

Neway Valve (Suzhou) Co., Ltd.

2023 Environmental, Social and Governance (ESG) Report



Report Description

Reporting Scope

This report is the first ESG report released by Suzhou Neway Valve Co., Ltd. Unless otherwise specified, this report only covers Suzhou Neway Valve Co., Ltd., the headquarters of Neway Group, and does not include other subsidiaries. The report information and data mainly cover the various environmental, social, and governance-related activities of Suzhou Neway Valve Co., Ltd. from January 1, 2023 to December 31, 2023. Based on the continuity and comparability of the report, some data and information are not limited to 2023.

Compilation principles

This report was prepared with reference to the GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB), the ISO 26000:2010 Guidance on Social Responsibility published by International Organization for Standardization, 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 governance, society, and environment, focusing on the organization's responsibilities in ESG governance, product, environmental, employee, and charity. The data and information collection for this report was carried out in accordance with the company's existing work processes.

Abbreviations

For the convenience of presentation and reading, Suzhou Neway Valve Co., Ltd. is referred to as "Neway Valve" or "we" or "the company" in this report. The copyright of this report belongs to Suzhou Neway Valve Co., Ltd.

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: 18962125005
Email: song.xu@neway.com.cn



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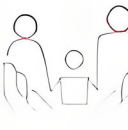
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Chairman Speech

In 2023, Neway has ushered in an exciting year. Our sales have achieved significant growth and achieved the goals we set, which not only marks our increasingly solid position in the market, but also shows the strengthening of our strength.

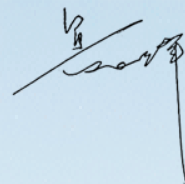
This year, Neway's operating indicators have grown across the board, thanks to the unremitting efforts and fighting spirit of all employees. Facing the global market, we continue to expand and adjust internal and external sales strategies, extending our business tentacles to more market segments. At the same time, we have invested resources in product research, development and improvement. Through technology upgrades, product optimization and equipment improvements, we have improved product performance, production efficiency and service quality. The R&D team continues to launch new products based on customer needs, which has achieved market breakthroughs, and enabled our products to serve a wider customer base. In 2024, we will continue to increase R&D investment, promote technological innovation, insist on using technology to lead Neway's development, and further enhance the company's competitiveness.

In terms of environmental responsibility, we work with customers to streamline production and transportation processes, update equipment, optimize the supply chain, achieve energy conservation and emission reduction in the value chain, and achieve sustainable development with a more environmentally friendly energy structure. We have formulated carbon management policies and emission reduction targets in accordance with national and international carbon emission standards, carried out greenhouse gas inventory and product carbon footprint assessment, and some products have obtained PAS2060 carbon neutrality verification statements.

Many achievements in 2023 are inseparable from the support of local governments and all sectors of society. While pursuing development, Neway also emphasizes corporate social responsibility. We have organized employees to participate in community services and charity activities many times, donated to poor families, conveyed love and warmth, and participated in public welfare activities with employees and their families to give back to the society with practical actions.

Looking to the future, Neway's corporate spirit and culture will continue to be a strong driving force for our development. We will uphold the spirit of "Dare to ask where the path lies ", adhere to the corporate culture of simplicity and pragmatism, exploration and innovative, and respect for systems and processes, and create more value for all stakeholders such as partners, shareholders, employees and society. Let us join hands to meet the challenges and opportunities of 2024, grow together, and create brilliance together.

Chairman:
August 1, 2024




Enterprise Vision, Enterprise Mission, Enterprise Spirit and Enterprise Culture



Enterprise Vision

To be the world's leading manufacturer of industrial valves



Enterprise Mission

Provide customers with a complete set of industrial valve solutions



Enterprise Spirit

Dare to ask where the path lies



Enterprise Culture

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



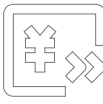
2023 ESG Performance Data

Economy



73.97

Total assets (100 million yuan)



804,329

Annual product output (units)



45.60

Sales revenue (100 million yuan)



32.60

Operating costs (100 million yuan)



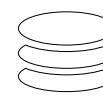
1.63

Total tax payment (100 million yuan)



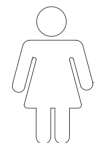
18,744.18

R&D investment (10,000 yuan)



3,289

Government rewards and support funds (10,000 yuan)



4.59

Total employee compensation (100 million yuan)

Governance



100%

Business ethics training coverage (all employees) (%)



100%

Percentage of all workplaces/sectors covered by business ethics risk assessments (%)



100%

Percentage of all workplaces/departments covered by internal audits of business ethics (%)

Environment

Performance Indicators	2023
Industrial wastewater discharge (tons/year)	4,228,396
Wastewater discharge (tons/year)	65,210
BTEX emissions (tons/year)	1.54
Ethyl acetate emissions (tons/year)	0.046
Total non-methane hydrocarbon emissions (tons/year)	1.872
Particulate matter emissions (tons/year)	0.065
Total water consumption (tons/year)	211,914
Amount of water recycled and reused (tons/year)	7,500
Sewage treatment compliance rate (%)	10.31%
Wastewater reuse rate (%)	11.50%
Water consumption per 10,000 yuan of output value (tons/10,000 yuan)	0.43
Total power consumption (KWH)	17,731,614
Natural gas (M³/year)	826,634
Green electricity usage(KWH/year)	3,760,450
Green electricity share (%)	23%
Liquefied gas (KG)	5,955
Diesel (KG)	39,948
Gasoline (KG)	20,805
Electricity consumption per 10,000 yuan of output value (KWH/10,000 yuan)	32.511
General solid waste discharge (tons/year)	4,214
General solid waste transfer rate (%)	100%
Hazardous waste emissions (tons/year)	693
Hazardous waste transfer rate (%)	100%
Waste emissions per 10,000 yuan of output value (KG/10,000 yuan)	9.97
Scope 1 emissions(TCO 2 -e/year)	1,879.51
Scope 2 emissions(TCO 2 -e/year)	6,692.09
Scope 1 & 2 emissions(TCO 2 -e/year)	8,571.60
Scope 3 emissions(TCO 2 -e/year)	119,733.26
Emission intensity per unit of output scope 1&2 (TCO 2 -e /T)	0.13

Society

Performance Indicators	2023
Number of R&D personnel (person/year)	270
Number of authorized patents (items/year)	35
Proportion of new product sales revenue in total sales revenue (%)	83.03%
Total number of employees (person)	2,217
Ratio of male and female employees (%)	86.56%:13.44%
Age ratio of employees (under 30 years old/30-50 years old/over 50 years old)	12.67% : 74.70%: 12.63%
Number of ethnic minority employees (person)	12
Number of disabled employees	1
Educational background ratio of employees (bachelor degree and above/high school and above/junior high school and below)	28.91%: 49.71%: 21.43%
The proportion of female managers at the middle level and above to management level employees (%)	17.52%
Percentage of women in senior management positions (%)	13.79%
Percentage of women on the board of directors (%)	28.57%
Percentage of workers from minority and/or underrepresented groups (%)	0.63%
Percentage of employees from minority and/or underrepresented groups in senior management teams (%)	0.00%
Percentage of employees who have received diversity, discrimination and harassment training (%)	100%
operating sites that have undergone human rights impact or risk assessments (%)	100%
Number of incidents of child labor or forced labor	0
Number of factory inspections conducted annually for child labor or forced labor (times/year)	12
Ratio of average salary of front-line employees to local minimum wage	4.4:1
Employee turnover rate (%)	10.3%
Employee satisfaction (%)	92%
Employee salary growth rate (%)	7%
Labor contract signing rate (%)	100%
Ratio of the highest-paid individual's total annual compensation to the median total annual compensation of all employees (%)	6.38%
Pre-job and on-the-job physical examination coverage rate for occupational diseases (%)	100%
Number of deaths due to work (person/year)	0
Occupational disease occurrences (per year)	0
Total amount of security investment (ten thousand yuan)	711.4
Safety training hours (hours/year)	4,843

Performance Indicators	2023
Lost working time (days)	21
200,000 Lost Time Injury Rate (LTIR)	0.216
Recordable Incident Rate (TRIR) per 200,000 man-hours	0.032
Total annual training hours for employees (hours/year)	0.097
Employee training investment (10,000 yuan/year)	137.5
Number of training courses (per year)	30
Average training hours for employees (hours/person/year)	65.4
Skill training (number of times)	234
Proportion of employees receiving skills-related training (%)	64.36%
Percentage of employees receiving regular performance and career development evaluations (%)	100%
Training coverage rate (%)	100%
Number of employees with personal development plans	2,217
Number of internal mobility cases	126
Domestic sales customer satisfaction (average) (%)	94.2%
Export customer satisfaction (average) (%)	86%
Nuclear power valve primary test pass rate (%)	98.48%
Ball valve one-time test pass rate (%)	97.40%
API6A valve one-time test pass rate (%)	98.76%
Butterfly valve one-time test pass rate (%)	96%
GGC valve (Gate valve, Globe valve, Check valve) one-time test pass rate (%)	98.30%
Neway machining qualification rate (%)	98.3%
Outsourcing processing qualification rate (%)	98.8%
Small parts qualification rate (%)	99.4%
Number of confirmed information security incidents	0
Number of information security risk assessments conducted (times)	1
Number of information security internal audits (times)	1
Percentage of all workplaces/departments covered by information security internal audits (%)	100 %
Information security training coverage rate (%)	100%
Percentage of all workplaces/departments covered by information security risk assessments (%)	100 %
Charitable donations by 2023 (10,000 yuan)	373.8



01 About Neway Valve

Neway Valve is a high-tech company focusing on the research and development, designs and production of industrial valves. The company is committed to using technology to drive industrial valve innovation, create high-quality and diversified products, and lead the new trend of global industrial valve applications.

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1.1 Company Overview

Suzhou Neway Valve Co., Ltd. ("Neway Valve") has been deeply involved in the field of industrial valves since its establishment in 1997, focusing on the research and development, design and production of industrial valves. The company has a registered capital of RMB 749.062 million, with 2,217 employees, and was listed on the Shanghai Stock Exchange A-share market in September 2014. The company is located in the Suzhou High-tech Zone in Suzhou City, with a vast factory area of 224,849.2 m² and a construction area of 123,900 m², providing the company with sufficient development space and a modern production environment.

Since 1998, the company has taken the lead in obtaining international certifications such as ISO9001 and API 6D, and has continued to expand its certification system, including ISO14001 environmental management, ISO45001 occupational health and safety management, ISO50001 energy management, ISO14064 carbon inventory, ISO14067 product carbon footprint and PAS2060 product carbon neutrality, etc., using international standards to promote quality control, environmental protection, safety and sustainable development, demonstrating its professional strength and internationalization in the field of valve manufacturing.

Registered Capital

RMB **74,906.2** million

Number of Employees

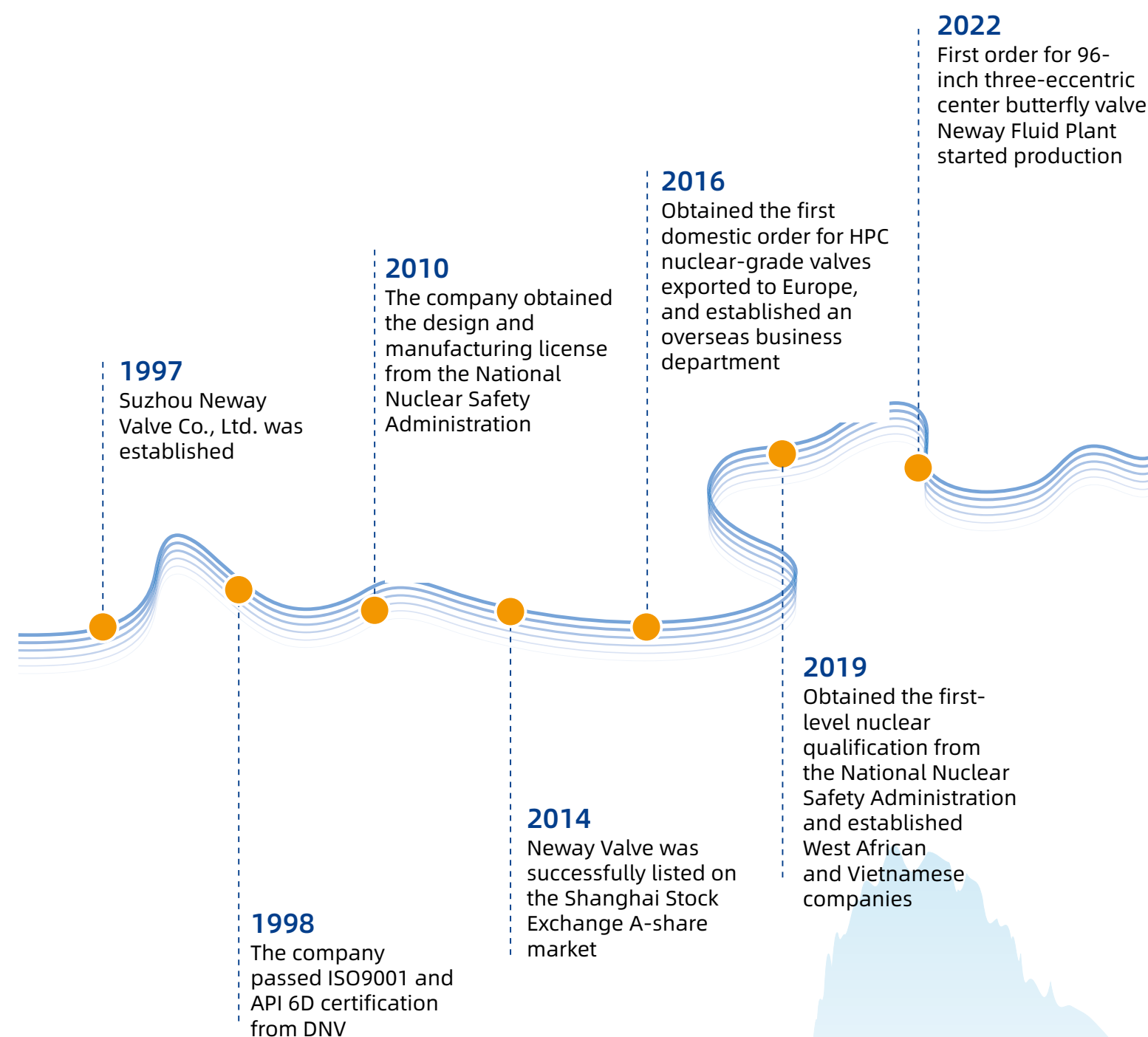
2,217

Construction Area

123,900 m²



1.2 Development History



1.3 Our Products

■ Product Introduction

The company focuses on producing industrial valves that meet international standards. As an industry-leading manufacturer, Neway Valve's product line covers 10 major industrial valve series, with an annual output of more than 800,000 sets and an annual production capacity of 5 billion yuan.

The company's product series is mainly API, ASME, ANSI, BS, DIN and GB standard valves, and the core products include Nuclear Power Valve, Ball Valve, API6A valve, Butterfly valve, Gate valve, Globe Valve, Check valve and Subsea Valve.. The pressure rating of the company's valve products ranges from 150LB to 2500LB and 3000PSI and other specifications, and the caliber ranges from 1/2 " to 120 " , which can meet the pressure requirements under different working conditions and ensure the applicability of various pipeline sizes.



Some of the company's products are displayed

■ Industry layout

The company has been deeply involved in the global market, and has won the trust of the world's top users and engineering companies with its excellent product quality and continuous technological innovation., The company's products are used in industrial pipeline systems in many fields such as nuclear power, petroleum, mining, water treatment, semiconductors, and municipal pipeline networks, ranking first in the domestic industry, and are exported to more than 90 countries and regions including the United States, Europe, Australia, Japan and Southeast Asia, reflecting the extensive influence of Neway Valve in the field of industrial valves.

Valve products	Application Areas
Nuclear power valve	Nuclear power
Ball valve	Oil and gas, mining (including mineral processing, smelting), semiconductor industry
API6A valve	Oil extraction
Butterfly valve	Water treatment, chemical industry
Gate value	LPG and petrochemical industries
Globe valve	LPG and petrochemical industries
Check valve	LPG and petrochemical industries
Subsea valve	Water treatment, municipal pipe network

Company product application areas



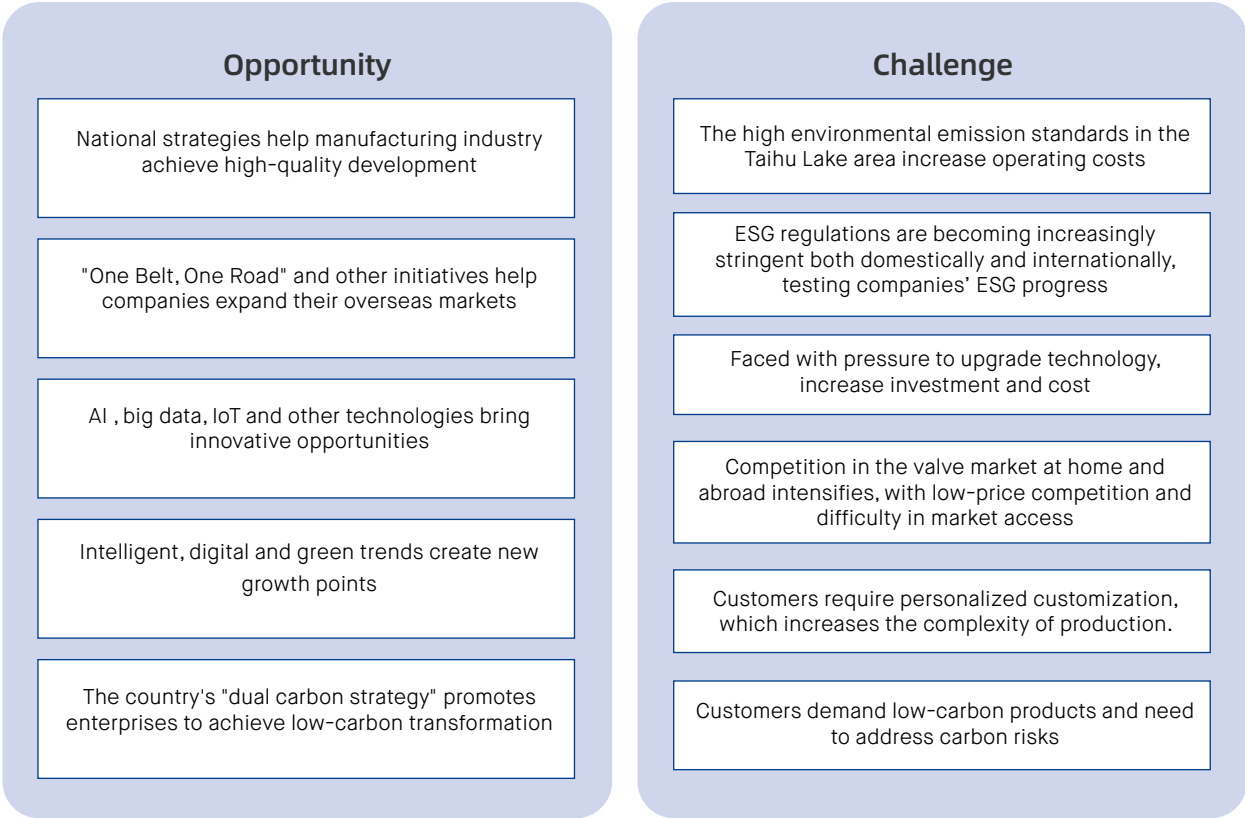
1.4 Economic performance

In recent years, with the global industrial 4.0, the continuous growth of energy demand, and the trend of industrial digital transformation, the development trend of the global industrial valve market in 2023 has shown a trend of sustained growth. It is estimated that by 2026, the global industrial valve market will reach US\$ 92.3 billion. In the next few years, the industrial valve market is expected to continue to maintain its growth, while market competition and risks will also reach historical peak.

Faced with fierce competition in the global market, the company takes the construction of a complete, coordinated and differentiated product system as its core strategy to ensure that it meets the diversified demand of the market, while adhering to first-class product quality and winning the trust of customers through a strict quality control system. In 2023, the company produced 804,329 set of valves, with sales revenue of 4.56 billion yuan, a year-on-year increase of 36.59%, and achieved outstanding economic performance.

Economic data for 2021-2023

project	2021	2022	2023
Total assets (100 million yuan)	55.12	63.44	73.97
Annual product output (units)	701,547	835,928	804,329
Sales revenue (100 million yuan)	33.95	33.66	45.60
Operating costs (100 million yuan)	25.51	24.25	32.60
Total tax payment (100 million yuan)	0.89	1.12	1.63
R&D investment (10,000 yuan)	11,918.61	13,852.25	18,744.18
Government rewards and support funds (10,000 yuan)	765	1,435	3,289
Total Employee compensation (100 million yuan)	3.69	4.10	4.59



Business strategy analysis

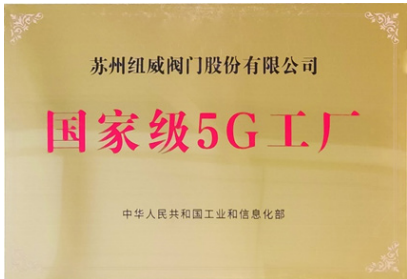
In view of the risks and opportunities faced by the company, the following response strategies will be adopted in the future:

- 1) The company actively expands into niche markets and increases R&D investment to enhance product performance. At the same time, it promotes lean production to improve manufacturing efficiency and optimizes supply chain management. With a comprehensive product system, top-notch product quality, and competitive pricing, the company provides exceptional service to global customers.
- 2) We will continue to promote the ESG management system, integrate compliance into ESG management, and enhance the company's image, brand and industry status;
- 3) Actively respond to the national "dual carbon " strategy, respond to climate change, meet customers' requirements for low-carbon products, conduct carbon inventory and product carbon footprint, and with the support of the government, promote the low-carbon transformation of the product supply chain as soon as possible;
- 4) Accelerate the transformation to Industry 4.0 and smart manufacturing, enhance the intelligence and automation of production and manufacturing, improve production efficiency, and meet customer customization requirements.

In the future, the company will continue to uphold the spirit of unremitting exploration and the corporate culture of simplicity, pragmatism and continuous innovation, and lead the future of the valve manufacturing industry with a strategy that gives equal importance to technological innovation and sustainable development.

1.5 Honorary Awards

serial number	Honorary Name	Award Date	Awarding Unit
1	National 5G Factory	2023	Ministry of Industry and Information Technology
2	An internationally renowned brand that Jiangsu Province focuses on developing and nurturing	2023	Jiangsu Provincial Department of Commerce
3	High-tech Company Certificate	2023	Jiangsu Provincial Department of Science and Technology, etc.
4	China Machinery Industry Science and Technology Award	2022	China Machinery Industry Federation, etc.
5	Top 100 Innovative Private Company in Jiangsu	2022	Jiangsu Federation of Industry and Commerce, etc.
6	The province's innovative and advanced company in the machinery industry	2021	Jiangsu Machinery Industry Association
7	Top 100 Innovative Private Company in Jiangsu	2021	Jiangsu Federation of Industry and Commerce, etc.
8	National Intellectual Property Advantage Company	2019	State Intellectual Property Office
9	Jiangsu Province Genuine Product Commitment Company	2019	Jiangsu Provincial Intellectual Property Office, etc.
10	Shanghai Science and Technology Progress Award	2017	Shanghai Municipal People's Government
11	Jiangsu Province Advanced Company for Legal Management and Integrity Management	2017	Jiangsu Provincial Economic and Information Commission, etc.
12	Well-known Chinese Trademark	2017	Trademark Office of the State Administration for Industry and Commerce
13	Excellent Company in Jiangsu Province	2016	Jiangsu Provincial People's Government
14	Jiangsu Industrial Design Center	2016	Jiangsu Provincial Economic and Information Commission
15	Jiangsu Province Demonstration Intelligent Workshop	2015	Jiangsu Provincial Economic and Information Commission
16	Jiangsu Province Quality Credit AA Grade Company	2015	Jiangsu Provincial Bureau of Quality and Technical Supervision, etc.
17	Jiangsu Company Technology Center	2015	Jiangsu Provincial Economic and Information Commission, etc.
18	Jiangsu Province Low Leakage High-End Valve Engineering Technology Research Center	2015	Jiangsu Provincial Department of Science and Technology
19	Excellent Company in Management Innovation of Jiangsu Province	2014	Jiangsu Provincial Economic and Information Commission
20	Jiangsu Province Key Company R&D Institution	2014	Jiangsu Provincial Joint Conference on Promoting the Construction of Company R&D Institutions



National 5G Factory



National Intellectual Property Advantage Enterprise



High-tech Company Certificate



China Well-known Trademark



An internationally renowned brand that Jiangsu Province focuses on developing and nurturing

Association Participation

Serial number	Name of Association	Association status	Date of participation
1	Suzhou High-tech Zone Environmental Protection Industry Association	Member units	2010
2	Suzhou High-tech Zone Work Safety Management Association	Governing Unit	2010
3	Jiangsu Valve Association	Governing Unit	2016



Director unit of Suzhou High-tech Zone Work Safety Management Association



Won the title of "Excellent Member Unit" by Suzhou High-tech Zone Safety Production Management Association



02 ESG Governance

The company established and improved ESG management and enhanced the level of company risk management.
Lay a solid foundation for the company's sustainable development

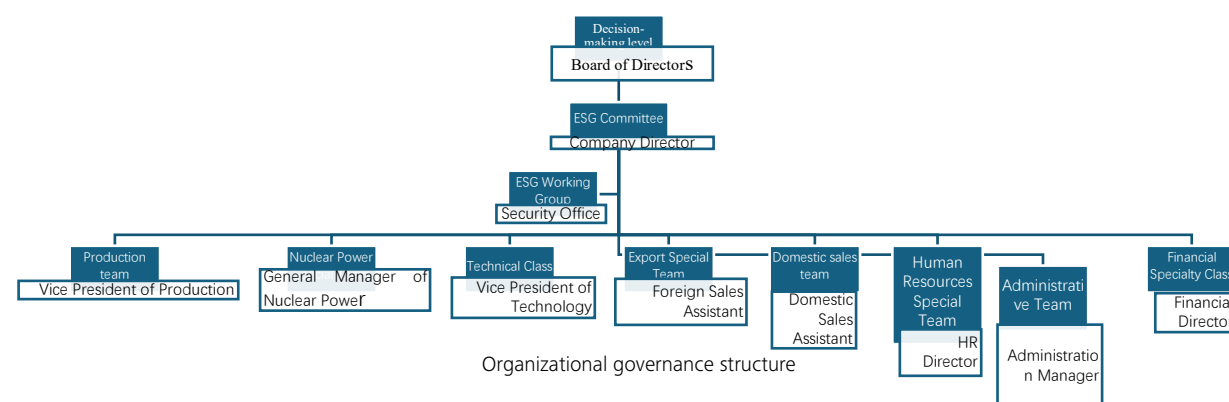


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2.1 ESG strategic planning

■ Organizational governance structure

In a changing market environment, companies must build an effective governance structure and an efficient risk management system to achieve sustainable development as the basis for sound operations and sustained prosperity. The company has built a hierarchical and rigorous governance system. Under the leadership of the decision-making board of directors, the company has established a ESG committee responsible for formulating ESG strategies and policies, which are implemented by the ESG working group to ensure that all business activities meet ESG standards. This framework covers multiple departments and teams, including the Safety Management Office, Production Team, Nuclear Power Team, Technology Team, Administration Team, Finance Team, Human Resources Special Team, and Domestic and Foreign Sales Team. Through the concerted efforts of senior management, the ESG concept is integrated into all levels of the company to jointly promote the company's sustainable development.



■ ESG Development Strategy

Neway Valves adheres to the concept of "honest management and courage to innovate", actively implements the ESG strategy and integrates the ESG strategy into the company's main business. Focusing on the three major themes of "products, environment, and society", it is committed to becoming a world-class valve industry supply and service leader; at the same time, it integrates intelligent strategies, promotes intelligent factories, industrial Internet construction, four-in-one processes and industrial software applications, data management and application, promotes R&D digitalization, smart supply chain, intelligent manufacturing, smart operations and other work, realizes green and efficient production, leads the industry's technological progress, and contributes to the "dual carbon" goals.

In terms of product: The company continues to increase investment in product research and development and improvement, improve product performance and production efficiency, increase production capacity, shorten delivery time, enhance competitiveness through lean production and supply chain management optimization, and actively promote intelligent production to improve efficiency and reduce environmental impact;

In terms of environmental protection: The company actively responds to the country's "dual carbon" strategy, implements clean production, improves energy efficiency, and promotes the use of recycled materials. In the future, company will increase investment in wastewater and waste gas treatment, reduce pollutant emissions, and help global climate governance;

In terms of social responsibility: the company adheres to the core values of people-oriented, actively protects the rights and interests of employees and occupational health and safety, advocates green procurement, actively participates in public welfare, and demonstrates corporate social responsibility.

Goals and Commitments



- Product quality accidents are 0
- When designing products, consider reducing energy consumption and using harmless materials
- The investment in product research and development and technological innovation increases year by year, no less than 4% of sales



- Clean energy will account for 30% of total energy consumption by 2030, and carbon neutrality will be achieved by 2050
- By 2030, the comprehensive energy consumption per unit of product will be reduced by 10% compared with the base year of 2021
- By 2030, greenhouse gas emissions will be reduced by 20% compared to a 2021 base year
- Through the establishment of a carbon management system, we will carry out product carbon footprint accounting to promote the continuous reduction of environmental impact during the product life cycle
- By 2025, water consumption per unit of product will be reduced by 5% compared to the 2021 baseline, and by 15% by 2030
- Through technological innovation, we will continuously improve the recycling rate of waste products and the utilization rate of recycled materials.

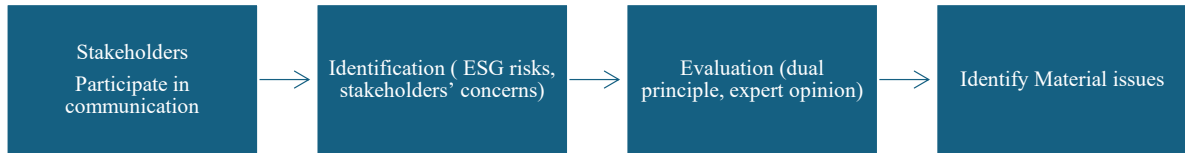


- Ensure the health and safety of employees, and reduce occupational diseases and fatal accidents to zero
- Promote sustainable procurement and improve the ESG management performance and management level of key suppliers
- Provide employees with training opportunities and career development platforms to continuously improve employee satisfaction
- Expand the company's volunteer team and actively participate in social welfare undertakings



2.2 ESG Material Issues

In order to obtain and respond to the needs of stakeholders in a timely manner, the company identified the requirements and expectations of stakeholders and ESG issues in accordance with the requirements of ISO26000:2010 Corporate Social Responsibility Guidelines and GRI Sustainability Reporting Standards, and adopted the “matrix evaluation method” to evaluate ESG material issues from two dimensions: “ Impact on the company’ s economy environment and society “ and “Stakeholders’ attention” . The company hopes to respond to the requirements and expectations of stakeholders through communication and participation, effectively control ESG risks, and achieve the company’ s strategic development goals.



In 2023, the company held a supplier conference



Customers come to the company for product quality audit

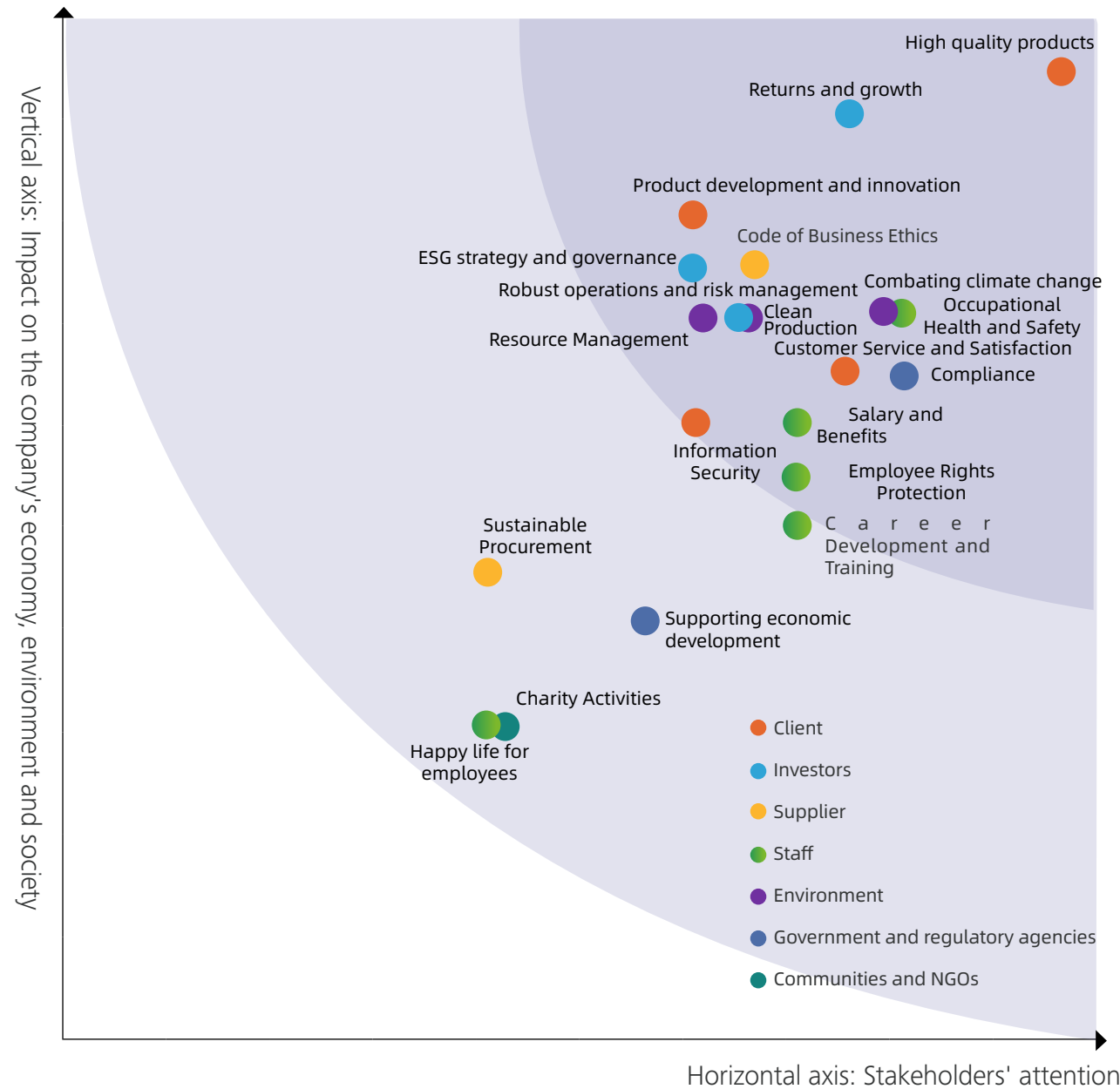


Government agency personnel visited the company for on-site research

Stakeholder engagement and ESG issues of concern

Serial number	Stakeholders	Focus on the topic	Communication	Disclosure Section
	Client	> High quality products	Chapter 3	6*6
		> Customer Service and Satisfaction	Chapter 3	9.5*9.5
		> Product development and innovation	Chapter 3	6.5*7.5
		> Information Security	Chapter 2	8*6
	Investors	> Returns and growth	Chapter 1	9*7.5
		> Robust operations and risk management	Chapter 2	7*6.5
		> ESG strategy and governance	Chapter 2	7.5 *6
	Supplier	> Code of Business Ethics	Chapter 2	7.5 * 6.5
		> Sustainable Procurement	Chapter 3	4.5*4
	Staff	> Salary and Benefits	Chapter 5	6*7
		> Occupational Health and Safety		7*8
		> Employee Rights Protection		5.5 *7
		> Career Development and Training		5*7
		> Happy life for employees		3*4
	Environment	> Resource Management	Chapter 4	7*6
		> Clean Production		7*6.5
		> Combating climate change		7*8
	Government and regulatory agencies	> Compliance	Chapter 2	6.5*8
		> Supporting economic development	Chapter 2	4*5.5
	Communities and NGOs	> Charity Activities	Chapter 6	3*4

ESG Key Material Evaluation Matrix



2.3 Code of Business Ethics

The company has always been committed to the unremitting pursuit of high quality and high ethical standards. We believe that the stable development of a company is inseparable from the strict compliance with laws and regulations and the resolute implementation of internal codes of conduct. The company has established the core values of respect, integrity and collaboration in accordance with the "Code of Conduct and Ethics" formulated by the group, guiding the company to maintain high ethical standards in its business activities.

1) The company adheres to a strict anti-corruption policy and strictly prohibits any form of commercial bribery, kickbacks and bribery gifts.

2) In order to regulate employees' behavior of accepting gifts in business dealings, promote the establishment of a good behavioral culture, and safeguard the company's reputation and interests, the company has issued the "Regulations on the Management of External Gifts", which clearly stipulates the relevant principles of gift giving, and stipulates work-related gifts and reasonable values on the premise of establishing good relationships and complying with business practices.

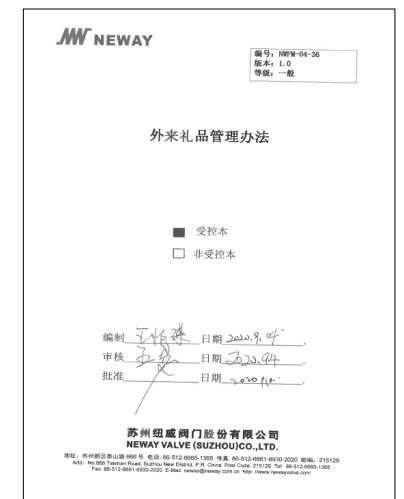
3) The company combats all forms of corruption. In terms of customer entertainment, employees are prohibited from giving unreasonable money, gifts or entertainment to customers or representatives; employees are prohibited from accepting gifts or participating in entertainment activities that may affect business judgment.

4) We adhere to the principles of fairness and impartiality in dealing with all stakeholders, and pay special attention to the fairness of family members and company business to ensure fairness and integrity in business activities.

5) The company strictly prohibits the acquisition of improper benefits through manipulation, concealment, abuse of privileges, etc., and implements comprehensive conflict of interest management; it strictly prohibits anyone from obtaining private financial support from stakeholders, and requires employees to fully disclose potential conflicts of interest.

4) The company has established a reporting mechanism to encourage internal and external personnel to report commercial bribery and various forms of corruption. Relevant departments will accept and investigate the reported information and take disposal measures based on the investigation results. During the investigation process, the information of the reporter will be strictly kept confidential.

Report and complaint hotline: [0512-66616393] Report and complaint email: Tousu@neway.com.cn



The company established and issued the "Regulations on the Management of External Gifts".

Business Ethics Management Performance

index	2021	2022	2023
Business ethics training coverage (all employees) (%)	100%	100%	100%
Percentage of all workplaces/sectors covered by business ethics risk assessments (%)	100%	100%	100%
Percentage of all workplaces/departments covered by internal audits of business ethics (%)	100%	100%	100%



2.4 Risk Management and Internal Control

The company attaches great importance to company risk management, establishes and continuously optimizes the risk management system. The risk system covers a full range of processes from clarifying internal control and business objectives, assessing risk tolerance, to risk identification, analyzing levels, and formulating response strategies and implementing internal control and auditing, ensuring that the company effectively responds to risks and achieves steady development. At the same time, the company has carried out risk identification and assessment, established a risk information database, organized risk compliance training, conducted internal audits and annual self-evaluations, and other risk control work to actively ensure that the company operates in compliance with laws and regulations.

1) Risk identification and assessment:

The company integrates risk identification and control processes into all business activities, establishes a risk assessment mechanism for regular internal and external business environment surveys and analyses, and organizes various departments to carry out risk identification and evaluation to ensure that risks are comprehensively, fully and timely assessed and responded to.

2) Core risk information database:

Based on the results of risk identification and assessment, the company has identified core risk areas such as strategic risk, market risk, operational risk, compliance risk and financial risk, and has initially established a clear and relatively complete risk information database.

3) Risk compliance training:

In order to popularize compliance knowledge and enhance employees' compliance and risk awareness, the company's audit department, legal department, finance department and other departments jointly carry out compliance training activities, covering all managers and employees. According to statistics, in 2023, the company carried out compliance training for 4,500 people, and the training coverage rate reached 100%.

4) Conduct internal control audits:

The company has established a regular internal spot check and internal control audit mechanism to verify the soundness of the internal control system, the rationality of the control procedures and the effectiveness of the implementation. In response to the problems found in the audit, the company promptly ordered the audited department to make rectifications and tracked and evaluated the rectification results. In 2023, the company completed a total of 47 audit projects, focusing on key areas such as project management, related-party transactions, and raised funds management.

5) Annual self-evaluation :

In addition to hiring an accounting firm to conduct an audit, the company conducts a comprehensive self-evaluation of its internal control situation every year to objectively assess the effectiveness of internal control and existing problems, providing strong support for subsequent improvements and enhancements.

2.5 Information Security Management

Information security management policy

The company takes "prevention first" as the basic policy of information security protection management, and adheres to the overall working policy of "maintaining moderate security; giving equal importance to management and technology; implementing in all aspects, with full participation of all employees; separation of powers and checks and balances, with minimum privileges; and using mature technologies as much as possible". It is committed to building a safe and reliable information environment and effectively preventing and responding to various information security risks.



编号: NWFM-05-01
版本: 1.0
等级: 一般

信息安全工作的总体方针和安全策略

- ☒ 受控本
- ☐ 非受控本

编制 陈刚 日期 2018.3.26
审核 王 日期 2018.3.26
批准 王 日期 2018.3.26

The "Overall Policy and Security Strategy for Information Security Work" formulated and issued by the company

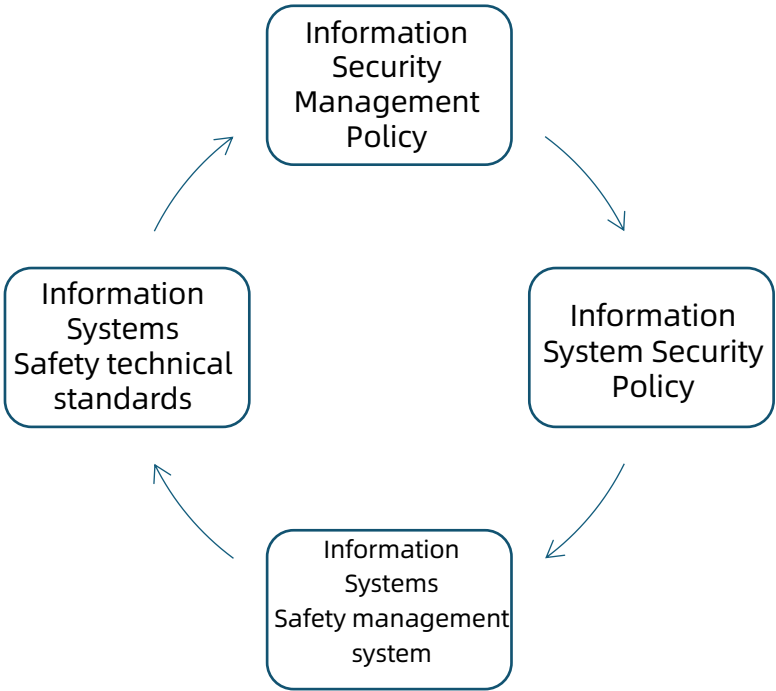
Information security management system

The company has formulated the "Overall Policy and Security Strategy for Information Security Work" and established a comprehensive information security management system, covering three aspects: information security strategy, management system, and technical standards, to comprehensively guide and regulate the company's information security protection requirements during construction, use, maintenance, and management.

The information system security strategy stipulates the principles, methods and guiding strategies that should be followed in the process of system planning and implementation; the information security system is the detailed management regulations and methods formulated by the company, which clarifies the implementation details of security management; the information security technical standards are specific technical standards and operating specifications formulated based on the general outline of the security strategy and the security guidance strategy. The establishment and construction of the security management system clarifies the security work process and operating procedures, forming a systematic and highly coordinated information security protection network.

Information security management performance

index	2021	2022	2023
Number of confirmed information security incidents	0	0	0
Number of information security risk assessments conducted (times)	1	1	1
Number of information security internal audits (times)	1	1	1
Percentage of all workplaces/departments covered by information security internal audits (%)	100%	100%	100%
Information security training coverage rate (%)	100%	100%	100%
Percentage of all workplaces/departments covered by information security risk assessments (%)	100%	100%	100%



Information security management system established by the company



Provide customers with a complete set of industrial valve solutions

03 Innovation leads to excellent quality

The company adheres to the mission of "providing a full set of industrial valve solutions". Relying on product R&D strength, advanced manufacturing technology and service system,Provide customers with high-quality, safe and reliable valve products and services.

8 体面工作和
经济增长

9 产业、创新和
基础设施

12 负责任
消费和生产

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3.1 R&D Innovation Management

R&D investment

Neway Valve adheres to the core concept of technology leading the future and regards the research and development and innovation of new products as the core driving force for the development of the company. Since its establishment, the company has always attached importance to the research and development and innovation of new products, and has continued to increase investment in research and development funds. It is equipped with advanced experimental equipment including vacuum leak detection, helium leak detection, ultrasonic flaw detection, etc., as well as testing equipment for extreme environments. It is one of the few valve manufacturers with the ability to conduct experimental verification of product prototype design. The company has established a research and development team composed of professional and technical personnel such as doctors and masters. The research and development team closely follows domestic and foreign industry trends, deeply analyzes market demand and customer feedback, and continuously explores potential technical innovations to provide customers with a full set of solutions for industrial valves.

As of 2023, the company has 270 R&D personnel and 35 authorized patents. In 2023, the investment in R&D reached RMB 187.4418 million, and the sales revenue of new products accounted for more than 83%. With its outstanding innovation ability and technical strength, Neway Valves has won numerous awards in the industry, and was awarded the title of "National Intellectual Property Demonstration Company", and was listed as "Jiangsu Engineering Technology Research Center" by the Jiangsu Provincial Department of Science and Technology. The key technology and application of high-end valves under extreme working conditions was awarded the "Shanghai Science and Technology Award First Prize" by the Shanghai Municipal Government.



In 2022, the company was awarded the title of “National Intellectual Property Demonstration Company”



The company was listed as “Jiangsu Engineering Technology Research Center”



In 2017, the key technology and application of high-end valves under extreme working conditions was awarded the “First Prize of Shanghai Science and Technology Award” by the Shanghai Municipal Government

2021-2023 Product R&D Performance Statistics

Indicator data	2021	2022	2023
R&D investment (10,000 yuan/year)	11,918.61	13,852.25	18,744.18
Number of R&D personnel (person/year)	223	264	270
Number of authorized patents (items/year)	14	38	35
Proportion of new product sales revenue in total sales revenue (%)	72.42%	85.13%	83.03%

Scientific and technological research and development achievements

1) Authorized patent results

List of patents obtained by the company in 2023

Serial number	Patent Name	Patent Number	Patent Type
1	A four-way ball valve	202222267215.2	Utility Model Patent
2	A single-axis double-valve check valve	202222129073.3	Utility Model Patent
3	A relief valve	2022222107862.0	Utility Model Patent
4	A blowing structure and hard-sealed butterfly valve	202221973728.9	Utility Model Patent
5	A ball valve and a ball valve installation system	202222199627.7	Utility Model Patent
6	A valve sealing monitoring structure and a nuclear fuel transfer gate valve having the same	202222169837.1	Utility Model Patent
7	A three-eccentric butterfly valve sealing surface measuring tool	202222773191.8	Utility Model Patent
8	A guide structure and a check valve	202222834246.1	Utility Model Patent
9	Ball valve seat structure	202222849006.9	Utility Model Patent
10	A positioning fixture	202222961673.6	Utility Model Patent
11	A valve system	202222157171.8	Utility Model Patent
12	A sealing structure and a reaction device having the same	202222988355.9	Utility Model Patent
13	A double eccentric butterfly valve	202223074003.9	Utility Model Patent
14	A lifting structure and valve	202223483443.X	Utility Model Patent
15	A grinding device and matching structure	202222888089.2	Utility Model Patent
16	Valve core and check valve	202320158698.4	Utility Model Patent
17	A check valve and a storage device having the same	202320579883.0	Utility Model Patent
18	A butterfly valve	202320192078.2	Utility Model Patent
19	A plug valve	202320274883.X	Utility Model Patent
20	A stop valve	202320643014.X	Utility Model Patent
21	A split range regulating valve	201910147268.0	Invention Patent
22	A cryogenic ball valve	202320919401.1	Utility Model Patent
23	Assembly tooling, assembly method and ball valve of annular elastic structure	201811297193.9	Invention Patent
24	A ball valve and a reactor	202320261628.1	Utility Model Patent
25	A valve disc structure and a check valve having the same	202320580034.7	Utility Model Patent
26	An instrument valve	202321262062.0	Utility Model Patent
27	A sealing structure and stop valve	202321341515.9	Utility Model Patent
28	A bellows stop valve and a conveying device having the same	202320802117.6	Utility Model Patent
29	A measuring device for the sealing surface of a triple eccentric butterfly valve and a method for measuring its sealing performance - invention patent	201810404741.4	Invention Patent
30	A pulse angle valve	202321668353.X	Utility Model Patent
31	A valve core and ultra-high temperature valve	202321685745.7	Utility Model Patent
32	A ball valve	202320802172.5	Utility Model Patent
33	A bellows test tool	202320152891.7	Utility Model Patent
34	A composite sealing valve	202320225024.1	Utility Model Patent
35	A grinding device and matching structure	202222888089.2	Utility Model Patent



Display of some patent certificates obtained by the company in 2023

2) Neway Valve and Zhongjing Petrochemical Company carried out cooperative R&D projects

In the project with Zhongjing Petrochemical, the company faced technical challenges in valve stability under extreme working conditions, including high-temperature deformation, jamming, high torque, wear and zero leakage. Relying on its innovation and execution, the company invested in research and development, optimized the process, and successfully developed high-performance products such as ultra-high temperature butterfly valves, double-plate gate valves and special three-way regulating valves, which passed the test in one go and demonstrated excellent performance. This breakthrough not only enhanced the company's position in the valve field, but also broke the overseas technology monopoly and won the "Cooperative R&D Contribution Award" for the first set of chemical equipment in the country. Through cooperation with Zhongjing Petrochemical, the company has solved key technical problems, promoted the independent control of the industrial chain, enhanced the international competitiveness of domestic enterprises, and set an example for the localization of technology.



3) Liquid hydrogen valve product development

The company has developed a series of liquid hydrogen valves. As the first manufacturer in China to adopt the strict liquid hydrogen internal cooling method and pass the type test of the national authoritative agency, it has broken the overseas technology monopoly and created a domestic precedent. The first batch of nearly 100 liquid hydrogen valves have been successfully delivered in batches and passed the acceptance smoothly, demonstrating the company's technical strength in new product research and development. In recent years, the company's newly developed liquid hydrogen valves have been successfully delivered in batches and passed acceptance smoothly. At the same time, the company's ROV-driven valves for underwater oil and gas production systems won the "Second Prize of China Machinery Industry Science and Technology" in 2020, which fully demonstrates Neway Valve's industry-leading position in the field of liquid hydrogen valves. The company has the ability to provide high-quality and high-performance liquid hydrogen valves to the market.



The newly developed liquid hydrogen valve was successfully delivered in batches and passed the acceptance inspection



The company's underwater oil and gas production system uses ROV to drive valves
Won the "Second Prize of China Machinery Industry Science and Technology"

■ Industry–University–Research Cooperation

As one of the first batch of key company in Suzhou's new apprenticeship system, the company and Suzhou Technician College launched the first phase of the new apprenticeship system project in 2019. Through the dual system of company and school, integration of work and study, etc., the company jointly established a dual-tutor team and carried out joint teaching, which helped the company to cultivate skilled talents and improve production efficiency. In 2023, the company and Suzhou Technician College continued to deepen school-company cooperation and integration of production and education, and launched the second phase of the new apprenticeship system project to cultivate skilled talents that meet the job requirements of the company.



In 2023, the company and Suzhou Technician College launched the second phase of the new company apprenticeship project

3.2 Product Quality Control

■ Quality Policy

With quality as the cornerstone, we build strong competitiveness of Neway brand;

Accurately identify customer needs, follow rules and procedures, and do things right the first time ;

Promote full employee participation and continuously improve product and service quality from design to delivery;

Provide customers with high-quality solutions and service support to achieve win-win development.



ISO9001 quality system certification

■ Quality management performance

The company has established a product quality management system based on the international standards ISO9001 and API Q1. The company has set quantitative quality performance goals based on customer requirements. By decomposing the goals layer by layer, it implements comprehensive quality control for each process of product realization, including: product research and development, raw material procurement, production, inspection, and testing processes. In 1998, the company obtained third-party quality management system certification for the first time. According to statistics, during the period of 2021-2023, the company's product first-time inspection pass rate and process pass rate were both above 96%, reflecting the maturity of the company's product quality control.

Product Quality Performance Indicator Statistics Table 2021-2023

Quality indicators	2021 年	2022 年	2023 年
Nuclear power valve primary test pass rate (%)	98.40%	98.40%	98.48%
Ball valve one-time test pass rate (%)	98%	97.10%	97.40%
API6A valve one-time test pass rate (%)	98.49%	98.80%	98.76%
Butterfly valve one-time test pass rate (%)	96.70%	96.50%	96%
GGC valve (Gate valve, Globe valve, Check valve) one-time test pass rate (%)	97.00%	98.20%	98.30%
Neway machining qualification rate (%)	96.7%	98.1%	98.3%
Outsourcing processing qualification rate (%)	96.9%	98.5%	98.8%
Small parts qualification rate (%)	98.4%	98.9%	99.4%

Quality Control Measures

Supplier quality management:

The company strictly controls the entry, approval and management of suppliers in accordance with the "Supplier Quality Control Procedure" formulated by the group, and strictly controls the quality of suppliers' incoming materials. All departments within the company work together to conduct monthly delivery quality inspections and annual supplier audits on suppliers, continuously improve the quality of supplied materials, and build an efficient supplier management system.



The company hold a supplier conference in 2023

Innovative quality control measures:

The company introduced an innovative solution for universal assembly lines, using robotic technology and automated assembly line operations, which revolutionized the traditional accumulation-based batch production model of valve manufacturing and achieved efficient and continuous processing and assembly of multi-specification wedge-type gate valves. This solution can achieve online detection of key processes and full quality inspection of the assembly process, raising the one-time pump inspection pass rate of the product to more than 98% and increasing the annual output from 150,000 sets to 300,000 sets.



Wildline Innovative Solutions

NEWAY Quality Week Event:

In September 2023, the company held the "2023 NEWAY Quality Week" event, which included various forms of activities such as quality sharing sessions, knowledge competitions, self-inspection competitions, on-site management evaluations, and supplier exchanges, which enhanced employees' quality awareness, promoted cross-departmental communication and experience sharing, strengthened cooperation with suppliers, and improved the overall quality management level.



In 2023, the company held NEWAY Quality Week



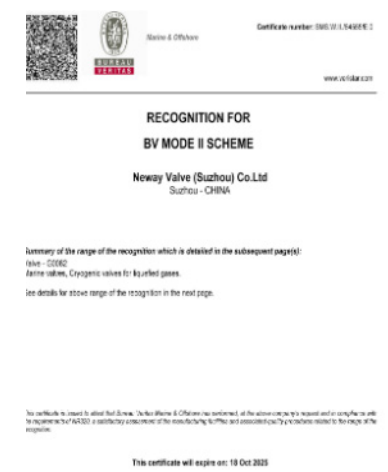
3.3 Product Inspection and Certification

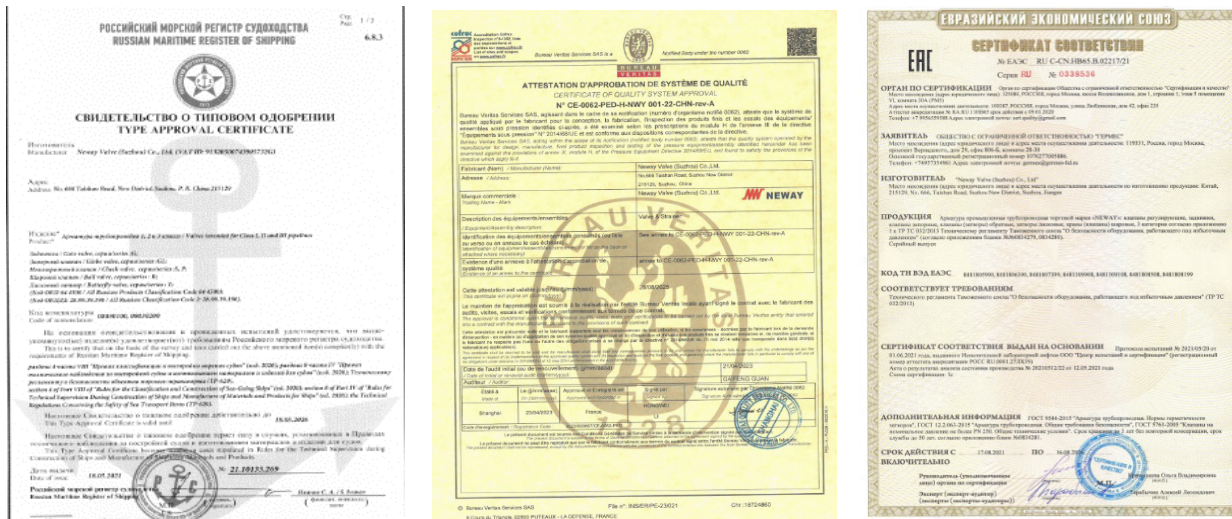
Product certification and licensing

The company passed the ISO9001 and API 6D certifications of the Norwegian Classification Society in 1998, and subsequently obtained the API591 certificate, the network access certificates of Sinopec and CNPC, the CE certification of Bureau Veritas, the marine valve type approval of the American Bureau of Shipping, the fire test certificate of Lloyd's Register, the TA-LUFT certificate of TUV, the API 6A certificate, etc., and has been approved by the top 10 international oil companies and many international end users, such as Shell, Total, ExxonMobil, Aramco, etc., demonstrating the company's outstanding strength in technological innovation, quality control and market services, and consolidating the company's leading position in the valve industry.



API-6D Certificate Valve and Emergency Shut-off Valve Special Equipment Manufacturing License





The company has obtained certificates from many international authoritative certification agencies

Product inspection and testing

The company has strong technical force, complete production and testing facilities. We have invested in a variety of inspection and testing equipment, and have comprehensive valve inspection and testing capabilities , and can conduct conventional hydraulic and air pressure tests, vacuum leak detection, helium leak detection, ultrasonic flaw detection, over-temperature, fire prevention, high-pressure gas and intelligent fluid online detection equipment and testing .

The company has its own raw material manufacturing base and all-round processing and testing equipment such as physical and chemical analysis, performance testing and non-destructive testing. The valve engineering laboratory can achieve an annual test volume of 30,000 units, covering all key performance tests, such as low temperature, high temperature, leakage, vacuum, flow resistance, fire resistance, etc., as well as special tests such as PR2, high pressure chamber and nuclear power cold and hot state, to ensure product quality and product reliability from source to finished product.

The company's laboratory can also perform a variety of material tests, including tensile tests, impact tests, hardness tests, PMI tests, intergranular corrosion, pitting corrosion, metallographic testing, scanning electron microscopy (SEM), energy dispersive spectrometer (DES) testing, non-destructive testing and non-financial material testing, etc., to control the quality of product raw materials through comprehensive monitoring.



High and low temperature environment



laboratory flow coefficient test device



High pressure chamber test device

3.4 Improve customer satisfaction

Product after-sales service

Technical Consulting: The company has more than 200 experienced technical engineers specializing in valve solutions. We use our expertise to help customers review valve specifications, customize and optimize application solutions, troubleshoot, etc.

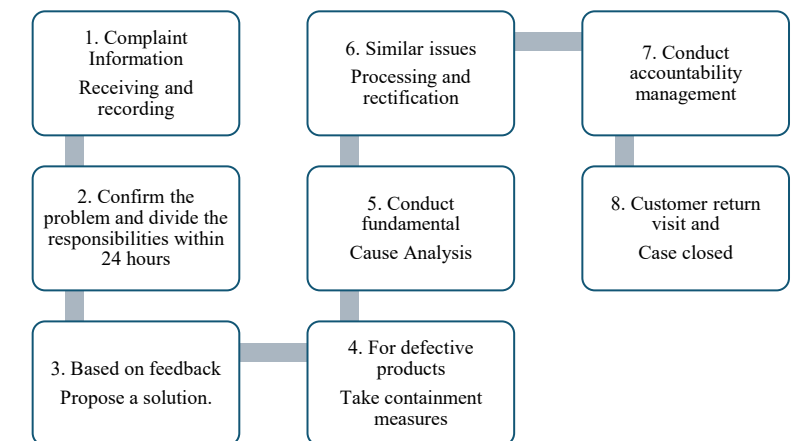
Training and guidance: The company provides customers with training and guidance, including valve technology, valve operation and maintenance, etc., to increase product added value. In addition, we regularly hold technical and quality seminars to enhance communication between customers and Neway.

Warranty and transportation service: We provide customers with all-weather, professional and efficient support, including installation, warranty, final adjustment, etc. With our professional support, the service life of the product can be extended.

After-sales service: With a global service network, Neway can provide timely on-site repairs, system inspections and evaluations, and spare parts supply. Our goal is to maintain long-term cooperation with customers and provide long-term services to customers. 6,491 products were recalled from 2021 to 2023, accounting for 0.3% of total sales in the current period.

Customer complaint handling

The company attaches great importance to customer feedback and has established a customer complaint handling procedure in accordance with ISO9001 standards to ensure that customer feedback and needs can be responded to and met in a timely manner. After receiving customer complaints, the company will define responsibilities within 24 hours based on the feedback issues, and the relevant responsible departments will propose solutions, analyze the causes of the problems, and take corrective and preventive measures. The company will conduct accountability management for complaints and return visits to customers to ensure that the problems are effectively resolved and prevented from happening again.



Customer complaint handling process



04 Green Future Harmonious Coexistence

The earth is our common home. The company adheres to the intention of environmental protection, establishes an environmental management system, promotes clean production, and draws a new blueprint for the harmonious coexistence of human and nature.



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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

Driven by a sense of social responsibility, the company is committed to scientific environmental management: we adhere to the principle of compliance with regulations and laws, and put the environment and safety first; through practical actions to save energy, eliminate potential risks, use scientific management methods to optimize operating processes, and pursue the improvement and enhancement of environmental safety performance.

Environmental management mechanism

The company has established a systematic environmental management system based on the ISO14001:2015 environmental management system standard, continuously increased environmental protection investment, complied with national environmental protection laws and regulations, and ensured compliance through the PDCA operation model, and continuously improved environmental protection performance. According to statistics, during the period of 2021-2023, the company's environmental protection investment totaled 12.032 million yuan; by the end of 2023, the company's Taishan Road factory in the High-tech Zone obtained the ISO 14001:2015 environmental management system standard certification and achieved 100% coverage of the entire factory.



ISO14001 Environmental Management System Certification

1) Environmental performance goals: The company strictly abides by national environmental laws and regulations, and sets annual environmental goals based on its own actual situation; refines the specific responsibilities and measures for implementing environmental goals and risk control, assigns responsibilities to individuals, and puts measures in place. According to statistics, during 2021-2023, water consumption per 10,000 yuan of output value was reduced from 1.26 M³/10,000 yuan to 0.43 M³/10,000 yuan, and electricity consumption per 10,000 yuan of output value was reduced from 52.280 KWH/10,000 yuan to 32.511 KWH/10,000 yuan, achieving good environmental performance.

2) Environmental risk assessment : Through systematic environmental factor identification, evaluation and control procedures , important environmental factors are evaluated . At the same time, special ecological and environmental risk assessments are carried out to comprehensively review the safety status of environmental protection facilities, focus on investigating the safety risks and impacts of the use process , and actively take rectification and improvement measures for high-risk environmental factors and non -compliant projects . By the end of 2023, the company's environmental risk assessment risk coverage rate reached 100%.

3) Environmental training and emergency drills : The company actively carries out environmental knowledge training and emergency drills to improve employees' environmental awareness and emergency response capabilities. In 2023, the company organized 2 special environmental trainings and 1 emergency drill for sudden environmental accidents.

4) Hazard investigation and rectification: The company follows the regulations and requirements of the environmental protection regulatory authorities, organizes environmental safety risk hazard investigation work every month, summarizes and reports the investigation results in a timely manner, and closely tracks the rectification process. In 2023, the company carried out 12 special environmental protection inspections and found a total of 89 problems. At present, all problems have been rectified.

The company organizes employees to carry out environmental protection training and drills



The company organizes employees to carry out environmental protection training and drills

2021-2023 Company Environmental Indicator Data Statistics

Environmental indicators	2021 年	2022	2023
Production wastewater discharge (tons/year)	4,565,350	3,238,275	4,228,396
Wastewater discharge (tons/year)	85,215	67,212	65,210
BTEX emissions (tons/year)	0.34	0.59	1.54
Ethyl acetate emissions (tons/year)	0.0195	0.064	0.046
Total non-methane hydrocarbon emissions (tons/year)	3.134	0.48	1.872
Particulate matter emissions (tons/year)	0.009	0.092	0.065
Total water consumption (tons/year)	427,464	292,013	211,914
Amount of water recycled and reused (tons/year)	7500	7500	7500
Sewage treatment compliance rate (%)	100%	100%	100%
Wastewater reuse rate (%)	8.09%	10.04%	10.31%
Water consumption per 10,000 yuan of output value (tons/10,000 yuan)	1.26	0.85	0.43
Total power consumption (KWH)	14,714,695	16,699,737	17,731,614
Natural gas (M ³ / year)	852,582	800,962	826,634
Liquefied gas (KG)	13,545	11,805	5,955
Diesel (KG)	28,651	41,346	39,948
Gasoline (KG)	17,760	15,542	32,511
Electricity consumption per 10,000 yuan of output value (KWH/10,000 yuan)	52.280	48.460	32.511
General solid waste discharge (tons/year)	3235	3829	4214
General solid waste transfer rate (%)	100%	100%	100%
Hazardous waste emissions (tons/year)	429	434	693
Hazardous waste transfer rate (%)	100%	100%	100%
Waste emissions per 10,000 yuan of output value (KG/10,000 yuan)	10.80	12.37	9.97

4.2 Clean production management

Water resource management

Water is the source of life and the foundation of human survival. The water environment is the most important part of the ecological environment and is closely related to people's lives. Currently, more and more countries are facing serious water shortage problems.

During the operation process, the company consumes water resources and generates production wastewater and domestic sewage. Production wastewater mainly includes cleaning wastewater, wastewater from pump test, etc. After treatment, it is discharged into the municipal pipe network together with domestic sewage and finally enters the Suzhou New District Second Wastewater Treatment Plant.

In order to reduce the environmental impact of sewage discharge, the company has set up a wastewater treatment device, arranged professionals to manage the operation of the wastewater treatment station, and installed an online monitoring system to sample once every 4 hours to conduct online testing of PH, ammonia nitrogen, chemical oxygen demand, total phosphorus and total nitrogen in the sewage. Every six months, a qualified third party is commissioned to conduct sampling and testing. In 2023, the company's sewage treatment compliance rate was 100%, and the water reuse rate reached 10.31%.



Pictures of sewage treatment facilities

Exhaust pollution control

The company's production waste gas mainly includes paint spraying, paint mixing, drying, and non-destructive testing. The emissions include SO2, NOx, particulate matter, toluene, xylene, ethyl acetate, and VOCs. The company has set up a waste gas treatment device, using secondary activated carbon treatment, filter element dust removal, and "water washing tower + activated carbon" treatment process to ensure that waste gas emissions meet the requirements of national environmental protection regulations.

Solid Waste Management

The company classifies and manages various wastes generated during the production process. Recyclable waste is classified for recycling and reuse, hazardous waste is entrusted to qualified institutions for disposal, and domestic waste is regularly handed over to sanitation for removal and treatment. According to statistics, the company's general industrial solid waste volume in 2023 is 4,214 tons/year, and the waste discharge per 10,000 yuan of output value is 9.97KG/10,000 yuan. In the future, the company will optimize solid waste management, set up general industrial solid waste areas and assign dedicated personnel to manage them, implement zoning control, and entrust qualified third parties to regularly handle various types of solid waste. In addition, the company will also strive to increase the utilization rate of recyclable materials, and formulate and implement environmental protection measures such as wood recycling shovel board plans to promote the development of a circular economy.

4.3 Climate change action

With the development of the global economy, people's consumption of fossil energy has led to the emission of a large amount of greenhouse gases, and the resulting greenhouse effect has brought about global climate impacts. Climate change is an issue that the world faces today, and reducing greenhouse gas emissions is one of the core issues in environmental policy research worldwide. At present, countries around the world have reached a consensus on greenhouse gas emission control, with the European Union promising to achieve carbon neutrality by 2050 and China promising to achieve carbon neutrality by 2060.

GHG Inventory

Calculation table of the company's greenhouse gas emissions from 2021 to 2023

Environmental indicators	2021 年	2022	2023
Total electricity consumption(KWH/year)	17,731,614	16,699,737	16,000,972
Green electricity usage(KWH/year)	3,016,919	3,465,584.6	3,760,450
Green electricity share (%)	17%	21%	23%
Natural gas (M³/year)	852,582	800,962	826,634
Diesel (KG/year)	28,651	41,346	39,948
Scope 1 emissions(TCO ₂ -e/year)	1,792.98	1,912.28	1,879.51
Scope 2 emissions(TCO ₂ -e/year)	10,351.79	7,244.67	6,692.09
Scope 1 & 2 emissions(TCO ₂ -e/year)	12,144.77	9,156.95	8,571.60
Scope 3 emissions(TCO ₂ -e/year)	89,972.90	99,258.94	119,733.26
Emission intensity per unit of output scope 1&2 (TCO ₂ -e /T)	0.23	0.17	0.13

The company calculated greenhouse gas emissions data for 2021-2023 in accordance with ISO14064 standards. In 2023, the company's scope 1 emissions were 1,879.51 TCO₂-e/year, and scope 2 emissions were 6,692.09 TCO₂-e/year, the total emissions of scope 1 and 2 are 8,571.60 TCO₂-e/year, a decrease of 6.39% compared with 2022, and the carbon emission intensity per unit of output is 0.13 TCO₂-e /T, a decrease of 20.68% compared with 2022. In terms of carbon emission control, the company has achieved good performance.

■ Our carbon reduction actions

The company actively implements various energy-saving and emission-reduction measures, applies renewable energy, updates and upgrades equipment, and adopts intelligent control technology to help the company reduce energy consumption and operating costs and actively respond to global climate change.

1) Photovoltaic panel installation and green energy application: The company has installed approximately 50,000 m² of photovoltaic solar panels in the factory area, making full use of solar energy, a clean and low-carbon energy source. In 2023, the annual power generation of photovoltaic solar panels was 3,760,450 kWh.

2) Electric forklifts replace diesel forklifts : The company chose to use electric forklifts to replace most of the original diesel forklifts , effectively reducing its dependence on diesel. Compared with 2022, forklift carbon emissions were reduced by 4.51T CO₂-e.

3) Apply variable frequency fans to reduce carbon emissions: To reduce the energy consumption of fans, the company introduced variable frequency fans on the production line, which automatically adjusted the air volume according to actual production needs, avoiding the energy waste caused by the constant operation of traditional fans. By implementing this measure, the company saved 750,000 kWh of electricity throughout the year and reduced carbon emissions by 427.7 TCO₂--e.



4.4 Environmental protection charity activities

The company is leading the low-carbon and environmentally friendly trend with practical actions. In 2021, it launched the "Clean Plate Campaign" to reduce food waste; organized employees to participate in tree planting activities, organized the "Clean Mountain Campaign" to clean up garbage, reduce the environmental burden, and improve employees' environmental awareness. At the same time, it also promotes the whole society to pay attention to environmental protection.



The company encourages employees to travel in a low-carbon manner. Addressing climate change is everyone's responsibility.



The company's general party branch has organized mountain cleaning activities for many years. In 2023, 36 volunteers participated in the mountain cleaning activities and picked up 25.5 kilograms of garbage.



05 People-oriented and common development

Neway Valve adheres to the core value of "people-oriented", comprehensively protects the rights and interests of employees, works with employees to realize their personal potential and value, and promotes the common development of the company and employees.



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5.1 Our Employees

The company adheres to the core concept of "people-oriented", builds a fair and inclusive working environment, strictly abides by national and local labor laws and regulations, and provides equal employment opportunities for employees. As of 2023, the company has 2,217 employees, 12 ethnic minority employees, 13.79% of women in senior management positions, and 28.57% of women on the board of directors.

2021-2023 Human Resources Performance Statistics

Human Resources Management	2021	2022	2023
Total number of employees (person)	2,074	2,111	2,217
Ratio of male and female employees (%)	86.74%: 13.26%	86.78%: 13.22%	86.56%: 13.44%
Age ratio of employees (under 30 years old/30-50 years old/over 50 years old)	13.74%: 73.63%: 12.63%	12.55%: 75.42%: 12.03%	12.67%: 74.70%: 12.63%
Number of ethnic minority employees	2	6	12
Number of employees with disabilities	1	1	1
Educational background ratio of employees (bachelor degree and above/high school and above/junior high school and below)	27.39%: 50.38%: 22.23%	27.67%: 50.02%: 22.31%	28.91%: 49.71%: 21.43%
The proportion of female managers at the middle level and above to management level employees (%)	19.12%	18.31%	17.52%
Percentage of women in senior management positions (%)	18.87%	14.55%	13.79%
Percentage of women on the board of directors (%)	0%	28.57%	28.57%
Percentage of workers from minority and/or underrepresented groups (%)	0.15%	0.37%	0.63%
Percentage of employees from minority and/or underrepresented groups in senior management teams (%)	0.00%	0.00%	0.00%

The company advocates openness, diversity and inclusion, safeguards employees' right to freedom of association, and prohibits forced labor, human trafficking, discrimination and harassment, child labor, debt bondage or prison labor to ensure that the rights and interests of every employee are fully protected. We adhere to humanitarianism, protect employees from illegal harassment, and help employees achieve work-life balance. In 2023, the company's diversity, discrimination and harassment training coverage rate reached 100%, and the proportion of operating sites that have undergone human rights impact or risk assessments reached 100%, and a total of 12 inspections of factories auditing child labor or forced labor were carried out.

1) Prohibition of child labor: The company strictly prohibits the direct or indirect employment of child labor. When recruiting personnel, the company conducts a strict review of personnel information; when handling the entry procedures, their ID cards are re-checked and confirmed. As of 2023, the company has not had any cases of direct or indirect employment of child labor.

2) Prohibition of forced labor: The company fully protects the right of employees to work freely. The company has formulated comprehensive policies and procedures and communicated them to all employees. The company recruit workers on a fair and voluntary basis and prohibits recruiting employees by any coercive or deceptive means. The company prohibits any form of forced labor and adheres to the principle of voluntary overtime. Employees can also enter and leave the factory freely during rest time after work.

3) Prohibition of discrimination: The company promotes the principle of equality. Recruitment, employment, assessment, training, appointment and dismissal, salary, etc. are all based on objective conditions to ensure that equal opportunities are provided to all employees, allowing employees to work in an environment that is not affected by gender, skin color, religious beliefs, age, physical fitness, sexual orientation, marital status, employment form, etc.

4) Prohibition of harassment: The company does not allow any form of harassment, and strictly prohibits any form of corporal punishment or physical contact, mental coercion and verbal abuse. If an employee believes that he or she has been harassed or treated violently, he or she can directly express his or her dissatisfaction with the responsible party. If communication is ineffective, he or she can report it to the superior step by step, and the company management will take all necessary actions to correct or prevent such problems from happening.

Corporate human rights data 2021-2023

Human rights data	2021	2022	2023
Percentage of employees who have received diversity, discrimination and harassment training (%)	100%	100%	100%
Operating sites that have undergone human rights impact or risk assessments (%)	100%	100%	100%
Number of incidents of child labor or forced labor	0	0	0
Number of factory inspections for child labor or forced labor (times/year)	6	12	12

5.2 Protecting employees' rights

■ Compensation and Benefits

The company has built a reasonable and incentive compensation system. Employee compensation includes job salary, performance bonus, diversified allowances and subsidies, and equity incentives. Based on the principles of salary based on job, strategic orientation, distribution according to work, scientific rationality, salary bandwidth, incentive, competitiveness and fairness, the company flexibly adjusts the compensation and benefits strategy according to business conditions and market dynamics, and realizes a management model that combines short-term incentives with annual sharing, and emphasizes both organizational performance and personal contribution, so that employees' compensation is competitive in the market. During 2021-2023, the ratio of front-line employees' wages to the local minimum basic wage is 4.4:1.

In terms of welfare protection, in addition to providing employees with the basic welfare of " five insurances and one housing fund " in accordance with the law, the company has also purchased employer liability insurance for all employees to ensure that all employees have no worries. It also provides employees with various paid leave including annual leave, marriage leave, maternity leave, etc. The company regularly distributes holiday gifts and organizes cultural and sports activities to enhance employees' sense of belonging. For female employees, employees in difficulties and illnesses, and employees in special positions, the company has formulated special protection measures to ensure that every employee can feel the company's care.

2021-2023 Company Human Resources Performance Data

Human Resources Index Data	2021	2022	2023
Ratio of average salary of front-line employees to local minimum wage	4.2:1	4.2:1	4.4:1
Employee turnover rate (%)	14.2%	10.7%	10.3%
Employee satisfaction (%)	90%	90%	92%
Employee salary growth rate (%)	11%	11%	7%
Labor contract signing rate (%)	100%	100%	100%
Ratio of the highest-paid individual's total annual compensation to the median total annual compensation of all employees (%)	6.85%	6.23%	6.38%

■ Employee Communications and Grievances

The company has established an employee communication system, including employee representative conferences, trade unions and employee representatives, complaint procedures, employee satisfaction surveys, etc., to ensure that every employee's reasonable demands can be resolved fairly and promptly, and deepen the trust and cohesion between employees and the company. From 2017 to 2022, the company won the titles of "Advanced Enterprise with Harmonious Labor Relations in Suzhou High-tech Zone" and "Enterprise with Harmonious Labor Relations in Suzhou City".



The Group has set up activities led by the labor union to regularly collect employees' opinions

Employee Representative Conference: The company has established a labor union and employee representative organizations in accordance with the law. At present, the company has achieved full participation in the labor union, including about 125 employee representatives, accounting for more than 5.4% of all employees. Employee representatives are elected democratically. Employees participate in the company's business decision-making, management, and exercise democratic management rights through employee representative conferences and other means. Employee representatives collect employee opinions, safeguard employees' labor, economic, and cultural rights and interests, and coordinate labor relations. The company conducts collective consultations regularly and signs special collective contracts with the labor union. The collective agreement has gradually covered more than 2,000 employees, and the collective agreement coverage rate is 100%.

Employee satisfaction survey: The company regularly conducts employee satisfaction surveys and uses side data such as the number of safety accidents, labor productivity, and employee turnover rate to evaluate employee satisfaction. The company holds employee seminars to understand employee demands; the Human Resources Department analyzes the results of employee satisfaction and actively promotes the implementation of improvement measures to improve employee satisfaction in multiple dimensions. The company's employee satisfaction survey results in 2023 were 92%.



In 2022, the company organized a symposium for employees to understand their demands and strengthen communication with them.

Employee Complaint Process: The company has established an employee complaint management process. When employees encounter discrimination, harassment, violence and other inappropriate behaviors, they can report to their superior step by step, up to the factory manager or vice president in charge, to ensure that the problem is promptly addressed and initially handled. If the employee is still not satisfied with the handling result, he or she can file a final complaint, and the human resources department will conduct a comprehensive investigation and give a final decision.

5.3 Occupational Health and Safety

Occupational Health and Safety Policy

Prevention first, compliance with laws and regulations, people-oriented, scientific management, continuous improvement

Strong Commitment and Values: We have a strong commitment to protecting the safety and health of all employees and reducing environmental and community risks by optimizing safety management systems and implementing best practices.

Strict legal compliance: We comply with and strictly enforce all applicable laws, regulations and standards to ensure that all operations of the company worldwide meet the highest safety standards.

Continuous Improvement and Optimization: We are committed to preventing accidents and improving our ability to respond to emergencies by continuously improving our safety management systems and training programs.

Health and Safety Management System

Occupational health and safety are the foundation for promoting sustainable development of enterprises. The company adheres to the policy of "prevention first, compliance with laws and regulations, people-oriented, scientific management, and continuous improvement" and is committed to creating a safe and healthy working environment for employees. At the same time, the company conducts employee health and safety risk assessments for all operating sites every year. From 2021 to 2023, the company did not have major safety casualties or occupational disease incidents. The accident rate of 200,000 working hours and the recordable accident rate of 200,000 working hours continued to decrease, reflecting the company's maturity in occupational health and safety management.

2021-2023 Company Safety Performance Statistics

Occupational Health and Safety Data	2021	2022	2023
Total amount of security investment (ten thousand yuan)	589.6	609.3	711.4
Number of deaths due to work (person/year)	0	0	0
Occupational disease occurrences (per year)	0	0	0
Pre-job and on-the-job physical examination coverage rate for occupational diseases (%)	100%	100%	100%
Safety training hours (hours/year)	4,216	4,426	4,843
Lost working time (days)	22	20	21
LTIR	0.034	0.033	0.032
TRIR of 200,000 man-hours recordable accident rate	0.102	0.100	0.097

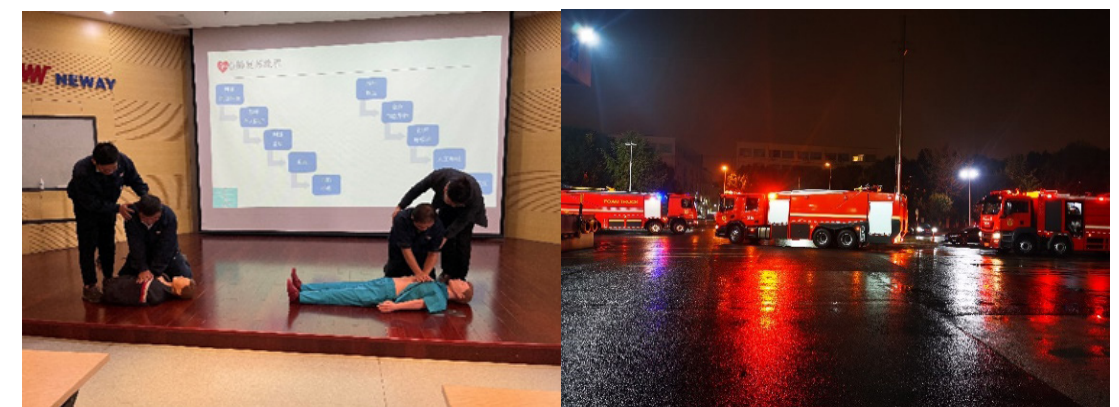
Lost Time Injury Rate (LTIR) per 200,000 working hours = (fatal accidents + lost time accidents) * 200,000 / total working hours;

TRIR = Recordable Incidents * 200,000 / Total Man- Hours

Safety investment: The company invests money every year to improve safety, including updating safety equipment, improving working conditions, monitoring hazardous substances, and equipping emergency supplies, in order to enhance the company's safety assurance capabilities. During 2021-2023, the company's safety investment totaled RMB 19.103 million.

Risk assessment and prevention: The company regularly conducts comprehensive safety risk assessments and accident hazard inspections, identifies potential safety risks and develops risk control plans to ensure that various risks are discovered and properly controlled in a timely manner. The company builds an open safety management environment and encourages employees to provide safety feedback and improvement suggestions through multiple channels to jointly promote the improvement of safety performance.

Employee safety training: The company implements safety knowledge training management for all employees. New employees implement the three-level safety education stipulated by the state; employees in service participate in safety training according to job requirements, constantly update safety knowledge, and ensure that they understand the latest safety standards and operating procedures. In addition, the company also regularly organizes emergency drills to enhance employees' ability to respond in emergency situations.



The company organizes employees to participate in safety knowledge training

Safety performance monitoring: To continuously optimize safety management, the company regularly conducts ISO45001 internal audits and management reviews, and accepts safety compliance audits from customers, government agencies and third parties at an average frequency of 5 times per month. The safety department regularly collects and analyzes accident rate and work injury rate data to identify potential safety issues for improvement.



公司接受政府部门和客户的安全审核

5.4 Training and career development

■ Empowerment Training

In order to build a learning organization, the company has established a comprehensive and personalized training management system. Based on strategic planning, goal setting, department performance, employee performance appraisal, career development needs, etc., and with reference to employee feedback and senior management suggestions, a variety of training courses have been set up, covering management skills, operational skills, professional skills, job skills and general capabilities. For employees of different job series, the company designs customized training courses, combining external professional training with internal learning resources to fully help employees grow.

The company provides diversified training methods, including external training (such as special lectures, visits and inspections), internal training (such as master-apprentice training, job training), special job skills training, online training (E-learning platform), etc., to meet the actual needs of employees at different levels and positions. The training effect evaluation adopts the "three-stage four-level" evaluation method to ensure that the training results are quantifiable and evaluable. According to statistics, the company's training investment during 2021-2023 was 3.278 million yuan, and the average training hours per person in 2023 was 65.4 hours/person/year, and the training coverage rate reached 100%.

2021-2023 Employee Training Performance Statistics

index	2021	2022	2023
Total annual training hours for employees (hours/year)	136,615	206,602	183,362
Employee training investment (10,000 yuan/year)	95.8	94.5	137.5
Number of training courses (per year)	27	26	30
Average training hours for employees (hours/person/year)	65.7	81.6	65.4
Skill training (number of times)	141	169	234
Proportion of employees receiving skills-related training (%)	67.57%	65.91%	64.36%
Percentage of employees receiving regular performance and career development evaluations (%)	100%	100%	100%
Training coverage rate (%)	100%	100%	100%
Number of employees with personal development plans	2,074	2,111	2,217
Number of internal mobility cases	124	108	126



The company organizes a variety of training courses for employees



In 2021, the Suzhou headquarters training was fully completed. Relying on the group's strong resources, Focus on providing customized career training for employees



In 2020, the company launched an E-learning platform covering a wide range of training content. Effectively promote the all-round development of employees.

■ Career Development

In order to effectively motivate and retain talents, the company has established a scientific and reasonable performance appraisal and career development mechanism. The company implements a multi-dimensional employee career development strategy, and provides broad growth space for employees with different abilities and career plans by establishing multi-channel models such as management, technology, skills and fresh college graduates. As of the end of 2023, the company has organized more than 2,200 employees to participate in career development training, and the coverage rate of career development training has exceeded 95%.



1) Management channel:

Management personnel are the key hub of "connecting strategy from above and performance from below". The company follows the management personnel appointment and removal system, sets different appointment standards and training channels for different management positions, and ensures that the management capabilities of managers match the job requirements.



2) Technical channels:

The company supports the advancement of technical talents through multiple channels. The company has divided the career development paths of technical talents into three types: management type, expert type, and product manager type. Each type has clear corresponding responsibilities, personnel requirements, professional requirements, personalized training paths and development channels, respecting and giving full play to the unique advantages of each employee.



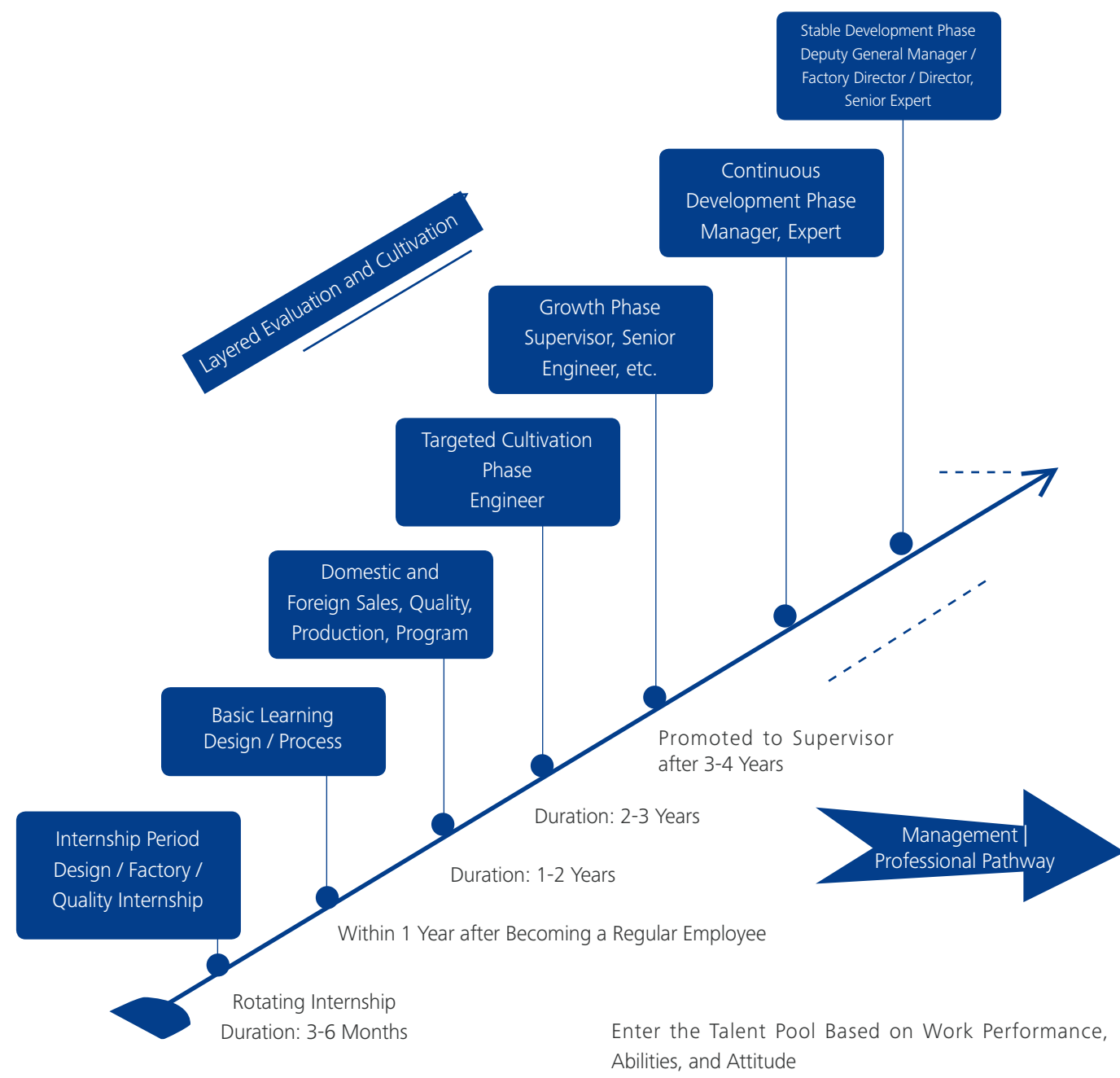
3) Skill channel:

The company provides front-line employees with a career advancement path, from front-line employees to production supervisors, and provides different training models for different positions, including on-the-job training, skill level training, cross-position learning, etc., laying a solid foundation for the cultivation of production skilled talents.



4) College student channel:

The company adopts the principle of "careful selection, comprehensive training, and continuous attention" for fresh graduates. It screens out high-potential talents through a talent training system and diversified training methods, and provides two growth paths: management and professional based on employees' personal career plans and company needs.



The company provides two-way career development channels for college students

In the next five years, the company will further increase the strategic reserve and training of talents in key positions and talent succession planning; focus on building a team of sales, technology, and management talents, especially the construction and training of mid- and senior-level talent teams, and achieve sustainable development of the company through the construction of talent teams and echelons.

5.5 Happy life of employees

Employees are the most valuable resource of an enterprise. The company attaches great importance to the employees' extracurricular cultural life and enhances team cohesion through various cultural activities, thereby improving employees' sense of belonging and happiness.



In 2023, the company held an employee anniversary event to recognize their hard work over the years. Inspire new employees' sense of belonging and centripetal force.



The company initiated the "Love and Companionship Reading Club" to promote parent-child relationships through joint reading. Enhance family harmony and create a warm corporate culture atmosphere.



The company held fun sports games to relieve employees' psychological pressure. Enable employees to balance work and life more easily.



06 Dedication and love for fellow travelers

The company adheres to the concept of harmonious coexistence between company and society, actively participates in charity and public welfare undertakings, demonstrates responsibility and commitment with practical actions, and spares no effort to contribute to building a warmer and more harmonious social environment.



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6.1 Donation to support education

The company pays attention to and actively participates in charitable education, donating to build Hope Primary Schools, supporting poor students, providing education funds and other methods, providing valuable learning opportunities and a better educational environment for children in remote and poor areas . By the end of 2023, the company has donated a total of 3.738 million yuan in education aid, practicing the social responsibility of corporate citizens with practical actions.

Statistics of Neway Valve's Charity Donation

Ime	Donation Project	Donation Amount (CNY)
2008/5/16	Suzhou Charity Federation Earthquake Relief Donation	1,000,000.00
2009/12/21	The project funds of Baji Hope Primary School were donated to its construction	152,254.72
2010/1/26	Neway 8th Hope Primary School Project Fund	203,006.30
2010/3/9	Pay the construction fee for Neway Hope Primary School	304,501.05
2011/2/24	Donated to the construction of Neway Baji Hope Primary School	200,000.00
2012/2/23	Donate to Hope Primary School	140,237.93
2013/7/31	Soochow University Education Fund	300,000.00
2014/6/25	Student and Teaching Assistantship Fund	50,000.00
2014/6/25	Student and Teaching Assistantship Fund	200,000.00
2015/4/24	2015 Student Grants	200,000.00
2015/5/7	2015 Student Grants	50,000.00
2015/5/25	Whispering Gas Station Donation	45,000.00
2017/9/18	Teaching Assistantship Fund	100,000.00
2018/3/14	Student and Teaching Assistantship Fund	100,000.00
2018/4/18	Bursaries	38,000.00
2018/4/27	Student and Teaching Assistantship Fund	100,000.00
2019/6/17	Donations to charitable projects	50,000.00
2020/9/8	the relocation and expansion project of the quinoa processing plant in Dongxiang County, Gansu Province	100,000.00
2020/12/28	2019-2020 Neway Teaching Assistantship	100,000.00
2022/12/30	Donations to Suzhou High-tech Zone Charity Federation in 2022	150,000.00
2023/6/8	Fu Miao Charity Fund	5,000.00
2023/7/7	2023 Suzhou High-tech Zone Charity Federation Donation Fee	150,000.00
total		3,738,000.00



The company received a donation certificate The company generously supports students of Xinhu School



The company actively carries out the "Love and Education Aid" campaign to help more poor students get educational opportunities

6.2 Charity

Love and respect for the elderly

The company adheres to the public welfare concept of "respecting the elderly and loving the young, and conveying warmth", organizes employees to participate in caring activities for the elderly, sends warmth and care to the elderly, and strives to improve their living environment and living conditions, ensuring that they can enjoy their old age in a more comfortable and warmer environment.



In 2023, the company organized employees to visit nursing homes to visit the elderly and help improve the environment of the nursing homes.

Fighting the epidemic

During the epidemic, the company actively donated medical supplies, and the company's party members and volunteers demonstrated their responsibility and dedication. They not only built an epidemic prevention fortress within the company, but also went deep into the community to participate in epidemic prevention volunteer activities ten times, mobilizing a total of 150 people, and conveyed warmth and hope with practical actions, setting an example for the society.



The company actively donated medical supplies during the epidemic.



The company's outstanding performance during the epidemic was recognized by the Suzhou High-tech Zone Committee of the Communist Youth League, A letter of thanks from Suzhou People's Hospital.

Free blood donation



The company actively responded to the call for social welfare and successfully held blood donation activities for three consecutive years. The company's employees actively participated and donated a total of about 210,000 milliliters of precious blood, bringing hope and light of life to many patients in urgent need of blood transfusions.



The company's free blood donation activities have won the blood donation honorary certificate awarded by the Suzhou Blood Donation Leadership Group, and the Suzhou Red Cross Society awarded our company the Free Blood Donation Advanced Collective Honorary Medal.



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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 Valve") to conduct an independent Assurance of its 2023 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 Valve. 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 Valve requested Bureau Veritas to verify the accuracy and reliability of the following:

- Data and information included in the ESG Report from January 1, 2023 to December 31, 2023.

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 Valve and statements of future commitment);
- Financial data and information that has been audited by a third party.

Level of assurance: reasonable assurance level

Assurance standard

- 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;
- GRI Sustainability Reporting Standards, published by the Global Reporting Initiative

Methodology

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

- Interviews with relevant personnel of Neway Valve;
- Review of documentary evidence produced by Neway Valve;
- Evaluation of information against Global Reporting Initiative (GRI) principles of Materiality, Accuracy, Completeness, Balance, Clarity and Comparability;
- Audit of performance data, tracing and checking the sample data according to the sampling principle;
- Review of Neway Valve 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

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization.
To check this opinion validity please call: +86 10 59683663



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

- 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 Valve has established appropriate systems for the collection, aggregation and analysis of relevant information. The performance data for 2021~2023 has been disclosed and be with comparability.

Objectivity

The information and data disclosed in the report are objective and reliable. Neway Valve 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 Valve is relatively reliable and the report is of objectivity.

Materiality

Neway Valve identified and disclosed material ESG issues and related information in accordance with the GRI Sustainability Reporting Standard, ISO26000:2010 Guidance on social responsibility, and Sustainable Development Goals (SDGs)

Completeness

The report of Neway Valve focuses on the aspects of "About Neway Valve", "ESG Strategy and Governance", "Innovation-driven, Quality Excellence", "Green Future Harmonious Coexistence", "People-oriented, 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 Valve. 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 Valve. 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

Director of Greater China Region

Bureau Veritas Certification (Beijing) Co., LTD

2024-10-15

ROGER HU

Assurance Team Leader

Bureau Veritas Certification (Beijing) Co., LTD

2024-10-15

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
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Readers' Feedback

Dear readers:

Thank you very much for reading the “Neway Valve (Suzhou) Co., Ltd. 2023 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 comments!

Name: _____ Contact Number: _____ Email: _____

1. Which chapters do you think provided you with important information?
- ☐ About Neway Valve

☐ Innovation-driven, quality excellence

☐ People-oriented and common development

☐ ESG governance

☐ Green future harmonious coexistence

☐ Dedication and love

2. How do you evaluate this report?
- Readability

☐ Good

☐ Average

☐ Not good

Completeness

☐ good

☐ Average

☐ bad

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/>

electricity Phone: 18962125005

E-mail: song.xu@neway.com.cn

Appendix: GRI Standards Indicator Index

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102-38	Annual total compensation ratio		60
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Indirect economic impacts			
203-1	Infrastructure investments and services supported		/
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204-1	Proportion of spending on local suppliers		/
Anti-corruption			
205-1	Operations assessed for risks related to corruption		31
205-2	Communication and training about anti-corruption policies and procedures		31
205-3	Confirmed incidents of corruption and actions taken		None
Anti-competitive behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		None
Materials			
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301-2	Recycled input materials used		51
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Energy			
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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
Emissions			
305-1	Direct (Scope 1) GHG emissions		53
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306-1	Waste generation and significant waste-related impacts		51
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306-4	Waste diverted from disposal		/
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307-1	Non-compliance with environmental laws and regulations		None
Supplier and environmental assessment			
308-1	New suppliers that were screened using environmental criteria		/
308-2	Negative environmental impacts in the supply chain and actions taken		None
Employment			
401-1	New employee hires and employee turnover		60
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		60
401-3	Parental leave		60
Labor/management and relations			
402-1	Minimum notice periods regarding operational changes		/
Occupational health and safety			
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403-2	Hazard identification, risk assessment, and incident investigation		62-63
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403-4	Worker participation, consultation, and communication on occupational health and safety		62-63
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405-1	Diversity of governance bodies and employees		59
405-2	Ratio of basic salary and remuneration of women to men		60
Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken		None
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		/
Child labor			
408-1	Operations and suppliers at significant risk for incidents of child labor		None
Forced or compulsory labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		None
Security practices			
410-1	Security personnel trained in human rights policies or procedures		63

Right of indigenous peoples			
411-1	Incidents of violations involving rights of indigenous peoples		N/A
412-1	Operations that have been subject to human rights reviews or impact assessments		/
412-2	Employee training on human rights policies or procedures		/
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		/
Local communities			
413-1	Operations with local community engagement, impact assessments, and development programs		72-75
413-2	Operations with significant actual and potential negative impacts on local communities		72-75
Supplier social assessment			
414-1	New suppliers that were screened using social criteria		/
414-2	Negative social impacts in the supply chain and actions taken		None
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415-1	Political contributions		N/A
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
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
Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		None
Socioeconomic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area		None