2, NOx, particulate matter, toluene, xylene, ethyl acetate, and volatile organic compounds (VOCs). To ensure the exhaust gas emissions comply with national environmental regulations, the company employs dedicated exhaust gas treatment devices, including activated carbon adsorption, filter dust removal, and combined water-scrubbing/activated carbon processes for effective purification. According to the monitoring results of exhaust gases, the compliance rate for all exhaust pollutants emitted by the company reached 100% in 2024.

RCO exhaust gas treatment device photo

Solid waste management

Solid waste contains various hazardous substances that can have multiple negative impacts on the environment. The company formulated and obtained approval from Suzhou Ecology and Environment Bureau for its Hazardous Waste Management Plan, strictly implementing the accountability system for pollution prevention and control of hazardous waste. We have signed hazardous waste disposal agreements with qualified disposal units within the province to standardize and mitigate the environmental impact of hazardous waste. General industrial solid waste is sorted and collected by departments within the company, with the General Affairs Department commissioning a disposal unit to carry out centralized and standardized processing, ensuring that the management and disposal of all waste comply with national regulatory requirements.

The company will implement measures to reduce waste generation and emissions, increase the utilization rate of recyclable materials, and raise the proportion of zero landfill waste, achieving resource circularity.

4.3 Environmental strategic goals

As a leading industrial enterprise in China, Neway responds to national calls and recognizes its environmental responsibilities and mission. With 2021 as the baseline year, it has set strategic environmental goals aligned with its business characteristics and industry status to drive sustainable development.

With 2021 as the baseline, the company aims to reduce its comprehensive energy consumption per unit product by 3% in the short term and by 10% in the medium term;

With 2021 as the baseline, the company aims to reduce its water consumption per unit product by 5% in the short term and by 10% in the medium term;

With 2021 as the baseline, the company aims to reduce its waste emissions per unit product by 5% in the short term and by 10% in the medium term;

Neway environmental strategy target

Category	Timeline	目标内容	Measure	目标时段	目标内容	Measure
Energy consumption per unit product	Short-term (1-2 years)	3% reduction	Optimize production workflows, enhance equipment efficiency, strengthen energy management, etc.	Mid-term (3-5 years)	10% reduction	Adopt advanced energy-saving technologies/ equipment and optimize energy management
Water consumption per unit product		5% reduction	Implement water recycling projects and refine production processes		10% reduction	Expand water recycling system coverage and improve reuse rates
Waste emissions per unit product		5% reduction	Enhance waste sorting/ recycling and optimize material usage		10% reduction	Implement clean production audits and improve production processes
Future implementation action plan	1. Technology upgrade: Introduce advanced energy-saving, water conservation and waste treatment technologies to improve resource utilization efficiency in the production process. 2. Equipment renovation: Upgrade and remodel the existing equipment to improve the operational efficiency and energy utilization efficiency of the equipment. 3. Management optimization: Strengthen energy management and environmental management by establishing an energy management system and environmental management system. 4. Employee training: Conduct energy-saving, water conservation, and environmental protection training to enhance employees' environmental awareness and operational skills. 5. Monitoring and evaluation: Establish an energy and environmental monitoring system to regularly assess the fulfillment of targets and promptly adjust the action plan.					

4.4 Energy saving and carbon reduction initiatives

Carbon emission accounting

Neway Valve conducted the accounting of GHG emissions data for 2022-2024 in compliance with the international standard ISO 14064. According to the accounting results, the total Scope 1 and 2 emissions in 2024 were 8,146.55 TCO2-e/year, representing a 4.96% reduction compared to 2023. The carbon emission intensity per unit product for Scope 1 and 2 was 0.11 TCO2-e/T, a 15.38% decrease year-on-year. These results demonstrate the company' s firm commitment and effective execution in energy conservation and emission reduction, while marking improvements in both production efficiency and environmental benefits.

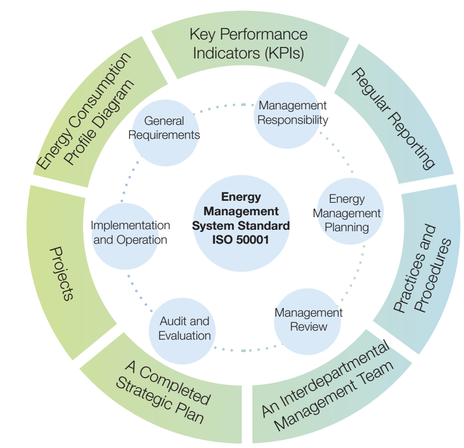
Summary of calculated GHG emissions from Neway Valve (Suzhou) Co., Ltd. (2022-2024)

Environmental indicator	2022	2023	2024
Scope 1 emissions (TCO_2-e /year)	1,912.28	1,879.51	1700.79
Scope 2 emissions (TCO_2-e /year)	7,244.67	6,692.09	6445.76
Scope 1&2 emissions (TCO_2-e /year r)	9,156.95	8,571.60	8146.55
Scope 3 emissions (TCO_2-e /year)	99,258.94	119,733.26	119295.8
Production output (t/year)	54,745.49	64,602.38	74,988.66
Scope 1 & 2 emissions intensity per unit production (TCO_2-e /T)	0.17	0.13	0.11

Energy management system

Compliance · with laws & regulations Energy Efficiency & Carbon Reduction · Sci-tech innovation · Quality Improvement & Efficiency Enhancement

Neway adheres to the ISO 50001 Energy Management System, establishing an energy management system based on the PDCA framework. Through in-depth energy usage analysis, energy-saving plan formulation, implementation of energy-saving measures, regular monitoring and evaluation, and prompt issue resolution, the company constantly enhances energy efficiency, reduces consumption and advances its low-carbon and green development goals.



Energy management system diagram

In 2023, Neway Valve (Suzhou) Co., Ltd. obtained ISO 50001 Energy Management System Certificate

Company energy performance statistics (2022-2024)

Environmental indicator	2022 年	2023	2024
Total electricity consumption (kWh)	96,165,189.60	100,640,817.20	98,138,452.40
Natural gas (M^3/year)	9,162,801.00	10,186,543.00	58,049,892.00
Green electricity usage (kWh/year)	8,483,090.20	8,266,712.00	9,414,117.60
Percentage of green electricity (%)	8.82%	8.21%	9.59%
Liquefied natural gas (kg)	114,541.08	100,289.62	63,861.98
Diesel (kg)	148,246.15	140,072.97	148,702.87
Gasoline (kg)	24,340.00	29,811.00	26,290.63
Energy consumption per unit product (tce/t)	0.212	0.195	0.166

Note: The data covers Neway Valve (Suzhou) Co., Ltd., Neway Industrial Material (Suzhou) Co., Ltd., Neway Industrial Material (Dafeng) Co., Ltd., Wujiang Dongwu Machinery Co., Ltd., Neway Oil Equipment (Suzhou) Co., Ltd., Neway Precision Forging (Liyang) Co., Ltd., and Neway Flow Control (Suzhou) Co., Ltd;

Low-carbon action

1) Energy-saving renovation for the air compressor room

In May 2024, the company implemented an energy-saving renovation project for the air compressor room, recovering waste heat from its operation and integrating it into the cleaning area's production process. Statistics show that this project has cumulatively saved 81,138.89 kWh of electricity, reducing carbon emissions by 45.58 TCO_2-e.

Air compressor waste heat recovery system

2) Green energy adoption

The company executed a photovoltaic upgrade project at its plant. In 2024, Neway Valve (Suzhou) Co., Ltd.'s solar photovoltaic power generation project achieved an annual output of 3.6257 million kWh, reducing approximately 2,036.56 tons of carbon dioxide emissions annually. Concurrently, the company promoted energy structure optimization among subsidiaries and established a long-term green power procurement mechanism. In 2024, the group's total green power usage reached 9.4141 million kWh, with its proportion increasing to 9.59%.

3) Process equipment upgrade

The company introduced intelligent production lines for precise energy control throughout processes, replaced traditional high-energy equipment with energy-efficient alternatives, and implemented dynamic energy management via a digital energy monitoring platform. Statistics indicate a 22% reduction in comprehensive energy consumption per unit product compared to the baseline year 2021.


Lean automated production line for floating ball valves

4) Product carbon footprint verification

Following the ISO 14067 international standard, Neway conducts product carbon footprint assessments and verifications to identify energy-saving potential, optimize production processes and launch low-carbon/carbon-neutral products, meeting consumer demand for sustainable products while preparing for international market entry and addressing green trade barriers.

Carbon footprint verification certificates for gate valves and butterfly valves

5) Carbon reduction through variable frequency fan application

The company implemented variable frequency fan technology in production processes, intelligently adjusting fan airflow based on actual demand to eliminate energy waste from constant-speed operation of traditional fans. This project saves 750,000 kWh of electricity annually, equivalent to reducing carbon emissions by 587.66 TCO_2-e.

6) Environmental protection-related public welfare events

The company organized such environmental protection-related public welfare events as Lingyan Mountain Cleanup, Taihu Bay Park Tree Planting and Mountain Purification to strengthen employee eco-awareness and promote green culture.


The company hosted "Lingyan Mountain Cleanup"

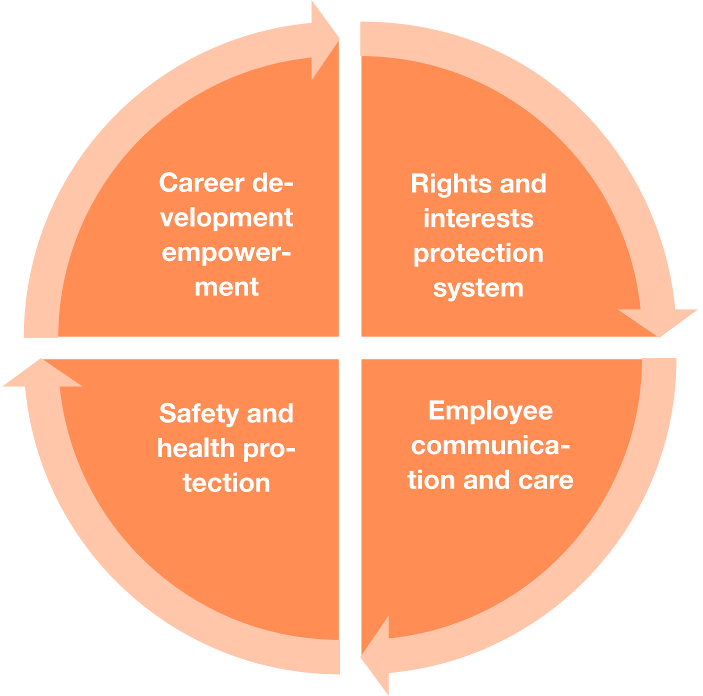

The company has constantly organized "Mountain Purification" for party members over multiple years

05 Diversity and inclusion for shared value

Neway upholds fair, open and inclusive talent principles, comprehensively safeguards employee rights & interests and collaborates with staff to achieve their full potential & value, fostering mutual growth between the company and its staff.

5.1 Forging Neway's elites

Neway consistently implements a “people-oriented” philosophy, striving to build a fair, open and diverse organizational ecosystem and advance comprehensive employee value realization through a systematic talent management mechanism that includes improving the rights & interests protection system, deepening humanistic care, enhancing occupational health protection, empowering career development, etc. As of end-2024, the company employed 4,053 staff, including 32 ethnic minority employees. Women held 10.00% of senior management positions and 28.57% of board seats. We firmly believe that an equitable and diverse corporate culture forms the foundation for employee growth and drives sustainable business development.



Four dimensions of Neway’s talent management

Human resources performance statistics (2022-2024)

Human resources indicator	2022 年	2023 年	2024 年
Total number of employees (person)	3618	3744	4053
Proportion of male and female employees (%)	85.1%：14.9%	85.1%：14.9%	84.1%：15.9%
Employee age ratio (below 30 / 30-50 / above 50)	10.7%:68.8%:21.5%	11.9%:67.3%:21.8%	12.8%:66.8%:20.4%
Number of ethnic minority employees	15	23	32
Number of physically challenged employees	2	2	2
Proportion of employee education level (Bachelor's degree and above: (/High school and above/Junior high school and below)	24.1%：32.9%：43.0%	24.7%：33.5%：41.8%	28.6%:31.6%;39.8%
Proportion of female managerial personnel at middle management level and above among all managerial staff (%)	13.20%	13.20%	13.30%
Percentage of women in senior management (%)	5.26%	10.00%	10.00%
Proportion of women on the board of directors (%)	28.57%	28.57%	28.57%
Proportion of workers from ethnic minorities and/or disadvantaged groups (%)	0.3%	0.4%	0.4%

Note: The data includes Neway Valve (Suzhou) Co., Ltd., Neway Industrial Material (Suzhou) Co., Ltd, Neway Oil Equipment (Suzhou) Co., Ltd, Neway Flow Technology (Chengdu) Co., Ltd, Neway Flow Technology (Lianyungang) Co., Ltd, Neway Technology (Yantai) Co., Ltd, Neway Engineering Services (Suzhou) Co., Ltd, Neway Industrial Material (Dafeng) Co., Ltd, Neway Precision Forging (Liyang) Co.) Ltd. and Wujiang Dongwu Machinery Co., Ltd., where the 2024 data also includes overseas branches.

5.2 Safeguarding employees' rights and interests

Neway always upholds the principles of fairness, justice and transparency, committed to creating an equal, non-discriminatory, safe and efficient working environment. The company strictly prohibits any form of discrimination on the basis of gender, age, race, religion, location and other factors, ensuring that employees enjoy equal opportunities in such key areas as recruitment, promotion and compensation. In terms of recruitment, hiring, assessment, training, appointment & dismissal, and salary distribution, the company insists on objective ability and performance as the standard and provides employees with a platform for fair competition, enabling every employee to fully utilize their talents and potential in an inclusive environment.

Neway always upholds the core value of being people-oriented and strictly prohibits any form of child labor, forced labor, harassment or violence. The company has established a comprehensive employee rights & interests protection system, preventing and controlling risks of violations through systematic management measures. As of the end of 2024, the company had no cases involving child labor, forced labor or discriminatory harassment.

Employee communication mechanism

To build harmonious and stable employee relations, the company has established a multi-level and comprehensive communication mechanism. The company has established trade unions and employee representative organizations in accordance with the law, and employees participate in decision-making, management and exercise of democratic rights through the employees' congress. The company regularly conducts employee satisfaction surveys and employee symposiums to understand employees' demands, and the HR Department promotes improvement plans based on the survey results, aiming to increase the employee satisfaction rate to 95% by 2024. In addition, the company has established a three-tier grievance response mechanism to ensure employees' reasonable demands can be resolved fairly and promptly. These measures have deepened trust and cohesion between employees and the company. From 2017 to 2023, the company was awarded titles including "Advanced Enterprise with Harmonious Labor Relations in Suzhou New District" and "Enterprise with Harmonious Labor Relations in Suzhou City".

Compensation and benefits

Neway has established a diversified compensation structure centered on position-based salaries, performance bonuses and allowances, adhering to the principle of "position-based pay and distribution according to work" to ensure the competitiveness and fairness of the compensation system. The company implements a flexible salary adjustment mechanism that considers operating conditions and market dynamics, balancing short-term incentives with annual profit-sharing while emphasizing organizational performance and individual contributions. Through the dual-channel promotion system of "management + professional", the company provides employees with salary bands matching their job grades, creating a fair and motivating work environment. In 2024, the ratio of frontline employee salary to local minimum basic salary was 3.42:1, with an employee compensation growth rate of 3.80%.

In addition to legally contributing to employees' "five social insurances and one housing fund", Neway purchases employer's liability insurance for employees, comprehensively covering occupational risks. Beyond legally entitled paid annual leave, marriage leave, maternity leave and other statutory holidays, employees enjoy benefits including birthday gifts, holiday presents, regular health check-ups and fully-furnished staff dormitories. Through this diversified benefits system, employee happiness and retention rates have improved, with employee turnover rates declining for three consecutive years and employee satisfaction increasing from 92% in 2022 to 94.63% in 2024.

Employee rights & interests performance data (2022-2024)

Compensation indicator data	2022	2023	2024
Ratio of average salary of frontline employees to local minimum basic salary	3.48：1	3.63：1	3.42：1
Employee turnover rate (%)	21.59%	20.22%	18.36%
Employee satisfaction rate (%)	92.00%	92.53%	94.63%
Employee compensation growth rate (%)	8.55%	4.90%	3.80%
Same position compensation ratio, male vs. female (%)	1：1	1：1	1：1
Labor contract signature ratio (%)	100%	100%	100%
Ratio of the total annual compensation of the highest-paid individual to the median annual total compensation of all employees (%)	5.52:1	5.20 :1	6.24 :1
Collective agreement coverage rate (%)	100%	100%	100%

Note: The data includes Neway Valve (Suzhou) Co., Ltd., Neway Oil Equipment (Suzhou) Co., Ltd., Neway Industrial Material (Suzhou) Co., Ltd., Neway Industrial Material (Dafeng) Co., Ltd., Neway Precision Forging (Liyang) Co., Ltd. and Wujiang Dongwu Machinery Co., Ltd., excluding other joint ventures and subsidiaries.

Protection of female employees' rights and interests: The company has established a Carnation Service Station for Female Employees, providing services such as psychological counseling, legal rights protection and health consultation. The company strictly implements labor protection regulations, ensuring female employees enjoy maternity leave, breastfeeding time and workload adjustment during pregnancy, as well as equal pay for equal work between genders to safeguard their legitimate rights and interests.

Neway Valve Carnation Service Station for Female Employees

In 2024, Neway's trade union organized outstanding female employees for a spring outing to Puyuan Ancient Town in Zhejiang Province

Support for employees in difficulty: For employees facing difficulties or illness, the company regularly provides financial assistance and material support to help them get through challenging times. The company has also established special subsidies to offer timely financial support and care for employees. These initiatives demonstrate the company's care for employees and reflect Neway's people-oriented culture.

5.3 Occupational health and safety

Occupational health and safety policy

Prevention-first, law compliance, people-oriented, scientific management, and continuous improvement

The company solemnly commits to fully protecting employees' safety and health, improving working environments, and identifying and reducing potential safety hazards. We strictly comply with relevant national laws, regulations, and industry standards to ensure the legality and compliance of our production and operation activities. Meanwhile, the company will constantly enhance labor protection measures and strengthen employee health monitoring & safety skills training to improve emergency response capabilities. In addition, we consistently operate and optimize our occupational health & safety management system to safeguard every employee's life and health rights through practical actions.

Health and safety management performance

Occupational health and safety form the cornerstone of corporate sustainability. The company adheres to the policy of "prevention-first, law compliance, people-oriented, scientific management, and continuous improvement," focusing on the "zero incidents, zero injuries" safety production goal. Through continuous investment in safety production and improvement of personnel safety capabilities, we implement whole-process safety production management to create a safe and healthy working environment.

From 2022 to 2024, the company invested a total of RMB 51.2362 million in safety, with no fatal or serious injury incidents occurring. The lost-time incident rate per 200,000 work hours continued to decline, demonstrating its excellent occupational health and safety performance and growing maturity in occupational health and safety management.

Occupational health and safety management performance (2022-2024)

Occupational health and safety data	2022	2023	2024
Total investment in safety (in RMB10,000)	1,458.57	1,785.79	1,879.26
Number of work-related fatalities (persons/year)	0	0	0
Investment amount in work safety liability insurance (in RMB10,000)	21.74	21.42	15.43
Employee physical examination coverage rate (%)	100%	100%	100%
Safety training hours (h/year)	15,619	17,765	21,827
Lost time incident rate (LTIR) per 200,000 work hours	0.31	0.25	0.24
Total recordable incident rate (TRIR) per 200,000 work hours	0.53	0.38	0.39
Number of serious occupational incidents (cases)	0	0	0
Number of recordable injury incidents (cases)	22	17	18

Note: 1.Lost time incident rate (LTIR) per 200,000 work hours = (fatal incidents + lost-time incidents) * 200,000 / total work hours;
2.Total recordable incident rate (TRIR) per 200,000 work hours = recordable incidents × 200,000 / total work hours
3.The data includes Neway Valve (Suzhou) Co., Ltd., Neway Industrial Material (Suzhou) Co., Ltd., Neway Industrial Material (Dafeng) Co., Ltd., Wujiang Dongwu Machinery Co., Ltd., Neway Oil Equipment (Suzhou) Co., Ltd., Neway Precision Forging (Liyang) Co., Ltd., and Neway Flow Control (Suzhou) Co., Ltd;

Safety and health management

Production safety accountability system

To ensure safe production, the company builds and implements a production safety responsibility system, from top management to grassroots employees, clearly defining the scope of safety responsibilities for each level and position to ensure that all employees are fully aware of and effectively fulfill their own safety responsibilities, jointly escorting the safe production of the company.

The company organizes a safety responsibility conference for employees

Risk assessment and control

The company regularly conducts hazard identification, risk assessment and incident hidden danger investigation, formulates control measures based on the results of risk evaluation, and continuously updates the hazard list and risk control plan. The company creates an open atmosphere and encourages employees to provide feedback on safety hidden problems and improvement suggestions through multiple channels, enabling all employees to participate in improving safety management.

Safety knowledge training

The company strictly implements the national three-level safety education system, requiring all new employees to complete company-level, workshop-level and team-level safety training upon onboarding. Current employees regularly update safety knowledge based on job requirements. The company also conducts specialized training on chemical operations and fire safety to enhance employees' safety awareness and capabilities.

Chemical safety management

The company has established chemical management control procedures to implement safety management of chemical purchase, storage, use and waste disposal in accordance with regulations, and conducts regular inspections of storage sites to ensure compliance with safety standards. The company implements key management of hazardous chemicals, taking measures to prevent incidents such as leaks and poisoning to ensure production safety.

Safety inspection and audit

The company implements a mechanism combining routine safety inspections with periodic safety audits. Safety management personnel conduct regular inspections of equipment and environment, and immediately supervise rectification when identifying potential safety hazards. The company undergoes monthly safety compliance audits from customers, the government and third parties to promptly identify and eliminate potential safety hazards, ensuring comprehensive safety in production.

Emergency prevention and response

The company regularly organizes emergency drills for scenarios such as fires and chemical leakage, evaluates drill effectiveness to optimize contingency plans, and ensures employees master key emergency knowledge including prevention measures, escape routes and proper use of emergency equipment, improving emergency response capabilities and awareness.

Employee health management

The company arranges annual physical examinations for employees, maintains health records to track their health status continuously, and pays special attention to employees in high-risk positions. Based on the physical examination results, the company provides health advice and adjusts work positions when necessary to ensure employees' physical and mental health.

5.4 Employee empowerment and development

Empowerment and training

Neway has established a systematic employee empowerment and training management system. Centered on strategic planning, goal setting, departmental performance, employee performance appraisal and career development needs, the company creates a course matrix covering management skills, operational skills, professional skills, job skills, general competencies, etc. The company designs customized training plans for different employee categories, combines with the E-learning platform to form diverse training paths, and quantifies training effectiveness through the "three-phase four-level" evaluation system to meet personalized and diverse skill development needs. From 2022 to 2024, the company invested 5.537 million yuan in specialized skills and management knowledge training, averaging 29.84 training hours per employee annually.

Neway diversified training system

- External training: Special lectures, field visits
- Internal training: Mentorship, on-the-job training
- Job skills training for special positions
- Online learning: E-learning intelligent platform

Employee training performance statistics (2022-2024)

Training performance indicator	2022	2023	2024
Total annual employee training hours (hours/year)	222386.71	204404.16	211271.43
Employee training investment (10,000 yuan/year)	143.55	199.47	210.63
Number of training course types (number/year)	26	30	24
Average staff training duration (hours/person/year)	30.22	31.63	29.84
Skills training (number of participants)	768	1387	1893
Percentage of employees receiving skills training (%)	65.00%	65.20%	66.30%
Employee training coverage rate (%)	100%	100%	100%

Note: The data includes: Neway Valve (Suzhou) Co., Ltd., Neway Oil Equipment (Suzhou) Co., Ltd., Neway Industrial Material (Suzhou) Co., Ltd., Neway Industrial Material (Dafeng) Co., Ltd., Neway Precision Forging (Liyang) Co., Ltd. and Wujiang Dongwu Machinery Co., Ltd., excluding other joint ventures and subsidiaries.

In 2024, the company organized special training activities for new employees to help fresh graduates improve workplace integration and teamwork skills.

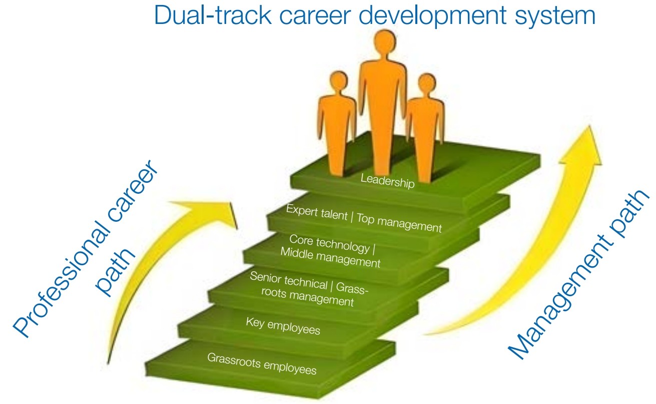
The company organized the training on "Application of Intelligent Technology in Manufacturing Industry in 2024" to empower employees to master intelligent manufacturing technologies.

Career development channels

To fully stimulate talent potential and achieve growth of both the organization and individuals, the company has innovated a "dual-track" career development system, facilitating talent growth through both professional technical and management channels. The professional technical track covers key stages including key employees, senior technicians and core technicians, enabling technical talents to achieve value leap without job transfer; The management track forms a complete promotion cycle from grassroots to senior levels. The dual tracks converge at the top level, where experts and senior managers enjoy equal rank honors, respecting professional depth while encouraging management potential, realizing the talent development concept of "equal emphasis on both professional and management", precisely planning growth paths for employees with different characteristics, and promoting symbiosis of organizational and personal values.

The company strictly implements performance appraisal and career development evaluation, covering all employees, with 100% of employees being assessed in 2024. Through scientific assessment methods, we accurately identify employees' work performance and career development needs, providing solid basis for subsequent incentives and training.

Dual-track career development system



Neway career development performance indicator

Career development data	2022	2023	2024
Percentage of employees receiving regular performance & career development evaluations (%)	100%	100%	100%

5.5 Employees' colorful life

Employees are the company's most valuable asset. We value their extracurricular spiritual and cultural life, organizing diverse cultural activities to enhance their sense of belonging and happiness, strengthen team cohesion, and create a harmonious and positive work environment.

In 2024, Neway's trade union invited "little migratory birds" (children of migrant workers) and their parents to participate in back-to-school activities, presenting school starter kits and blessings to help those parents better understand and accompany their children.

In 2024, Neway held the "Love & Companionship" Family Day event at its oil equipment plant.

In April 2024, Neway's trade union organized outdoor reading and photography activities at Xijingwan flower fields by Taihu.

Neway's trade union organized employees to participate in the 2024 Suzhou Taihu Marathon.

Looking ahead, Neway will continue upholding its fair, open, diverse and inclusive talent philosophy, with a focus on talent reserves and echelon development to cultivate a workforce supporting high-end valve R&D, intelligent manufacturing transformation and global market expansion, achieving development for both the company and its employees.

1 No poverty

4 Quality education

12 Responsible consumption and production

06 Win-win collaboration for social contribution

Neway adheres to the corporate spirit of " win-win collaboration for social contribution", committed to promoting harmonious coexistence between enterprise and society. The company works with suppliers to build a responsible ecosystem and fulfills charitable and public welfare responsibilities, injecting sustainable momentum into high-quality social development.

6.1 Procurement management

Neway is committed to building a healthy and sustainable supply chain ecosystem, protecting supplier rights & interests, implementing transparent procurement mechanisms, preventing and addressing corruption, and maintaining integrity in contract fulfillment to achieve mutual success with suppliers.

Neway has established a comprehensive supplier management system, including the Supplier Management System and the Supplier Quality Control Procedures, standardizing processes from qualification review to communication and collaboration. Multiple departments, including the Resource Department, Quality Assurance Department, Material Inspection Department, etc. jointly control supplier qualification and ongoing management, ensuring supply chain stability and reliability. For quality control, the Quality Assurance Department develops annual audit plans, conducts reevaluations of key suppliers, and implements corresponding measures for suppliers with quality issues. In 2024, all supplier quality performance indicators met standards, demonstrating the effectiveness of the quality management system. Additionally, Neway adheres to the principle of openness and transparency, enhancing supplier collaboration through regular communication and on-site evaluations to jointly improve supply chain competitiveness and achieve mutual benefits.

In 2024, Neway Valve (Suzhou) Co., Ltd. held a supplier conference themed “Co-creation for shared success” .

Responsible procurement planning

Going forward, the company will further improve its responsible procurement management system and progressively implement the following measures:

1) Provide ESG management training for procurement staff to comprehensively enhance the team’ s ESG awareness and capabilities, targeting 100% annual ESG training coverage;

2) Develop and improve the Supplier ESG Evaluation Standards to strengthen ESG due diligence management, control supply chain ESG risks, and gradually improve supply chain ESG performance;

3) Fully apply the Supplier ESG Evaluation Standards in supplier qualification, monitoring and dynamic performance evaluation, aiming for 50% ESG-based screening and evaluation coverage within 3-5 years;

4) Support suppliers in improving carbon management capabilities to address climate change and jointly build a green and low-carbon sustainable supply chain ecosystem.

6.2 Charity and public welfare activities

Neway participates in charitable and public welfare initiatives, contributing to social development through diverse initiatives including building Hope Primary Schools, establishing education funds, aiding disaster-stricken areas, supporting public welfare projects, making regular donations, etc. By the end of 2024, Neway's cumulative charitable donations reached 3.888 million yuan, demonstrating its commitment as a corporate citizen and contributing to sustainable social development.

Neway Valve charitable donation statistics

Timeline	Donation item	捐赠金额
2008	Suzhou Charity Federation - earthquake relief	1,000,000.00
2009	Donation for construction of Neway Baji Hope Primary School	152,254.72
2010	Donation for construction of Neway Baji Hope Primary School	203,006.30
2010	Donation for construction of Neway Hope Primary School	304,501.05
2011	Donation for construction of Neway Baji Hope Primary School	200,000.00
2012	Donation for Hope Primary School	140,237.93
2013	Soochow University education fund	300,000.00
2014	Education support fund	50,000.00
2014	Education support fund	200,000.00
2015	Reimbursement of 2015 education fund	200,000.00
2015	2015 education fund	50,000.00
2015	Donation for "Qingqingyu" gas station	45,000.00
2017	Teaching assistant fund	100,000.00
2018	Neway education support fund	100,000.00
2018	Valve scholarship fund	38,000.00
2018	Neway education support fund	100,000.00
2019	Donation for charitable programs	50,000.00
2020	Donation for relocation project of quinoa processing plant in Dongxiang County, Gansu Province	100,000.00
2020	Neway education support fund (2019-2020)	100,000.00
2022	Donation for Suzhou Hi-Tech Zone Charity Federation (2022)	150,000.00
2023	Fumiao Love Fund	5,000.00
2023	Donation for Suzhou Hi-Tech Zone Charity Federation by Valve Division in 2023	150,000.00
2024	Donation for Suzhou Hi-Tech Zone Charity Federation (2024)	150,000.00
Total		3,888,000.00

Rural revitalization

Since 2016, Neway has adhered to the concept of "revitalizing rural areas through education", constantly providing financial support to students in impoverished areas such as Zhenba, Hanzhong, Shaanxi Province. Through funding activities, the company improved their learning and living conditions, cultivated future talents for rural areas, and promoted sustainable development of rural education. In 2024, Neway mobilized its employees and caring members of society to participate in sponsorship activities, supporting 64 students with cumulative donations of RMB 91,800, which paved a developmental path to knowledge and dreams for underprivileged students, fulfilled the mission of rural revitalization through education with concrete actions and brought more warmth and hope to society.

Neway's scholarship award ceremony for underprivileged students at Zhenba Middle School

Neway focused on the specialty agriculture sector. By signing citrus purchase contracts with Sichuan Hemei Zhiyuan Agricultural Technology Co., Ltd., we strengthened production-marketing linkages, promoted stable agricultural product sales through market-oriented cooperation models, addressed the "sales difficulties" faced by rural specialty industries, and boosted farmers' incomes and rural development.

Educational support

Neway engaged in educational support through various initiatives to promote educational development. The company provided direct financial aid to underprivileged students while participating in educational support activities to offer assistance to Yangshan Junior High School, Yangshan Primary School, and Qingshan Luting Kindergarten. Through improving teaching facilities and conducting educational counseling, we helped elevate local education standards. Additionally, the company organized a public welfare children's badminton training program during summer vacations, creating a healthy platform for physical exercise and interest cultivation.


Neway donated toys to Qingshanlvting Kindergarten to enrich children's extracurricular life

In 2024, Neway organized a public welfare children's badminton training program to cultivate their interest and skills in sports and promote their physical and mental well-being.

Blood donation activity

Neway has consistently organized blood donation activities for years, demonstrating social responsibility through practical actions. In 2024, 97 employees enthusiastically participated, donating a total of 30,700 milliliters of blood. This precious blood will bring hope of life to patients in urgent need of transfusion, showcasing the dedication and compassion of Neway employees.

Showing warmth to the elderly

Party members and volunteers from Neway regularly visit nursing homes to clean and deliver care packages to the elderly, conveying love and warmth through practical actions. Their attentive service not only solved the practical difficulties in life for the elderly, but also made them feel the care and warmth of society.

Appendix 1: 2022 - 2024 ESG Performance Statistics

Performance indicator	2022	2023	2024
Economic			
Total assets (¥100 million)	69.70	78.79	87.11
Sales revenue (¥100 million)	40.59	55.44	62.38
R&D investment (¥10,000)	17,641.99	18,580.19	16,728.81
R&D investment ratio (%)	4.35	3.35	2.68
Government rewards and subsidies (¥10,000)	2157.69	2589.00	791.10
Environment			
Main production material — steel (tons/year)	39,524.28	49,433.38	45,614.73
Main production materials — castings and forgings (tons/year)	65,441.76	75,600.60	97,910.01
Total water consumption (tons/year)	545,029.00	487,557.00	505,566.00
Wastewater discharge (tons/year)	89,300.00	87,700.00	83,235.00
Volume of recycled and reused water (tons/year)	11,155.00	11,339.00	18,975.80
Water reuse rate (%)	2.05%	2.33%	3.75%
Wastewater treatment compliance rate (%)	100%	100%	100%
Water consumption per unit product (tons/ton)	3.66	4.28	4.25
Benzene emissions (tons/year)	0.17	1.00	2.59
Ethyl acetate emissions (tons/year)	0.02	0.04	0.16
Non-methane total hydrocarbon emissions (tons/year)	3.10	3.26	4.64
Particulate matter emissions (tons/year)	9.97	8.31	9.79
SO2 exhaust gas emissions (tons/year)	0.08	0.15	0.15
Nitrogen oxide exhaust gas emissions (tons/year)	5.37	0.75	2.63
Exhaust gas emissions compliance rate (%)	100%	100%	100%
General solid waste emissions (tons/year)	11,209.16	12,215.97	14,411.20
Waste recovery rate (%)	87.14%	87.41%	86.89%
Hazardous waste (tons/year)	675.86	906.91	1,042.22

Hazardous waste transfer rate (%)	100%	100%	100%
Scope 1 emissions (tCO_2-e/year)	1,912.28	1,879.51	1,700.79
Scope 2 emissions (tCO_2-e/year)	7,244.67	6,692.09	6,445.76
Scope 1&2 emissions (tCO_2-e/year)	9,156.95	8,571.60	8,146.55
Scope 3 emissions (tCO_2-e/year)	99,258.94	119,733.26	119,295.80
Unit product scope 1&2 emissions intensity (tCO_2e/t)	0.17	0.13	0.11
Total electricity consumption (kWh)	96,165,189.60	100,640,817.20	98,138,452.40
Natural gas (m^3/year)	9,162,801.00	10,186,543.00	58,049,892.00
Green electricity usage (kWh/year)	8,483,090.20	8,266,712.00	9,414,117.60
Percentage of green electricity (%)	8.82%	8.21%	9.59%
Liquefied natural gas (kg)	114,541.08	100,289.62	63,861.98
Diesel (kg)	148,246.15	140,072.97	148,702.87
Gasoline (kg)	24,340.00	29,811.00	26,290.63
Comprehensive energy consumption per unit product (Tce/T product)	0.212	0.195	0.166
Social			
R&D investment (in ¥10,000/year)	17641.99	18580.19	16,728.81
Number of R&D personnel (persons/year)	324	352	380
Proportion of R&D personnel by education level (Master's/Bachelor's)	17/236	17/285	23/309
Number of patents granted (items/year)	50	51	63
Total number of employees (person)	3618	3744	4053
Proportion of male and female employees (%)	85.1%: 14.9%	85.1%: 14.9%	84.1%: 15.9%
Employee age ratio (below 30 / 30-50 / above 50)	10.7%:68.8%:21.5%	11.9%:67.3%:21.8%	12.8%:66.8%:20.4%
Number of ethnic minority employees	15	23	32
Number of physically challenged employees	2	2	2
Proportion of employee education level (Bachelor's degree and above: (/High school and above/ Junior high school and below)	24.1%: 32.9%: 43.0%	24.7%: 33.5%: 41.8%	28.6%:31.6%;39.8%

Proportion of female managerial personnel at middle management level and above among all managerial staff (%)	13.20%	13.20%	13.30%
Percentage of women in senior management (%)	5.26%	10%	10.00%
Proportion of women on the board of directors (%)	28.57%	28.57%	28.57%
Proportion of workers from ethnic minorities and/ or disadvantaged groups (%)	0.3%	0.4%	0.4%
Ratio of average salary of frontline employees to local minimum basic salary	3.48 : 1	3.63: 1	3.42: 1
Employee turnover rate (%)	21.59%	20.22%	18.36%
Employee satisfaction rate (%)	92.00%	92.53%	94.63%
Employee compensation growth rate (%)	8.55%	4.90%	3.80%
Same position compensation ratio, male vs. female (%)	1: 1	1: 1	1: 1
Labor contract signature ratio (%)	100%	100%	100%
Ratio of the total annual compensation of the highest-paid individual to the median annual total compensation of all employees (%)	5.52:1	5.20 :1	6.24 :1
Collective agreement coverage rate (%)	100%	100%	100%
Total investment in safety (in RMB10,000)	1,458.57	1,785.79	1,879.26
Number of work-related fatalities (persons/year)	0	0	0
Investment amount in safety production liability insurance (10,000 yuan)	21.74	21.42	15.43
Employee physical examination coverage rate (%)	100%	100%	100%
Safety training hours (h/year)	15,619	17,765	21,827
Lost time incident rate (LTIR) per 200,000 work hours	0.31	0.25	0.24
Total recordable incident rate (TRIR) per 200,000 work hours	0.53	0.38	0.39
Number of serious occupational incidents (cases)	0	0	0
Number of recordable injury incidents (cases)	22	17	18
Total annual employee training hours (hours/year)	222386.71	204404.16	211271.43

Employee training investment (10,000 yuan/year)	143.55	199.47	210.63
Number of training course types (number/year)	26	30	24
Average staff training duration (hours/person/year)	30.22	31.63	29.84
Skills training (number of participants)	768	1387	1893
Percentage of employees receiving skills training (%)	65.00%	65.20%	66.30%
Employee training coverage rate (%)	100%	100%	100%
Anti-commercial bribery & business ethics training (number of participants)	3618	3744	4053
Employee anti-commercial bribery training coverage rate (%)	86.3%	100%	100%
Anti-commercial bribery training coverage rate of management employees (%)	100%	100%	100%
Number of reported cases (times/year)	0	0	0
Coverage rate of corruption risk assessments in workplaces and departments (%)	100%	100%	100%
Proportion of workplaces/departments covered by business ethics internal audits (%)	55.56%	66.7%	66.7%

Appendix 2: GRI Standards Indicator Index

No.	Description	Page
	GRI 2: General Disclosures 2021	
2-1	Organizational details	14-15
2-2	Entities included in the organization's sustainability reporting	2-3
2-3	Reporting period, frequency and contact point	2-3
2-4	Restatements of information	2-3
2-5	External assurance	Appendix
2-6	Activities, value chain and other business relationships	18-19
2-7	Employees	62-63
2-8	Workers who are not employees	62-63
2-9	Governance structure and composition	26
2-10	Nomination and selection of the highest governance body	26
2-11	hair of the highest governance body	26
2-12	Role of the highest governance body in overseeing the management of impacts	26
2-13	Delegation of responsibility for managing impacts	26
2-14	Role of the highest governance body in sustainability reporting	26
2-15	Conflicts of interest	32-33
2-16	Communication of critical concerns	30-31
2-17	Collective knowledge of the highest governance body	30-31
2-18	Evaluation of the performance of the highest governance body	26
2-19	Remuneration policies	64
2-20	Process to determine remuneration	64
2-21	Annual total compensation ratio	64
2-22	Statement on sustainable development strategy	6
2-23	Policy commitments	32-33
2-24	Embedding policy commitments	32-33
2-25	Processes to remediate negative impacts	32-33

2-26	Mechanisms for seeking advice and raising concerns	32-33
2-27	Compliance with laws and regulations	32-33
2-28	Membership associations	23
2-29	Approach to stakeholder engagement	30-31
2-30	Collective bargaining agreements	64-65
GRI 3: Material Topics		
3-1	Process to determine material topics	30-31
3-2	List of material topics	30-31
3-3	Management of material topics	30-31
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	10-11
201-2	Financial implications and other risks and opportunities due to climate change	21
201-3	Defined benefit plan obligations and other retirement plans	64
201-4	Financial assistance received from government	20
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	65
202-2	Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	/
203-2	Significant indirect economic impacts	20
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	/
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	32-33
205-2	Communication and training about anti-corruption policies and procedures	32-33
205-3	Confirmed incidents of corruption and actions taken	None
GRI 206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
GRI 207: Tax		
207-1	Approach to tax	/
207-2	Tax governance, control, and risk management	/
207-3	Stakeholder engagement and management of concerns related to tax	/
207-4	Country-by-country reporting	/
GRI 301: Materials		
301-1	Materials used by weight or volume	52
301-2	Recycled input materials used	52
301-3	Reclaimed products and their packaging materials	52
GRI 302: Energy		
302-1	Energy consumption within the organization	57
302-2	Energy consumption outside of the organization	57
302-3	Energy intensity	57
302-4	Reduction of energy consumption	57
302-5	302-5 Reductions in energy requirements of products and services	58
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	54
303-2	Management of water discharge-related impacts	54
303-3	Water withdrawal	52
303-4	Water discharge	52
303-5	Water consumption	52
GRI 304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
304-2	Significant impacts of activities, products and services on biodiversity	N/A
304-3	Habitats protected or restored	N/A
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	56
305-2	Energy indirect (Scope 2) GHG emissions	56
305-3	Other indirect (Scope 3) GHG emissions	56

305-4	GHG emissions intensity	56
305-5	Reduction of GHG emissions	56
305-6	Emissions of ozone-depleting substances (ODS)	/
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	54
GRI 306: Waste		
306-1	Waste generation and significant waste-related impacts	54
306-2	Management of significant waste-related impacts	54
306-3	Waste generated	52
306-4	Waste diverted from disposal	52
306-5	Waste directed to disposal	52
GRI 308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	75
308-2	Negative environmental impacts in the supply chain and actions taken	None
GRI 401: Employment		
401-1	New employee hires and employee turnover	65
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	64-65
401-3	Parental leave	64
GRI 402: Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	/
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	66
403-2	Hazard identification, risk assessment, and incident investigation	67-68
403-3	Occupational health services	66-68
403-4	Worker participation, consultation, and communication on occupational health and safety	67-68
403-5	Worker training on occupational health and safety	67-68
403-6	Promotion of worker health	67-68
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	67-68
403-8	Workers covered by an occupational health and safety management system	67-68
403-9	Work-related injuries	67
403-10	Work-related ill health	67-68
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	69
404-2	Programs for upgrading employee skills and transition assistance programs	69
404-3	Percentage of employees receiving regular performance and career development reviews	70
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	62
405-2	Ratio of basic salary and remuneration of women to men	63
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	None
GRI 407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	None
GRI 409: Forced or Compulsory Labor		
409-1	Security personnel trained in human rights policies or procedures	None
GRI 410: Security Practices		
410-1	Security personnel trained in human rights policies or procedures	68
GRI 411: Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	N/A
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	76-78
413-2	Operations with significant actual and potential negative impacts on local communities	76-78
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	None
414-2	Negative social impacts in the supply chain and actions taken	None

GRI 415: Public Policy		
415-1	Political contributions	N/A
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	/
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	/
417-2	Incidents of non-compliance concerning product and service information and labeling	None
417-3	Incidents of non-compliance concerning marketing communications	None
GRI 418: Customer Privacy		

Readers' feedback

Dear reader!

Thank you for reading the Neway Valve (Suzhou) Co., Ltd. 2024 Environmental, Social and Governance (ESG) Report. If you have any thoughts or suggestions on this report, please fill in the feedback form below and send it to us by mail, fax or email. We are deeply grateful for your valuable comment

Name: ________________ Contact number: _________________ Email: _________________

1. Which chapters do you think provided you with important information?

☐ About Neway
☐ ESG governance for sustainable development
☐ Innovation-driven quality excellence
☐ Clean and low-carbon development for environmental protection
☐ Diversity and inclusion for shared value
☐ Win-win collaboration for social contribution

2. How do you evaluate this report?

Readability	☐ Good	☐ Average	☐ Not good
Completeness	☐ Good	☐ Average	☐ Not good
Relevance	☐ Good	☐ Average	☐ Not good
Typography	☐ Good	☐ Average	☐ Not good
Overall impression	☐ Good	☐ Average	☐ Not good

3. What are your suggestions for our next ESG report?

____

4. Please contact us:

Company website: https://www.neway.com.cn/
Tel: +86-0512-66658692
Email: song.xu@neway.com.cn

BUREAU VERITAS

Bureau Veritas Certification

INDEPENDENT ASSURANCE STATEMENT

Objectives of work

Bureau Veritas Certification (Beijing) Co., Ltd. ("BUREAU VERITAS") has been engaged by Neway Valve (Suzhou) Co., Ltd. ("Neway Group") to conduct an independent Assurance of its 2024 Environmental, Social and Governance (ESG) Report **("ESG Report")**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the report are the sole responsibility of the management of Neway Group. Our sole responsibility was to provide independent assurance on the accuracy and reliability of information included, and on the underlying systems and processes used to collect, analyse and review it.

Scope of work

Neway Group requested Bureau Veritas to verify the accuracy and reliability of the following:

- Data and information included in the ESG Report from January 1, 2024 to December 31, 2024.

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by Neway Groupand statements of future commitment;
- Financial data and information that has been audited by a third party.

Level of assurance: reasonable assurance level

Assurance standard

1. International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), developed by the International Auditing and Assurance Standards Board;
2. GRI Sustainability Reporting Standards, published by the Global Reporting Initiative
3. Shanghai Stock Exchange Listed Company Self-Regulatory Guide No. 4—Preparation of Sustainable Development Report

Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of Neway Group;
2. Review of documentary evidence produced by Neway Group;
3. Evaluation of information against Global Reporting Initiative (GRI) principles of Materiality, Accuracy, Completeness, Balance, Clarity and Comparability;
4. Audit of performance data, tracing and checking the sample data according to the sampling principle;
5. Review of Neway Group data and information systems for collection, aggregation and analysis;

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Non-financial Reports, based on current best practice in independent assurance. The work was planned, carried out and concluded based on reasonable, rather than absolute assurance, as determined by Bureau Veritas.

Assurance Conclusion

On the basis of our methodology and the activities described above, it is our opinion that:

BUREAU VERITAS

Bureau Veritas Certification

- The information and data included in the scope of our assurance are accurate, reliable and free from material mistake or mis-statement;
- The information is presented in a clear, understandable and accessible manner;
- The information of the report provides a fair and balanced representation of related management activities during the report period;
- Neway Group has established appropriate systems for the collection, aggregation and analysis of relevant information. The performance data for 2022~2024 has been disclosed and be with comparability.

Objectivity

The information and data disclosed in the report are objective and reliable. Neway Group has established appropriate systems for the collection and disposal of quantitative data on organizational governance, environment and social management. Through on-site assurance, the evidence provided by Neway Group is relatively reliable and the report is of objectivity.

Materiality

Neway Group identified and disclosed material ESG issues and related information in accordance with Shanghai Stock Exchange Listed Company Self-Regulatory Guide No. 4—Preparation of Sustainable Development Report, the GRI Sustainability Reporting Standard, ISO26000:2010 Guidance on social responsibility, and Sustainable Development Goals (SDGs)

Completeness

The report of Neway Group focuses on the aspects of "About Neway Group", "ESG Strategy and Governance", "Innovation-driven, Quality Excellence", "Green Future for Harmonious Coexistence", "Diversity and Inclusion, Common Development", "Dedication and Love". The report discloses data and information related to product responsibility, social responsibility, environmental responsibility, and employee responsibility, which are of concern to the stakeholders of Neway Group. The disclosed is of relative Completeness.

Statement of Independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Environmental and Occupational Health and Safety, Social Responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with Neway Group. We have conducted this Assurance independently and impartially. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Fanny Zou	**ROGER HU**
Director of Greater China Region	**Assurance Team Leader**
Bureau Veritas Certification (Beijing) Co., Ltd.	**Bureau Veritas Certification (Beijing) Co., Ltd.**
2025-4-8	**2025-4-2**

NEWAY

Neway Valve (Suzhou) Co., Ltd.

Company website: https://www.neway.com.cn/
Tel: +86-0512-66658692
Email: song.xu@neway.com.cn