NEWAY



2025 | Neway Valve (Suzhou) Co., Ltd.
Environmental, Social and Governance (ESG) Report

About this Report

Reporting scope

This is the 2025 ESG Report released by Neway Valve (Suzhou) Co., Ltd.The report covers Neway Valve (Suzhou) Co., Ltd. and its subsidiaries, including Neway Industrial SMaterial (Suzhou) Co., Ltd., Neway Industrial Material (Dafeng) Co., Ltd., Wujiang Dongwu Machinery Co., Ltd., Neway Oil Equipment (Suzhou) Co., Ltd., Neway Precision Forging (Liyang) Co., Ltd., Neway Flow Control (Suzhou) Co., Ltd., NEWAY FLUID EQUIPMENT VIETNAM COMPANY LIMITED, NEWAY VALVE WEST AFRICA FZE, Baowei Technology Co., Ltd., Suzhou Hechuang Test Service Co., Ltd., Neway Flow Technology (Lianyungang) Co., Ltd., Neway Technology (Yantai) Co., Ltd., Neway Flow Technology (Chengdu) Co., Ltd., and NEWAY OIL FIELD EQUIPMENT LLC*. NEWAY FLOW CONTROL INC，NEWAY VALVE INTERNATIONAL INC NEWAY VALVE (EUROPE) B.V.，NEWAY VALVE (EUROPE) S.R.L，NEWAY VALVE (SINGAPORE) PTE. LTD NEWAY FLOW CONTROL FZE, Neway Engineering Services (Suzhou) Co., Ltd., Neway Engineering Services (Huizhou) Co., Ltd., NEWAY ENERGY, CÔNG TY TNHH NEWAY VALVE VIỆTNAM, NEWAY VALVE (MALAYSIA) SDN. BHD., GULF MAINTENANCE HUB TRADING, MAINTENANCE SERVICES GULF, NEWAY INDUSTRIAL COMPANY, among others. The information and data in this report primarily cover Neway's environmental, social and governance related activities from January 1 to December 31, 2025. Based on the continuity and comparability of the report, some data and information are not limited to 2025.

Compilation principles

This report has been prepared with reference to the GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB), the International Organization for Standardization's ISO 26000:2010 Guidance on Social Responsibility, the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Reporting (For Trial Implementation), and the United Nations Sustainable Development Goals (SDGs).

Content selection

In selecting the report content, we followed the GRI Standards' principles of materiality, completeness, and responsiveness. The report elaborates on the three aspects of environmental, social, and governance, focusing on the organization's responsibilities in areas such as ESG governance, product responsibility, environmental protection, employee responsibility, and philanthropy. The data and information collection for this report was carried out in accordance with the company's existing work processes.

Reference explanation

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

Neway Group, Neway , We or the company	refers to	Neway Valve (Suzhou) Co., Ltd. and its subsidiaries
Neway Valve	refers to	Neway Valve (Suzhou) Co., Ltd., excluding its subsidiaries
Reporting Period	refers to	Year 2025

Publication

The report is published once a year and can be viewed or downloaded online on the company's official website (https://www.neway.com.cn/). If you have any questions or suggestions about the content of this report, please call or write to us.
Tel: +86-512-66658692
Email: jie.han@neway.com.cn

*Notes: As of December 31, 2025, Neway Industrial Company was in the progress of planning and construction and had not officially commenced production; NEWAY ENERGY, CÔNG TY TNHH NEWAY VALVE VIỆTNAM, and Gulf Maintenance Hub Trading had not commenced production. Therefore, data from these entities are not included in the disclosure scope of this report.



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Chairman's Speech

Looking back on 2025, the global energy transition has moved from strategic vision to tangible action on the ground. At this pivotal moment, Neway Valve, as a leader in the industrial valve sector, firmly believes that reliable and efficient flow control technology serves as essential infrastructure for achieving carbon neutrality.

Over the past year, upholding our mission to "Provide Complete Solutions for Industrial Valves", we have delivered steady business growth while deeply embedding environmental, social and governance (ESG) principles into our corporate strategy. Through concrete actions, we have demonstrated that sustainability and commercial success can go hand in hand.

Robust Governance: The Foundation for Long-Term Value

Enduring success begins with compliance and is sustained through transparency.

In 2025, we further deepened the integration of ESG principles with our corporate strategy. At the governance level, we established an ESG Committee to coordinate the identification, assessment and implementation of environmental, social and governance initiatives. This ensures that the Board of Directors and management are well-positioned to navigate opportunities and regulatory requirements arising from evolving market dynamics. Meanwhile, we enhanced our internal control and risk management systems. Through regular reviews and dynamic assessments, we continuously strengthened our resilience in responding to global changes.

We firmly believe that robust governance must be the foundation of all our actions, enabling us to build a trusted partnership with shareholders, customers and partners.

Green Operations: From Energy Efficiency to Product Innovation

For us, addressing global change is far more than a compliance requirement — it is a strategic opportunity to redefine our core competitiveness.

In 2025, green practices have been embedded into every aspect of our operations. On the operational front, we continued to optimize our energy mix, expand the use of green electricity, and implement energy-saving retrofits such as waste heat recovery and intelligent start-stop systems, driving a steady decline in carbon emission intensity across our operations.

We are systematically building our carbon management capacities: we continued to advance the ISO 14064-1:2018 organizational carbon inventory, launched the ISO 14067:2018 core product carbon footprint assessment, and explored the ISO 14068-1:2023 carbon neutrality pathways. Building on these efforts, we have begun developing a product carbon database to quantify and manage every stage of the product lifecycle—from raw material procurement to end-of-life recycling. These foundational initiatives are translating into sustained momentum for low-carbon technology R&D and product innovation.

The industry leaders of the future will be those enterprises that can provide "low-carbon, long-life and high-reliability" products. Neway is responding to the expectations of global customers with an increasingly green and competitive product portfolio.

Quality Commitment: A Solemn Promise to Customers and Employees

At Neway, quality and safety are inviolable principles that allow for no exceptions.

For our customers, we uphold the highest quality standards across the entire organization. We have deepened end-to-end process control, refined process specifications, and rigorously managed every step of production. In 2025, we achieved continuous improvements in product stability and reliability, alongside steady growth in customer satisfaction. Supported by exceptional product quality and reliable delivery performance, we received prestigious customer awards including "Five-Star Supplier", "Valve Category Champion" and "Excellent Supplier." These honors are not only recognition of our persistent efforts, but also a testament to Neway's enduring commitment to quality.

To our employees, we strive to build a zero-harm workplace. Through a scientific and effective occupational health and safety management system, strengthened training and hazard identification, our Lost Time Injury Rate (LTIR) per 200,000 working hours has continued to decline.

Quality and safety represent Neway's solemn promise to our customers and employees. We will stay committed to upholding these principles and safeguarding every trust placed in us.

Collaborative Progress: Driving Green Transformation Across the Value Chain

"If you want to go fast, go alone. If you want to go far, go together." Neway recognizes that sustainable development cannot be achieved in isolation—it requires collective effort across the entire industrial chain. In 2025, we increased investment in R&D and innovation, accelerated digital transformation and intelligent upgrading, and boosted production efficiency through technological breakthroughs.

At the same time, we extended ESG requirements into our supply chain management. Through supplier conferences, ESG ratings and carbon management mechanisms, we empowered our partners to improve their environmental and social performance. We believe a responsible and resilient supply chain is our strongest foundation in serving customers worldwide.

We have also remained committed to giving back to society, actively taking part in public welfare initiatives and rural revitalization programs, and fulfilling our responsibilities as a responsible corporate citizen through tangible actions.

Looking ahead, Neway Valve will continue to uphold its core values of " Respect Employee's Self-realization, Creating Value for Customers, and Bear Social Responsibility". Guided by our ESG strategy, we will drive comprehensive progress across environmental, social and governance dimensions. We recognize the road ahead may be filled with challenges, yet we firmly believe that only by balancing short-term benefits with long-term value, and embedding sustainability into every decision and every production process, can we achieve enduring corporate success. Let us move forward together, building a greener and better future.



Chairman: Liangfeng LU
April 1, 2026



Corporate Culture

Corporate Mission:

To Provide Complete Solutions for Industrial Valves

Corporate Vision:

To Be Global Leader in Industry Valves Manufacturing

Core Values:

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

Corporate Spirit:

Dare to Chart the New Way

Core Corporate Culture:

Simplicity and Pragmatism, Exploration and Innovation, Respect Systems and Process-driven

Highlights of 2025 ESG Data

Economic Performance

Operating Revenue
$1.093 billion

Net Profit Attributable to Shareholders of the Listed Company
$225.207 million

Total Assets
$1.479 billion

R&D Investment
$27.981 million

Social Performance

Number of patents granted
87 (items/year)

Employee satisfaction rate
94.65%

Total investment in safety
$2.407 million

Average staff training hours
29.54 (hours/person/year)

Lost time incident rate (LTIR) per 200,000 work hours
0.21

Number of work-related fatalities and severe injuries
0

Environmental Performance

Environmental Protection Investment
$2.132 million

Water consumption per unit product
27.99%

Year-on-Year Decrease in Electricity Consumption per Unit Product
12.59%

Industrial waste recycling rate
78.20%

Wastewater and exhaust gas emissions compliance rate
100%

Percentage of green electricity
9.29%

Governance Performance

Coverage rate of corruption risk assessments in workplaces and departments
100%

Percentage of Female Members on the Board of Directors
22.22%

Anti-commercial bribery & business ethics training
4459 (number of participants)

Percentage of women in senior management
11.11%

Prologue About Neway

With the vision of "Becoming a world-leading industrial valve manufacturer," the company is committed to providing comprehensive valve solutions for global industrial development.

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Company Overview

Neway Valve (Suzhou) Co., Ltd. (hereinafter referred to as "Neway") is a leading industrial valve manufacturer in China, with a brand history dating back to 1997. The company was officially established on November 14, 2002, and is headquartered in Suzhou, Jiangsu Province. Neway was successfully listed on the Shanghai Stock Exchange (SSE) in January 2014 (stock code: 603699), becoming a significant listed enterprise in China's industrial valve industry. As a leader in China's valve industry, Neway (Suzhou) has maintained its position as No.1 in China and at the forefront globally for many years, and has grown into a large-scale enterprise with an annual output value exceeding 7 billion yuan. With the vision of "Becoming a world-leading industrial valve manufacturer," the company is committed to providing comprehensive valve solutions for global industrial development.

Annual output value exceeds

7 billion yuan

Founded in

1997

* Note: This ranking is based on 2024 turnover data.



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Global Presence and Industrial System

With a global perspective, Neway actively builds a comprehensive industrial system: In manufacturing, seven major valve manufacturing bases operate in deep synergy (and other four specialized core casting and forging bases), establishing a vertically integrated, closed-loop industrial chain from raw material smelting to the intelligent manufacturing of complete valve sets. Domestic production and after-sales service bases are distributed across key cities such as Suzhou, while overseas operations also include production, sales, service, and technical support facilities in multiple locations. In technological innovation, the company leverages a collaborative innovation network comprising three R&D centers and two technical support centers. It continuously increases its investment, with R&D investment reaching $27.981 million by 2025. This has enabled it to accumulate robust technological reserves in fields such as materials science, flow control, and intelligent manufacturing. Supported by its extensive manufacturing footprint and strong technological innovation, Neway Valve Co., Ltd. provides high-quality products, efficient services, and solid technical support to the global industrial valve market.



Neway's Global Footprint

Neway's Key Manufacturing Bases



Neway Valve (Suzhou) Co., Ltd.

It covers an area of 230,000 square meters.
Products: ball valves, GGC , control valves, and nuclear valves.



Neway Flow Control (Suzhou) Co., Ltd

It covers an area of 67,000 square meters.
Products: high-performance butterfly valves and forged steel valves.



Neway Oil Equipment (Suzhou) Co., Ltd.

It covers an area of 30,000 square meters.
Products: API 6A valves, wellheads, Christmas trees, 16C drilling manifolds, and 17D subsea equipment.



Wujiang Dongwu Machinery Co., Ltd.

It covers an area of 30,000 square meters
Products: safety valves.



Neway Industrial Material (Suzhou) Co., Ltd.

It covers an area of 11,000 square meters
Products: sand castings.



Neway Industrial Material (Dafeng) Co., Ltd.

It covers an area of 85,000 square meters
Products: precision castings.



Neway Precision Forging (Liyang) Co., Ltd.

It covers an area of 159,000 square meters.
Products: open-die forgings, ring forgings, and sand castings.



Neway Fluid Equipment Vietnam Company Limited

Covering an area of 20,000 square meters
Products: API 6A valves, wellhead equipment, and Christmas trees.

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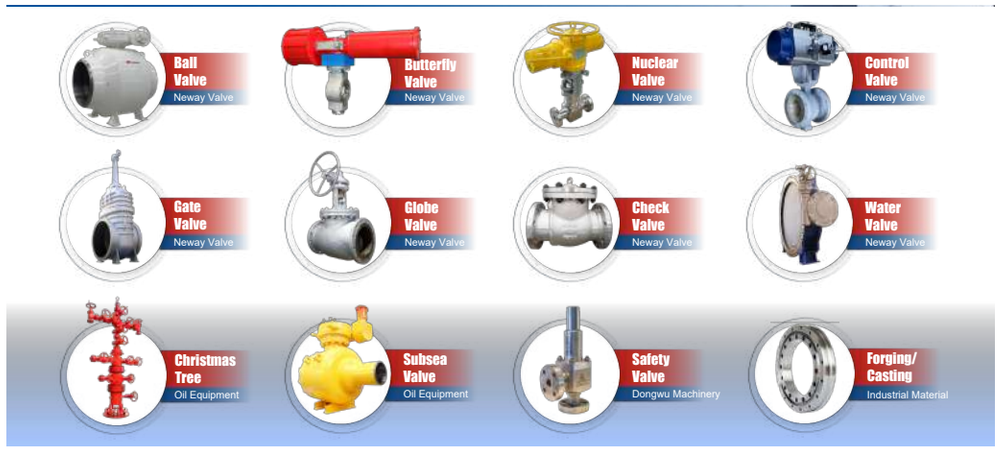
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Product Family and Market Applications

Neway provides comprehensive valve product solutions. Its extensive product families covers 11 major series, including gate valves, globe valves, check valves, butterfly valves, ball valves, Control valves, nuclear valves, subsea valves, and safety valves, fully capable of meeting the demands of various harsh operating conditions. In terms of market applications, the company's products are widely used across multiple core industrial sectors, including oil & gas (extraction, storage & transportation, refining & chemical), chemical (refining & chemical, coal chemical), power (thermal power, nuclear power), new energy (LNG, polysilicon, hydrogen energy), shipbuilding & offshore engineering (shipbuilding, offshore equipment), and metallurgy & mining (mining equipment). In terms of market coverage, Neway has achieved remarkable success, with its products sold to over 100 countries and regions worldwide and strategic partnerships established with more than 80 overseas distributors.

Key Valve Products of Neway Valve



Neway's Global Strategic Partners



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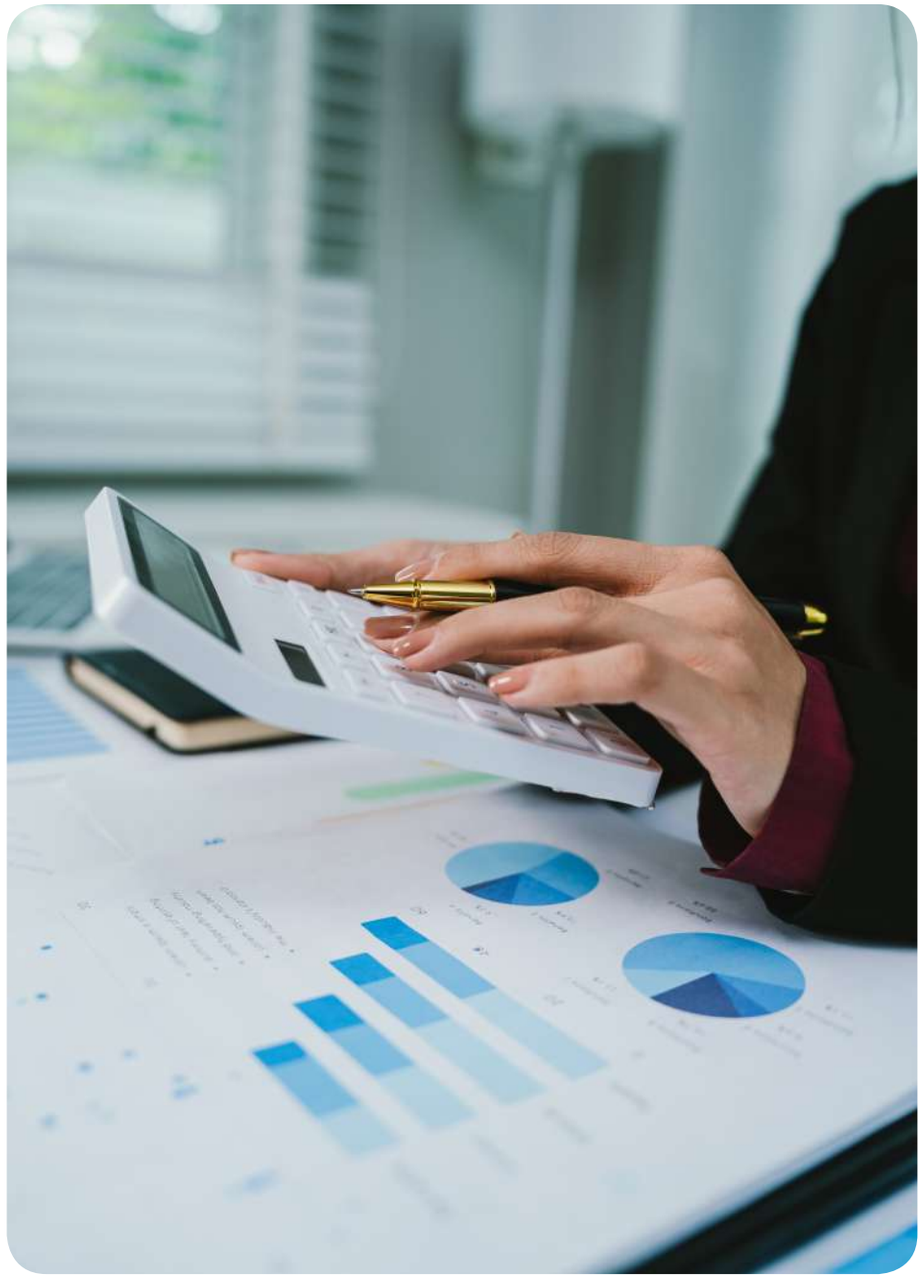
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Business Performance and Strategy

In the field of valve manufacturing, Neway Valve upholds the philosophy of "Building on Compliance, Empowering with Technology, Linking the Value Chain, and Co-creating Value". Furthermore, it also integrates ESG concepts into its business strategy and operations, actively advancing the four pathways of "Higher Governance Quality, Low-Carbon Innovation, Supply Chain Collaberation, and Value Transfer." It is committed to progressing from "Compliance and Standards" to "Industry Exemplar," building a global brand that is "Low-Carbon, Reliable, and Responsible". In 2025, the company achieved an operating revenue of $1.093 billion, representing a year-on-year growth of XX %. This accomplishment is underpinned by Neway's comprehensive efforts in market expansion, product innovation, and cost control.

Economic Data for 2023-2025

	2023	2024	2025
Total assets (in billions of $)	1.122	1.221	1.479
Operating revenue(in millions of $)	789.393	874.179	1092.724
Sales revenue (in millions of $)	102.766	161.947	225.207
R&D investment (in millions of $)	26.454	23.444	27.981
Government rewards and subsidies (in millions of $)	3.686	1.109	3.836



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Looking ahead, Neway is committed to consistently integrating the concept of sustainable development into all aspects of product R&D, production operations, and industrial chain cooperation. Through continuous optimization of the governance structure, increased investment in green technologies, and improvement of the data disclosure system, the company aims to transform its ESG advantages into real business value. It strives to continuously elevate its industry leadership position in the era of a low-carbon economy, creating long-term, inclusive, and sustainable economic benefits for shareholders, customers, and society.

Development Opportunities

1.Release of Policy and Market Dividends: The domestic "Dual Carbon" policy framework continues to be refined, with carbon accounting and product carbon footprint standards gradually being implemented. This creates favorable conditions for enterprises to secure policy support through technological upgrades and enhance customer recognition.

2.Increasing Availability of Green Financial Resources: The scale of green bonds and ESG investments continues to expand, providing more possibilities for enterprises to reduce financing costs and broaden funding channels.

3.Growing Demand for Supply Chain Collaboration: Downstream customers are placing increasing importance on suppliers' ESG performance, driving enterprises to build sustainable supply chains through green procurement and technological collaboration, thereby enhancing customer loyalty and cooperation depth.

Proliferation of Low-Carbon and Digital Technologies: Emerging technologies provide support for precise carbon emission management and control and carbon footprint accounting, helping enterprises improve the efficiency of carbon emission management and international compliance capabilities.

KEY BENEFITS

1.Solid Foundation in ESG Governance: The company has established systematic practices in environmental management, energy-saving renovation, and resource recycling, laying a solid foundation for deepening its low-carbon transition.

2.Efficient Policy Response and Resource Integration Capability: Leveraging its deep understanding and rapid response to local policies, the company can effectively connect with key resources such as domestic carbon accounting standards and green financial instruments.

3.Mature Potential for Supply Chain Collaboration: With a stable network of upstream and downstream partners, the company possesses the organizational foundation and implementation conditions to rapidly establish a sustainable supply chain management system.

4.Forward-looking Risk Management and Control Awareness: The company maintains a long-term focus on climate and environmental risks, and its governance system is adaptable and scalable for integration into international disclosure frameworks.

Strategic Response Measures

1.Enhance the ESG Data Management and Disclosure System: We will advance the systematic collection and quantitative disclosure of key data, such as carbon emissions and supply chain information. Enhancing information transparency and compliance standards in response to regulatory requirements and investor expectations.

2.Strengthen Capacity Building in Low-Carbon Technologies and Digitalization: Increase investment in areas such as energy-saving renovation, carbon footprint accounting, and digital monitoring to enhance the precision of carbon management and the ability to adaption to international standards.

3.Deepen ESG Collaborative Management in the Supply Chain: Establish a supplier ESG rating and empowerment mechanism to build a resilient and sustainable supply chain system through green procurement and cooperation projects.

4.Promote the Upgrade of the ESG Governance Structure: Optimize the ESG functions of the Board of Directors, improve performance-linked mechanisms, and strengthen top-level strategic guidance and execution assurance.

Advance ESG Value Transformation and Business Integration: Integrate ESG elements into product R&D, market expansion, and brand building to enhance product differentiation competitiveness and green premium capability.

Neway's Business Strategy

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Development milestones

1997-2007 Foundation Stage

· Establishment of Neway Valve
· Establishment of Neway Petroleum Equipment
· Annual sales revenue exceeding USD 100 million



2008-2018 Expansion Stage

· Listed on the Shanghai Stock Exchange (SSE) A-share market in 2014
· Establishment of Neway subsidiaries (USA, Netherlands, Italy, Singapore, Dubai)
· Annual sales revenue exceeding USD 300 million



2019-2023 The First Five-Year Strategic Plan

· Establishment of Neway subsidiaries (Nigeria, Vietnam, India)
· Annual sales revenue exceeding USD 700 million
· Establishment of the Lean Management Methodology and Office



2024-Present the Second Five-Year Strategic Plan

· Celebration for the Delivery of the 10,000,000th Valve
· Annual sales revenue exceeding USD 800 million
· Obtained green factory certification



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Honors and Awards

2025 Neway Honors List (Partial)

Honor name	Award-winning unit
Hurun China 500, 2025	Neway Valve (Suzhou) Co., Ltd.
EcoVadis Bronze Medal	Neway Valve (Suzhou) Co., Ltd.
Jiangsu Provincial Green Factory	Neway Valve (Suzhou) Co., Ltd.
National Manufacturing Single Champion Enterprise	Neway Valve (Suzhou) Co., Ltd.
Top 500 Chinese Machinery Enterprises 2025	Neway Valve (Suzhou) Co., Ltd.
Top 500 Chinese Energy Enterprises	Neway Valve (Suzhou) Co., Ltd.
Advanced Smart Factory in Jiangsu Province	Neway Valve (Suzhou) Co., Ltd.
Outstanding progress Enterprise 2025 & Top 20 Contributors among Suzhou Manufacturing Enterprises	Neway Valve (Suzhou) Co., Ltd.
Top 100 Private Enterprises in Suzhou (Rank 66)	Neway Valve (Suzhou) Co., Ltd.
2025 Top 100 Suzhou Private Enterprises by R&D Investment	Neway Valve (Suzhou) Co., Ltd.
China General Nuclear Power Group (CGN) 2025 "Five-Star Supplier"	Neway Valve (Suzhou) Co., Ltd.
National-level specialized, refined, differential and innovative "little giant"	Neway Oil Equipment (Suzhou) Co., Ltd.
Integration of Informatization and Industrialization Management System Certificate (AAA)	Neway Oil Equipment (Suzhou) Co., Ltd.
Suzhou Foreign-Invested R&D Center	Neway Industrial Material (Suzhou) Co., Ltd
Major Contribution Award 2024	Neway Precision Forging (Liyang) Co., Ltd.

Honors Received by Neway in 2025 (Partial)



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Association participation

No	Association name	Status in association	Association member	Year joined
1	China General Machinery Industry Association	Vice President Unit	Neway Valve (Suzhou) Co., Ltd.	2005 to Present
2	Valve Branch of China General Machinery Industry Association	Vice Chairman Unit	Neway Valve (Suzhou) Co., Ltd.	2005 to Present
3	China Nuclear Energy Association	Member Unit	Neway Valve (Suzhou) Co., Ltd.	2018 to Present
4	Pump and Valve Industry Science and Technology Innovation Branch of the China Association for the Promotion of Private Science and Technology	Vice President Unit	Neway Valve (Suzhou) Co., Ltd.	2024 to Present
5	Jiangsu Valve Industry Association	Standing Vice Chairman Unit	Neway Valve (Suzhou) Co., Ltd.	2023 to Present
6	Jiangsu Energy Industry Association	Member Unit	Neway Valve (Suzhou) Co., Ltd.	2023 to Present
7	Suzhou High-tech Zone Green Development Association	Member Unit	Neway Valve (Suzhou) Co., Ltd.	2023 to Present
8	Suzhou High-tech Zone Listed Companies Association	Member Unit	Neway Valve (Suzhou) Co., Ltd.	2021 to Present
9	Suzhou Hi-Tech Zone Environmental Protection Industry Association	Member Unit	Neway Valve (Suzhou) Co., Ltd.	2010 to Present
10	Suzhou Hi-Tech Zone Safety Production Management Association	Council Member Unit	Neway Valve (Suzhou) Co., Ltd.	2008 to Present
11	China General Machinery Industry Association	Member Unit	Neway Oil Equipment (Suzhou) Co., Ltd.	2024 to Present
12	Valve Branch of China General Machinery Industry Association	Council Member Unit	Wujiang Dongwu Machinery Co., Ltd.	2016 to Present
13	Jiangsu Valve Industry Association	Council Member Unit	Wujiang Dongwu Machinery Co., Ltd.	2016 to Present
14	China Foundry Association	Member Unit	Neway Industrial Material (Suzhou) Co., Ltd.	2020 to Present
15	Jiangsu Foundry Society	Council Member Unit	Neway Industrial Material (Suzhou) Co., Ltd.	2020 to Present
16	Jiangsu Foundry Association	Council Member Unit	Neway Industrial Material (Suzhou) Co., Ltd.	2020 to Present
17	Suzhou Foundry Association	Member Unit	Neway Industrial Material (Suzhou) Co., Ltd.	2020 to Present
18	Suzhou Hi-Tech Zone (Huqiu District) Safety Production Management Association	Member Unit	Neway Industrial Material (Suzhou) Co., Ltd.	2023 to Present
19	China Forging & Stamping Association	General Member Unit	Neway Precision Forging (Liyang) Co., Ltd.	2022 to Present
20	China Foundry Association	General Member Unit	Neway Precision Forging (Liyang) Co., Ltd.	2023 to Present
21	Liyang Foundry Association	Council Member Unit	Neway Precision Forging (Liyang) Co., Ltd.	2023 to Present

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

01 The Foundation of ESG – Green Empowerment for Perpetual Development

Grounded in its ESG strategy, Neway leads with green initiatives, deepens multi-party governance, charts a blueprint for sustainable development, and collaborates with all sides to build a green and sustainable future.

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1.1 ESG Governance

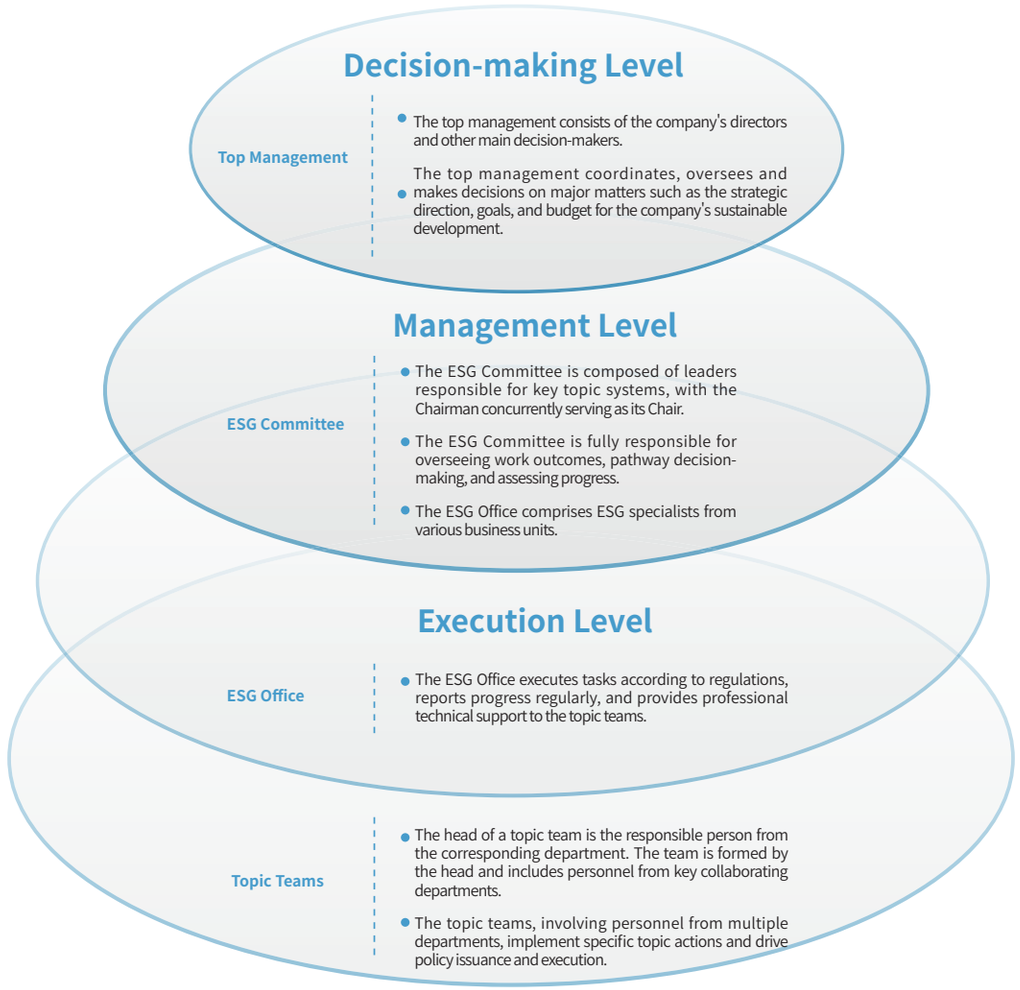
■ESG Governance Structure

Neway deeply recognizes the importance of ESG factors for the company's long-term sustainable development. Through a three-dimensional collaborative system of decision-making, management, and execution, it has established a comprehensive, multi-level ESG governance architecture, continuously enhancing the company's ESG governance standards. While achieving its own sustainable development, it actively contributes to societal and environmental progress.

Decision-making Level: Strategic Navigation, Holistic Oversight. The top management at the decision-making level consists of the company's directors and other main decision-makers. Based on the company's overall development, and with exceptional strategic vision and forward-thinking, they holistically oversee, coordinate, and make decisions on major matters related to the company's sustainable development strategy, including its direction, objectives, and budgets. They outline a clear strategic framework for the company's ESG development, guiding the company steadily forward on the path of sustainable development.

Management level: Precise Planning, Efficient Communication. The management level is centered on the ESG Committee. The Committee is composed of leaders responsible for key topic systems, with the Chairman of the Board personally serving as its Chair. As the pivotal hub for ESG governance, the ESG Committee bears significant responsibility. It oversees work outcomes, decides on implementation pathways, and assesses progress. It precisely translates the macro strategies formulated by the decision-making level into specific tasks and action plans, ensuring the strategic intent is effectively communicated and precisely executed at the management level, providing solid guidance and assurance for subsequent implementation work.

Execution level: Pragmatic Action, effective implementation. The execution level comprises the ESG Office and various topic teams. The ESG Office, staffed by business specialists, serves as the central coordinating body. It executes tasks, reports progress according to plan, and provides technical support and guidance to the topic teams. The topic teams are the implementation bodies. Each team is led by a department head, with members collaborating across departments. Each team focuses on multiple material topics, translating management decisions into actions. They drive policy issuance and execution, thereby enhancing the company's ESG performance.



ESG Governance Architecture of Neway

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Building a Sustainable Development System

At a time when sustainable development has become a key element of corporate core competitiveness, Neway is keenly aware of the urgency of building a robust sustainability system. It actively establishes and continuously optimizes its own ESG system. Following five key steps-accurately identifying topics, formulating a strategic framework, decomposing goals and tracking progress, managing and controlling risks, and ensuring effective information disclosure—the company is dedicated to building a complete and effective system.

Topic Identification and Indicator Construction

Neway first focuses on identifying material ESG topics. By benchmarking against multi-dimensional references such as policies and regulations, international initiative standards, exchange requirements, and social responsibility management guidelines, and combining stakeholder research and materiality assessment, the company accurately determines its key ESG areas and topics. On this basis, a comprehensive and targeted ESG indicator system is established. This provides clear quantitative direction and assessment criteria for subsequent ESG work, ensuring that all tasks are measurable and traceable.

Strategic Planning and Framework Building

Based on the identified material topics and the constructed indicator system, Neway formulates a forward-looking ESG strategy tailored to its actual situation and establishes a top-down management framework. It clarifies the responsibilities and authorities of each level in ESG work, coordinates ESG implementation, and cascades strategic objectives to each department. This ensures that ESG concepts are integrated into all processes of its operations, fostering a favorable environment of full participation and collaborative advancement.

Goal Decomposition and Performance Tracking

ESG strategic objectives are broken down into specific, operatable tasks and indicators, which are then assigned to different departments and teams. A scientific performance tracking mechanism is established to regularly collect and analyze relevant data, enabling close monitoring of ESG performance. This facilitates the timely identification of issues and adjustment of strategies, ensuring that all work progresses according to plan and that ESG objectives are effectively implemented.

Policy Formulation and Risk Management

To ensure its standardized and regular execution of ESG work, Neway has formulated ESG management policies covering all business areas. Meanwhile, the company has established a comprehensive mechanism for risk identification, assessment, and response, developing contingency plans for various potential ESG risks. Through regular risk screening and monitoring, potential risks are promptly mitigated, ensuring the company progresses steadily on its path toward sustainable development.

Information Disclosure and Impact Enhancement

Neway places high importance on ESG information disclosure, formulating a systematic disclosure strategy and clarifying the content and methods of disclosure. Through means such as preparing and publishing ESG reports, Neway demonstrates its efforts and achievements in ESG to stakeholders in a comprehensive and transparent manner. Actively responding to stakeholder expectations and in accordance with relevant rating requirements, the company publicly discloses relevant content on its official portal website. This continuously enhances the company's ESG influence and reputation, creating a favorable external environment for its sustainable development.

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Sustainability Strategy

With sustainable development as its core framework, Neway systematically advances its sustainability strategy across the three dimensions of environment, society, and governance. In terms of the environment, the company focuses on carbon neutrality goals, builds a low-carbon management system covering the entire product lifecycle, and promotes green manufacturing, energy-saving technologies, and resource recycling. In terms of social responsibility, Neway emphasizes workplace safety, supply chain collaboration, and employee development, and actively participates in social welfare initiatives and global sustainable development cooperation. At the governance level, the company enhances its ESG governance structure, strengthens compliance disclosure and data management, and focuses on climate risks and low-carbon innovation. By comprehensively integrating ESG into its business operations, Neway strives to progress from compliance practice to industry leadership, shaping a responsible and trustworthy global brand image.

Neway's Sustainability Strategy

Environment (E)

Focus on the dual-carbon goals and build a full-cycle low-carbon system

- Promote green intelligent manufacturing and application of energy-saving technologies
- Conduct product carbon footprint management throughout the product lifecycle
- Promote resource recycling and green factory construction

Social (S)

Promote symbiotic responsibility and strengthen the full-chain value network

- Strengthen workplace safety and risk prevention and control
- Build a responsible supply chain and employee development system
- Commit to people's livelihood security and global cooperation for sustainable development

Governance (G)

Strengthen top-level design and establish a full-process control mechanism

- Improve ESG governance structure and performance integration
- Enhance compliance disclosure and data credibility
- Focus on climate risk and low-carbon innovation

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ESG development goals and progress review

Highlights	Goals and Commitments	Corresponding SDG Targets	2025 Progress	2025 Initiatives and Performance
Product Dimension	Strictly control product quality, with zero occurrence of quality incidents and product recalls	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Achieved	Zero product quality incidents in 2025
	Product design incorporates energy efficiency and the use of non-hazardous materials	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Achieved	Incorporate energy conservation, consumption reduction, and the use of non-hazardous materials into product design and process improvement
	Investment in product R&D and technological innovation increases year by year, amounting to no less than 4% of annual sales revenue	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	In Progress	2025 operating revenue $1.093 billion R&D investment: $27.981million, accounting for 2.561% of sales revenue
Environmental Dimension	Increase clean energy usage to 30% by 2030, and achieve carbon neutrality by 2050	7 AFFORDABLE AND CLEAN ENERGY	In Progress	Proportion of clean energy (green electricity) in 2025: 9.29%
	Reduce comprehensive energy consumption per unit product by 20% by 2030 compared to the 2021 baseline year	7 AFFORDABLE AND CLEAN ENERGY	In Progress	Neway Valve's comprehensive energy consumption per unit product in 2025 decreased by 28.55% compared to the 2021 baseline year (2025 carbon data pending calculation)
	Reduce greenhouse gas emissions by 20% by 2030 compared to the 2021 baseline year	13 CLIMATE ACTION	In Progress	Neway Valve's greenhouse gas emissions in 2025 decreased by 21% compared to the 2021 baseline year
	Establish a carbon management system to conduct product carbon footprint accounting, thereby promoting continuous reduction of environmental impact throughout the product lifecycle: Reduce carbon emission intensity per unit output value by 10% in 2026 (using 2025 data as the baseline); reduce carbon emission intensity per unit output value by 30% in 2030 compared to 2025 (using 2025 data as the baseline)	13 CLIMATE ACTION	In Progress	Neway Valve completed carbon footprint verification for 3 products in 2025
	Reduce water consumption per unit product by 5% in 2025 compared to the 2021 baseline, achieving a 15% reduction by 2030	6 CLEAN WATER AND SANITATION	In Progress	Water consumption per unit product in 2025 decreased by 14% compared to the 2021 baseline
	Constantly improving recycling rates of discarded products and utilization of recycled materials through technology innovation	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	In Progress	Enhance the utilization rate of activated carbon by upgrading waste gas treatment facilities

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Highlights	Goals and Commitments	Corresponding SDG Targets	2025 Progress	2025 Initiatives and Performance
Social Dimension	Ensure employee health and safety, with zero occupational diseases and fatal accidents	3 GOOD HEALTH AND WELL-BEING	Achieved	Occupational health checkups conducted in 2025, with zero occupational diseases and fatal accidents
	Comply with national regulations and international conventions, protect employee rights, and consistently uphold zero child labor, zero forced labor, and zero occupational discrimination.	8 DECENT WORK AND ECONOMIC GROWTH	Achieved	Consistently uphold zero child labor, zero forced labor, and zero occupational discrimination
	Continuously increase employee training investment and training hours, ensuring 100% coverage for employees receiving skills-related training and performance and career development evaluations	4 QUALITY EDUCATION	Achieved	In 2025, the coverage rate for employee skills-related training and regular performance and career development evaluations both remained at 100%
	Promote sustainable procurement and enhance the ESG management performance and management level of key suppliers to achievie 30% ESG audit coverage for core suppliers by 2026 and 100% coverage by 2030.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	In Progress	ESG audit coverage rate for core suppliers reached 21% in 2025
	Provide employees with training opportunities and career development platforms, maintaining employee satisfaction consistently above 93%	4 QUALITY EDUCATION	Achieved	The company's employee satisfaction survey result in 2025 was 94.65%
	Expand the company's volunteer team and actively participate in social welfare initiatives and rural revitalization projects, with annual charitable contributions exceeding $42.202 thousand, benefiting over 300 people.	1 NO POVERTY	Achieved	In 2025, the company's cumulative charitable donations exceeded $37.644 thousand. It also funded 82 students through the "One-to-One Student Aid" program and invested $85.966 thousand in rural revitalization initiatives, benefiting more than 300 people.
Governance Dimension	Adhere to compliant and lawful operations, with zero occurrences of serious corruption cases and violations.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Achieved	Zero occurrences of serious corruption cases and violations in 2025
	Promote supply chain security and ESG management, with zero production interruption incidents caused by the supply chain.	17 PARTNERSHIPS FOR THE GOALS	Achieved	Zero production disruption incidents caused by the supply chain in 2025

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Sustainability development milestone events

2022

- **Jan.** Established ESG Committee and Working Group to develop a ESG strategy
- **Mar.** Established energy management policy, energy baseline, objectives and targets
- **May** Conducted first carbon verification for Neway Valve

2023

- **Jan.** Completed first product carbon footprint verification for Neway Valve
- **Jul.** Obtained ISO 50001 energy management system certification
- **Aug.** Delivered first batch of carbon-neutral products
- **Nov.** Liquid hydrogen valves showcased at COP28

2024

- **Mar.** Received Jiangsu Provincial Energy Management System Operation Quality Excellence Award
- **Oct.** Neway Valve published its first ESG report on the Company's official website
- **Nov.** Joined customer T.EN's ESG committee

2025

- **Jan.** Selected as one of China's Top 500 Energy Enterprises in 2024 and recognized as a Jiangsu Provincial Green Factory
- **Feb.** Awarded EcoVadis Bronze Medal
- **Apr.** Neway released its first ESG report on the Shanghai Stock Exchange
- **May** Neway Valve's intelligent factory for mid-to-high-end industrial valves was awarded the title of Jiangsu Provincial Advanced-Level Intelligent Factory
- **Oct.** Neway received an AA ESG rating from Huazheng Index, ranking No. 6 in the industry
- **Dec.** Neway Valve obtained product carbon footprint certifications for three more products

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1.2 ESG material issues

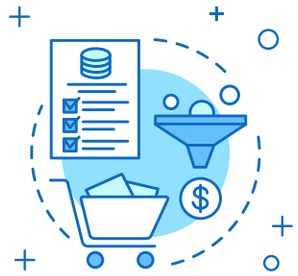
Stakeholder Communication

Neway Valve is committed to building a long-term stakeholder communication mechanism. Through systematic information collection and feedback response, we continuously track and address the core concerns of all parties. Based on an in-depth analysis of stakeholder expectations, the company identifies and assesses material topics and fully integrates key sustainable development topics into the processes of strategic planning, operational management, and performance evaluation. This promotes the synergistic development of economic, environmental, and social benefits and fosters an inclusive, shared, and sustainable multi-party value creation mechanism.









Neway Stakeholder Concerns and Communication Channels

Stakeholder	Material Topics	Communication Channels and Feedback Methods
Customers	Product and service safety and quality Customer service and Satisfaction Innovation drive Data Security and Customer Privacy Protection	Customer satisfaction survey Customer communication meeting Customer complaint Market research
Shareholders and investors	Returns and Growth Sound operations and risk management ESG strategy and governance	Financial report release Shareholder communication meeting Annual and Periodic Reporting
Supply Chain Partners	Code of business ethics Supply chain security Equal treatment for SMEs	Supplier meeting Site audits and supervision Supplier communication and training
Employees	Compensation and benefits Occupational health and safety Employee rights and interests protection Career development and training	Employee satisfaction survey OHS management system Internal meeting Trade union organization
Environment	Environmental compliance management Resource management Clean production Climate change response Energy use Circular economy Ecosystem and biodiversity protection	Pollutant monitoring ESG report Internal meeting
Government and Regulators	Compliance and law abiding Economic development support	Government conference and seminar On-site visit and communication Inspection and Assessment
Community and NGOs	Social contribution Rural revitalization	ESG report information disclosure Public opinion communication and visits

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In 2025, Neway executives attended the SABIC Asia Pacific Supplier Conference and actively strengthened communication with customers, demonstrating the Company's strong emphasis on operational transparency and sustainable development. We also proactively engaged with key stakeholders and shared our experience in carbon management and energy conservation for industry reference.





Invited by our European customer Technip Energies, Neway attended its ESG Summit as an excellent supplier and shared in depth our practices and performance in green manufacturing, carbon management and compliance management. This exchange further strengthened the two parties' shared commitment to sustainable development and also demonstrated Neway's ESG leadership to key stakeholders.

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Material Topic Management

The company follows the "Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies", refers to the "GRI Sustainability Reporting Standards" and "MSCI Rating Criteria", and gathers opinions and suggestions from various professional management departments. Using the quantitative matrix evaluation method for material topics specified in " Self-Regulatory Guidance No. 14 for Listed Companies of the Shanghai Stock Exchange (SSE) – Sustainability Report (Trial Implementation)", it assesses ESG material topics from two importance dimensions - "Impact Materiality" and "Financial Materiality", and establishes an ESG material topics list.

Neway's Steps for Material ESG Topic Identification and Assessment

1 Contextual Understanding

Understanding the company's activities and business relationships

Analyzing the external objective environment

Identifying major affected stakeholders

2 Topic Construction

Based on the 21 core topics from the "Listed Companies Sustainability Reporting Guidelines", supplemented by identifying potential material topics

Identifying topic-related impacts, risks, and opportunities, and summarizing to form the company's topic list

3 Materiality Assessment

Impact Dimension Assessment

Financial Dimension Assessment

Dual Materiality Integration Analysis

4 Topic Reporting

Summarize the process, methods, and conclusions of the dual materiality analysis for the topics, and improve information disclosure as required by the "Listed Companies Sustainability Reporting Guidelines".

Disclose relevant content as required by the "Listed Companies Sustainability Reporting Guidelines"

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Stakeholder engagement and concern of ESG material topic list

Stakeholder	Customers	Investors	Suppliers	Employees	Environment	Government and regulators	Community and NGOs
Material topics	· Product and service Safety and quality · Customer service and satisfaction · Product R&D and innovation · Data security and customer privacy protection	· Returns and growth · Sound operations and risk management · ESG strategy and governance	· Code of business ethics · Supply chain security · Equal treatment for SMEs	· Compensation and benefits · Occupational health and safety · Employee rights and interests protection · Career development and training	· Environmental compliance management · Resource management · Clean production · Climate change response · Energy use · Circular economy · Ecosystem and biodiversity protection	· Compliance and law abiding · Economic development support	· Social contribution · Rural revitalization
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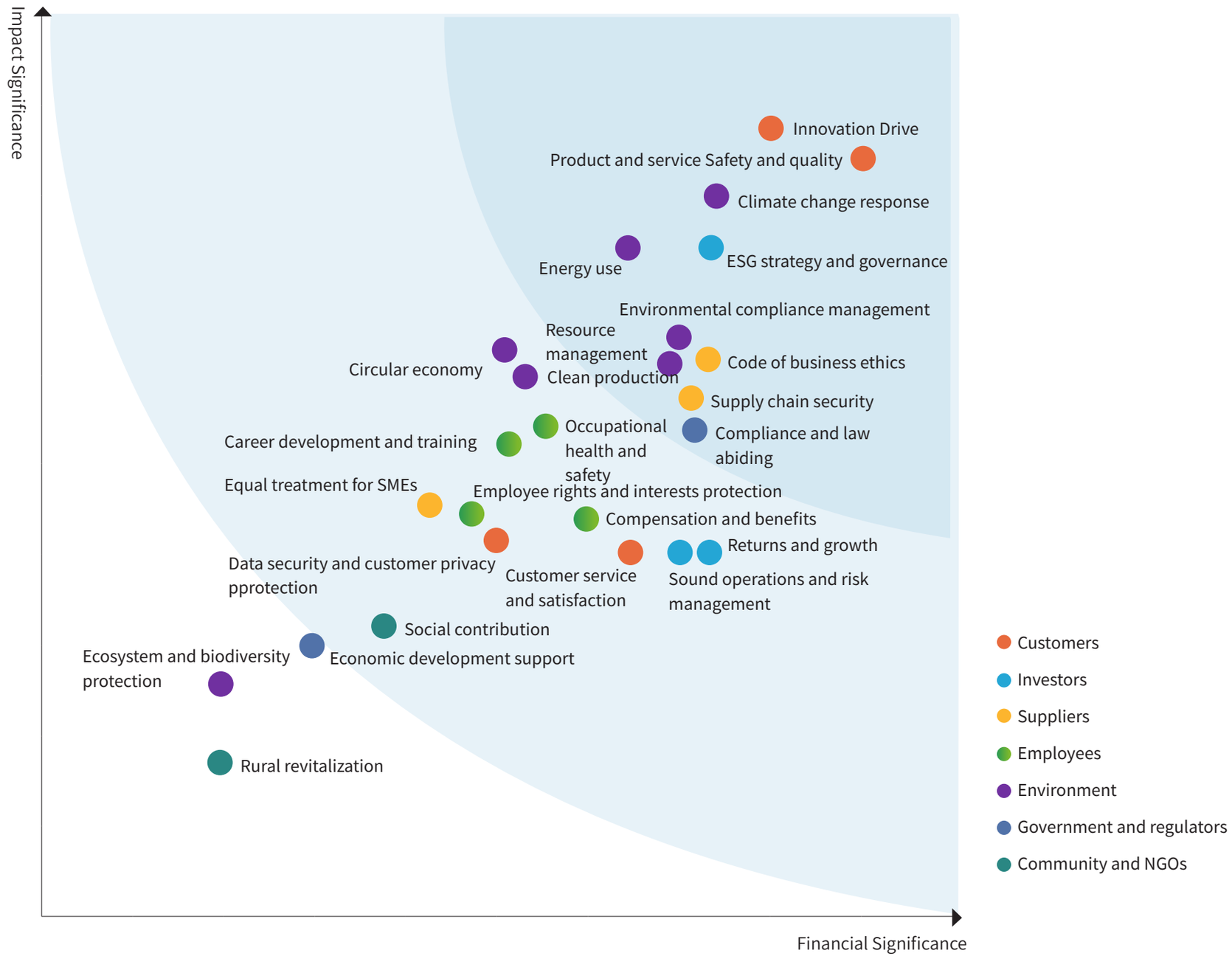
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Neway Material Topic Matrix



02 The Helm of Governance – True Sustainable Development under Wise and Stable Operation

Integrity forms the foundation of corporate development. Neway upholds business ethics as its cornerstone, continuously optimizes its governance structure, fosters an atmosphere of integrity in operations, strengthens risk and compliance management, and actively builds an ecosystem for value co-creation to ensure steady and long-term progress.

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2.1 Corporate Governance

Neway strictly complies with laws and regulations such as the company Law of the People's Republic of China and the Securities Law of the People's Republic of China, as well as relevant regulatory provisions of the China Securities Regulatory Commission and the Shanghai Stock Exchange (SSE). The company continuously improves its governance structure and internal control system. The company has established a standardized and effective corporate governance structure comprising the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee, and the management. This structure has formed scientific decision-making, execution, and oversight mechanisms, ensuring the standardized operation of corporate governance.

The company emphasizes the independence and professionalism of its Board of Directors, which currently consists of nine members, including three independent directors and two female directors. The members possess diverse professional backgrounds and extensive experience in areas such as technical R&D, corporate management, and financial auditing in the valve industry, enabling them to provide comprehensive guidance for the company's strategic planning and operational decision-making. The independent directors diligently fulfill their duties, playing a crucial role in supervising operations and protecting the interests of minority shareholders. They actively participate in deliberations to ensure that decisions are fair and scientifically sound. Meanwhile, the Supervisory Committee independently performs its oversight responsibilities, effectively safeguarding the legitimate rights and interests of the company and all shareholders.

Through a sound governance structure and effective internal control, the company ensures the legality and compliance of its operations and management, the security of its assets, and the truthfulness, accuracy, and completeness of its financial reports. This has laid a solid foundation for the company's sustained and stable operation and value enhancement. The company will continue to optimize its governance, continuously enhance corporate value, and deliver returns to shareholders and society.

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2.2 Business Ethics

Neway consistently regards integrity in operations and compliance governance as the lifeline for its sustainable development. We firmly believe that only by adhering to the highest standards of business ethics can we earn the long-term trust of customers, partners, and society. To this end, the company has established a business ethics management system with "prevention first, supplemented by supervision, and combining punishment with prevention" at the core. By improving institutional processes, strengthening risk management and control, deepening education for all employees, and strictly binding value chain partners, the company ensures adherence to ethical and legal bottom lines in all business activities.

Improving Institutional Policies and Compliance Processes

Guided by the "Code of Conduct and Ethics" as the overarching document and supported by specific policies such as the "Anti-Corruption Policy" and the "External Gifts Management Measures," the company explicitly prohibits any form of bribery, corruption, or conflict of interest. All employees are required to sign relevant commitments upon joining the Company. Business ethics clauses are fully integrated into the supplier cooperation framework, requiring suppliers to sign the "Standard Business Conduct Guarantee Agreement." This agreement commits them to refrain from offering improper benefits, participating in illegal bid-rigging, etc., and to proactively report any related-party relationships, thereby eliminating compliance risks at the source.



Deepening Supply Chain Compliance and Collaborative Management

The company extends its business ethics requirements to the upstream and downstream of its supply chain, requiring suppliers to jointly sign the "Integrity Co-construction Agreement" and attaching the Anti-Corruption Compliance Undertaking as a mandatory annex to contracts, clearly stipulating the consequences of breach. Through access qualification reviews and ongoing supervision of key suppliers, the company works collaboratively to build a transparent and open procurement environment, reducing compliance risks across the value chain.

Strengthening the Internal Supervision and Risk Management System

Full-Process and Special Audits: For high-integrity-risk areas such as gifts and hospitality, procurement, and bidding, the company implements closed-loop, full-process management and conducts regular reconciliation of accounts and physical assets. The Audit Department conducts annual special audits on business ethics. Through systematic reviews, it identifies process loopholes and promotes a virtuous cycle of "inspection, rectification, and improvement".

Corruption risk assessment: The company conducts regular company-wide corruption risk assessments and utilizes data analysis to dynamically identify potential risk points, providing a basis for management decisions.

Anonymous Reporting Mechanism: The company has established and continuously optimizes multi-channel, independent reporting platforms (including dedicated email, hotline, and postal mail). It solemnly commits to maintaining 100% confidentiality for real-name reports and conducting mandatory investigations. In 2025, the company maintained a record of zero reported cases, reflecting the effectiveness of its internal controls and the entrenchment of its integrity culture.

Continuously Advancing Capacity Building and Fostering a Culture of Integrity

The company firmly believes that "education is the best prevention".Through regular anti-commercial bribery training, we continuously enhance all employees' ethical awareness and risk prevention awareness. In 2025, the company conducted anti-corruption training for 4,459 person-times, achieving 100% employee coverage and maintaining a 100% management participation rate for the fourth consecutive year. The training content is closely aligned with business practices, covering key topics such as conflicts of interest, gift handling, confidentiality obligations, and reporting procedures.

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Neway Business Ethics Performance Indicators

Indicator	2023	2024	2025
Anti-commercial bribery and business ethics training (person-times)	3,744	4,053	4,459
Employee anti-commercial bribery training coverage rate	100%	100%	100%
Anti-commercial bribery training coverage rate of management employees	100%	100%	100%
Number of reported cases (times/year)	0	0	0

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2.3 Risk Control and Audit

In the face of a complex and ever-changing macro environment and industry challenges, Neway is committed to building and continuously optimizing a risk management and control framework that covers the entire process, including strategic decision-making, operational execution, and financial compliance. During the year, we continued to implement multi-dimensional initiatives such as strengthening top-level design, deepening process integration, improving the information database, enforcing rigorous audit supervision, and fostering a risk-aware culture among all employees. These efforts systematically enhanced the Company's overall capabilities in risk early warning, response, and resilience, ensuring we seize development opportunities while maintaining sound operations.

Enhancing the Risk Management System

Neway has established a strategic objective-oriented top-level risk management architecture, deeply integrating risk tolerance assessment, target setting, and identification of significant risks into its annual business planning. By establishing a closed-loop management mechanism that covers risk identification, analysis and assessment, response strategy formulation, internal control implementation, and audit verification, the company has achieved dynamic monitoring and tiered control over core risks in strategy, market, operations, finance, and compliance. This provides systematic safeguards for the Company's steady progress.

Risk Identification, Assessment, and Core Information Database Development

The company continues to promote the deep integration of risk identification activities into all business processes. It has established a routine scanning and analysis mechanism for both internal and external operating environments and regularly organizes comprehensive risk screening and assessment across all business units and functional departments. This ensures timely and thorough identification and effective response to various risks. Based on the assessment results, the company further consolidated its core risk information database covering the five major areas of strategy, market, operations, compliance, and finance, providing precise data support for risk management decision-making and early warning.

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Internal Control Implementation and Audit Supervision

Neway embeds risk management and control requirements into key business processes through institutionalized management, process-based controls, and regular supervision. We strictly conduct regular internal spot checks and special audits, completing a total of 62 audit projects in 2025. For issues identified in audits, we resolutely implement corrective actions and track their effectiveness, forming a virtuous cycle of "inspection - correction - improvement". In addition, building upon external audits, the company continuously conducts annual internal control self-assessments to provide internal momentum for system optimization.

Fostering a Compliance Culture and Building Risk Prevention and Control Awareness Exhaust Gas Management

To strengthen employees' compliance culture and risk control awareness, the Company, in collaboration with multiple departments including Audit, Legal, and Finance, conducts comprehensive compliance and risk training for all managers and employees across the group. In 2025, training coverage was further increased to approximately 4,459 person-times, maintaining a 100% participation rate for all employees for multiple consecutive years. This has effectively enhanced employees' capability for compliant operations and their proactive risk identification awareness, solidifying the talent foundation for risk prevention and control.

Anti-Unfair Competition

In the area of anti-unfair competition, Neway strictly adheres to the principles of voluntary, equal, compensated, and good-faith transactions. It resolutely opposes unfair competition practices such as disparaging competitors or damaging others' commercial reputation, upholds integrity in business operations, ensures all advertising complies with relevant laws and regulations, and prohibits the use of absolute or exclusive language. In 2025, the company did not engage in any violations such as false advertising or misleading consumers in its various promotional activities, nor did it receive any related complaints or reports. In the future, Neway will continue to strengthen internal compliance review and risk prevention and control, accept social supervision, and jointly maintain a fair and competitive market environment.



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2.4 Information security and privacy protection

Neway regards information security as the lifeline for corporate survival and development in the digital era and actively builds a first-class information security governance system. Guided by the core concepts of "defense in depth, proactive control, and continuous improvement," the company has established a closed-loop management system covering the entire "prevention-control-response" cycle by improving institutional safeguards, solidifying technical defenses, strengthening operational resilience, and strictly adhering to privacy compliance. This year, the company continued to maintain its good record of zero major information security incidents, providing a solid guarantee for fulfilling its digital responsibility in ESG governance.

Improving the Information Security Governance and Institutional System

Neway has established an information security management framework coordinated by the Information Department with the collaboration of all business units. It continues to improve its institutional system, centered on the "Information Security Management Regulations" and "Data Backup Regulations," which clearly define requirements for the full life-cycle management of networks, systems, terminals, and data.

Strengthening Security Operations and Sustained Assurance Capabilities

The company ensures the effectiveness of its protection system through routine security operations mechanisms. Specific measures include conducting ongoing employee security awareness training, maintaining 100% coverage of key positions for multiple consecutive years, and implementing dynamic privilege revocation and accountability for violations. Furthermore, by leveraging real-time traffic monitoring, emergency response plan drills, and security incident response procedures, the company ensures its capability for rapid detection and handling of potential threats.

Consolidating the Technical Architecture for Defense in Depth

The company adopts a full-chain protection strategy covering "Terminal-Network-System-Data". At the terminal level, advanced endpoint protection and behavior auditing systems are deployed. At the network perimeter, technologies such as next-generation firewalls (NGFW) and threat detection (e.g., Traps/WildFire) are used to establish security zones and enforce strict access controls. At the system level, the principle of least privilege design and regular reviews are strengthened for core systems (e.g., SAP). At the data level, comprehensive strategies for encrypted transmission and storage, along with off-site disaster recovery, are implemented to ensure business continuity and data integrity.

Strictly Upholding the Bottom Line of Privacy Protection and Data Compliance

The company deeply integrates privacy protection into its business processes, adheres to the principle of data minimization in collection, and strictly prohibits the unauthorized dissemination of sensitive information. At the technical level, privacy data is subject to encrypted storage, authorized access, and operation record as evidence. This year, privacy protection compliance risk assessments continued to achieve 100% coverage of all business units. An independent complaint and 48-hour response mechanism was established to effectively safeguard the data rights and interests of customers and employees.

03 The Core of Development – Innovation as the Engine, Quality as the Trust

Neway consistently regards innovation as the driving force for development, building the corporate lifeline with exceptional quality. We focus on creating top-tier valve products that meet the needs of global customers through continuous technological breakthroughs and process innovations.

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3.1 R&D and Innovation

Neway has always adhered to the core philosophy of "Technology Leads the Future" and has actively established a systematic R&D and innovation mechanism. Since its establishment, the company has continuously increased its R&D investment. Leveraging leading technology platforms both domestically and internationally, it has assembled a high-caliber R&D team composed of experienced technical personnel and management elites to ensure efficient R&D progress. Leveraging profound theoretical knowledge and extensive practical experience, the team continuously drives technological innovation and product upgrades, significantly enhancing product performance and overall competitiveness.



In 2025, Neway Valve (Suzhou) Co., Ltd. was recognized as one of the "Top 100 Suzhou Private Enterprises in R&D Investment" by the Suzhou Federation of Industry and Commerce

In 2025, the company further strengthened its R&D and innovation engine, expanding its professional R&D team to 412 members and investing $27.981 million in R&D funding. The sustained increase in capital and human resources investment has consolidated the technological barriers, injected innovative momentum into performance growth, and become the core competitiveness driving the Company's high-quality development. Its innovation management encompasses full-cycle R&D process management, multi-channel talent incentives, and a sound intellectual property protection system.

Neway's technology innovation and R&D performance

Indicator data	2023	2024	2025
R&D investment (in millions of $)	26.454	23.444	27.981
Number of R&D personnel (persons/year)	352	380	412
Proportion of R&D personnel by education level (Master's ： Bachelor's)	17 ： 285	23 ： 309	37 ： 338
Number of patents granted (items/year)	51	63	87

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

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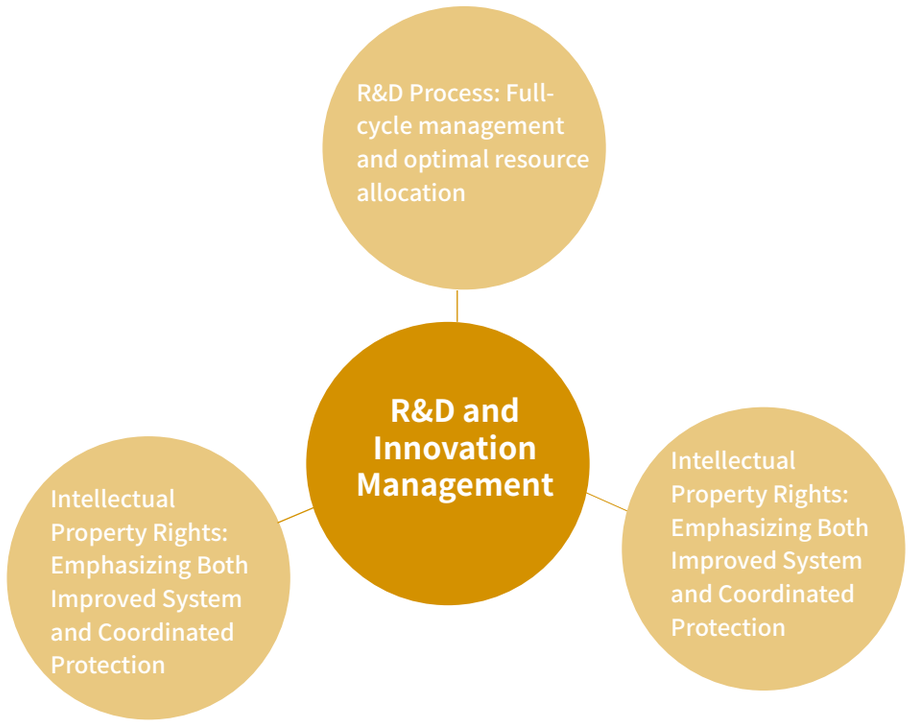
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Neway R&D and Innovation Management System

R&D Process Management

The company has established a full-lifecycle R&D project management system, covering project initiation, process monitoring, assessment and evaluation, and results commercialization. By implementing a project leader responsibility system and an interdisciplinary expert review mechanism, the company ensures the optimal allocation of R&D resources and scientific decision-making for projects. Simultaneously, the company implements strict funding management, employing specialized approaches such as budget control and benefit evaluation to ensure the precision and effectiveness of R&D investment.

R&D Talent Incentives

Neway has established a generous talent incentive system, including policies such as the "Paper Selection and Reward Policy," "Annual Progress Plan Reward," "Patent Management System," "Engineer Grade Evaluation System," and "Neway Valve Technology Innovation Incentive Management Regulations". The company provides multi-channel development paths (e.g., design, product management, and technology innovation) and places stronger emphasis on compensation incentives, offering bonuses and rewards to personnel who achieve R&D results or drive progress, fostering an open and inclusive innovation culture.





The company attaches great importance to R&D and innovation, strongly encouraging R&D personnel to explore boldly and make breakthroughs, fully stimulating their enthusiasm and creativity, thereby injecting continuous vitality into the ongoing optimization and upgrading of products.

Intellectual Property Protection

Since 2013, the company has actively engaged in the standardization of intellectual property management. As of the reporting period, Neway Valve and Neway Equipment have maintained their intellectual property management system certifications, forming a comprehensive management system with standardized processes for intellectual property. Meanwhile, the company emphasizes the coordinated protection of patent rights, trademark rights, and trade secrets, having established specialized systems covering patents, trademarks, and trade secrets. Internally, the company has established an intellectual property reward and penalty mechanism and a confidentiality management system, regularly preparing risk assessment reports and search reports to lay a solid intellectual property foundation for R&D projects. As of the reporting period, Neway Valve has cumulatively filed over 500 patent applications domestically and internationally, including 202 published domestic invention patent applications and 15 PCT patent applications. It currently holds over 200 valid patents and possesses over 200 valid registered trademarks both in China and abroad. Furthermore, the "Neway" trademark has been recognized as a China Well-Known Trademark and a Jiangsu Province Famous Trademark, while "NEWAY" has been rated as a Jiangsu Province Key Cultivation and Development International Famous Brand.

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List of Authorized Patents Held by Neway (Partial)

No	Patent name	Category
1	Subsea valve hydraulic actuator	Invention
2	Geothermal wellhead equipment	
3	Compact subsea hydraulic dual-valve assembly	
4	Safety valve with redundant backpressure balance device	
5	Special tool for mechanical limit switch travel control	
6	Safety valve performance test tool and method	
7	Safety valve pushrod mechanism and safety valve blockage test device	
8	Safety valve with reseat adjustment	
9	Pilot-operated safety valve	
10	A forging method for eccentric valve bodies used in Christmas trees	
11	A duplex stainless steel and its manufacturing method	
12	Hydraulic balanced bi-directional valve for subsea compensation equipment, and subsea compensation equipment	Utility model
13	Protective high/low pressure fracturing manifold	
14	Sand discharge device and fracturing valve	
15	Connector lock device for subsea blowout preventer (BOP) control boxes, and subsea BOP control box	
16	All-metal sealing mechanism and metal ball valve	
17	Pressure regulating valve and subsea BOP control box	
18	Subsea pilot-operated control valve and subsea BOP control box	
19	Sealing structure and subsea sealing device	
20	Breathing valve and portable online calibration device for breathing valve	
21	Main steam safety valve for steam leak prevention	
22	Safety valve	
23	Position indicator adjustment tooling	





Neway Oil Equipment and Neway Valve have obtained the certificates for Intellectual Property Compliance Management System Certification

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3.2 Sci-tech R&D achievements

■Breakthroughs in Product Technology

Neway Valve is making a comprehensive push in the high-end valve sector. Through continuous innovation, it has achieved significant progress in multiple areas, including ultra-low temperature and high-pressure special materials. By 2025, the company had cumulatively completed the R&D of over ten key products, with many technical indicators reaching internationally advanced levels, enabling import substitution and contributing to the localization of energy equipment. The company places emphasis on market engagement. Guided by the strategy of "domestic substitution for imports," it actively responds to the demand for special valves in emerging sectors such as new energy and nuclear power. Leveraging its independent R&D system to accelerate technological upgrades, it has achieved breakthroughs in key technical areas including offshore engineering/shipbuilding and LNG, successfully overcoming technical challenges in multiple core projects.

Cryogenic Valve Technology

Product Name	Core Content of Technological Breakthroughs	Key Performance Indicators	Applications
Reversable Flow Swing Check Valve	Completed the development of an NPS30 Class 150 cryogenic reversable flow swing check valve, meeting the requirements for LNG receiving terminal projects	Passed comprehensive third-party testing, with all indicators meeting the expected requirements	LNG receiving terminals, cryogenic storage and transportation systems
Cryogenic Eccentric C-Type Ball Valve	Achieved full-series R&D from NPS 1/2 to 24 and obtained Shell DVT type test certification	Demonstrates excellent bidirectional sealing performance and operational stability under cryogenic conditions	Cryogenic operating conditions, energy equipment
Cryogenic Double Eccentric Butterfly Valve	Achieved technological breakthroughs through structural innovation and completed performance and lifespan testing	Achieved bidirectional sealing performance meeting 1/10 of the BS6364 standard under cryogenic conditions, validated through hundreds of opening/ closing cycles	LNG carriers, air separation units



Reversable Flow Swing Check Valve



Cryogenic Double Eccentric Butterfly Valve



Cryogenic Eccentric C-Type Ball Valve

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High-Pressure Valve Technology

Product name	Core Content of Technological Breakthroughs	Key Performance Indicators	Applications
15000 psi High-Pressure Metal-Seated Ball Valve	The successful development marks a major breakthrough in the field of high-pressure ball valves, providing support for Shell orders	It provides a reliable solution for high-pressure operating conditions through PR2F testing	Petrochemical, high-pressure energy systems
FPSO Large-Diameter High-Pressure Special-Material Valves	Successfully developed 69 MPa high-pressure nickel-based valves and 103.5 MPa high-pressure super duplex steel valves in 2025	Set a new performance record in this field and passed international customer testing and acceptance	Offshore oil and gas exploration, FPSO equipment

High-Pressure Valve Technology

Product name	Core Content of Technological Breakthroughs	Key Performance Indicators	Applications
Nuclear Class 1 Axial Flow Check Valve	Completed qualification work, breaking through the technical barriers for nuclear-grade equipment	Meets the safety standards for nuclear-grade equipment	Nuclear power plants, nuclear-grade equipment
Nuclear-grade check valve with position indicator	Participated in the R&D of the anti-backflow device for the ACPR50S experimental reactor	Achieved localization of key nuclear-grade equipment	Nuclear Reactor Systems
Severe Accident Relief Valve	Completed the manufacturing of Nuclear Class 1 Severe Accident Relief Valves for domestic users	Enhances nuclear safety assurance capabilities	Nuclear Power Plant Safety Systems

Offshore Engineering Equipment Technology

Product name	Core Content of Technological Breakthroughs	Key Performance Indicators	Applications
Subsea ball valve	Independently developed an 18" 2500LB subsea ball valve for 2000m water depth, capable of covering large-diameter orders from 14" to 22"	Broke through foreign technological monopolies and validated design and manufacturing capabilities	Deep-sea oil and gas development, subsea equipmen
CM-4110-05 Choke Manifold System	Adopts an integrated modular design with localized core components	Awarded the 2025 Su-Xi-Chang First (Set) Major Equipment Award	Offshore oil drilling platforms
Offshore Platform Automatic Control Systems	Developed a 140 MPa offshore platform choke and kill	Supports unattended platform retrofitting and completed the delivery of the first project	Offshore Platform Automation Control



CM-4110-05 Compact Choke Manifold System for Offshore Oil Drilling Platforms



Subsea Ball Valve

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Achievements in material and process innovation

Product Name / Field	Core Content of Technological Breakthroughs	Key Performance Indicators	Applications
Precision Forging Series Products	Overcame the material utilization challenge for Y-pattern globe valve bodies, achieving high-efficiency material savings	The T-shaped profiling process facilitates deep material savings for three-way valve bodies	High-end Equipment Manufacturing
Composite Polymer Seat Ball Valve	Developed a fully welded ball valve with a composite polymer seat, replacing rubber seats	Passed the high-pressure gas sealing switching cycle life test	Valves for Special Operating Conditions

Neway has achieved comprehensive technological breakthroughs in the high-end valve sector, covering critical areas such as cryogenic, high-pressure, offshore engineering, and nuclear-grade equipment. These breakthroughs have not only achieved import substitution and broken foreign technological monopolies but, more importantly, have established a complete technological system, providing solid support for the localization of energy equipment. Through material innovation, process optimization, and product upgrades, the company has built a technology platform with independent intellectual property rights, demonstrating strong innovation capabilities and market competitiveness.

■ Industry Empowerment

As a leading enterprise in high-end valve manufacturing, Neway continuously injects momentum into the overall upgrading of the industrial chain through its deep involvement in the development of industry standards and cooperation in international high-end projects. The company feeds technological innovation back into the industry ecosystem, transforming practical achievements into shared value. While enhancing its own core competitiveness, it is committed to advancing the voice of "Made in China" in the global energy equipment sector.

Co-developing Standards to Lead Industrial Upgrading: Neway actively translates its technological accumulation, validated through major projects, into industry norms, taking the lead in formulating multiple national and group standards. By integrating technological innovations from its advantageous fields, such as ultra-low temperature valves and nuclear valves, into the standard system, it provides the industry with technical benchmarks and quality guidelines. This drives the coordinated development of small and medium-sized enterprises in the industrial chain and promotes the overall improvement of the industry's technical level and standardization process.

International Cooperation Showcases China's Strength: With its robust technical strength, Neway is deeply involved in major global energy projects, continuously supplying high-end equipment to the international nuclear energy and clean energy sectors. Its batch supply of key valves for international scientific and engineering projects represents a breakthrough in the overseas nuclear power market, showcasing the caliber of "Made in China". In 2025, the company continued to deliver nearly a thousand valves to the ITER project. Following the HPC project in the UK, it gained further customer recognition, accelerating the global expansion of its nuclear power products.



On September 8, 2025, a delegation from the China Petroleum Society Standardization Committee (CPSI) and the American Petroleum Institute (API) visited Neway.

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

Standard Number	Standard name	Name of participating unit
GB/T 40079-2021	Classification and qualification processes for valve fugitive emissions testing	Neway Valve (Suzhou) Co., Ltd.
JB/T 14318-2022	Oxygen butterfly valve	Neway Valve (Suzhou) Co., Ltd.
T/CGMA 0405-2022	General testing methods for hydrogen cryogenic valves	Neway Valve (Suzhou) Co., Ltd.
T/CGMA 0406-2022	Safety requirements and testing methods for high-pressure hydrogen valves	Neway Valve (Suzhou) Co., Ltd.
T/CGMA 0407-2022	General technical specifications for hydrogen cryogenic valves	Neway Valve (Suzhou) Co., Ltd.
T/CMEPCA 100-2025	Technical Requirements for Special Valves for Hydrogen Storage and Transportation	Neway Valve (Suzhou) Co., Ltd.
GB/T 46656-2025	Valves for Cryogenic Vessels	Neway Valve (Suzhou) Co., Ltd.
GB/T 43949-2024	Configuration and technical requirements for offshore mobile drilling platforms and drilling systems	Neway Oil Equipment (Suzhou) Co., Ltd.
T/CPCIF 0282-2023	Evaluation criteria for valve suppliers in oil & chemical industry	Neway Oil Equipment (Suzhou) Co., Ltd.
GB/T 12241-2021	General requirements for safety valves	Wujiang Dongwu Machinery Co., Ltd.
GB/T 12242-2021	Performance test methods for pressure relief devices	Wujiang Dongwu Machinery Co., Ltd.
GB/T 29026-2012	Spring direct loaded safety valves for cryogenic media	Wujiang Dongwu Machinery Co., Ltd.
GB/T 43619-2023	Controlled safety pressure relief systems for overpressure protection devices	Wujiang Dongwu Machinery Co., Ltd.



Examples of Standards the company Participated in Developing

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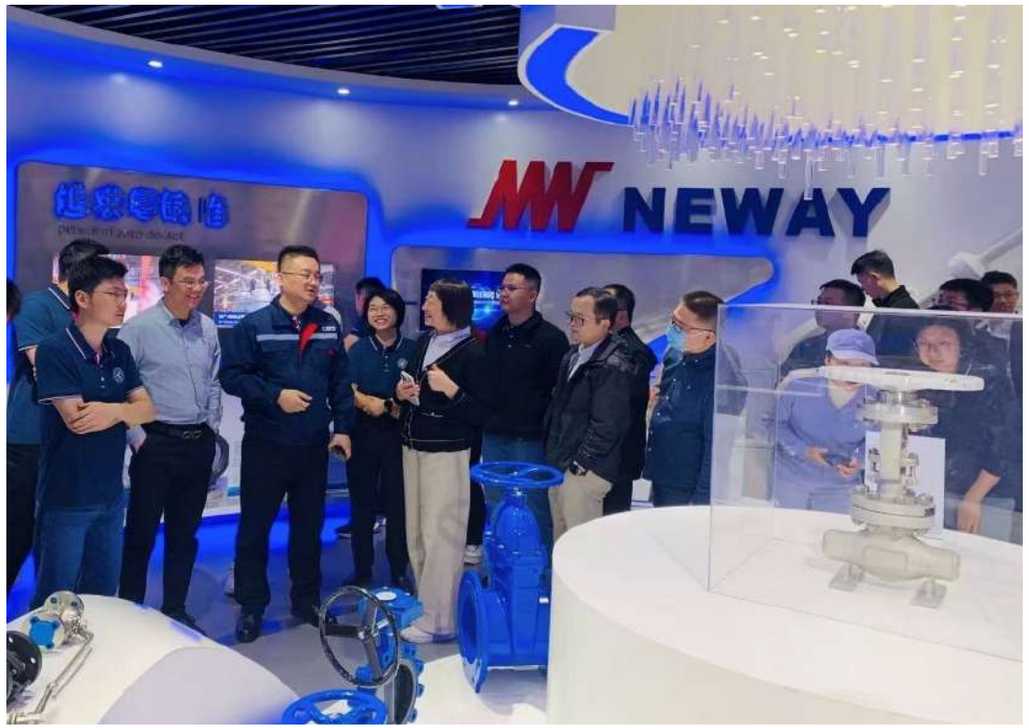
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Industry-academia-research collaboration

Neway places equal emphasis on independent R&D and external collaboration. Relying on its R&D centers, the company has established long-term and stable industry-academia-research partnerships with leading universities such as Soochow University, Zhejiang University, and Lanzhou University of Technology, as well as research institutes including the Institute of Metal Research, Chinese Academy of Sciences, Shanghai Nuclear Engineering Research & Design Institute, Nuclear Power Institute of China, and China Nuclear Power Engineering Co., Ltd. (CNPE). By effectively integrating the technical and talent resources of these partners and closely aligning with practical industrial needs, Neway conducts joint research and development on new products, technologies, and processes. This not only promotes the engineering and industrialization of research outcomes from academic and research institutions but also injects strong momentum into the company's continuous enhancement of independent innovation capabilities and the accelerated transformation of technological achievements into real productive forces.

Under this cooperation framework, Neway also engaged professors from Soochow University as consultants to jointly advance the implementation of AI application projects. The deep integration of industry, academia, and research has formed a virtuous cycle of complementary strengths and mutual empowerment: the company enhances its core competitiveness by leveraging cutting-edge research capabilities, while universities and research institutes validate and translate research outcomes through practical application scenarios, enabling both sides to benefit from collaborative innovation.





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3.3 Quality management

■Quality Policy and Performance

Driven by continuous improvement to comprehensively enhance product quality

Strengthening management as the foundation to deeply enhance customer satisfaction

Neway regards quality management as the core of corporate governance. Adhering to the quality policy of "Continuous Improvement for Enhanced Product Quality; Strengthened Management for Increased Customer Satisfaction," and benchmarking against international standards, all subsidiaries have successively obtained ISO 9001 Quality Management System certification. On this foundation, a product quality management system covering the entire process from design and development to service has been established, which clarifies the processes, responsibilities, authorities, and resource requirements for quality management to ensure the orderly execution of quality management activities. Supported by a robust quality management system, the company has achieved significant results in quality performance. By strictly controlling every step from production to inspection, the first-time pressure test pass rate and the in-process pass rate of the company's products have consistently remained above 96% from 2003 to 2025, demonstrating an unwavering commitment to high quality.



ISO 9001 Quality Management System certificates of certain Neway subsidiaries

Final Inspection Pass Rate of Neway Products (2023-2025)

Quality indicator	2023	2024	2025
Neway Valve (Suzhou) Co., Ltd.	99%	99%	99%
Neway Oil Equipment (Suzhou) Co., Ltd.	99%	99%	99%
Neway Industrial Material (Suzhou) Co., Ltd.	100%	100%	99%
Neway Precision Forging (Liyang) Co., Ltd.	90%	92%	92%
Neway Industrial Material (Dafeng) Co., Ltd.	99%	100%	100%
Wujiang Dongwu Machinery Co., Ltd.	96%	96%	97%



On February 20, 2025, a grand ceremony was held at the Taishan Road ball valve manufacturing plant in Suzhou to celebrate the delivery of Neway's 10 millionth valve

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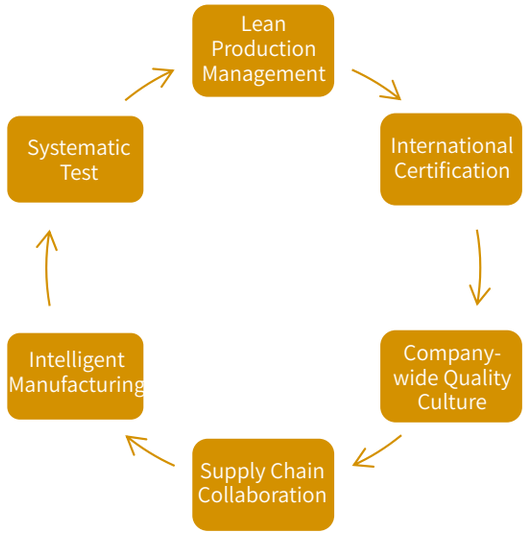
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Total Quality Management Measures

Neway actively advances quality management measures through lean production management, systematic test, intelligent manufacturing, supply chain collaboration, a company-wide quality culture, and international certification. Moving forward, the company will further strengthen data-driven and green supply chain management, continuously enhance product quality and customer value, and lead the industry in high-quality development.



Lean Production Management

The company has introduced advanced management methods such as Lean Production and Six Sigma to establish a production process optimization system. The company promotes standardized work instructions to ensure unified operational norms for employees; sets up key control points and establishes a real-time feedback mechanism to immediately correct any anomalies and prevent defects from flowing into the next process. Data shows that over the past three years, the company's production efficiency has significantly improved, and the first-pass yield of products has been continuously optimized, gradually building an efficient and stable production ecosystem.

Systematic Test

Neway has established a product verification and test system covering the entire life cycle. This system implements multi-dimensional testing from raw materials to finished products, ensuring the reliability of basic product functions through routine tests and validating their durability in complex environments via simulation of extreme operating conditions. The laboratories are equipped with advanced testing equipment capable of conducting various in-depth testing and analyses. Simultaneously, by collecting and analyzing quality data throughout the entire product process, the company achieves early detection and correction of defects, thereby actively improving product quality.





Neway Industrial Material (Suzhou) Co., Ltd. and Neway Oil Equipment (Suzhou) Co., Ltd. have obtained CNAS laboratory certificates



In 2025, leveraging its advantages in advanced laboratory conditions, testing equipment, and strong R&D and innovation capabilities, Neway Industrial Materials was recognized as a Suzhou Foreign-funded R&D Center.



Room-temperature tensile equipment



Spectrometer



High-temperature tensile equipment



Rockwell Hardness Tester

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Intelligent Manufacturing:

Neway drives quality enhancement through digital technology, having established a provincial-level "Advanced Intelligent Factory." It utilizes robotic automated production lines to improve the processing efficiency of multi-specification products. Through real-time monitoring via the MES system and the APS advanced planning and scheduling system, the company accurately responds to order demands and enhances delivery reliability. In terms of processes, CAE software is employed to prevent defects, and Test and management systems have been developed to enable predictive maintenance and quality traceability. In 2025, the company obtained Certification for its Integration of Informatization and Industrialization and Digital Transformation Management System, marking that its intelligent quality control has entered a standardized stage.


数字化转型管理体系评定证书
Digital Transformation Management Systems Certificate
AAA
苏州纽威阀门股份有限公司


两化融合管理体系评定证书
AAA
苏州纽威阀门股份有限公司

In 2025, Neway Valve (Suzhou) Co., Ltd. obtained Certification for its Integration of Informatization and Industrialization and Digital Transformation Management System



In 2025, Neway Valve was awarded the title of "Jiangsu Provincial Advanced Intelligent Factory

Supply Chain Collaboration

Neway has established a comprehensive "Supplier Management Control Procedure." Through technical, quality system, and compliance reviews, it ensures that raw materials and components meet international standards. The company classifies suppliers according to relevant procedures and implements targeted differentiated management. It has also established a monthly performance evaluation and on-site inspection system and actively conducts special audits. Furthermore, the company promotes collaborative improvement through supplier capacity-building training and a quality-sharing platform. Over the past three years, the qualification rate of purchased raw materials has increased significantly, forming a high-quality value chain ecosystem.

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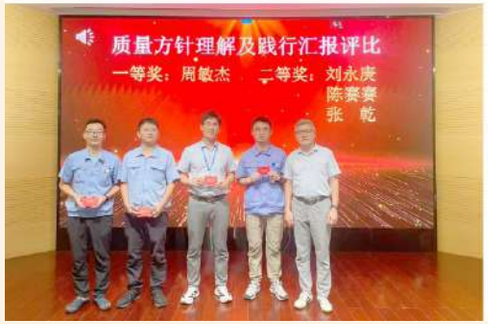
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Company-wide Quality Culture

Through regular institutionalized training, such as regular standard interpretation, testing technology enhancement, and customer case sharing, the company ensures employees master quality management requirements. A quality reward and incentive mechanism has been established to commend teams and individuals who excel in defect prevention and process optimization. Cultural activities such as quality knowledge competitions, Quality Month, and self-inspection skill contests are actively organized to foster a shift in quality awareness from institutional compliance to behavioral self-discipline.









In active response to the national call for the "Quality Month" campaign and in close alignment with the annual theme of "Strengthening Total Quality Management and Promoting the Building of a Quality Nation," the company successfully organized a series of "Quality Month" activities in 2025.











In 2025, the company organized English speech and professional skills competitions for employees, actively providing a platform for self-expression and skill exchange, further deepening cross-departmental communication, and strengthening the spirit of collaboration.

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International Certification Recognition

Thanks to its outstanding product quality management, Neway has earned certification and recognition from numerous international authoritative bodies and renowned oil companies, including the API 591 certificate, network access certificates from Sinopec and China National Petroleum Corporation, CE certification from Bureau Veritas (BV), and Shipping (ABS) type approval for marine valves from American Bureau. As of the reporting period, the company has successfully obtained type approvals from the American Bureau of Shipping (ABS) and Nippon Kaiji Kyokai (NK) for cryogenic marine valves. Concurrently, the company has strategically expanded into the water valve sector, successively securing core qualifications such as Watermark and WRAS drinking water certification, further consolidating Neway's leading position in the global valve industry.













Authoritative Certifications Obtained by the company (Partial)

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3.4 Customer Service and Relationship Management

Neway regards customer service as a crucial pillar for its sustainable development and is committed to building a customer relationship management system that spans the entire product lifecycle. Guided by customer needs, we continuously fulfill our responsibility commitment to customers through a systematic service network, a transparent complaint handling mechanism, and a data-driven strategy for enhancing satisfaction, achieving the integration of economic and social value.

Full-lifecycle Customer Service System

The company has established a service system covering the entire product lifecycle, deeply integrating into customer operations. Leveraging its global network, the company provides one-stop services from initial consultation to post-installation upgrades. Its professional teams customize fault diagnosis and operation & maintenance solutions to enhance customer operational efficiency. To strengthen collaboration, the company regularly organizes technical seminars and training sessions to share experience, and participates in industry forums to discuss trends and dig out needs. Regarding service assurance, the company has established dedicated channels for rapid response to urgent needs. Through regular follow-ups and preventive maintenance, it extends product lifespan, reduces replacement frequency, and embodies environmental protection principles.

Customer Complaint Management Mechanism

Adhering to the philosophy that "every complaint is an opportunity for improvement," the company has established a closed-loop customer complaint management process based on the ISO 9001 standard. This process covers acceptance, determination, analysis, prevention, verification, and traceability, ensuring timely, transparent, and effective handling of customer feedback. The company clarifies cross-departmental collaboration responsibilities and processing timelines, incorporates complaint handling efficiency and quality improvement outcomes into performance evaluations, and reinforces service awareness among all employees.

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Satisfaction survey

The company implements the "Customer Satisfaction Management Procedure," systematically collecting evaluations from domestic and international customers on product performance, delivery timeliness, technical services, etc., through diverse methods such as annual questionnaires, interviews, and on-site visits. The survey results help identify service shortcomings and directions for product improvement, providing a basis for the company's strategic adjustments. Based on these insights, the company optimizes its operational processes, addresses delivery schedule issues, and enhances production capacity and delivery reliability. Statistics show that Neway Valve's overall customer satisfaction has been on an upward trend over the past three years. The company's continuously improving customer service system is playing a positive role, effectively fostering the healthy development of relationships with its customers.

Neway Customer Satisfaction Scores, 2023-2025

Company Name	2023	2024	2025
Neway Valve (Suzhou) Co., Ltd.	90.10	90.80	92.38
Neway Industrial Material (Suzhou) Co., Ltd.	97.23	97.70	98.16
Neway Industrial Material (Dafeng) Co., Ltd.	97.82	98.63	99.20
Wujiang Dongwu Machinery Co., Ltd.	98.40	97.99	97.52
Neway Oil Equipment (Suzhou) Co., Ltd.	91.00	92.60	89.90
Neway Precision Forging (Liyang) Co., Ltd.	96.50	97.00	93.00

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

Product Recall and Quality Commitment

The company always places product quality and customer safety at its core and has established a rigorous and improved product recall management procedure. We proactively monitor our products for potential risks. Once a product requiring recall is detected, we immediately initiate the process to provide customers with free Test, repair, or replacement services. This initiative not only safeguards customer rights and environmental safety to the greatest extent, demonstrating the company's proactive commitment to social responsibility, but also effectively protects brand reputation and wins customers' continued trust.



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Neway has embedded the concept of clean and low-carbon development at the core of its strategy, driving the transformation of its production methods to be more environmentally friendly and efficient through continuous technological innovation. We are committed to guarding the ecological environment through green practices and achieving the long-term harmonious coexistence of humanity and nature.

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4.1 Environmental Stewardship

Environmental Compliance

Adhering to the environmental policy of "Compliance with Laws and Regulations, Health First, Safety First, Environmental Protection, Energy Conservation and Consumption Reduction, Risk Elimination, Scientific Management, and Continuous Improvement," Neway strictly complies with domestic regulations such as the Environmental Protection Law of the People's Republic of China and relevant laws in its global operational locations, continuously advancing environmental compliance. The company regards environmental compliance as a core element of corporate governance. It has established a three-tier environmental compliance governance system under the leadership of the Board of Directors, which refines the environmental management structure, clarifies responsibilities, sets specific goals and performance evaluation mechanisms, ensures the effective implementation of environmental protection measures, and comprehensively coordinates environmental management and workplace safety. During the reporting period, the company did not incur any major penalties or fines due to violations of environmental regulations.

Environmental Management System

Neway adheres to the ISO 14001:2015 international standard, establishing a scientific and improved environmental management system that employs the PDCA (Plan-Do-Check-Act) closed-loop mechanism for continuous optimization and improvement. Through layered environmental goal-setting and a dynamic compliance management mechanism, the company ensures full compliance with national and local regulations across all operational processes, while leveraging a digital monitoring platform to track environmental performance data in real time, achieving precise environmental management. By the end of 2025, all subsidiaries and branches of Neway had obtained ISO 14001 environmental management system Certification, achieving 100% coverage of the environmental management system across all production bases.

Environmental Objectives System

As a leading enterprise in China's industrial sector, Neway actively responds to national calls, fully understands its environmental responsibilities and mission, closely integrates its business characteristics with industry realities, meticulously plans the blueprint for its environmental objectives, and fully drives the company's sustainable development. The company has established a comprehensive environmental governance target system at six core aspects: zero environmental risk management and control, full lifecycle solid waste management, optimization of environmental protection facility efficiency, a comprehensive environmental monitoring system, environmental emergency response capacity building, and the practice of environmental social responsibility. This system is highly aligned with the company's development strategy, injecting green momentum into its high-quality development.

Neway's Environmental Goals

No	Topic	2025 Environmental Protection Goals	2025 Achievements
1	Zero Environmental Risk Management and Control	Established a comprehensive environmental risk prevention and control system to ensure zero occurrence of responsible environmental emergencies and government environmental penalties	Successfully achieved a record of zero responsible environmental emergencies for the year, maintaining an outstanding compliance performance with zero environmental penalties
2	Full Lifecycle Solid Waste Management	Established a comprehensive solid waste classification and disposal system, achieving a 100% compliant disposal rate for hazardous waste	Established standardized solid waste classification and disposal processes, with hazardous waste entrusted to qualified third parties for compliant treatment, achieving a 100% compliance rate
3	Optimization of Environmental Protection Facility Efficiency	Ensure both the integrity rate and operational rate of environmental protection facilities reach 100%, supporting green production operations	Environmental protection facilities operated continuously and stably, with both integrity and operational rates reaching 100%, providing a solid guarantee for sustainable development
4	Comprehensive Environmental Monitoring System	Established a 100% qualified monitoring network covering key elements such as exhaust gas, wastewater, noise, and soil	All annual environmental monitoring indicators achieved a 100% qualification rate, demonstrating the comprehensiveness and effectiveness of environmental management
5	Environmental Emergency Response Capacity Building	Achieved a 100% qualification rate for personnel environmental training and established a comprehensive emergency response mechanism for environmental accidents	Completed environmental training for all employees according to the requirements, successfully organized specialized training and emergency drills, enhancing overall emergency response capabilities
6	Practice of Environmental Social Responsibility	Actively carried out environmental public welfare activities to establish the company's environmental image	Successfully organized public welfare environmental activities, effectively fulfilling the company's environmental social responsibility

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Environmental Risk Identification and Management: In accordance with the "Environmental Factors Management Standard," the company systematically identifies environmental factors in all aspects of its production and operations using process analysis, pinpoints key areas such as exhaust gas, wastewater, and solid waste, and tailors control measures accordingly. Furthermore, the company regularly compiles and updates a list of significant environmental factors through cross-departmental collaboration, providing precise targets for risk management and control.

Regular Inspection and Hidden Hazard Management: The company has established a hidden hazard management mechanism combining "regular inspections and special assessments," ensuring timely detection of risks and hazards through periodic routine checks and targeted inspections of key processes. All inspection data is reported and tracked in real-time through the environmental protection management platform, forming a closed-loop management process from detection and rectification to verification. In 2025, the company conducted 83 environmental inspections and completed the rectification of 136 identified issues.

Emergency Preparedness and Response Capacity Building: The company places high importance on building environmental emergency response capacity, having formulated and refined the "Emergency Response Plan for Environmental Emergencies" to ensure its scientific rigor and operational feasibility. The company has equipped emergency supplies and initially established a dual safeguard system of "human defense + technical defense." Furthermore, by regularly organizing specialized environmental drills and training, the company continuously strengthens the emergency awareness and on-site response capabilities of all employees.

Environmental Equipment Upgrades: Neway actively responds to national environmental policies, with sustainable development at its core. By referencing local standards to elevate emission standards, the company has undertaken comprehensive work including odor and VOCs management, enclosed transformation of production areas, and advanced treatment of unpacking exhaust gases, actively addressing historical environmental issues and achieving optimization across the entire process. Following the renovation, multiple indicators have significantly surpassed the standard limits, effectively improving the surrounding environment.





The company organizes employees to participate in environmental protection training and exercises, enhancing their awareness of environmental protection, emergency response capabilities, and sense of responsibility for practicing green development.



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4.2 Green Operations and Pollution Prevention and Control

Neway has deeply integrated the sustainable development philosophy of green operations and pollution prevention and control into its core corporate strategy, establishing a comprehensive environmental management system covering water resources, waste gas, waste, material recycling, and ecological protection. We uphold the principles of source prevention and control, process optimization, and systematic governance. With institutional innovation, technological upgrades, and intelligent management as our wings, we promote resource conservation, pollution reduction, and synergistic ecological development, striving to achieve a harmonious coexistence between production operations and environmental protection. Guided by this strategy, Neway Valve (Suzhou) Co., Ltd. and Neway Precision Forging (Liyang) Co., Ltd. were recognized as a Provincial-level Green Factory and a Municipal-level Green Factory, respectively. Meanwhile, the group's manufacturing branch successfully passed the clean production audit due to significant progress achieved in energy conservation, consumption reduction, and pollution mitigation.





Neway Valve (Suzhou) Co., Ltd. and Neway Precision Forging (Liyang) Co., Ltd. were honored with titles such as Provincial Green Factory and Municipal Green Factory, respectively

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Environmental Performance Indicators for 2023-2025

Indicator	2023	2024	2025
Main production material - steel (tons/year)	49,433.38	45,614.73	67,745.33
Main production materials - castings and forgings (tons/year)	75,600.60	93,728.01	110,459.00
Total water consumption (tons/year)	487,557.00	505,566.00	438,884.00
Wastewater discharge (tons/year)	87,700.00	83,235.00	68,672.00
Volume of recycled and reused water (tons/year)	11,339.00	18,975.80	15,958.00
Wastewater treatment compliance rate	100%	100%	100%
Water consumption per unit product (tons/ton)	3.98	3.43	2.47
Benzene emissions (tons/year)	1.00	2.59	2.14
Ethyl acetate emissions (tons/year)	0.04	0.16	0.04
Non-methane total hydrocarbon emissions (tons/year)	3.26	4.64	7.15
Particulate matter emissions (tons/year)	8.31	9.79	11.973
SO2 exhaust gas emissions (tons/year)	0.15	0.15	0.08
Nitrogen oxide exhaust gas emissions (tons/year)	0.75	2.63	7.02
Exhaust gas emissions compliance rate	100%	100%	100%
General solid waste emissions (tons/year)	12,215.97	14,411.20	21,342.92
Waste recovery rate (%)	87.41	86.89	78.2
Hazardous waste (tons/year)	906.91	1,042.22	1,257.63
Hazardous waste transfer rate	100%	100%	100%

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

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Water Management

The world is currently facing severe freshwater scarcity. Rising industrial water demand and the deterioration of aquatic ecosystems have intensified pressure on water supply, seriously constraining the sustainable development of manufacturing. Against this backdrop, optimizing corporate water use systems has become an urgent priority.

In response, Neway places high importance on water resource management. Guided by the principles of "water conservation as the priority, pollution control as the foundation, and recycling as the key," we have established and implemented a sound water resource management system. We are committed to comprehensively improving water use efficiency on the basis of compliant operations through management optimization, technological and process innovation, and infrastructure upgrades. In 2025, the company made significant progress in water performance, with water consumption per unit product decreasing by 27.99% year-on-year.

Improving the Management System

The company has established a tiered water resource management system covering the entire process of withdrawal, use, and discharge. We strictly comply with national and local water-related laws and regulations, have formulated internal "Water Conservation Management Regulations," and regularly conduct water balance tests and water use audits. Furthermore, we actively promote company-wide participation by issuing the "Energy Conservation and Consumption Reduction Initiative," carrying out dedicated training and awareness campaigns, and guiding employees to strengthen water-saving awareness.

Deepening Technology Application

In enhancing water use efficiency, we focus on optimizing production processes, vigorously promoting the cascading use and recycling of water resources. By implementing multiple reclaimed water reuse and water recycling systems, including key technical upgrades such as a pump test water reuse system, an ultrasonic cleaning water recycling system, and the recycling of spray booth water curtains and water scrubber towers, the company effectively reduced water consumption in the production process and laid a technical foundation for achieving closed-loop water management.

Strict Control of Discharge Quality

The company has established an online monitoring system and engaged qualified third parties to conduct regular testing, ensuring that all discharged wastewater fully complies with national and local standards. In 2025, the wastewater treatment compliance rate remained consistently at 100%. To further improve treatment efficiency and reduce pollutant emissions, the company actively upgraded its existing wastewater treatment system, reflecting its continued investment and technical leadership in prevention and control of water pollution.



In 2025, Neway Valve upgraded its original wastewater treatment system by adding an integrated MBR membrane unit, which is expected to reduce annual COD discharge by approximately 19.87 metric tons.

Strengthening Pipeline Network Operation and Maintenance

Underground pipeline networks are the "lifelines" for water resource conveyance and discharge, and their condition directly impacts water use efficiency and environmental safety. The company has established a strict pipe network inspection mechanism to prevent leakage, seepage and overflow, thereby enabling systematic identification and remediation of potential risks. In 2025, the company engaged a qualified third-party institution to use a closed-circuit television (CCTV) testing system and a pipe periscope (QV) to conduct comprehensive testing, assessment and repair of portions of the rainwater and wastewater pipeline network in its plant areas. These efforts effectively eliminated the risk of rainwater and wastewater cross-flow, ensured the safe, stable and compliant operation of the drainage system, and further strengthened the company's safeguard for water environmental safety.

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Exhaust Gas Management

Guided by the concept of "source reduction, process control, and end-of-pipe treatment," the company actively builds a comprehensive waste gas management system. In daily operations, the company ensures full compliance of waste gas emissions by actively promoting technological upgrades on one hand and strictly implementing operational management on the other. Regarding specific control measures, the company employs a combination of processes including activated carbon adsorption, filter cartridge dust removal, "water scrubber + activated carbon," and "cyclonic mixing spray tower + dry filtration + activated carbon adsorption/zeolite rotor + concentrated catalytic combustion technology (RCO)." It invests funds in upgrading projects to enhance control levels and strictly manages waste gas emissions in accordance with stringent local standards. According to the waste gas monitoring results, the company achieved a 100% compliance rate for the emission of various waste gas pollutants in 2025.



The cyclone-activated carbon combined dust removal system is used for air pollution prevention and control in industrial production, efficiently removing particulates, organic gases, and odorous substances from the gas stream, meeting stringent environmental emission standards.





The combined process of "Cyclonic Hybrid Spray Tower + Dry Filtration + Activated Carbon Adsorption + Concentrated catalytic combustion technology(RCO)" regenerates saturated activated carbon through catalytic combustion, ensuring stable waste gas treatment efficiency and reducing the generation of hazardous spent activated carbon.

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■ Waste Management and Material Recycling

The company has established a waste management system based on the principles of "reduction, resource recovery, and harmless treatment." Through categorized collection, standardized disposal, and resource recovery, it effectively controls environmental risks. In terms of the management system, the company strictly implements the hazardous waste management plan and collaborates with compliant partners. In 2025, the transfer rate of hazardous waste reached 100%, achieving full-process traceability. General industrial solid waste is recycled through categorized collection (e.g., metal recovery, carton recycling), with a waste recycling rate of 78.2%.

Neway actively responds to the "Dual Carbon" strategy, deeply integrating the concept of a circular economy into its production and operations, and promoting resource recycling through intelligent management. The company has implemented an MES system for digital management of the entire product lifecycle, enabling real-time monitoring of resource flows. It also promotes the "Wooden Pallet Re-manufacturing Plan" to increase the reuse rate of packaging materials. In 2025, the company achieved significant results in resource recycling, with the proportion of recyclable materials continuously increasing.

■ Ecological Protection

Regarding ecological protection, the company's policies strictly adhere to the environmental impact assessment system. It commits to fully implementing the ecological and environmental protection measures and risk prevention requirements proposed in the environmental impact statement, ensuring that project construction complies with environmental standards. In terms of management measures, the company implements the "Three Simultaneities" system for environmental protection facilities and main projects. It strengthens safety risk identification and operational responsibility management for environmental treatment facilities and carries out ecological restoration activities such as stock enhancement and release. For instance, it promotes biodiversity conservation by purchasing compliant fish species for release.









The company strictly follows relevant laws, regulations, and ecological protection guidelines. It carefully selects compliant fish species to conduct scientific release activities and actively promotes the effective conservation and sustainable development of regional biodiversity through concrete actions.

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4.3 Energy Management

Neway actively responds to the national "Dual Carbon" strategy, strictly adheres to laws and regulations such as the Energy Conservation Law of the People's Republic of China, and has established an energy management system covering the entire Plan-Do-Check-Act (PDCA) cycle based on the ISO 50001 international standard. Building on the foundation of obtaining ISO 50001 system certification, the company has established "Conservation Priority, Domestic Reliance, Diversified Development, Environmental Protection, Technological Innovation, and International Cooperation" as its core energy policy. It has set clear energy efficiency targets and continuously improves energy utilization efficiency through systematic management activities and technological upgrades, driving the company's green and low-carbon transformation.

In its management practices, the company fully integrates sustainable development into its operations and management: We systematically optimize the energy structure to increase the proportion of clean energy and conduct carbon management across the entire value chain, utilizing digital tools for precise emission control. In production, we promote systematic energy-saving renovation and intelligent upgrades to achieve refined energy efficiency management. Simultaneously, we guide all employees to practice energy conservation through cultural initiatives. Statistics show that in 2025, the electricity consumption per unit of product decreased by approximately 12.59% year-on-year, demonstrating continuous improvement in energy performance.

Company Energy Performance Statistics Table, 2023-2025

Energy indicator	2023	2024	2025
Total electricity consumption (kWh)	100,640,817.20	98,138,452.40	109,648,415.4
Natural gas (m^3/year)	10,186,543.00	10,255,851.00	11,936,390.00
Green electricity usage (kWh/year)	8,266,712.00	9,414,117.60	10,187,454.40
Percentage of green electricity (%)	8.21	9.59	9.29
Liquefied natural gas (kg)	100,289.62	63,861.98	80,781.25
Diesel (kg)	140,072.97	148,702.87	152,066.28
Gasoline (kg)	29,811.00	26,290.63	25,399.00
Electricity Consumption per Unit Product (kWh/t)	818.16	706.78	617.77

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

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Optimizing the Energy Structure

Neway systematically increases the proportion of clean electricity usage by implementing a photovoltaic upgrade project at its factory premises and establishing a long-term mechanism for green electricity procurement. Meanwhile, the application of clean energy sources such as solar power is promoted in both new and existing buildings, and energy-saving renovations are carried out, including measures like using insulation materials and window films, to effectively enhance building energy efficiency. In 2025, the company's green electricity consumption reached 10.1875 million kWh, with the proportion of green electricity increasing to 9.29%. This achieves the substitution of clean energy for traditional energy while reducing carbon emissions.

Establishing a Full Value Chain Carbon Management System

In accordance with the ISO 14064 standard, the company systematically conducts carbon inventories, methodically advances this work, actively establishes a digital carbon data management platform, and continuously improves its carbon emission monitoring and reporting mechanisms. In 2025, Neway Oil Equipment completed its carbon inventory covering Scope 1 and 2 emissions, accurately identifying the core emission sources in the refining and petrochemical equipment manufacturing process. This provides solid data support for the subsequent formulation of science-based targets.

Advancing Product Carbon Footprint Certification

To assist downstream customers in reducing emissions, the company has developed a carbon footprint calculation method based on Life Cycle Assessment (LCA) and has conducted product carbon footprint certification for core products such as wind power valves and hydrogen energy equipment. In 2025, certification for three products was completed, helping customers manage their Scope 3 carbon emissions more effectively.





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Implementing Equipment Energy-Saving Renovation and Technological Upgrades

To optimize dynamic energy supply, intelligent linkage control and variable frequency speed regulation technologies were introduced into the air compressor system. High-efficiency motors, Grade 1 energy efficiency air conditioners, photovoltaic floodlights, and other energy-saving equipment were comprehensively promoted. Meanwhile, through improvements in machining processes and scheduled equipment start-stop control, ineffective energy consumption was continuously reduced. These measures resulted in annual electricity savings exceeding 371,000 kWh, achieving a carbon emission reduction of 216.18 tons of CO_2.

Summary of Energy-Saving Projects at Neway in 2025

Item content	Electricity Saved (kWh)	Carbon Emission Reduction (tons of CO_2)
Energy-saving Improvement for Power Distribution Room Air Conditioning	66,200	36.41
Energy-saving Retrofit of External Lighting for Factory Buildings	5,700	3.135
Energy-saving Retrofit of Lighting for Guard Houses and Power Distribution Rooms	4,800	2.64
Machining Production Optimization	7,500	4.125
Energy-saving Retrofit of Air Compressors	150,000	82.5
Nighttime Energy-saving Improvement for Water Dispensers	136,800	75.24
Total	371,000	204.05

Intelligent Transformation, Digital Transformation, and Lean Management

By introducing intelligent production lines and a digital energy monitoring platform, the company achieves precise energy control and real-time metering. Combined with the energy-saving renovation projects implemented in a coordinated manner throughout the year, the comprehensive energy consumption per unit product decreased by 28.55% compared to the 2021 baseline. Meanwhile, the company continuously improves its statistical and standards systems to ensure 100% accuracy of energy data. It also establishes a continuous improvement process to regularly evaluate and optimize the energy management system.

Cultivating a Green Culture with Full Employee Participation

The company advocates for green office practices and commuting by organizing environmental public welfare activities such as tree planting, mountain clean-ups, and waste sorting. It also strengthens employee energy-saving training and carries out initiatives for skills enhancement, assessment with incentives, and awareness campaigns. In 2025, the company conducted multiple environmental protection activities. Energy-saving training covered all employees, resulting in a significant improvement in implementation rates. Furthermore, by establishing an energy-saving target responsibility system that clarifies duties for each position, the company guides all employees to practice energy-saving behaviors, embedding the culture of emission reduction deeply within the organization.



In March 2025, Neway organized a public welfare tree-planting activity for employees. The event not only added new greenery to the city, but also planted the seeds of responsibility and legacy in the hearts of Neway staff, demonstrating the ecological responsibility of a corporate citizen through concrete actions.

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4.4 Climate Change Response

Neway recognizes the severe challenges posed by climate change and places its response at the core of its sustainable development strategy. To this end, the company has established a sound governance structure. Based on this framework, it actively identifies and manages climate change risks and opportunities, continuously improves its response measures, and enhances its capability to address climate risks. It makes full efforts to build a resilient defense line for its production and operational activities against climate impacts, ensuring the company's steady progress and sustainable development in a complex climate environment.

■Governance

Neway has deeply integrated climate change governance into its ESG governance system, establishing a multi-level, full-process governance structure. As the highest decision-making body, the Board of Directors is responsible for reviewing and approving climate change-related strategies and objectives, overseeing major risks, and ensuring the integration of climate change issues into the company's core strategic planning. The ESG Committee, concurrently chaired by the Chairman of the Board of Directors, oversees and coordinates climate change efforts, including target setting, performance evaluation, and resource allocation. The execution level, comprising the ESG Office and various topic teams, is responsible for implementing specific actions, advancing measures such as energy-saving renovation, carbon management, renewable energy utilization, and green manufacturing, to ensure the achievement of all carbon reduction targets.



■Strategy

Guided by the core philosophy of "compliance as the foundation, technology as the enabler, and value chain collaboration," Neway has formulated a forward-looking climate change strategy, committing to evolve from compliance to becoming an industry benchmark. The strategy focuses on a dual pathway of emission reduction and adaptation:

Emission reduction pathway: Using 2021 as the base year, Neway has set quantitative targets, including a 20% reduction in comprehensive energy consumption per unit product and a 20% reduction in greenhouse gas emissions per unit product by 2030, as well as achieving carbon neutrality by 2050. Specific measures include digital and intelligent energy-saving renovation, electrification to replace fossil fuels, increasing the proportion of green electricity, and promoting lifecycle emission reductions through product carbon footprint accounting.

Adaptation pathway: Neway actively develops specialty valve products with high environmental resistance, such as cryogenic valves and nuclear valves that can operate stably under harsh conditions like ultra-low temperatures, high pressure, and corrosion, to ensure the operational safety of critical infrastructure. Simultaneously, the company comprehensively advances green factory construction, reducing its environmental footprint through energy efficiency improvements, resource recycling, and digital management. Furthermore, Neway integrates climate change factors into its R&D and innovation system, seizing clean technology opportunities arising from the energy transition, with a focus on valve R&D in areas such as hydrogen energy, thereby transforming environmental challenges into new sources of market competitiveness and growth.

■ Impact, Risk, and Opportunity Management

Impact and risk identification and assessment: Climate-related risks are integrated into the company's comprehensive risk management process. The ESG Committee regularly coordinates and conducts impact assessments and management of climate risks and opportunities, covering physical risks (e.g., operational disruptions caused by extreme weather) and transition risks (e.g., policy tightening, carbon tariffs). The Audit Department and other internal control personnel perform specific supervision and inspection duties, actively building a climate risk management mechanism.

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Climate Change Risk Assessment Table

No	Risk categories	Company's response strategy	Possibility	Financial impact	Risk level	Time frame	Company's response strategy
1	Transition risk	The Chinese government's "Dual Carbon" strategy is being strengthened, requiring companies to disclose carbon information and achieve emission reduction targets. Non-compliance will result in fines, regulatory penalties, and damage to brand reputation.	Basically sure	Medium	High	Short/Medium	1) Conduct a corporate-level carbon inventory; 2) Formulate carbon neutrality strategies, goals, and action plans; 3) Implement carbon reduction actions annually to advance the achievement of carbon neutrality strategic objectives until carbon neutrality is realized;
2	Transition risk	The Chinese government's 14th Five-Year Plan requires companies to gradually reduce carbon emission intensity. Non-compliance will expose the company to non-compliance and brand risks and increase the cost of compliant operations.	Likely	Medium	High	Medium/Long	4) Based on the carbon inventory results, formulate goals and action plans to reduce carbon emission intensity; 5) Develop a clean energy procurement plan and enhance financial planning for carbon reduction;
3	Transition risk	Growing customer demand for low-carbon valves (e.g., hydrogen and nuclear valves). Lagging technology R&D will lead to a loss of market share.	Likely	Medium	Medium	Medium/Long	6) Invest R&D funds in developing energy-saving and carbon reduction technologies; 7) Improve efficiency through efficiency enhancement and optimization projects such as clean production and lean production; 8) Promote carbon reduction among key suppliers to reduce the embodied carbon emission in raw materials;
4	Transition risk	Rising prices in the carbon emission trading market increase operational compliance costs and affect profit margins.	Basically sure	Medium	Medium	Short/Medium	9) Regularly compile carbon emission data to optimize carbon asset management; 10) Implement energy-saving projects (e.g., air compressor waste heat recovery, saving over 81,000 kWh annually) ;
5	Physical risk	Frequent extreme weather events such as typhoons and floods cause damage to production facilities, operational disruptions, and supply chain delays.	Likely	Medium	Medium	Short/Medium/ Long	11) Further improve the "Emergency Response Plan for Environmental Emergencies" and conduct regular drills; 12) Strengthen supply chain diversification to ensure business continuity
6	Physical risk	Persistent high temperatures increase cooling energy consumption, raising operating costs and affecting equipment stability.	Basically sure	Medium	Low	Short/Medium/ Long	13) Procure and increase high-efficiency, energy-saving facilities, and conduct regular maintenance to ensure stable operation
7	Physical risk	Investors and financial institutions are paying increased attention to ESG performance. Insufficient climate action will raise financing costs.	Likely	Medium	Medium	Medium/Long	14) Incorporate climate change into the governance structure, overseen by the Board of Directors; 15) Strengthen green finance cooperation to optimize the financing structure.

Climate Change Opportunity Assessment Form

No	Opportunity category	Project category	Possibility	Financial impact	Risk level	Time frame	Company's response strategy
1	Market opportunity	The global energy transition is driving significant growth in market demand for clean energy valves such as those for wind power, hydrogen, and nuclear power.	Basically sure	High	High	Short/Medium	1) Focus on R&D of new energy valves, such as participating in COP28 with liquid hydrogen valves; 2) Strengthen product quality management and customer service;
2	Technology Opportunities	Reduce operating costs by applying clean technologies (e.g., on-site photovoltaics, energy recovery) and develop low-carbon products to meet regulatory requirements.	Basically sure	Medium	High	Medium/Long	3) Build green factories (provincial certification) to increase the proportion of green electricity; 4) Enhance the use of recycled materials to reduce product carbon footprint.

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Indicators and Targets

Neway actively responds to global climate action initiatives and has formulated a systematic climate action plan based on its actual operations. The company is committed to achieving the near-term goal of "reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 20% by 2030 compared to 2021" and moving towards the long-term vision of "achieving net-zero emissions across the entire value chain by 2050".

Neway Valve (Suzhou) Co., Ltd. has conducted its greenhouse gas inventory for the fifth consecutive year, accurately identifying emission sources and conducting in-depth analysis of major emission profiles. According to the accounting results, the total Scope 1 and 2 emissions for 2025 were 9619.14 tCO_2e/year. The Scope 1 & 2 carbon emission intensity per unit product was 0.12 tCO_2e/year, demonstrating the company's firm commitment and effective execution in energy conservation and emission reduction.



Greenhouse Gas Emission Indicators of Neway Valve (Suzhou) Co., Ltd

Indicator	2023	2024	2025
Scope 1 emissions（tCO_2e/year）	1,879.51	1,700.79	1,868.91
Scope 2 emissions（tCO_2e/year）	6,692.09	6,445.76	7,750.23
Scope 1&2 emissions（tCO_2e/year）	8,571.60	8146.55	9,619.14
Scope 3 emissions（tCO_2e/year）	119,733.26	119,295.80	119,538.44
Production output (T/year)	64,602.38	74,988.66	81,220.83
Scope 1 & 2 emissions intensity per unit production (tCO_2e/year)	0.13	0.11	0.12



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Neway is committed to building a fair and open development platform, valuing the unique contribution of each employee. Based on fully safeguarding employee rights and interests, we support their professional growth and self-actualization. We believe that only when individuals and the organization resonate in harmony and mutually empower each other can cohesive momentum be gathered to navigate towards a more ambitious future.

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5.1 Diversity and Inclusion

Neway consistently upholds the "people-oriented" development principle, focusing on fostering a fair, open, diverse, and inclusive organizational environment, and strictly adheres to the core labor standards baseline set by the International Labour Organization (ILO): The company respects workers' rights, safeguards their freedom of association, supports the establishment of labor unions and ensures their autonomous operation, thereby laying a solid foundation for workers' rights protection and negotiation. It also guarantees the right to collective bargaining, facilitating negotiations between labor and management on matters such as wages and working hours to balance the power dynamics between both sides. The company is resolutely committed to eliminating forced labor and safeguarding workers' freedom of employment; effectively abolishing child labor and protecting children's rights; eliminating employment discrimination to ensure equal access to opportunities and development for all workers; and strictly enforcing the right to equal remuneration, ensuring equal pay for equal work for men and women, eliminating the gender pay gap, and promoting gender equality.









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Statistical Table of Human Rights-Related Data, 2023-2025

Human Rights Data	2023	2024	2025
Percentage of employees who have received training on diversity, discrimination, and harassment	100%	100%	100%
Percentage of operating sites that have undergone human rights impact or risk assessment	100%	100%	100%
Number of incidents of child labor or forced labor.	0	0	0
Number of factory audits conducted annually for child labor or forced labor (audits/year)	6	12	12

Human Resources Performance Indicators, 2023-2025

Human resources indicator	2023	2024	2025
Total number of employees (person)	3744	4053	4459
Proportion of male and female employees (Male ： Female)	85.1 ： 14.9	84.1 ： 15.9	84 ： 16
Employee age ratio (below 30 ： 30-50 ： above 50)	11.9 ： 67.3 ： 21.8	12.8 ： 66.8 ： 20.4	12.8 ： 67.7 ： 19.5
Number of ethnic minority employees	23	32	43
Number of physically challenged employees	2	2	2
Proportion of employee education level (Bachelor's degree and above ： High school and above ： Junior high school and below)	24.7 ： 33.5 ： 41.8	28.6 ： 31.6 ： 39.8	28.5 ： 29.6 ： 41.9
Proportion of female managerial personnel at middle management level and above among all managerial staff (%)	13.20	13.30	13.80
Percentage of women in senior management (%)	10.00	10.00	11.11
Proportion of women on the board of directors (%)	22.22	22.22	22.22
the number of foreign employees	137	160	196

Note: The data includes Neway Valve (Suzhou) Co., Ltd., Neway Industrial Material (Suzhou) Co., Ltd., Neway Oil Equipment (Suzhou) Co., Ltd., Neway Flow Technology (Chengdu) Co., Ltd., Neway Flow Technology (Lianyungang) Co., Ltd., Neway Technology (Yantai) Co., Ltd., Neway Engineering Services (Suzhou) Co., Ltd., Neway Industrial Material (Dafeng) Co., Ltd., Neway Precision Forging (Liyang) Co., Ltd., Wujiang Dongwu Machinery Co., Ltd., and Neway Flow Control (Suzhou) Co., Ltd. Data for 2024 and 2025 additionally includes overseas branches.

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5.2 Safeguarding Employee Rights and Interests

Compensation and Benefits

The company has established a diversified compensation structure centered on position-based salary, performance bonuses, allowances, subsidies, and equity incentives. Adhering to the principles of "position-based pay, distribution according to work, fair competition, and incentive orientation," it flexibly adjusts its compensation strategy in line with operational conditions and market dynamics. This approach balances short-term incentives with long-term contributions, ensuring that employee compensation remains continuously competitive in the market. From 2023 to 2025, the average wage for frontline employees was over 3.4 times the local minimum wage, with both the labor contract signing rate and collective agreement coverage rate reaching 100%.

In building its welfare system, the company strictly complies with laws and regulations by contributing to the "Five Social Insurances and One Housing Fund" for all employees, thereby solidifying their basic security. On this basis, the company additionally purchases employer's liability insurance for each employee to further strengthen the line of defence, allowing employees to work without worry. The company has a comprehensive paid leave system, covering annual leave, marriage leave, maternity leave, and parental leave for all employees, fully safeguarding their right to rest. During holidays, the company distributes thoughtful gifts and organizes cultural and sports activities to enrich employees' leisure time and enhance their sense of belonging.

Employee Rights & Interests Performance Data, 2023-2025

Compensation indicator data	2023	2024	2025
Ratio of average salary of frontline employees to local minimum basic salary	3.63 ： 1	3.42 ： 1	3.41 ： 1
Employee turnover rate (%)	20.22	18.36	19.85
Employee satisfaction rate (%)	92.53	94.63	94.65
Employee compensation growth rate (%)	4.90	3.80	4.34
Same position compensation ratio, male vs. female	1 ： 1	1 ： 1	1 ： 1
Labor contract signature ratio	100%	100%	100%
Ratio of the total annual compensation of the highest-paid individual to the median annual total compensation of all employees	5.20 ： 1	6.24 ： 1	5.67 ： 1
Collective Agreement Coverage Rate	100%	100%	100%

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

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Employee Care:

Adhering to a people-oriented philosophy, the company has established a dedicated care system for different employee groups. By combining material assistance with spiritual support, it enhances employees' sense of belonging and well-being.

Protection of Female Employees' Rights and Interests

The company places high importance on safeguarding the rights and interests of female employees. It has established a Carnation Service Station for them, staffed with professional psychological counselors to provide psychological counseling. Legal experts are regularly invited for consultations to assist with legal rights protection for female employees. The company also collaborates with medical institutions to conduct health consultations, enhancing the health awareness of female employees. Meanwhile, the company strictly implements labor protection regulations. Female employees are entitled to sufficient maternity leave as stipulated by law, are granted dedicated breastfeeding time during the lactation period, and have their workload reasonably adjusted during pregnancy to avoid being assigned overly strenuous tasks. Regarding compensation, the company firmly implements the principle of equal pay for equal work. It ensures that female and male employees receive equal pay for equal work in the same positions, thereby comprehensively safeguarding the legitimate rights and interests of female employees.

Support for Employees in Difficulty

The company cares for employees facing difficulties. For those encountering hardships or illness, it regularly provides condolence payments and daily necessities to help alleviate their life pressures and support them through difficult times. Furthermore, a special assistance fund has been established to offer timely financial aid and warm care to employees in urgent need of economic support. This series of considerate measures not only effectively addresses employees' practical difficulties but also conveys the company's deep care for its staff, demonstrating its people-oriented corporate culture that values employees.

Caring for Employees' Children

The company consistently prioritizes the well-being of its employees and their families, implementing a series of care initiatives for employees' children. The company regularly organizes parent-child activities to build an interactive communication platform for employees and their children, strengthening family bonds. During summer vacations, it offers daycare classes staffed by professionals to alleviate employees' concerns. It also conducts children's training classes covering areas such as arts and sports, supporting the well-rounded development of employees' children and enabling employees to focus on their work with greater peace of mind.





In 2025, the company established a summer daycare program for employees' children and launched a badminton training interest class. These initiatives address the childcare challenges faced by dual-income families during the summer, actively enhance employees' sense of belonging, and contribute to building a healthy and vibrant corporate culture.

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■Employee Communication

To build harmonious and stable employee relations, the company has established a multi-level and comprehensive communication mechanism. The company has established a labor union and employee representative organizations in accordance with the law. Employees participate in decision-making and management through the Workers' Congress, exercising their democratic rights. The company regularly conducts employee satisfaction surveys and forums to understand employee needs. Based on the survey results, the Human Resources Department drives improvement plans. In 2025, the employee satisfaction rate increased to 94.65%. The company has also established a three-tier employee grievance response mechanism to ensure that employees' reasonable demands are addressed fairly and promptly. Furthermore, the company actively builds a digital communication platform, expanding mobile applications centered on a collaborative OA system. This enables employees to process information anytime using mobile devices, thereby enhancing communication and operational efficiency. These measures have deepened trust and cohesion between employees and the company. From 2017 to 2025, Neway Valve (Suzhou) Co., Ltd. has been consecutively awarded honors such as "Suzhou New District Harmonious Labor Relations Advanced Enterprise" and "Suzhou City Harmonious Labor Relations Enterprise."



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5.3 Occupational Health and Safety

In the field of occupational health and safety management, the company consistently prioritizes the life safety and physical and mental well-being of its employees. Adhering to systematic management, continuous resource investment, and a culture of full participation, it builds and continuously improves a scientific and efficient safety management system.

■ Occupational Health and Safety Policy and Commitments

The company upholds the policy of "Prevention First, Compliance with Laws and Regulations, People-Oriented, Scientific Management, and Continuous Improvement." Within this framework, it makes three core commitments:

Protecting Employees, Adhering to a People-Oriented Approach: We solemnly commit to comprehensively safeguarding the work safety and physical and mental health of all employees, continuously improving the working environment, systematically identifying and mitigating risks, and striving to achieve the goal of "zero accidents, zero injuries."

Strictly Abiding by Regulations, Practicing Compliant Operations: We commit to strictly complying with all national and local workplace safety laws, regulations, and industry standards, ensuring all operational activities are lawful and compliant, and upholding the bottom line of safety.

Continuous Optimization, Pursuing Excellence in Performance: We commit to driving continuous improvement in safety performance by constantly enhancing the occupational health and safety management system, strengthening safety training, and improving emergency response capabilities.

■ Systematic OHS Management Practices

To ensure the implementation of the policy, the company has established an occupational health and safety management system covering all employees, all processes, and multiple levels.



Neway's Occupational Health and Safety Management System

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Deepening Responsibility Implementation

The company has established a clear, hierarchical workplace safety responsibility system covering all employees, defining the safety duties and assessment standards for positions from the decision-making level to frontline staff. Through signing responsibility agreements, incorporating them into performance evaluations, and conducting regular audits, the company ensures the effective implementation of "dual responsibilities for each position," forming a mechanism for responsibility delegation and fulfillment characterized by "responsibility at every level and accountability for every individual.

Strengthening Risk Management and Control

The company regularly conducts systematic hazard identification and risk assessment, and formulates and implements tiered control measures. The company has established a platform for employees to report hazards and suggestions, encouraging full participation. This fosters a closed-loop management process of "identification-assessment-control-feedback" and cultivates a joint-effort atmosphere for risk prevention and control among all employees, continuously enhancing preventive capabilities.

Strengthening Safety Training

The company implements a safety training system covering the entire employee lifecycle. New employees must complete three-level safety education, while existing employees receive specialized training on topics such as chemicals and fire safety as needed. Diverse methods such as case studies and VR simulations are introduced, coupled with rigorous assessment and evaluation, to ensure the continuous improvement of employees' safety knowledge and practical skills.





In 2025, the company organized its employees to participate in the Occupational Safety and Labor Protection Skills Competition of Suzhou High-tech Zone and won the Team Second Prize, which stands as strong testimony to the company's long-standing emphasis on safe production and labor protection.



The company organized themed safety training programs and introduced immersive experience projects, enabling employees to enhance safety skills and risk prevention awareness through practical drills.

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Standardizing Chemical Management

The company implements full lifecycle management of chemicals, covering procurement, storage, use, and disposal, to ensure traceability. Hazardous chemicals are subject to dedicated storage management, dual-person handling for receipt and dispatch, and real-time monitoring. Employee training is also strengthened to systematically prevent safety and environmental risks associated with chemicals.



Rigorous Inspection and Audit

The company implements a supervision mechanism that combines daily inspections, special inspections, and external audits. Internal inspections cover equipment, operations, and high-risk processes. The company also proactively accepts audits from customers, government agencies, and third parties, leveraging diverse perspectives to identify potential hazards. All identified issues are tracked and rectified through a closed-loop process, driving continuous improvement in management.



Enhancing Emergency Response Capabilities

The company regularly organizes practical emergency drills for scenarios such as fires and leaks to evaluate and optimize its emergency response plans. Emergency response training is conducted to ensure employees are familiar with evacuation routes and the facility use. Through regular drills, the company enhances employees' self-rescue and mutual-aid capabilities, improves organizational coordination, and strengthens the defense line for work safety.



Caring for Employee Health

The company organizes annual occupational health check-ups for all employees, establishes dynamic health records, and enhances monitoring for high-risk positions. Based on the results, the company provides health guidance and necessary job adjustments, and conducts health lectures and psychological care programs. This enables comprehensive employee health management, ranging from disease prevention to health promotion.



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Management Effectiveness and Resource Assurance

Continuous investment and systematic management have yielded significant safety performance. From 2023 to 2025, the company has invested a total of $7.583 million in safety funds to improve facilities, upgrade equipment, and strengthen training, thereby providing solid resource assurance for safety management. During this period, the company recorded no fatal or serious injury accidents. Both the Lost Time Injury Rate and the Recordable Incident Rate per 200,000 working hours showed a continued downward trend, demonstrating solid overall safety performance. This reflects the increasing maturity and effective operation of the company's Occupational Health and Safety management system.

Occupational Health and Safety Management Performance, 2023-2025

Occupational health and safety data	2023	2024	2025
Total investment in safety (in millions of $)	2.543	2.634	2.407
Number of work-related fatalities (persons/year)	0	0	0
Investment amount in safety production liability insurance (in thousands of $)	30.497	21.624	27.080
Employee physical examination coverage rate	100%	100%	100%
Safety training hours (h/year)	17,765	21,827	51,175
Lost time incident rate (LTIR) per 200,000 work hours	0.25	0.24	0.21
Total recordable incident rate (TRIR) per 200,000 work hours	0.38	0.39	0.34
Number of Serious Injury (and above) Accidents (cases)	0	0	0
Number of recordable injury incidents (cases)	17	18	18

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

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5.4 Employee empowerment and development

Neway places great importance on employee training and development. It has established a systematic training and employee development system dedicated to comprehensively enhancing employees' capabilities and qualities, helping them achieve their career goals while driving the attainment of the company's strategic objectives. From 2023 to 2025, the company's employee training investment totaled about $880 thousand. In 2025, the average training hours per employee were 29.54 hours/person/year, and 100% of employees received regular performance and career development evaluations.

Employee Training and Career Development Performance Statistics, 2023-2025

Training performance indicator	2023	2024	2025
Total annual employee training hours (hours/year)	204,404.16	211,271.43	191,139.60
Employee training investment ($1,000/year)	283.996	295.184	297.189
Number of training course types (number/year)	30	24	36
Average staff training hours (hours/person/year)	31.63	29.84	29.54
Skills Training (times)	1,387	1,893	1,564
Proportion of Employees Who Have Received Skills-Related Training (%)	65.20	66.30	66.00
Training Coverage Rate	100%	100%	100%
Percentage of employees receiving regular performance & career development evaluations	100%	100%	100%

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

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Staff Training

Systematic Training System

The company has established a comprehensive training management system of "needs analysis - course design - implementation - effectiveness evaluation." Guided by strategic objectives and integrating departmental performance with employee career development needs, this system forms a tiered training mechanism covering all positions. Based on the job competency model, the company has designed a curriculum matrix encompassing four dimensions: management skills, professional skills, operational skills, and general competencies.

New Employees

Conduct systematic onboarding guidance and professional competence training

Management Echelon

Focus on enhancing core competencies such as leadership and strategic decision-making

Frontline Employee

Emphasize practical skills and safety standards training

Technical Team

Strengthen professional depth and innovation capability cultivation



The company provides new employees with a meaningful onboarding training program to help them successfully navigate the critical transition from campus to the workplace and embark on a new chapter in their careers.

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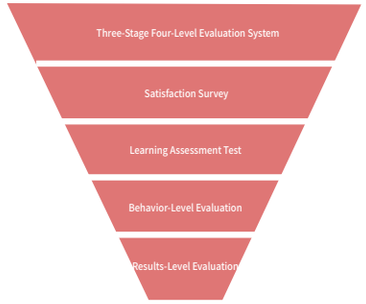
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Diversified Training Modes



The company has established diversified training modes, integrating internal and external resources to form a three-dimensional development framework. For online learning, the company leverages the E-learning platform to provide multiple digital courses, enabling employees to engage in self-directed learning at any time and make full use of fragmented time to enhance their knowledge base. For offline practice, the company conducts activities such as mentorship programs, job rotation training, and project-based learning, enabling employees to accumulate experience and enhance their skills through hands-on application. For external exposure, the company organizes thematic lectures, industry visits, and exchanges with benchmark companies to broaden employees' horizons. In addition, the company provides job skill certification training for specific trades to support employees' career development.

Scientific Evaluation Mechanism



The company has established a "three-stage, four-level" evaluation system to enable the quantification and tracking of training effectiveness. At the Reaction level, course satisfaction questionnaires are used to collect immediate feedback from participants. At the Learning level, examinations and practical assessments are employed to test knowledge acquisition. At the Behavior level, post-training changes in employees' work behaviors are tracked. At the Results level, performance data is integrated to assess the contribution of training to business outcomes. Through this four-level evaluation, the company ensures that training outcomes are quantifiable and assessable.

Career Development

The company has established a scientific multi-channel career development mechanism. Through four major development paths—management, technical, skilled, and university graduate—it provides clear growth ladders for employees with different expertise and career aspirations, achieving the dual objectives of talent motivation and retention.

Management Channel: A Key Hub for Strategy Implementation

The company has established a systematic development system for managers at all levels. Guided by the principle of "aligning with strategy at the top and linking to performance at the bottom," the system focuses on enhancing strategic thinking, team leadership, and execution capabilities through management training, job rotation, and project participation. The company formulates differentiated appointment criteria and development plans to ensure a precise match between management capabilities and job requirements.

Technical Channel: Diversed Pathways for Professional Depth

Technical professionals are offered three development options: managerial, specialist, and product manager.
For each development path, the company defines clear responsibility requirements, professional standards, and training plans. Through technical training, project practice, and innovation activities, it stimulates the innovative potential of technical professionals, providing sustained impetus for the company's technological advancement.

Skill Channel: A Growth Ladder for Frontline Employees

The company has established a promotion system for frontline employees, ranging from basic operations to production supervisor. This is supported by systematic programs such as onboarding training, skill-level certification, and cross-position learning. Combined with activities like skills competitions and on-the-job drills, these initiatives continuously enhance practical skills and overall competency, solidifying the talent foundation for production.

University Graduate Channel: Systematic Cultivation of High-Potential Talent

A full-cycle cultivation mechanism of "careful selection, quality training, and continuous follow-up" is implemented for new university graduates.
High-potential talent is identified through performance evaluation and competency assessment. By aligning individual development with organizational needs, dual career paths in management and specialization are offered, building a storage of future core talent for the company.

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5.5 Employees' Colorful Life

We firmly believe that the company can only move forward sustainably when its employees achieve genuine satisfaction and growth. Therefore, we focus not only on work results but also on thoughtfully fostering a warm organizational atmosphere. By organizing diverse cultural activities, we enrich employees' leisure time, alleviate workplace stress, and strengthen emotional bonds among colleagues. This unites us into a more vibrant and cohesive whole, working together to build a warm, positive, and uplifting workplace.



In 2025, the company organized a New Year Day Welcome Gala, showcasing the diverse talents of Neway employees. It also allowed everyone to feel the profound camaraderie among colleagues and experience the warmth of the company's care for its staff.



In 2025, the company organized a Golden Autumn Sports Meet for employees and their families, where warmth and vitality intertwined. The event not only promoted physical fitness but also built a bridge for cross-departmental communication and family interaction, allowing the corporate culture to continue warming up under the autumn sun.



The company regularly hosts the "Reading with Books" book club, selecting books from diverse fields such as management, psychology, and industry frontiers. Through activities like guided reading sessions, group discussions, and scenario-based role-playing, it stimulates in-depth thinking.



The company and its employees grow together and work hand in hand to build a better future for Neway

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Guided by the principle of "Co-creating Value, Sharing Development," Neway is committed to fostering positive interaction between business and society. The company not only collaborates with partners to build a sustainable responsibility network but also integrates the spirit of public welfare into its corporate DNA. Through concrete actions, it supports community growth and contributes corporate strength to social progress

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6.1 Responsible Procurement

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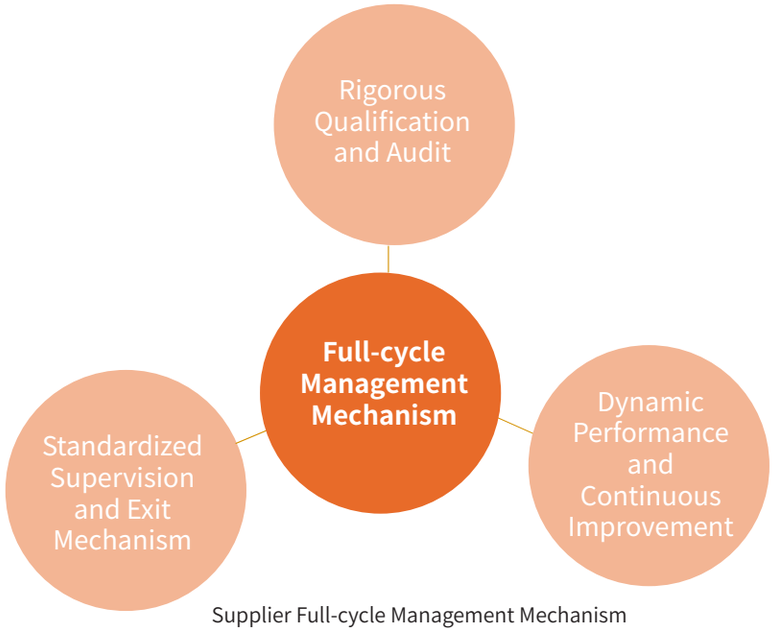
6.1 Responsible Procurement

We are committed to building a transparent, responsible, and resilient partner ecosystem. Guided by the core principles of "Shared Risk Management, Shared Value, and Green Win-Win," the company employs systematic management mechanisms, regular communication and collaboration, and forward-looking capability co-development. This approach not only ensures supply chain stability and quality but also actively drives improvements in the environmental, social, and governance (ESG) performance across the entire chain, achieving synergistic growth and sustainable development with suppliers.

Management Philosophy and System

We regard sustainable procurement as a crucial cornerstone of the company's long-term competitiveness. To this end, the company has established a management system that spans the entire supplier lifecycle, covering the complete process from qualification review and performance evaluation to exit. This system is built upon the "Supplier Management System" and "Supplier Quality Control Procedure." Through the collaboration of multiple departments including sourcing, quality, and inspection, it conducts comprehensive management and dynamic monitoring of suppliers' performance in quality, delivery, service, and ESG. This ensures the compliance, stability, and sustainability of the supply chain from the source.

Full-cycle Management Mechanism



Supplier Full-cycle Management Mechanism



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•Rigorous Qualification and Audit

New suppliers are required to submit qualification documents through the information platform and undergo cross-departmental qualification review. For key material suppliers, we conduct on-site audits or first-article inspections to ensure their capabilities and standards meet requirements, thereby controlling supply chain risks at the source.

•Dynamic Performance and Continuous Improvement

Based on a comprehensive performance assessment methodology, we regularly evaluate suppliers across dimensions such as quality, cost, delivery, service, and ESG. Assessment results are directly linked to order share, thereby incentivizing high-performing suppliers. Simultaneously, through quality data monitoring, on-site inspections, and re-evaluation mechanisms, we continuously drive supplier improvements in production efficiency, process environmental friendliness, and fulfillment of social responsibilities.

•Standardized Supervision and Exit Mechanism

We uphold business ethics by signing integrity cooperation agreements with suppliers and ensuring the fairness and transparency of procurement activities through internal audits. For suppliers with severe issues in performance, quality, safety, or compliance, the company enforces strict procedures for freezing, suspension, or exit to maintain the overall health and vitality of the supply chain.

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■Collaboration and Empowerment Practices

We regard suppliers as important partners and are committed to building open and collaborative relationships by strengthening two-way communication and actively providing empowerment and support.

Strengthening Two-Way Communication

Through supplier conferences, specialized training, and digital collaboration platforms, we maintain close communication with our suppliers, sharing market information, technical standards, and management requirements, jointly resolving issues in cooperation, and enhancing collaboration efficiency.





In 2025, the company's subsidiaries and branches held supplier conferences

Actively Providing Empowerment and Support

We not only set requirements but are also committed to helping suppliers enhance their capabilities. By sharing management experience and providing training resources, particularly in areas such as energy conservation and carbon reduction, environmental protection, and work safety, we actively assist our partners in improving their sustainable development levels and jointly address challenges.



The company selected its annual outstanding suppliers and held an award ceremony

■ Equal Treatment for SMEs

The company strictly complies with laws and regulations such as the "Regulations on Guaranteeing Payments to Small and Medium-sized Enterprises" to safeguard the legitimate rights and interests of all suppliers, including small and medium-sized enterprises. In 2025, the company's operational capital flow was orderly, with no overdue payments to small and medium-sized enterprises, effectively safeguarding the legitimate rights and interests of suppliers.

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Future Planning

Looking ahead, we will systematically deepen our responsible procurement practices, focusing on advancing in the following dimensions:

1

Enhancing Professional Capabilities:

We conduct comprehensive ESG management training for the procurement team, with a plan to achieve 100% training coverage by 2026, to enhance the team's professional capability in identifying and managing ESG risks in the supply chain.

2

Improving Evaluation Standards:

We will develop and continuously improve the "Supplier ESG Evaluation Standards," systematically incorporating environmental, social, and governance factors into supplier qualification, performance evaluation, and tiered management processes. We aim to achieve a 50% coverage rate of ESG standards in supplier screening and evaluation within the next 3-5 years.

3

Co-building a Green Ecosystem:

We focus on promoting the low-carbon transition of the supply chain. Through knowledge sharing, technical exchanges, and other means, we assist core suppliers in improving their carbon management levels, jointly building a more climate-resilient green supply chain.



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■ Philanthropy Philosophy and Practices

The company consistently regards fulfilling corporate social responsibility as a crucial component of sustainable development. Upholding the original aspiration of "originating from society and giving back to society," we continuously invest in areas such as rural revitalization, community care, and educational support through systematic philanthropic planning and diversified practical actions, committed to creating shared value. We not only provide financial and material assistance but also encourage employees to actively engage in volunteer services, fostering a philanthropic culture characterized by full participation and long-term commitment. By the end of 2025, the company's cumulative charitable donations exceeded $37.644 thousand, while investments related to rural revitalization amounted to $85.967 thousand, benefiting approximately 300 people. These actions demonstrate our commitment as a corporate citizen.

■ Rural revitalization

Dual Drivers: Education and Industry: The company actively responds to the national call, focusing on "educational assistance" and "industrial empowerment" to participate deeply in rural revitalization and inject momentum into the sustainable development of rural areas.

Educational Assistance, Illuminating the Future: Since 2016, the company has long focused on revitalizing rural education, continuously providing financial aid to students in need in areas such as Zhenba, Hanzhong, Shaanxi. In 2025, by mobilizing employees for "one-on-one student aid," we supported 82 students with $16.543 thousand, effectively alleviating the financial burden on recipient families and paving the way for rural students to pursue their dreams.

Empowering Industries and Fostering Urban-Rural Integration: The company explores market-oriented assistance by signing agricultural product purchase and sales contracts. Through contract farming, it strengthens the connection between production and marketing, alleviates the difficulty of selling specialty agricultural products, and helps farmers increase their income and revitalize rural industries. Simultaneously, the company operates the "Symbiosis with the Homeland" farming experience project, organizing employee families to engage deeply with rural areas in Suzhou, promoting rural revitalization and the integration of urban and rural cultures.





With industrial support as its foundation, Neway actively builds bridges for urban-rural communication. It meticulously organizes and conducts the "Symbiosis with the Homeland" farming experience activities, facilitating deep integration between city and countryside through exchange and interaction.

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Community Care and Public Welfare Practice

Rooted in the community, the company carries out a series of philanthropic initiatives focusing on "the elderly and the young" and public well-being, fostering a warm and healthy community environment.

Supporting Educational Growth:

The company actively supports local education by providing teaching assistance and improving facilities for institutions such as Xiangyangshan Middle School, Yangshan Primary School, Qingshan Luting Kindergarten, and Wu County Middle School. It also organizes philanthropic extracurricular classes for children, such as badminton and painting, contributing to the well-rounded development of youth.



Neway supported the Jiangsu Provincial Youth Campus Football League

Caring for the Elderly:

The company's Party members and volunteers, filled with enthusiasm, regularly visit nursing homes. They diligently clean to ensure a comfortable living environment for the elderly and patiently chat with them, offering spiritual solace. Through these small actions, they convey social warmth, foster an atmosphere of respect and care for the elderly, and enable seniors to enjoy a happy life in their later years.



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Practicing the Relay of Life:

Upholding the humanitarian spirit, the company continuously organizes voluntary blood donation drives. As of 2025, 97 employees have enthusiastically participated, contributing a cumulative total of 30,700 milliliters of blood. With their warm blood, they pool compassion to sustain lives, demonstrating a spirit of selfless dedication and infusing society with warmth and strength.



Building Better Communities Together:

The company actively engages in community development by donating books to enrich cultural resources and cultivate a literary atmosphere. It has also made donations to a public welfare fund specifically for the "Building Better Homes Together" project, supporting the improvement of community facilities and environmental optimization, and promoting the harmonious and sustainable development of the community.


捐赠证书

苏州纽威阀门股份有限公司

感谢您（你们）对苏州高新区慈善事业的关心和支持。

您（你们）捐赠的 爱心善款：人民币 50000 元，

我们将遵照您（你们）的意愿，用于 苏州高新区青少年"拥抱心田"项目

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苏州高新区（虎丘区）慈善总会

2025 年 6 月 12 日

The company made a donation to the Suzhou New District Youth "Embracing the Heartland" project and received a certificate.

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Appendix 1: 2023-2025 ESG Performance Statistics

Category	Performance indicator	2023	2024	2025
Economic	Total Assets (in billions of $)	1.122	1.221	1.479
	Operating Revenue (in billions of $)	789.393	874.179	225.207
	Net Profit Attributable to Shareholders of the Listed Company (in millions of $)	102.766	161.947	225.207
	R&D Investment (in millions of $)	26.454	23.444	27.981
	Government awards and subsidies (in millions of $)	3.686	1.109	3.836
Environment	Main production material - steel (tons/year)	49,433.38	45,614.73	67,745.33
	Main production materials - castings and forgings (tons/year)	75,600.60	93,728.01	110,459.00
	Total water consumption (tons/year)	487,557.00	505,566.00	438,884.00
	Wastewater discharge (tons/year)	87,700.00	83,235.00	68,672.00
	Volume of recycled and reused water (tons/year)	11,339.00	18,975.80	15,958.00
	Wastewater treatment compliance rate	100%	100%	100%
	Water consumption per unit product (tons/ton)	3.98	3.43	2.47
	Benzene emissions (tons/year)	1.00	2.59	2.14
	Ethyl acetate emissions (tons/year)	0.04	0.16	0.04
	Non-methane total hydrocarbon emissions (tons/year)	3.26	4.64	7.15
	Particulate matter emissions (tons/year)	8.31	9.79	11.97

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Category	Performance indicator	2023	2024	2025
Environment	SO2 exhaust gas emissions (tons/year)	0.15	0.15	0.08
	Nitrogen oxide exhaust gas emissions (tons/year)	0.75	2.63	7.02
	Exhaust gas emissions compliance rate	100%	100%	100%
	General solid waste emissions (tons/year)	12,215.97	14,411.20	21,342.92
	Waste recovery rate (%)	87.41	86.89	78.20
	Hazardous waste (tons/year)	906.91	1,042.22	1,257.63
	Hazardous waste transfer rate	100%	100%	100%
	Total electricity consumption (kWh)	100,640,817.20	98,138,452.40	10,9648,415.4
	Natural gas (m^3/year)	10,186,543.00	10,255,851.00	11,936,390.00
	Green electricity usage (kWh/year)	8,266,712.00	9,414,117.60	10,187,454.40
	Percentage of green electricity (%)	8.21	9.59	9.29
	Liquefied natural gas (kg)	100,289.62	63,861.98	80,781.25
	Diesel (kg)	140,072.97	148,702.87	152,066.28
	Gasoline (kg)	29,811.00	26,290.63	25,399.00
	Electricity Consumption per Unit Product (KWh/T)	818.16	706.78	617.77
	Scope 1 emissions (tCO_2e/year)	1,879.51	1,700.79	1,868.91
	Scope 2 emissions (tCO_2e/year)	6,692.09	6,445.76	7,750.23
	Scope 1&2 emissions (tCO_2e/year)	8,571.60	8,146.55	9,619.14

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Category	Performance indicator	2023	2024	2025
Environment	Scope 3 emissions (tCO_2e/year)	119,733.26	119,295.80	119,538.44
	Scope 1 & 2 emissions intensity per unit production (tCO2e/T)	0.13	0.11	0.12
Social	Number of R&D personnel (persons/year)	352	380	412
	Proportion of R&D personnel by education level (Master's ： Bachelor's)	17 ： 285	23 ： 309	37 ： 338
	Number of patents granted (items/year)	51	63	87
	Percentage of employees who have received training on diversity, discrimination, and harassment	100%	100%	100%
	Percentage of operating sites that have undergone human rights impact or risk assessment	100%	100%	100%
	Number of incidents of child labor or forced labor	0	0	0
	Number of factory audits conducted annually for child labor or forced labor (audits/year)	6	12	12
	Total number of employees (person)	3,744	4,053	4,459
	Proportion of male and female employees (Male ： Female)	85.1 ： 14.9	84.1 ： 15.9	84 ： 16
	Employee age ratio (below 30 ： 30-50 ： above 50)	11.9 ： 67.3 ： 21.8	12.8 ： 66.8 ： 20.4	12.8 ： 67.7 ： 19.5
	Number of ethnic minority employees	23	32	43
	Number of physically challenged employees	2	2	2
	Proportion of employee education level (Bachelor's degree and above ： High school and above ： Junior high school and below)	24.7 ： 33.5 ： 41.8	28.6 ： 31.6 ： 39.8	28.5 ： 29.6 ： 41.9
	Proportion of female managerial personnel at middle management level and above among all managerial staff (%)	13.20	13.30	13.80
	Percentage of women in senior management (%)	10.00	10.00	11.11

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Category	Performance indicator	2023	2024	2025
Social	Proportion of women on the board of directors (%)	22.22	22.22	22.22
	the number of foreign employees	137	160	196
	Ratio of average salary of frontline employees to local minimum basic salary	3.63 ： 1	3.42 ： 1	3.41 ： 1
	Employee turnover rate (%)	20.22	18.36	19.85
	Employee satisfaction rate (%)	92.53	94.63	94.65
	Employee compensation growth rate (%)	4.90	3.80	4.34
	Same position compensation ratio(male ： female)	1 ： 1	1 ： 1	1 ： 1
	Labor contract signature ratio	100%	100%	100%
	Ratio of the total annual compensation of the highest-paid individual to the median annual total compensation of all employees	5.20 ： 1	6.24 ： 1	5.67 ： 1
	Collective Agreement Coverage Rate	100%	100%	100%
	Total investment in safety (in millions of $)	2.543	2.634	2.407
	Number of work-related fatalities (persons/year)	0	0	0
	Investment amount in safety production liability insurance (in thousands of $)	30.497	21.624	27.080
	Employee physical examination coverage rate	100%	100%	100%
	Safety training hours (h/year)	17,765.00	21,827.00	51,175.00
	Lost time incident rate (LTIR) per 200,000 work hours	0.25	0.24	0.21
	Total recordable incident rate (TRIR) per 200,000 work hours	0.38	0.39	0.34
	Number of Serious Injury (and above) Accidents (cases)	0	0	0

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Category	Performance indicator	2023	2024	2025
Social	Number of recordable injury incidents (cases)	17	18	18
	Total annual employee training hours (hours/year)	204,404.16	211,271.43	191,139.60
	Employee training investment ($1,000 /year)	283.996	295.63	297.189
	Number of training course types (number/year)	30	24	36
	Average staff training hours (hours/person/year)	31.63	29.84	29.54
	Skills Training (times)	1,387	1,893	1,564
	Proportion of Employees Who Have Received Skills-Related Training (%)	65.20	66.30	66.00
	Training Coverage Rate	100%	100%	100%
	Percentage of employees receiving regular performance & career development evaluations	100%	100%	100%
Governance	Anti-Commercial Bribery and Business Ethics Training (person-times)	3,744	4,053	4,459
	Employee anti-commercial bribery training coverage rate	100%	100%	100%
	Anti-commercial bribery training coverage rate of management employees	100%	100%	100%
	Number of reported cases (times/year)	0	0	0

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Appendix 2: GRI Standards Indicator Index

Usage Instructions	During the reporting period (January 1 – December 31, 2025), the company discloses the information referenced in this GRI Content Index with reference to the GRI Standards.		
GRI 1 Applied	GRI 1: Foundation 2021		
GRI Standard	GRI Sector Standard(s)	Pages	Notes
The organization and its reporting practices			
2–1	Organizational details	8	
2–2	Entities included in the organization's sustainability reporting	Report Description	
2–3	Reporting period, frequency and contact point	Report Description	
2–4	Restatements of information	Report Description	
2–5	External assurance	Appendix	
Activities and workers			
2–6	Activities, value chain and other business relationships	9	
2–7	Employees	65	
2–8	Workers who are not employees	65	
Governance			
2–9	Governance structure and composition	17	
2–10	Nomination and selection of the highest governance body	17	
2–11	Chair of the highest governance body	17	
2–12	Role of the highest governance body in overseeing the management of impacts	17	
2–13	Delegation of responsibility for managing impacts	17	
2–14	Role of the highest governance body in sustainability reporting	17	
2–15	Conflicts of interest	29	
2–16	Communication of critical concerns	23	
2–17	Collective knowledge of the highest governance body	23	
2–18	Evaluation of the performance of the highest governance body	17	
2–19	Remuneration policies	67	
2–20	Process to determine remuneration	67	

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2–21	Annual total compensation ratio	67	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	4	
2-23	Policy commitments	29	
2-24	Embedding policy commitments	29	
2-25	Processes to remediate negative impacts	29	
2-26	Mechanisms for seeking advice and raising concerns	29	
2-27	Compliance with laws and regulations	28	
2-28	Membership associations	15	
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	23	
2-30	Collective bargaining agreements	\	
Material Topics			
3-1	Process to determine material topics	25	
3-2	List of material topics	26	
3-3	Management of material topics	26	
201 Economic Performance 2016			
201-1	Direct economic value generated and distributed	11	
201-2	Financial implications and other risks and opportunities due to climate change	61	
201-3	Defined benefit plan obligations and other retirement plans	67	
201-4	Financial assistance received from government	11	
202 Market Presence 2016			
103	Management of material topics	23	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	67	
203 Indirect Economic Impacts 2016			
103	Management of material topics	23	
203-1	Infrastructure investments and services supported	11	
203-2	Significant indirect economic impacts	11	

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204 Procurement Practices 2016			
103	Management of material topics	23	
204-1	Proportion of spending on local suppliers	\	
GRI 205 Anti-corruption 2016			
103	Management of material topics	23	
205–1	Operations assessed for risks related to corruption	29	
205–2	Communication and training about anti-corruption policies and procedures	29	
205–3	Confirmed incidents of corruption and actions taken	None	
GRI 302 Energy 2016			
103	Management of material topics	23	
302–1	Materials used by weight or volume	58	
302–3	Recycled input materials used	58	
302–4	Reclaimed products and their packaging materials	60	
GRI-303 Water and Effluents 2018			
303–1	Interactions with water as a shared resource	55	
303–2	Management of water discharge-related impacts	55	
303–4	Water discharge	54	
303–5	Water consumption	54	
GRI 305 Emissions 2016			
103	Management of material topics	23	
305-1	Direct (Scope 1) GHG emissions	63	
305-2	Energy indirect (Scope 2) GHG emissions	63	
305-3	Other indirect (Scope 3) GHG emissions	63	
305-4	GHG emissions intensity	63	
305-5	Reduction of GHG emissions	60	
305–7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	56	
GRI 306 Waste 2020			
103	Management of material topics	23	

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306–1	Waste generation and significant waste-related impacts	57	
306–2	Management of significant wasterelated impacts	57	
306–3	Major Spill/Leak Incidents	None	
GRI 307 Environmental Compliance 2016			
103	Management of material topics	23	
307-1	Non-compliance with environmental laws and regulations	None	
GRI 308: Supplier Environmental Assessment 2016			
103	Management of material topics	23	
308-1	New suppliers that were screened using environmental criteria	81	
308-2	Negative environmental impacts in the supply chain and actions taken	81	
GRI 401-409 Employee Management 2016			
103	Management of material topics	23	
401	Employment	65	
402	Labor/Management Relations	65	
403	Occupational Health and Safety	73	
404	Training and Education	76	
405	Diversity and Equal Opportunity	65	
406	Non-discrimination	65	
407	Freedom of Association and Collective Bargaining	\	
408	Child Labor	65	
409	Forced or Compulsory Labor	65	
GRI 414 Supplier Social Assessment 2016			
103	Management of material topics	23	
414-1	New suppliers that were screened using social criteria	81	
414-2	Negative social impacts in the supply chain and actions taken	81	
GRI 419 Socio-economic Compliance 2016			
103	Management of material topics	23	
419-1	Violating laws and regulations in the social and economic spheres	None	

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Appendix 3: Shanghai Stock Exchange "Self-Regulatory Guidance No. 14 for Listed Companies of the Shanghai Stock Exchange (SSE) – Sustainability Report" Index

Dimension	No	Topic	Corresponding Clause	Section
Environment	1	Climate change response	Articles 21 to 28	Ecological Aspiration – Cleanliness as the Foundation, Shared Prosperity for All
	2	Pollutant Emissions	Article 30	Ecological Aspiration – Cleanliness as the Foundation, Shared Prosperity for All
	3	Waste Disposal	Article 31	Ecological Aspiration – Cleanliness as the Foundation, Shared Prosperity for All
	4	Ecosystem and Biodiversity Protection	Article 32	Non-key topic, not disclosed
	5	Environmental Compliance Management	Article 33	Ecological Aspiration – Cleanliness as the Foundation, Shared Prosperity for All
	6	Energy Use	Article 35	Ecological Aspiration – Cleanliness as the Foundation, Shared Prosperity for All
	7	Use of Water Resource	Article 36	Ecological Aspiration – Cleanliness as the Foundation, Shared Prosperity for All
	8	Circular Economy	Article 37	Ecological Aspiration – Cleanliness as the Foundation, Shared Prosperity for All
Social	9	Rural revitalization	Article 39	Bridge to Society – Responsibility as the Foundation, Public Welfare as the Companion
	10	Social Contribution	Article 40	Bridge to Society – Responsibility as the Foundation, Public Welfare as the Companion
	11	Innovation Drive	Article 42	Core of Development – Innovation as the Engine, Quality Forges Trust
	12	Technology Ethics	Article 43	Not applicable
	13	Supply Chain Security	Article 45	Bridge to Society – Responsibility as the Foundation, Public Welfare as the Companion
	14	Equal Treatment for SMEs	Article 46	Bridge to Society – Responsibility as the Foundation, Public Welfare as the Companion
	15	Product and Service Safety and Quality	Article 47	Core of Development – Innovation as the Engine, Quality Forges Trust
	16	Data Security and Customer Privacy Protection	Article 48	The Helm of Governance – Wise and Steady, Navigating with Assurance
	17	Employees	Article 50	The Soil for Talent – Diversified integration from deep cultivation
Organizational Governance	18	Due Diligence	Article 52	The Helm of Governance – Wise and Steady, Navigating with Assurance
	19	Stakeholder Communication	Article 53	The Helm of Governance – Wise and Steady, Navigating with Assurance
	20	Anti-commercial Bribery and Anti-corruption	Article 55	The Helm of Governance – Wise and Steady, Navigating with Assurance
	21	Anti-Unfair Competition	Article 55	The Helm of Governance – Wise and Steady, Navigating with Assurance

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BUREAU VERITAS

Bureau Veritas Certification

INDEPENDENT ASSURANCE STATEMENT

Objectives of Work

Bureau Veritas Certification (Beijing) Co., Ltd. ("BUREAU VERITAS") has been engaged by Neway Valve (Suzhou) Co., Ltd. ("Neway Group") to conduct an independent Assurance of its 2025 Environmental, Social and Governance (ESG) Report ("ESG Report"). This Assurance Statement applies to the related information included within the scope of work described below.

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

Scope of work

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

- Data and information included in the ESG Report from January 1, 2025 to December 31, 2025.

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 Group 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

1. International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), developed by the International Auditing and Assurance Standards Board;
2. GRI Sustainability Reporting Standards, published by the Global Reporting Initiative
3. Shanghai Stock Exchange Listed Company Self-Regulatory Guide No. 4—Preparation of Sustainable Development Report (Revised in Jan 2026)

Methodology

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

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

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

BUREAU VERITAS

Bureau Veritas Certification

Assurance Conclusion

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 misstatement.
- The information is presented in a clear, understandable and accessible manner.
- The information of the report provides a fair and balanced representation of related sustainability management activities during the reporting period.
- Neway Group has established appropriate systems for the collection, aggregation and analysis of relevant information. The performance data for 2023~2025 has been disclosed and be with comparability.

Objectivity

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

Materiality

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

Completeness

The report of Neway Group focuses on the aspects of "The Foundation of ESG – Green empowerment for perpetual development", "The Helm of Governance – True sustainable development under wise and stable operation", "The Core of Development – Innovation as the Engine, Quality as the Trust", "The Ecological Vision – Cleanliness as the Foundation, Shared Prosperity for All", "The Soil for Talent – Diversified integration from deep cultivation", "The Bridge to Society – Responsibility as the Foundation, Public Welfare as the Companion". The report discloses data and information related to product responsibility, social responsibility, environmental responsibility, and employee responsibility, which are of concern to the stakeholders of Neway Group. The disclosed is of relative Completeness.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental and occupational health and safety, social responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with Neway Group We have conducted this assurance independently and impartially. Bureau Veritas has implemented a code of ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Fanny Zou	Stella Hou
Director of Greater China Region	Assurance Team Leader
Bureau Veritas Certification (Beijing) Co., Ltd.	Bureau Veritas Certification (Beijing) Co., Ltd.
2026-04-09	2026-03-18

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 statement may be obtained by consulting the organization.
To check this statement validity please call: +86 10 59683663

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Reader feedback

Dear reader!

Thank you very much for reading the *Neway Valve (Suzhou) Co., Ltd. 2025 Environmental, Social and Governance (ESG) Report*. If you have any comments or suggestions about this report, please complete the feedback form below and send it to us by mail, fax or email. We sincerely appreciate your valuable feedback!

Name: _____ Tel:: _____ Email: _____

1. Which sections did you find most valuable?

☐ Prologue: About Neway Valve Co., Ltd.
☐ Foundation of ESG – Green Leadership, Sustainable Progress
☐ The Helm of Governance – True sustainable development under wise and stable operation
☐ The Core of Development – Innovation as the Engine, Quality as the Trus
☐ The Ecological Vision – Cleanliness as the Foundation, Shared Prosperity for All
☐ The Soil for Talent – Diversified integration from deep cultivation
☐ The Bridge to Society – Responsibility as the Foundation, Public Welfare as the Companion

2. How would you evaluate this report?

Readability	☐ Good	☐ Average	☐ Poor	Completeness	☐ Good	☐ Average	☐ Poor
Objectivity	☐ Good	☐ Average	☐ Poor	Layout and design	☐ Good	☐ Average	☐ Poor
Overall impression	☐ Good	☐ Average	☐ Poor				

3. Any suggestions for our next annual report?

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4. Contact us:

Company website: https://www.neway.com.cn/

Tel: +86-512-66658692

Email: jie.han@neway.com.cn