Newland Environmental, Social and Governance Report 2024

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About Newland

Newland Digital Technology Co., Ltd. (hereinafter referred to as "Newland", "the Company" or "we") was established in Fuzhou, Fujian Province. It was listed on the main board of the Shenzhen Stock Exchange in 2000. The Company is a digital service provider integrating intelligent terminals, big data processing capacity, and data scenario operation capabilities. The Company takes serving the national "Digital China Strategy" as its mission and is committed to empowering the development of the digital economy industry through technological innovation. Relying on years of accumulated customer resources and industry experience in segmented fields, the Company leverages core technological advantages such as artificial intelligence (AI), edge computing, and big data to continuously consolidate its cornerstone industries, actively cultivate innovative tracks, and deepen its global layout. The Company's business covers more than 120 countries and regions worldwide, continuously delivering China's digital transformation solutions to countries along the "Belt and Road" initiative. In 2024, the Company's annual revenue exceeded RMB7.7 billion, with a workforce of 6,703 employees. It ranks as a national high-tech enterprise and a technological innovation demonstration enterprise.

Total revenue: RMB7.75 billion

Net profit attributable to parent company: RMB1.01 billion

Net cash flow from operating activities: RMB863 million

Total dividend: RMB556 million, with a cash dividend of RMB5.50 per 10 shares (tax-inclusive), accounting for more than 55% of net profit

Taxes paid: RMB330 million, with a tax rating of "A" for eight consecutive years

Introduction

Awards

- 2024 World Internet of Things (IoT) Top 500
- Top 500 Service Industry Enterprises in China (for five consecutive years)
- National Innovative Enterprise
- National Technological Innovation Demonstration Enterprise
- National High-tech Enterprise
- National Intellectual Property Demonstration Enterprise
- National-level Single Product Champion & Demonstration Enterprise in the Manufacturing Industry
- National “Specialised, Refined, Unique, and Innovative” Key Small Giant Enterprise
- National Industry-Education Integration Enterprise
- Pilot Enterprise for Intellectual Property Utilisation among Industrial Enterprises
- National-Level Enterprise Technology Centre
- National-Level Industrial Design Centre
- National-Level Postdoctoral Research Station
- International Science and Technology Cooperation Base
- Industrial Technology Basic Public Service Platform (Co-established by the Ministry and Provincial Government)
- National CNAS Certified Barcode Engineering Laboratory
- National CNAS Certified Software Evaluation Centre
- Information System Construction and Service Capability Level Certificate (Excellent Level)
- National “Quality Benchmark” Industrial Enterprise
- China Patent Gold Award
- China Well-Known Trademark
- China’s 500 Most Valuable Brands
- Top 100 Enterprises by Software Business Revenue in China
- Top 100 Enterprises by Software and Information Technology Service Competitiveness in China
- Top 100 Electronics and Information Industry Enterprises in China
- Top 500 Service Industry Enterprises in China

Introduction

Chairman's Message

Dear partners, investors, and respected members of the community:

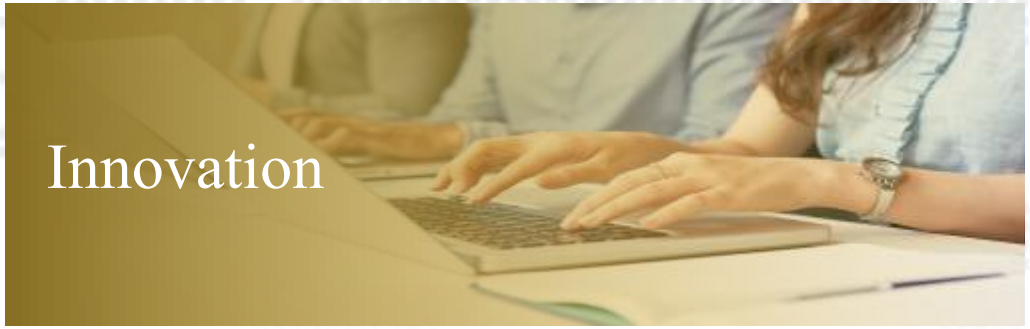
Newland has always embedded into the core of its corporate philosophy. In the face of global climate change challenges, we have achieved a reduction in carbon intensity in production processes through green technological innovation and have taken the lead in establishing the full-scenario E-CNY payment system, driving the low-carbon transformation of finance. In fulfilling social responsibility, the Company is committed to rural revitalisation and educational philanthropy, with a 100% employee training coverage rate, continuously building a diverse and inclusive development ecosystem.

The Company adheres to the "Technology for Good" philosophy, empowering industrial upgrades with 714 valid patents and blockchain-based trusted identity authentication technology, while integrating ESG governance into its strategic priorities. Special committees have been established under the Board of Directors to boost further development of the compliance system. In the future, we will continue to deepen digital transformation, and work together with all parties to explore new paradigms for sustainable growth, and fulfil our responsibility as a technology company in this era.

April 2025

Introduction

Executive Summary



- The number of R&D personnel reached **3,804**, accounting for **56.75%** of the total workforce.
- Among the R&D team, the proportion of members with a bachelor's degree or higher was as high as **86.07%**.
- The Company conducted a total of **283** technical training sessions throughout the year.
- The Company participated in the formulation of **35** national standards, and led the formulation of **6** industry standards and **7** local standards.
- In 2024, the Company applied for **78** invention patents, was granted **19** invention patents, and held **230** valid invention patents.
- R&D investment totalled **RMB664 million**, accounting for **8.58%** of total revenue.

- Domestic wastewater discharge was reduced by **2.92%** year-on-year.
- Paper consumption was reduced by **3.98%** year-on-year.
- Non-hazardous waste generated from our technology park decreased by **17.86%** year-on-year.
- The reuse rate of used furniture in new offices exceeded **80%**.
- The "Low-carbon Payment" business saved a total of **1.2 million** paper bills in 2024.
- Our self-developed equipment, equipped with a domestic chip and the open-source HarmonyOS, reduced power consumption by **30%** compared to traditional POS machines.
- We won the bid for the Ecological Cash Register Project in Fujian Province, which integrates features such as QR code payments and electronic invoices to achieve paperless transactions. It is expected to reduce paper receipt consumption by over **500 tons** annually.

Introduction

Executive Summary

- Customer satisfaction reached **98.3** points.
- We assisted **100,000** small- and micro-sized enterprises in applying for over **RMB100 million** of business loans.
- We established **9** associations and organised **8** large-scale cultural and sports activities in 2024.
- We conducted **12** quality training sessions for suppliers throughout the year, with **over 900** participants.
- We built **11** functional zones in our technology park, serving **18,830 people**.
- We carried out **200** safety hazard inspections throughout the year, and rectified **15** inspection findings, with a **100%** rectification rate.
- We provided paired assistance to two villages, with a continuous investment of over **RMB3.58 million** and coordinated provincial construction funds of **RMB1.8 million**.
- We conducted **492** training sessions, with **20,900** participants, and an average of **16.37** training **hours** per person.

- A total of **99** announcements and supporting materials were released in 2024.
- **78** investor inquiries were replied to on irm.cninfo.com.cn throughout the year.
- We held **1** results briefing, attended by **39** institutions.
- We held **2** general meetings of shareholders, with **17** proposals reviewed and approved.
- We held **8** meetings of the Board of Directors, with **48** proposals reviewed and approved.
- We held **6** meetings of the Board of Supervisors, with **14** proposals reviewed and approved.
- In 2024, we distributed dividends **twice**, amounting to **RMB5.56 million**.

Newland

ESG Governance

Carbon Path to the Future, Shared Responsibility through Data Governance

ESG Governance

ESG Development Philosophy and Strategy

Newland adheres to the philosophy of "Technological Innovation for the Benefit of Humanity" and has developed four core sustainability strategies.

Technology-Driven Digital Innovation

To drive the industry's digital transformation through technological innovation and build a global technology ecosystem

Key Actions and Achievements

- Continue to explore new models for expanding overseas business. Regional expansion in Europe, Asia-Pacific, and Latin America has shown initial results, significantly enhancing local adaptation and continuously reinforcing overseas supply chains.
- Collaborate with customers and partners in different regions around the world for joint innovation and growth. The number of high-value customers worth over USD10 million has reached a new milestone, and business partnerships have been established with several global leading payment solution providers.
- Promote the scenario-based payment service, digitalisation of merchant services, and the ecosystemisation of digital business, helping merchants manage operations, empowering the real economy, and driving the digital transformation of various industries.
- Continue to innovate in products and models by launching "Micro Intelligence" and the "Star Quality Plan", rank first among nationwide service providers in the Alipay "Touch to Pay" system, and be the only payment institution in the first-tier ranking.
- Win the CS4 certification for information system construction and service capacity and hold over 70 patents, continuing to deepen the digital intelligence transformation.

Green Transformation for a Low-carbon Future

Centred on full lifecycle carbon management, to promote green product design, clean energy applications and resource recycling

Key Actions and Achievements

- Leverage innovative technology to fully realise resource recycling throughout the product lifecycle.
- Conduct climate-related risk assessments to strengthen climate change management.
- Obtain ISO 14064 certification and implement a series of environmental protection measures in the Company's technology park.
- Conduct product lifecycle carbon emissions assessments to reduce embedded carbon in products.

People-Oriented Win-Win Cooperation

To build a diverse and inclusive corporate culture, enhance employee wellbeing and development, and create a safe, healthy, and efficient workplace

Key Actions and Achievements

- Provide various benefits and activities for employees.
- Continuously develop diverse training programmes, with three training series named "Land Camp" forming a comprehensive talent development chain.
- Included among national models for a family-friendly workplace, one of only four entities in Fujian Province.
- Implement a series of measures in offices to ensure occupational health and safety.

Community Engagement to Fulfil Responsibilities

To empower social development through technological innovation and actively fulfil the Company's social responsibility

Key Actions and Achievements

- Pioneer acceptance of overseas IP addresses for UnionPay's cross-border wallet services as one of the first third-party payment institutions in the industry, establish partnerships with six major international credit card organisations, and expand foreign currency services to cover 331 cities and 12 key industries, significantly improving foreign bank card services in China.
- Encourage employees to actively participate in community activities and promote the sustainable development of rural revitalisation through village-enterprise pairing.

ESG Governance

Sustainability Framework

To implement the strategy, the Company has established a four-in-one sustainability framework, namely, **innovation-driven** focus on technology for good to cultivate sustainable competitiveness, carbon emission **reduction and energy efficiency** improvement throughout the production and operation cycle to create closed-loop environmental management, **inclusive sharing** to eliminate the digital divide and empower equal participation among diverse entities, **compliance and integrity** to solidify the governance foundation and ensure data security and business ethics. The Board of Directors oversees the ESG governance system, integrating the sustainability framework into R&D, supply chain, and services. Digital tools are used to create a dynamic "strategy-execution-evaluation" mechanism, forming a closed loop that mutually reinforces disclosure and management, continuously enhancing business resilience and social value, and building a smart and sustainable ecosystem.

The Company actively responds to the United Nations' 2030 Agenda for Sustainable Development, deeply embedding 17 UN SDGs into its sustainability framework, integrating sustainability into the entire chain of technology R&D, production operations, and social value creation. The progress of each goal and key initiatives are fully disclosed in the corresponding sections of this report, aiming to drive the coordinated development of the digital and green economies and inject business-driven positive forces into the construction of a community with a shared future for mankind.

Technological Innovation

Innovation-driven technology for good

Environmental protection

Carbon emission reduction and energy efficiency improvement to promote a green future

Social Responsibility

Inclusive sharing to benefit peer enterprises

Corporate Governance

Compliance and integrity to foster robust sustainable development

ESG Governance

Sustainability Framework

ESG Management Strategies

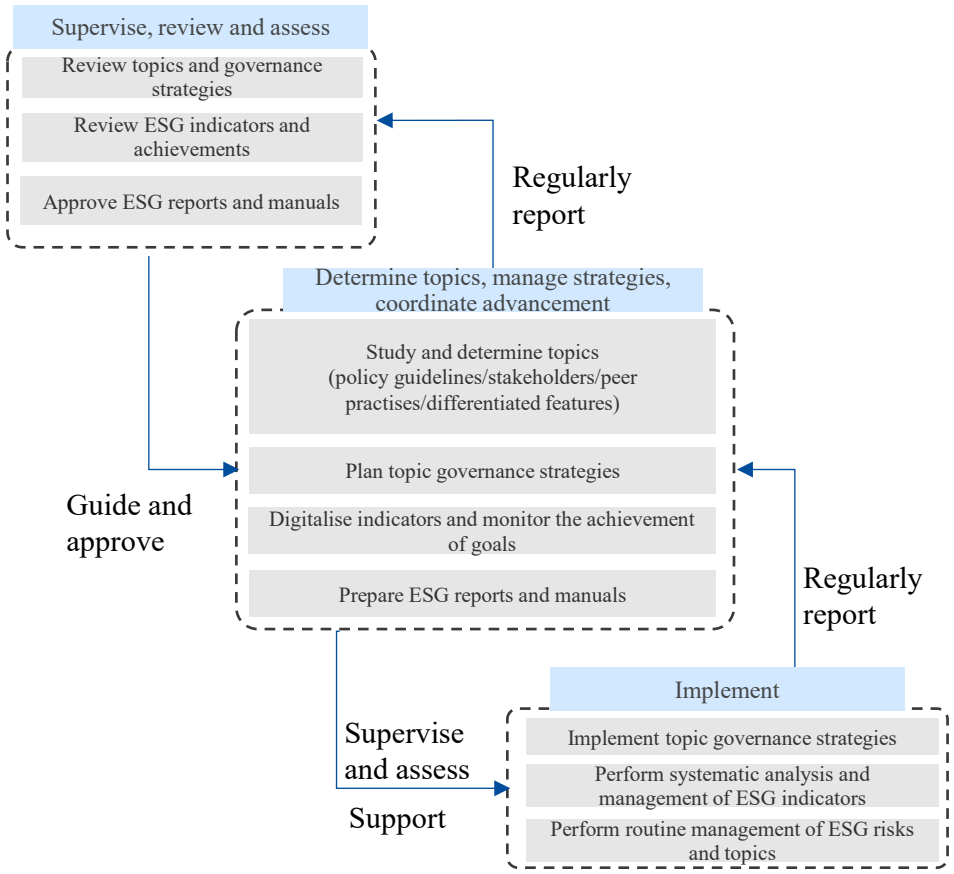
➢ General mission:

Technological innovation for the benefit of humanity

➢ General strategies:

Green transformation for a low-carbon future
Community engagement to fulfil responsibilities
People-oriented win-win cooperation
Technology-driven digital innovation

ESG Management Mechanism



ESG Governance

ESG Risk Management Mechanism

Against the backdrop of rapid technological innovation and the digital economy, Newland has always regarded the management of sustainability-related risks and opportunities as an essential part of its robust operations and long-term value creation. To ensure the Company maintains resilience in a complex and ever-changing market environment, we have established a systematic mechanism for risk identification, assessment, prioritisation, and management, fully supervised by the Board of Directors, to ensure that sustainability-related topics receive adequate attention and effective management.

Identification: Proactively identify sustainability-related risks and opportunities

Through collaboration with independent third-party sustainability consultants, we regularly identify environmental, social, and governance (ESG) risks and opportunities involved in business operations, covering but not limited to climate-related risks (e.g., carbon emission regulation changes, extreme weather impacts), supply chain-related environmental and social risks (e.g., raw material sustainability, supplier compliance), technological innovation opportunities (e.g., green data centres, smart payments, and low-carbon technologies). In addition, Newland actively monitors industry regulations, market trends, and investor expectations to ensure that the risk management mechanism remains up to date, and included key sustainability-related topics into ESG disclosures.

Assessment: Quantify the impact of risks and the value of opportunities

A multi-dimensional assessment system, considering the likelihood of risks and their potential impacts on business operations, financial performance, and market competitiveness, is used to assess sustainability-related risks and opportunities. For example, in climate change response, we analyse the potential financial impacts under different scenarios, such as the impact of rising carbon emission costs on operating costs and the market growth opportunities brought by low-carbon payment technologies.

Prioritisation: Focus on key sustainability-related topics

Based on the assessment results, we prioritise major sustainability-related risks and opportunities to ensure precise and efficient resource allocation.
High-priority risks: Risks that may have a significant impact on the Company's operations and financial performance, such as increasingly stringent carbon footprint regulations for the supply chain;
Important opportunities: Opportunities that can significantly enhance the Company's competitive advantages, such as the development of green smart terminal products.

Management: Continuously optimise risk control mechanisms

The Company's senior management, entrusted by the Board of Directors, develops and executes risk response strategies, specifically including supply chain management to strengthen supplier ESG compliance requirements and promote green procurement, technological innovation to develop low-energy-consumption, high-efficiency intelligent terminal products to help customers achieve sustainability goals, and information transparency to enhance ESG disclosures to earn more trust from investors and the public. As part of its oversight responsibilities, the Board of Directors regularly reviews the effectiveness of risk management measures and optimises strategies when necessary to ensure the Company remains at the forefront of sustainable development.

ESG Governance

ESG Topic Materiality Assessment

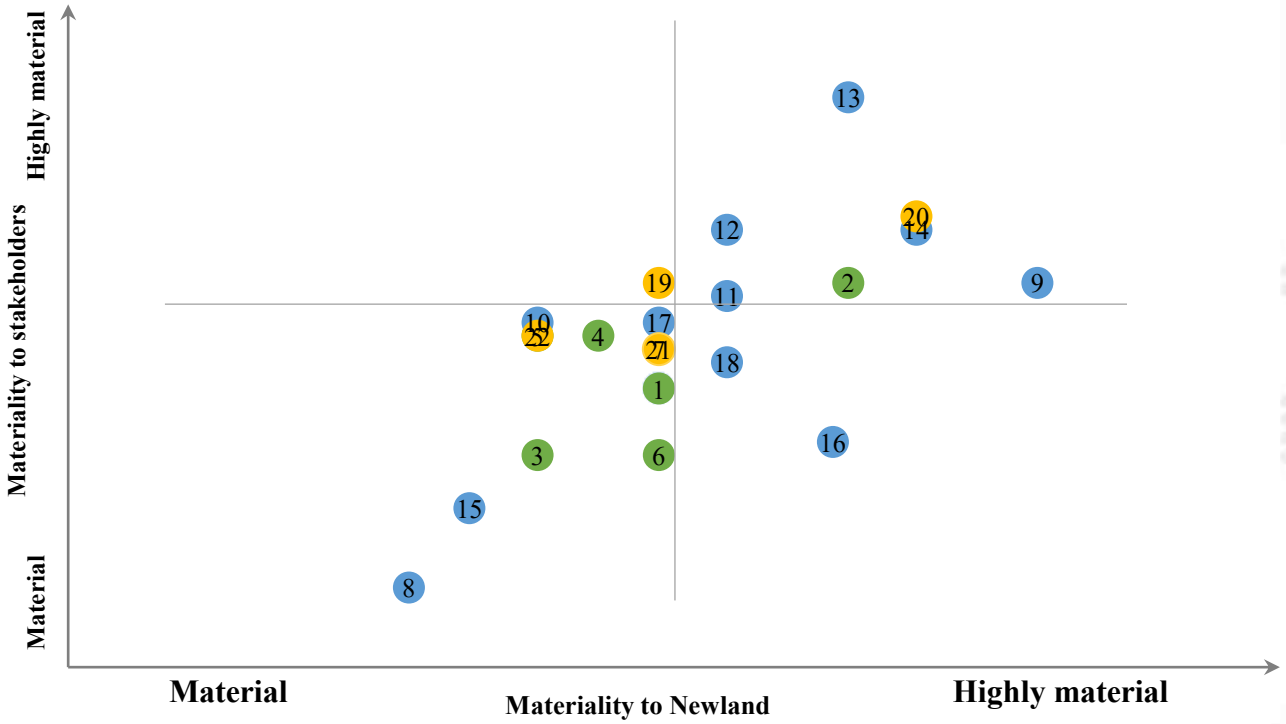
Stakeholder communication

Stakeholders	Employees	Shareholders	Government and Regulatory Authorities	Customers	Supplier	Partners	Media
Topics of Concern	• Rights protection • Career development and promotion • Safety and health • Remuneration and benefits • Talent attraction and retention	• Economic performance • Return on investment • Robust operations • Information disclosure • Sustainability capacity • Risk management	• Compliance with laws and regulations • Tax payment as required by laws • Observation of business ethics • Response to national policies • Lawful and compliant operations • Environmental protection • Active employment promotion	• Product R&D and innovation • Privacy and information security • Product safety and quality	• Supply chain management • Open, fair and impartial procurement • Procurement policies	• Integrity and mutual benefit • Win-win development • Fairness, impartiality and openness • Industry co-building • Data security	• Information disclosure • Public image enhancement • Positive contributions to society • Public engagement
Ways of Communication	• On-site or online meetings • Interviews • Hotline and email • Employee representative conferences • Employee supervisors • Employee surveys	• General meetings of shareholders • Annual reports, financial statements, and announcements • Results briefings and roadshows • Official announcements • Social media platforms • Email and fax • Field surveys	• Periodic reports/temporary announcements • Policy consultation and feedback • Correspondence • Compliance monitoring • Thematic reports	• Customer service hotline • Customer satisfaction survey • Product launches, exhibitions	• Bidding activities • Procurement activities • Field surveys or assessments • Supplier conferences • Assessments and scoring	• Business exchange • Business cooperation • Business negotiations • Partner conferences • Official website and social media platforms	• Annual reports, Mid-term results reports, announcements and circulars • Email and fax • Public welfare activities • Media interviews • Exchange meetings • Official website and social media platforms
Responding Measures	• Establish labour relations in accordance with the law to protect employees' rights • Improve training and promotion mechanisms to support employee growth • Optimise the compensation and benefits system to enhance incentive effects • Regularly organise employee health check-ups and provide medical insurance • Organise cultural and sports activities to enrich employees' cultural lives • Attract diverse talent	• Stabilise economic growth and maintain a good development momentum • Balance scale expansion with efficiency improvement, creating value for shareholders • Continuously improve the corporate governance system to ensure standard and compliant management • Integrate business resources to create a strong business ecosystem and launch industry-leading products and solutions • Perform timely, legal and compliant information disclosures	• Proactively pay taxes in accordance with the law • Provide job opportunities • Abide by laws and regulations • Contribute to the construction of Digital China • Actively participate in policy feedback	• Ensure product safety and quality through a well-developed quality management system • Establish an all-around cybersecurity management framework to provide stable, reliable and secure products and services • Highlight customer needs and continuously improve customer satisfaction • Enhance product and service innovation	• Integrate sustainability concepts throughout the supplier management process and actively guide suppliers to strengthen ESG management • Uphold the business philosophy of honesty and integrity • Standardise procurement policies • Build diverse communication and learning channels to gather upstream and downstream partners and empower the supply chain	• Adhere to the principles of fairness and impartiality, mutual benefit, and complementary development with differentiated strengths • Uphold the business philosophy of honesty and integrity • Establish long-term, strong partnerships with banks and strategic partners	• Strengthen communication, interaction and cooperation with the public and media • Use social media and the Company's official website and WeChat and Weibo accounts to post updates on the Company operations, products and services • Actively participate in popular industry exhibitions to showcase the Company's strength • Actively engage in social public welfare to enhance the Company's public image

ESG Governance

ESG Topic Materiality Assessment

Materiality Assessment



In 2024, the Company, based on the principle of dual materiality, widely collected and sorted out feedback and expectations on environmental, social, and governance aspects from stakeholders, including customers, employees, investors, and partners. Through systematic analysis and scientific assessment, 22 material topics were ultimately identified. Based on the materiality scores from stakeholders, an ESG materiality matrix was developed. On this basis, the Company has listed topics with both high external attention and strong internal relevance as key areas of sustainability management, which are extensively discussed in this report. This systematically demonstrates the direction of the Company's collaboration in terms of ESG governance and long-term value creation.

Environmental Topics

Topic 1: Climate Change Response and Carbon Neutrality
Topic 2: Pollutant Discharge and Waste Management
Topic 3: Land Use and Biodiversity
Topic 4: Environmental Management Policies
Topic 5: Energy Utilisation
Topic 6: Water Resource Management
Topic 7: Circular Economy

Social Topics

Topic 8: Rural Revitalisation and Social Contribution
Topic 9: Technological Innovation
Topic 10: Supply Chain Management
Topic 11: Business Continuity
Topic 12: Customer Service
Topic 13: Product Safety and Quality
Topic 14: Data Security and Customer Privacy Protection
Topic 15: Diversity and Inclusion
Topic 16: Employee Training and Career Development
Topic 17: Occupational Health and Safety
Topic 18: Employee Care and Benefits

Governance Topics

Topic 19: Corporate Governance
Topic 20: Risk Management and Internal Control Compliance
Topic 21: Stakeholder Communication and Cooperation
Topic 22: Business Ethics

新大陆 Newland

Innovation Performance

A Technology-Driven Future

01 Innovation Investment and Technological Achievements (SDG 9)

02 Supporting the Digital Transformation of the Real Economy (SDGs 8, 9)

Innovation Performance

Innovation Investment and Technological Achievements

Investment in innovation

In 2024, the Company continued to increase its investment in technological innovation, with R&D investment reaching **RMB664 million,** accounting for **8.58%** of total revenue, providing solid financial support for technological innovation and product upgrades. At the same time, the Company actively expanded the size of its R&D team, optimised the talent structure, and built a high-quality, professional R&D team.

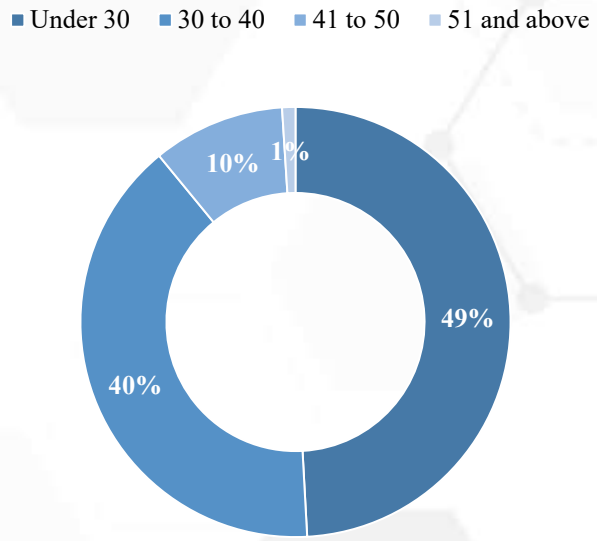
By the end of 2024, the Company's total number of R&D personnel reached **3,804,** accounting for **56.75%** of the total workforce, fully demonstrating the core position of technological innovation in the Company's strategy.

Among members of the R&D team, **86.07%** hold a bachelor's degree or higher, including 3,274 with a bachelor's degree, 230 with a master's degree, and 300 with other qualifications, showcasing the team's solid professional foundation and diverse knowledge background.

The age structure of the R&D team is well-balanced, with 1,869 employees under 30 years old, accounting for **49.13%**, 1,519 employees aged 30 to 40, accounting for **39.93%**, 378 employees aged 41 to 50, and 38 employees aged 51 and above. This has formed a team structure where young talent are the backbone, supported by mid- and senior-level technical talent, injecting vitality into the Company's continuous innovation.

Throughout the year, the Company conducted **283** technical training sessions, continuously improving the skill level and professional qualities of R&D personnel. Through R&D investment and talent team building, the Company has driven technological breakthroughs and product upgrades, providing strong technological support for sustainability goals.

Age Structure of the R&D Team



Innovation Performance

Innovation Investment and Technological Achievements

Newland builds a digital foundation through standard-setting and technology-driven innovation, empowering the industry's digital transformation. In the field of standard setting, the Company has led the formulation of **49** standards in areas such as IoT and AI, filling the gap in domestic barcode reading standards. In terms of technology, it has promoted innovative applications such as E-CNY, AI algorithms, and edge computing, supporting scenarios like smart technology parks, drug traceability, and intelligent security, providing strong support for the digital transformation of the real economy. In 2024, Newland filed **78** invention patent applications, was granted **19** invention patents, and held **230** valid invention patents. Newland currently holds **700** valid national patents and **14** valid foreign patents.

Standard setting

Newland serves as an expert member in four sub-committees of Chinese Educational Technology Standardisation Committee (CETSC), and has repeatedly led or participated in the formulation of national and industry standards in fields such as the IoT, digital identity, AI, and biometrics. This includes leading the formulation of the national standard *Information Technology - Biometric Data Interchange Formats - Part 5: Face Image Data,* and **6** industry standards and **7** local standards, and participating in the formulation of **35** national standards. The Company also leads the Ministry of Industry and Information Technology's intelligent manufacturing comprehensive standardisation project and participates in the NQI project under the National Key R&D Programme.

In the field of standard setting, the Company has been recognised as an outstanding private enterprise for standard innovation in Fujian Province, and has received the Science and Technology Award from China Association for Standardisation (CAS), as well as **one** first prize and **three** second prizes for standard setting contributions in Fujian Province.

Innovation awards

	Enterprise Recognition	Project Awards
National Level	National High-tech Enterprise	China Patent Award (Excellent Award) - A Small Barcode Image Collector Third Prize for AI Section in the 2024 Digital China Innovation Contest - An Internet of Video Things Platform Solution
Provincial Level	Industrial Leading Enterprise in Fujian Province Manufacturing Industry Leading Enterprise in Fujian Province Top 100 Enterprises in Strategic Emerging Industries in Fujian Province in 2024 Leading Artificial Intelligence Software Enterprise in Fujian Province Innovation Enterprise in the Core Industry of Digital Economy in Fujian Province in 2024	High-Quality Artificial Intelligence Software Product in Fujian Province - Newland's Artificial Intelligence Service Platform
Municipal Level	Industrial Leading Enterprise in Fuzhou in 2024 Software Industry Leading Enterprise in Fuzhou in 2024 Enterprises Selected for Intellectual Property Standardisation Cultivation Programme in Fuzhou in 2024	Outstanding Achievement Award at the 2024 Fuzhou Employee "Five Smalls" Innovation Competition (First Prize)

Technological achievements drive industry development

In the wave of digital economy development, Newland actively embraces industrial AI to achieve cost reduction, efficiency improvement, and revenue generation. Through ecological cooperation with large models such as Doubao, ERNIE Bot, and Tongyi Qianwen, the Company conducts generalised research to generate vertical scenario-based small models, which are widely applied in daily work scenarios such as technology R&D, data collection, industry applications, and risk control compliance, significantly improving work efficiency and saving costs. In 2024, the Company's big data and AI projects generated a total revenue of over **RMB210 million**.

Facial recognition-based liveness detection:

In February 2024, Newland's monocular silent liveness detection algorithm successfully passed the security performance test by the First Research Institute of the Ministry of Public Security of the People's Republic of China. This technology meets GA/T 1723.4-2020 *CTID Online Authentication - Authentication Services - Part 4:Technical Requirements for Facial Image Capture Control*, the highest national standards for resident network identity authentication, marking that Newland's monocular silent liveness detection algorithm has reached an industry-leading level in terms of security.

Edge computing:

The video edge gateway has successfully created an intelligent solution system across multiple industries, achieving large-scale applications in several vertical fields. Adoption of the solution in natural gas and petroleum industries and chemical parks' intelligent security operations in Ningxia, Henan and Fujian has set up replicable industry implementation models. The edge gateway has been successfully applied in multiple scenarios, including community governance, urban management, highways, traffic tunnels, construction sites, and campus security. In addition to successfully expanding application scenarios, the Company has also accumulated rich technical and business experience. Next, we will delve into scenario demands and develop multiple application solutions for business expansion.

Innovation Performance

Innovation Investment and Technological Achievements

Technological achievements drive industry development

Case

E-CNY

In 2024, Newland collaborated with Industrial Bank to build the full-scenario E-CNY smart park, creating an industry-leading digital currency work badge project. This project achieved system-level interoperability with the E-CNY 2.0 platform's soft and hard wallet system, innovatively integrating payment tools and enterprise identity authentication. The project received exclusive permission from the Digital Currency Institute of the People's Bank of China for the appearance design of work badges, supporting customised display of enterprise logos.

As of the end of the reporting period, the digital currency work badge system has integrated identity authentication, mobile payment, and intelligent management functions, covering access control, attendance, dining, and consumption scenarios. **Over 5,000** badges have been issued, creating a positive closed-loop application ecosystem. Based on practises in its technology park, Newland has built an all-around replicable E-CNY solution. Relying on secure intelligent payment, trusted digital identity, and other technologies, it has developed a one-stop platform for smart contracts, fund collection, and intelligent analysis, laying the foundation for expansion in campus, community, and industrial park scenarios. In the future, we will continue to deepen the innovation applications of "digital currency + government, society, and economy".

Innovation Performance

Supporting the Digital Transformation of the Real Economy

Newland empowers the real economy through technological innovation and digital services, driving industry transformation and upgrading. In the retail sector, smart supermarket devices and full-link digital services help stores achieve operational digitisation and revenue growth; in the terminal equipment sector, intelligent POS terminals meet multi-scenario demands, significantly improving banks' customer service efficiency; in scenario innovation, Newland provides data-driven precision analysis and intelligent management tools for traditional religious institutions. These practises highlight the strong empowerment of fintech and digital solutions to the real economy, providing replicable successful examples for industry digital transformation.

Smart supermarkets drove revenue growth

In September 2024, Newland's Postar, Huilaidian, and Henan Hebi Post received three pennants from Longsheng Supermarket, a well-known local chain supermarket. Newland's Postar and Huilaiddian deployed smart supermarket hardware and software devices in six chain stores of Longsheng Supermarket. Through professional retail ERP software, full-link digital services, precise member marketing, and omnichannel marketing, nearly RMB3 million in transaction amounts were processed efficiently, accelerating the stores digital transformation and upgrading, achieving sustained revenue growth.

Smart POS terminals empowered merchants and banks

In November 2024, Newland Payment Technology Co., Ltd. (hereinafter referred to "Newland Payment Technology")'s N910 Pro smart POS terminal won the China Construction Bank's national chip handheld smart POS procurement project with the highest total score, covering both Android and domestic operating systems. N910 Pro fully meets the multi-scenario needs of merchants, closely aligns with banks' business development, significantly enhances customer service experience, and demonstrates Newland's technological advantage and industry-leading position in the payment sector.

Supported the digital transformation of religious sites

During the 2024 Spring Festival, Postar focused on the management challenges in the religious sector, customising smart solutions for hundreds of religious sites such as Jiulong Zen Temple in Fuzhou and Longxing Temple in Chuzhou. Digital technology was used to empower the inheritance of traditional culture. In response to the challenges of cash management and unclear reconciliation in traditional donation boxes, the Company deployed the Lejuan electronic donation screen, supporting QR code self-service blessings and donations. This enabled self-service for devotees and transparent management of temple finances, and in places like Sanming, Fujian, it built a smart offering platform to optimise the religious experience, serving over 10,000 people daily.

Environmental Performance

Carbon Emission Reduction and Energy Efficiency Improvement to Promote A Green Future

01 Carbon Neutrality and Climate Change Response (SDGs 7, 13)

02 Resource Recycling and Pollution Control (SDGs 6, 12)

03 Land Use and Ecological Conservation (SDGs 11, 15)

Environmental Performance

Carbon Neutrality and Climate Change Response

Carbon neutrality

Carbon emission detection and certification

The Company places high importance on low-carbon development. In 2024, **we conducted our first organisational carbon footprint accounting**, obtaining ISO 14064 certification, and collaborated with downstream manufacturers for **product carbon footprint certification**.

In 2024, total carbon emissions amounted to **15,485.28** tonnes of CO_2 equivalent, of which direct greenhouse gas (GHG) emissions totalled **775.30** tonnes of CO_2 equivalent, and indirect GHG emissions totalled **14,709.98** tonnes of CO_2 equivalent.

Green commuting

The Company has built a green travel system, optimised shuttle bus routes (operating **20 routes** covering main urban areas in 2024), and implemented intelligent scheduling for vehicles for business purposes (with 2,306 trips scheduled annually, a 13.9% year-on-year increase). A total of **445,274** rides were recorded, while strict control was maintained over the scale of parking spaces in the technology park, and multiple charging stations were added, effectively reducing traffic-related carbon emissions.

Green operations

The Company focuses on "low-carbon payments", promoting electronic bills, invoices and online payment services to reduce the circulation of paper documents. While providing digital management support to medium-, small- and micro-sized enterprises, in 2024, we saved a total of **1.2 million** paper bills (equivalent to approximately 14 tonnes of paper), and won the provincial ecological cash register project. Through the integration of QR code payments and electronic invoices, we achieved paperless transactions, expected to reduce paper waste from receipts by over **500 tonnes** annually.

Build a multi-dimensional green procurement system to drive the low-carbon transformation of the supply chain

- At the supplier level, we encourage partners to adopt energy-efficient vehicles and green logistics, conduct regular carbon emission audits, and provide low-carbon production training for suppliers. We also strictly control harmful substance content in raw materials through the *Halogen-Free Product Manufacturing Management Regulations*, ensuring compliance with international standards such as IEC 61249-2-21.
- At the product level, our self-developed equipment uses domestic chips and the open-source HarmonyOS, reducing power consumption by **30%** compared to traditional POS machines. Our self-developed low-power module technology extends the service life of equipment and reduces electronic waste.
- Using innovative technologies and environmentally friendly materials to reduce waste: We use HCE technology to reduce paper receipts, eSIM technology to reduce plastic waste, and primary colour injection moulding to reduce paint usage. We also use recycled plastic and biodegradable components, effectively reducing environmental pollution.
- Optimising packaging and product design to improve recycling rates: We implement lightweight packaging strategies, promote electronic manuals, use battery-separable designs, and adopt battery health management solutions to extend product life and reduce electronic waste.
- Promoting standardised connectors to reduce carbon footprints: We sell devices with industry-standard USB connectors to reduce unnecessary USB power replacements, further lowering resource consumption and carbon emissions.

Environmental Performance

Carbon Neutrality and Climate Change Response

Green office

Full-process paperless transformation

The Company systematically promotes green office transformation and has built a full-process electronic management system.

- We implement an online approval system covering processes such as item requisition and meeting room booking. In 2024, the number of electronic contracts signed reached 11,148, an 8.5% increase year-on-year, reducing paper documents by approximately **50,000** copies.
- We put into use the AI business travel platform and electronic seals, with **100%** electronic archiving of HR contracts and documents, and also digitalise the management processes for overseas service providers.

Precise energy efficiency management

- We established four exclusive policies, including the *Energy Resource Management Regulations*, and built an ISO 50001 energy management system, standardising energy consumption data collection and dynamic optimisation.
- All office areas have been retrofitted with LED lighting and energy-efficient equipment, with dedicated personnel conducting daily inspections to turn off standby power, with air conditioning set to a constant 26°C. In 2024, office energy consumption **decreased by 8%**.
- We have also optimised equipment load in the server room, with an utilisation rate of 98%, an increase of 3% year-on-year, and a **5% improvement** in unit computational efficiency.

Resource recycling mechanism

- In new offices, the reuse rate of used furniture exceeds **80%**, and our canteen provides biodegradable tableware.
- The shared printing area implements a double-sided paper usage policy and recycles envelopes, paper, and paper bags. In 2024, paper consumption was reduced to 1,013 tonnes, a **3.98% decrease** year-on-year.

Environmental Performance

Carbon Neutrality and Climate Change Response

Climate risk management

Plans and Countermeasures for Climate Risks

Climate-related risks	Potential impacts	Countermeasures
Extreme weather (typhoons, heavy rain, flooding)	1. Water damage to data centres and factory equipment. 2. Supply chain delays due to logistics disruptions. 3. Safety hazards during employee commutes.	1. Smart alerts: Notify employees of safety precautions and work arrangements in the event of extreme weather. 2. Emergent reinforcement: Deploy flood barriers and drainage pumps, and elevate critical equipment off the ground. 3. Flexible work arrangement: In accordance with the Level I response requirements of the *Fuzhou Meteorological Disaster Emergency Plan*, when a red typhoon warning is issued in Mawei District or the 24-hour rainfall reaches 300mm, R&D labs and production workshops shall suspend operations, commuter shuttle services shall be halted, and all employees shall take leave and stay home.
Sustained high temperature	1. Risk of server overheating and downtime. 2. Health risks for employees working outdoors.	1. Technical controls: Use cooling technology in the server rooms, and the temperature control system automatically adjusts to ≤25°C. 2. Health protection: Based on the characteristics of various positions in the technology park and feedback on care activities in previous years, provide special summer care to frontline employees working at high temperatures through the distribution of cooling supplies and field visits. 3. Equipment insurance: Purchase climate disaster insurance for core factory equipment to cover repair losses caused by high temperatures/drought.
Sea level rise and coastal salinisation	1. Damage to building structures. 2. Moisture corrosion of electronic components.	1. Building renovation: Apply moisture-proof coatings. 2. Employee training: Conduct quarterly climate emergency drills simulating flood evacuation and data backup processes.

Develop the *Emergency Preparation and Response Control Procedures*, incorporate extreme weather events such as typhoons and heavy rain into special emergency plans, and clearly define the three-level response mechanism

Formulate standardised emergency policies

Regular drills: Conduct two typhoon warning drills and one fire evacuation drill annually. In 2024, 1,029 people participated in such drills, an 8% increase compared to the previous year.
Graded response: Initiate countermeasures based on the level of meteorological warnings, with an average of 4 climate notifications issued annually.

Strengthen routine prevention and control systems

Business continuity: Obtain ISO 22301 certification and improve emergency drill plans and training mechanisms to ensure the continuity of critical business operations.
Property insurance: Purchase comprehensive property insurance for park buildings, equipment and production materials every year to cover natural disaster losses.
Employee protection: Conduct regular safety training to clarify extreme weather evacuation procedures and relocate materials and vehicles from risk areas in advance.

Improve risk prevention mechanism

Joint warning: Coordinate with meteorological departments and emergency rescue agencies to get real-time early warning information.
Material support: Reserve water sources for emergency, flood control sandbags, and other materials, and complete drainage system repairs before typhoons.
On-call response: Implement 24-hour rotating shifts duty during extreme weather to ensure rapid response to emergencies.

Climate risk management

Case

Braving Typhoon Gaemi: Systematic defence in our technology park in Fuzhou resulted in zero losses

In July 2024, due to Typhoon Gaemi, Fuzhou experienced continuous heavy rainfall. The Company, in coordination with the park administration, immediately activated the typhoon and flood control plan, and took multiple emergency measures, including placing flood barriers and road gates in the basement, fully inspecting drainage pumps and clearing pipe networks, relocating outdoor production materials, elevating goods in warehouses, reinforcing trees in the park, sending early warnings, initiating the 24-hour rotating shifts, preparing adequate sandbags, relocating vehicles, suspending the operation of shuttle buses, and making personnel shift arrangements. Through systematic defence measures, the safety of employees and properties in the technology park was effectively guarded during the typhoon, with no losses occurring.

Environmental Performance

Resource Recycling and Pollution Control

Pollutant discharge management

Improve chemical management regulations

We strictly implement the *Chemical Management Regulations* to standardise the procurement, storage, and use processes, focusing on controlling the risk of hazardous chemical leaks. We entrust qualified professional institutions with waste disposal to ensure full-process compliance and prevent environmental pollution.

Implement closed-loop pollution control management

We purify exhaust gases through dust treatment devices, control noise through soundproofing measures, and conduct regular third-party environmental testing (with all results meeting standards). We collect and recycle general solid waste such as cardboard and plastics, and establish a dynamic monitoring mechanism for pollutant emissions, ensuring environmental management is legal and compliant through standardised reporting and third-party collaborative supervision.

Electronic waste management

Build a standardised policy system

- We develop the *Used Equipment Recycling and Reuse Management Regulations* and the *Operating Specifications for Disposal of Discarded Electronic Products*, specifying the full process requirements for equipment registration, evaluation, data elimination, and disposal.
- We obtain the IECQ QC080000 Hazardous Substance Management System certification and strictly follow the EU WEEE Directive. Equipment is clearly marked with the “wheelie-bin” recycle label.
- We establish an authorised repair network for equipment recycling in Europe to ensure compliance with international environmental regulations and regional recycling standards.

Implement full-lifecycle closed-loop management

- Graded assessment: Before recycling, equipment model, condition, and other information to assess repair value and recycling potential.
- Data security: IT departments or third-party agencies perform data wiping and encryption checks on devices containing storage media, and issue security reports.
- Classified disposal: Repairable equipment is restored and reused internally; non-functional equipment is dismantled, and components are sent to professional agencies for environmentally friendly disposal.

Deepen recycling effects

- In 2024, a total of 44,548 POS devices were recycled, a 4% increase compared to 2023. The number of recycled used equipment continued to expand.
- An internal equipment recycling system has been established, with repaired devices labelled and made available to departments as needed, reducing asset procurement costs.
- Through recycling by professional institutions, the recycling rate of metals, plastics and other materials exceeds 90%, reducing the amount of waste sent to landfills.

Environmental Performance

Resource Recycling and Pollution Control

Water conservation for ecological sustainability

Systematic water conservation system building 01

- We establish a graded management system to clarify water usage regulations for office and production areas, implement a dedicated cleaning service for property management, and ensure daily monitoring, including equipment inspection and leak reporting.
- We formulate the *Water Conservation Equipment Selection Standards*, prioritising the procurement of efficient water-saving devices such as smart water meters and sensor faucets. In the new office building, the coverage rate of sensor faucets is **100%**.
- We implement a rainwater and sewage separation drainage system. Wastewater discharge complies with the *Water Pollution Control Regulations of Fujian Province*.

Precise technology upgrades and monitoring 02

- Facility renovations: The data centre uses water-saving cooling equipment, with a **10%** increase in the purification and reuse rate of circulating water. The green areas adopt drip irrigation technology, significantly reducing outdoor water consumption.
- Dynamic monitoring: Smart water meters are deployed to collect real-time data. In 2024, **three** special inspections were conducted, with **12** leak points repaired, and office water consumption decreased by **2.92%** year-on-year.

Regular promotion and behavioural guidance 03

- We organise water conservation training every quarter. In 2024, **four** company-wide activities were held with a participation rate of over **95%**.
- Water conservation signs are posted in office areas to strengthen employees' awareness of turning off taps.
- Domestic wastewater discharge has continuously decreased, with a total of 30,875 tonnes in 2024, a **2.92%** reduction year-on-year.

Environmental Performance

Land Use and Ecological Conservation

Prioritising ecology for co-fulfilment of responsibilities

Ecological design of our technology park

Newland Technology Park occupies **150 acres**, with a green area of **15,000 square metres**, covering 35%. The park features a variety of plant communities, including shrubs and trees, forming a diverse ecosystem that attracts birds, squirrels, and other wildlife. It was once recognised as a "Park-Style Model Enterprise in Fuzhou". The total amount of non-hazardous waste generated in the park was 23 tonnes in 2024, **a 17.86% decrease** year-on-year, achieving an organic integration of ecology and office environments.

The Yiyue Industry-Education Integration Building project, launched in 2023, fully incorporates environmental protection principles throughout its lifecycle.

Energy-saving technology applications:

For air conditioning, we use a variable refrigerant flow multi-split system to intelligently adjust energy efficiency. The entire building is equipped with intelligent LED lighting and automatic sensor switches for stairwells.

Optimised building design:

Aluminium alloy low-radiation coated hollow glass is used to reduce heat transfer and air conditioning load.

Green evaluation system:

Through green building certification and energy efficiency evaluations, we ensure that the building's environmental performance meets the standards.

Ecological and cultural integration:

We plan indoor and outdoor vertical greening, along with facilities such as a yoga room and employee canteen, to create a low-carbon, comfortable space.

Prioritising ecology for co-fulfilment of responsibilities

Case

Newland × China Tower: Technological integration drives the upgrade of environmental "technical defence "

Newland, in collaboration with China Tower and leveraging the technological integration platform of "China Tower + IoT + Big Data + AI + Edge Computing", has independently developed an intelligent environmental product matrix. This covers multiple scenarios such as straw burning prohibition, air pollution control, water environment governance, and marine ecology protection. By deploying high-precision monitoring terminals and intelligent algorithms, the Company has built a "pollution monitoring traceability model + intelligent prediction system", forming a four-in-one pollution prevention and control system of "3D monitoring, scientific analysis, targeted control, and comprehensive evaluation". This system enables real-time dynamic perception of pollution sources, scientific prediction of pollution trends, and targeted implementation of remediation measures, assisting ecological and environmental departments in multiple regions in the digital transformation of regulatory models from "human defence" to "technical defence", providing a replicable intelligent governance model for the construction of Beautiful China.

Environmental Performance

Land Use and Ecological Conservation

Environmental management policies

The Company integrates environmental risk management into its strategy and operations, using ISO 14001 as a framework to establish a "Goal-Inspection-Correction" closed-loop mechanism. Through dynamic monitoring and comprehensive staff training, we drive green compliance and the achievement of carbon reduction goals.

System construction and closed-loop management

- We establish an environmental management system in line with ISO 14001, setting up environmental management representatives and special teams, with clear mechanisms for goal setting, execution monitoring, and performance evaluation.
- Based on the *Environmental Inspection Guidelines*, dynamic inspections are conducted, and cross-department collaboration is achieved through the *Data Analysis Control Procedures*. Corrective actions are carried out according to the *Corrective Actions Procedures* to complete the PDCA (Plan-Do-Check-Act) closed-loop correction.

Technological control and dynamic monitoring

- Focusing on noise, exhaust gas, and wastewater treatment, we implement measures such as smoke purification, regular maintenance of air compressors, and wastewater leak prevention.
- We establish a " daily inspection + quarterly testing + emergency response" three-tier monitoring mechanism to monitor resource consumption and emissions data in real time, send dynamic warnings, and optimise strategies.

Awareness enhancement and cultural development

- We conduct comprehensive environmental protection training for all employees and provide specialised guidance for key departments on energy saving and emissions reduction to strengthen risk response capabilities.
- We promote green culture through thematic activities, digital monitoring dashboards, and annual environmental reports, ensuring alignment between sustainable carbon reduction goals and strategies.

Social Performance

Co-Building and Sharing to Foster Harmonious Coexistence

01 Rural Revitalisation and Social Contribution
(SDGs 1, 9)

02 Employee Responsibilities
(SDGs 3, 4, 5, 8)

03 Quality Management and Product Safety
(SDGs 12, 16)

04 Data Security and Customer Privacy
(SDGs 12, 16)

05 Customer Service
(SDGs 16, 17)

06 Sustainable Supply Chain
(SDGs 9, 12)

Social Performance

Rural Revitalisation and Social Contribution

Focusing on precise industry cultivation and infrastructure improvement, Newland has built a long-term assistance mechanism to effectively promote both the production and living standards in impoverished areas. By taking practical actions, the Company fulfils its corporate social responsibility and injects sustainable momentum into rural revitalisation.

Driving the construction of wealthy and beautiful villages in three ways

Village-enterprise cooperation for livelihoods improvement

Since 2016, Newland has paired with Xi'an Village in Yongtai County and Shangzhi Village in Anxi County. Over eight years, it has continuously invested over RMB3.58 million and coordinated RMB1.8 million in provincial construction funds. These efforts have covered various areas such as drinking water system renovation, poverty-stricken housing repairs, elderly care home upgrades, and educational support.

Precise cultivation of specialised industries

Focusing on the resource endowment of Xian Village in Yongtai, Newland has cultivated four major industries to support the local economy, namely, tea-oil tree planting, free-range chicken farming, photovoltaic power generation, and ginkgo ornamental forest. Through continuous follow-up visits, Newland has helped Xian Village's tea oil industry achieve standardised production while cultivating the ecological tourism industry, forming a "specialised agriculture + rural tourism" dual-drive model, driving increases in income and poverty alleviation for local villagers.

Building long-term mechanisms for co-construction and co-cultivation

We promote more convenient withdrawal services in Heilongjiang, Jilin, and Liaoning provinces to improve payment convenience in rural areas. Additionally, in collaboration with PBOC Ningxia Branch, Newland has established industry projects such as soybean product processing plants, creating an "Industry Support + Resource Integration" village-enterprise cooperation model. This effectively has served the rural economy, earned multiple local commendations and driven the sustainable development of rural revitalisation.

Case

Extending a helping hand to assist the needy, showing true care for people in Ningxia

In March 2024, under the coordination of the Payment and Settlement Department of PBOC Ningxia Branch, Newland provided targeted assistance to Pinglu Village, Luhai Village and Heicheng Village in Sanhe Town, Haiyuan County, Ningxia. Focusing on people's livelihood needs, the Company made financial donations and integrated resources, contributing tens of thousands of funds to support rural infrastructure and the operation of senior canteens, and also donated holiday gifts to benefit special groups. The activities effectively improved local infrastructure conditions, enhanced the welfare of the elderly, and received high recognition from local governments and widespread praise from the public.

Social Performance

Rural Revitalisation and Social Contribution

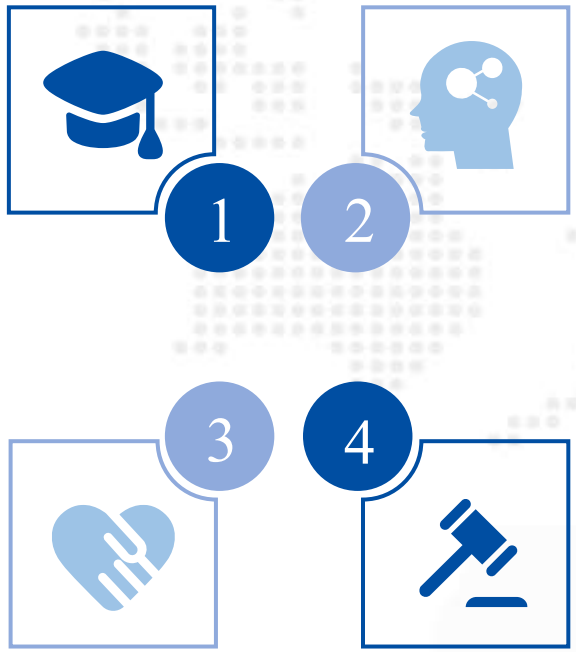
Shared responsibility, enduring goodness

Education support and community co-construction

- A directed donation of RMB300,000 has been made to Fudan University, specifically for campus cultural construction and cutting-edge discipline research, to support the enhancement of higher education quality.
- We establish a regular volunteer service mechanism, regularly organising employees to participate in community environmental protection, health knowledge promotion, and other public welfare activities, effectively strengthening the interactive bond between the Company and the local community.

Public welfare actions and care for life

- In 2024, the Company organised 2 themed public welfare promotion events, attracting 385 participants, effectively raising public awareness of safety and environmental protection.
- In 2024, the Company, in collaboration with the People's Government of Mawei Town, organised a blood donation event for employees in its technology park, demonstrating Newland employees' social responsibility. The event received high recognition from the government and society, earning the "Voluntary Blood Donation Caring Enterprise" title from the government.



Accessible products and inclusive services

- In response to the needs of the visually impaired, Newland strictly adheres to the *EU EN301549 Accessibility Directive* in the development of financial terminal devices. Certified by the Royal National Institute of Blind People (RNIB) in the UK, the devices ensure that features such as key layouts and voice prompts meet international accessibility standards.
- Overlaying AI technology on smart terminals to optimise public welfare service scenarios, we enhance the user experience for special groups.

Financial security and legal advocacy

- Throughout the year, 64 articles on financial security were published, with a readership of 9,655 people. The Company actively cooperated with the People's Bank of China and the Payment & Clearing Association of China to carry out "Financial Awareness Month" and other themed activities, contributing to building a safe and stable financial environment.
- Two sessions of legal awareness promotion were organised for all employees, covering 700 employees, with related content read by 631 people, contributing to strengthening legal awareness within the Company.

Shared responsibility, enduring goodness

Case

Blending education with entertainment to strengthen risk prevention

During the 2024 Financial Education Awareness Month, Newland's Postar, in collaboration with 15 financial institutions, launched the event themed "Finance for the People, Protecting Rights and Preventing Risks". Through engaging interactive activities such as prize quizzes, checkpoint games, and targeted stamp collection, they effectively enhanced citizens' ability to identify financial risks such as illegal fundraising and telecom fraud, receiving positive social feedback.

福州经济技术开发区商务局
福州市马尾区商务局

关于优化数字人民币和境外卡受理环境促消费有关工作的函

区内各非星级酒店：

为进一步响应国家深入推进支付服务便利化改革的战略部署，切实回应人民群众日益增长的多元化支付需求，致力于全面提升马尾区的综合支付服务效能，针对老年人、外籍来榕人士等特殊群体的支付需求，积极推动数字人民币、移动支付、银行卡、现金等支付方式与外卡受理环境的深度整合与品质升级，以服务于民生福祉，助力营造优质的营商环境，由新大陆科技集团下属的福建省国通星驿网络科技有限公司免费提供第三方支付受理设备，并安排人员上门指导设备铺设和改造升级。

为了确保工作的顺利进行，烦请贵公司指派专人协助，为工作人员提供必要的支持与便利。

福州市马尾区商务局
2024年11月2日

Social Performance

Rural Revitalisation and Social Contribution

Shared responsibility, enduring goodness

Case

Foreign card transaction support and financial service optimisation

Newland actively responds to financial opening-up policies and helps optimise the foreign card transaction system. In 2024, the Company assisted the People's Bank of China in completing the modification of over 50,000 terminals for foreign card services, expanding the foreign currency service network to 331 cities and 12 key industries nationwide. The cumulative transaction volume exceeded RMB120 million, not only enhancing the efficiency of cross-border payment services and facilitating inbound consumption, but also promoting the internationalisation of payment infrastructure through technology output, making a positive contribution to the integration and development of the global payment ecosystem.

Case

Newland's Postar supported Shenyang's night economy Digital transformation

In 2024, Newland's Postar, in collaboration with Industrial Bank Shenyang Branch, formed a special service team to address the night-time consumption scenario needs of the "Spending Summer in Hunnan" cultural tourism project. Through field research, a unified payment solution was customised for more than 90 merchants, deploying terminal devices such as cloud-based payment speakers and smart QR code tags to achieve unified transaction data management and automated accounting processing. This project used technology to empower small and micro businesses, boosting the integration of Shenyang's "Night Economy + Cultural Tourism", demonstrating the Company's social responsibility in helping regional economic upgrading through digital technology.

Case

Deep diving into living consumption, guarding the financing of small- and micro-sized enterprises

In 2024, the Youlian Loan team focused on the living consumption industry, conducting in-depth research on 16 sub-industries such as catering, baking, entertainment, hotels, and retail, as well as 68 franchise brands. By refining cost breakdowns, the team deepened industry insights and provided nearly RMB50 million in business loans to relevant enterprises, precisely meeting their financial needs. In the future, the team will continue to optimise financial services, develop customised products, simplify processes, and reduce financing costs, striving to become a long-term partner for small- and micro-sized enterprises and deeply integrate into their growth.

Case

Smart communities benefit thousands of families

Newland's Postar, in collaboration with Huilaidian, Heyuan Post, and technology partners, developed the "Smart Community Property Management Platform" for Wanlong Property. The platform integrates technologies such as the IoT and cloud computing, covering 11 communities and approximately 7,000 households. It provides one-stop services for property payments, security management, work order handling, and more. Residents can access property information in real-time, provide feedback and make requests, and enhance information sharing and interaction, optimising the living experience. The project generated over RMB36 million in annual property fees and provides a replicable model for social responsibility practises in smart community construction.

Social Performance | Employee Responsibilities

Inclusivity without boundaries, talent without borders

The Company has always adhered to a diverse and inclusive talent philosophy, viewing employee diversity as the core driving force behind organisational innovation and sustainable development. We have built a multi-level, multi-dimensional team ecosystem.

Gender equality and females' rights protection

Female make up 30% of the Company's total workforce, and 20% of the management team. The Company supports female employees' career development through measures such as flexible working arrangements and parenting support policies.

Age diversity and cross-generation integration

Our team covers multiple generations, with 38% of employees under 30 years old, 44% between 31 and 40, 15% between 41 and 50, and 3% above 51, forming a team structure where youthful energy complements seasoned experience.

Educational background and professional competence

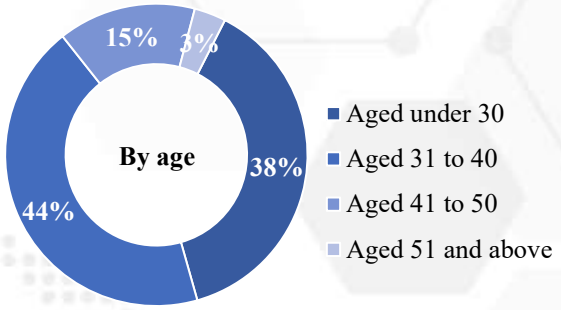
80% of our employees have a bachelor's degree or higher, and 6% hold a master's or doctoral degree.

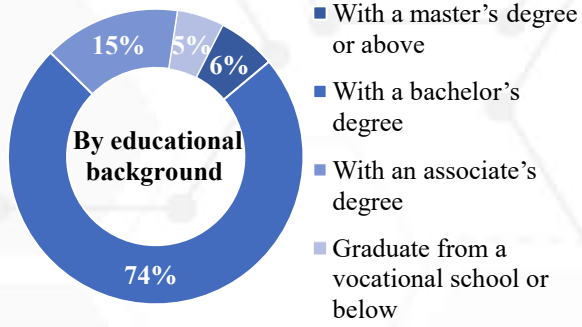
R&D leadership and functional collaboration

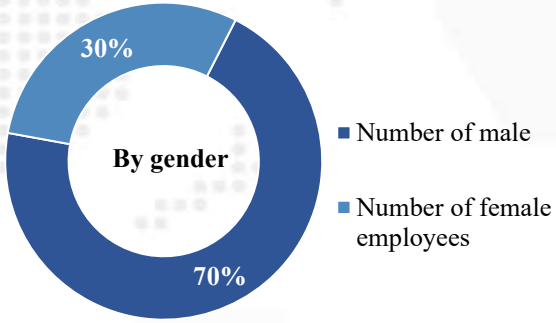
57% of our employees are in technical R&D roles, 17% in sales roles, 23% in administrative management, 2% in finance, and 1% in production, forming a diverse business structure that aligns with the Company's strategic development needs.

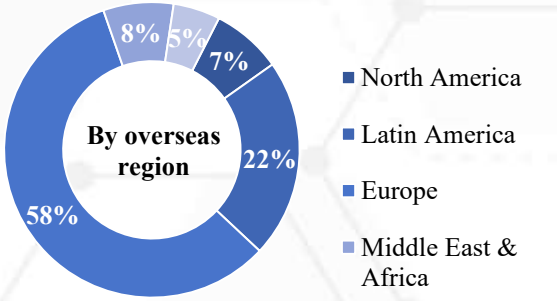
Ethnicity/race and cultural inclusivity

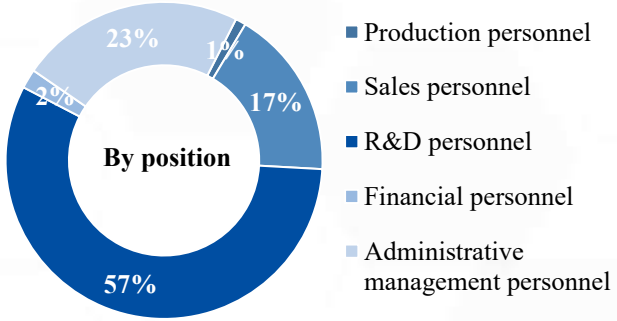
Our employees come from 10 ethnic groups, including Han, Hui, and Manchu, with ethnic minorities making up 3% of the workforce. The Company also actively recruits international talent, with 3% of the team composed of foreign nationals, fostering cross-cultural collaboration and innovation.











Social Performance | Employee Responsibilities

Training mechanism: Empowering growth

The Company has established a "Capability Enhancement - Resource Support - Growth Assurance" three-in-one support mechanism, achieving mutual empowerment for the rapid growth of young employees and optimisation of the Company's talent pool through systematic resource investment and precise policy matching.

Career development and mentor guidance

- **Practical empowerment:** Set up trainee/intern positions to help young employees quickly integrate into business scenarios and accumulate practical experience.
- **Dual mentorship system:** Implement a " Business Mentor + Human Resources Mentor" joint mentorship system, customising career planning paths. Combined with the "Promotion, Evaluation, Communication, Training and Mentorship" systems, the Company systematically improves professional qualities and expertise.

Comprehensive guarantee and psychological support

- **Life support:** Assist employees in applying for housing subsidies in Mawei District to reduce living pressures in the early stages of employment.
- **Psychological support:** Provide mental health counselling services to address career concerns and work stress, promoting employees' physical and mental well-being.
- **Growth ecosystem:** Create transparent promotion channels and diverse incentive mechanisms, encouraging young employees to participate in innovative projects to achieve capability breakthroughs and value enhancement.

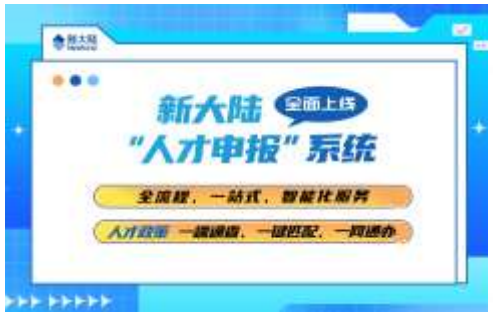
Multi-dimensional incentives and policy synergy

- **Special subsidies:** Provide cash subsidies for emerging talent, linked with government talent recruitment policies and benefits.
- **Development incentives:** Through projects like the "Emerging Talent Programme" and "Intelligent Vanguard Team", offer opportunities for international training and overseas business involvement, broadening career horizons.
- **Special enhancement:** Actively conduct diversified training programmes. In 2024, the Company organised **492** training sessions, with **20,900** participants and an average of **16.37** training hours per person.

Case

Smart services enhance efficiency, talent drives business growth

In 2024, Newland, relying on digital technology, built an intelligent policy service platform to address key challenges faced by talent, such as lack of awareness of, difficulty in understanding, and complexity in using related policies. The platform integrates five main functional modules, namely, policy search, intelligent matching, online application, progress tracking, and feedback, providing a full-process one-stop service. Talent can easily access the policy services online, achieving an efficient and convenient experience with policy inquiries, one-click matching, and a fully integrated process.



Case

Agile empowerment, talent leadership

From the end of 2020 to the present, our subsidiaries' Organisational Efficiency Committee and Agile Coach Certification Committee have organised five Agile Coach Certification courses, with a total of 176 employees receiving certification and obtaining N-SM Agile Coach certificates and badges. The Company now has more than 200 employees with internal and external agile certifications.

Social Performance | Employee Responsibilities

Caring for employee health

The Company strictly adheres to the ISO 45001 Occupational Health and Safety Management System standards, building a comprehensive health and safety protection mechanism, significantly enhancing employee awareness of health and safety, and achieving the standardisation and digitisation of occupational health management:

1. Policies, standards and certifications

- We have obtained the ISO 45001 System certification and developed the *Safety Inspection and Hazard Governance Standards*. In 2024, we conducted **200** safety hazard inspections throughout the year, rectified **15** hazards, and achieved a **100%** rectification rate.
- We sign the *Occupational Health Commitment* with employees, and have updated two regulations including the *Safety Management Policy Compilation*, and added two new environmental risk items and two emergency plans.

2. Health management measures

- Medical insurance: We provide all employees with accident insurance and hospital medical insurance, partner with multiple health check-up agencies to offer customised check-up products, and grant subsidies for **all** health check-ups.
- Health promotion: We establish a sports association and offer psychological counselling courses. In 2024, we conducted **6** health and safety knowledge promotional activities, covering topics such as heatstroke prevention and road safety.

3. Safety assurance measures

- Facility upgrades: In 2024, the Company updated 350 fire extinguishers and 10 sets of fire-fighting clothing and other emergency equipment.
- Occupational protection: We regularly test for occupational disease hazards and provide protective equipment. In 2024, the Company recorded **zero occupational disease cases**.
- Emergency drills: In 2024, we conducted typhoon and flood drills, as well as high-rise fire evacuation drills, to enhance emergency self-rescue capabilities.

4. Training and education

- We hold **regular** health and safety training every year, with an average duration of 3 hours. In 2024, 157 new employees participated in pre-job safety training, deeply embedding safety concepts and enhancing employees' awareness and capabilities regarding occupational health and safety.

Listening to employee concerns

The Company has built a multi-dimensional communication system, centred on an open and transparent communication culture, combining offline interactions with online instant feedback to effectively enhance employee engagement and satisfaction:

Face-to-face communication mechanism

Fujian Newland AIDC Co., Ltd. (hereinafter referred to as "Fujian Newland AIDC") innovatively launched the "General Manager Friday Breakfast Meeting", inviting employee representatives each week for direct communication, gathering suggestions from the primary level, and establishing dedicated follow-up records to ensure effective implementation.

Online anonymous feedback platform

We set up the "*Social Opinion Mailbox*" and "*Tree Hole - Employee **Feedback Platform***", supporting both real-name and anonymous submissions. Suggestions are forwarded directly to responsible departments for prompt response. In 2024, 105 suggestions were received, with a **100%** response rate and a **78%** resolution rate. Unresolved issues are followed up continuously for better solutions.

Closed-loop management mechanism

Through the "Collection - Assignment - Tracking - Feedback" full-process management, we ensure that every employee concern is addressed and every issue receives feedback.

Social Performance | Employee Responsibilities

Focusing on employee wellbeing

The Company has built a diversified employee care mechanism, covering three key dimensions as cultural development, material welfare, and recreational activities.

Cultural development

Party building integration: Actively recruit Party members, regularly organise Party activities, and strengthen Party member participation.
Activity system: Plan traditional festival events during the Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, Christmas, etc., introducing innovative formats to enhance satisfaction.
Team building mechanism: Support both intra-departmental and cross-departmental team-building exchanges, promoting team collaboration and cultural integration.

Material welfare

Holiday care: Distribute gift vouchers throughout the year during traditional festivals such as Spring Festival and Mid-Autumn Festival, and also provide birthday cake vouchers.
Heatwave relief: Collaborate with the labour union and external organisations to provide heatwave reliefs, expanding the coverage of cooling supplies.
Daily support: Regularly distribute gifts according to seasonal events to strengthen employees' sense of belonging.

Case — Employee open days enhanced sense of belonging

In 2024, Newland held two " Open Day" events, attracting over a hundred employees and their families. The events included visits to our technology exhibition hall and IoT lab, tours in our technology park, and interactive AI courses, offering a comprehensive display of the Company's innovative capabilities. The events helped family members gain firsthand understanding of our employees' work environment and the ongoing industry-education integration centre, enhancing family recognition and belonging, providing a practical example for employer brand building and talent cohesion.

Case — Building a family-friendly workplace

In 2024, Newland was selected as a model case for a "Family-Friendly Workplace" by the All-China Federation of Trade Unions and four other government departments, becoming one of the four selected companies in Fujian Province. The selection was based on the "Six Friendly" standards. Out of 175 cases nationwide, 100 were selected to recognise companies for implementing measures to balance work and family responsibilities, promote harmonious labour relations, and set a benchmark for workplace human care.

Case — Summer childcare service solved the challenges faced by dual-income families

The Company introduced a summer childcare service for employees' children, covering nearly 200 dual-income families, offering free childcare services and adding courses such as "Passing on and Setting Family Rules". The service not only solved the problem of childcare for dual-income families but also incorporated family education, promoting family values. The satisfaction rate among employees reached 98%, making it an innovative practise in building harmonious employee relations.

Focusing on employee wellbeing

Cultural and sports activities

Employee centres: The Company has invested over **RMB1.6 million** to build a 1,200㎡ shared employee centre, creating 11 functional areas (such as a ping pong room, gym, and health station), with services regularly available to **18,830** visits.
Club operations: We have established **9** cultural and sports clubs (covering basketball, football, badminton, yoga, etc.), and organised **8** large-scale cultural and sports activities in 2024.
Health care: We provide free cervical and breast cancer screenings for female employees, and the health station provides ongoing medical support.

Case

30th Anniversary of the Long-Distance Running Event

The 5th Newland Long-Distance Running Event in 2024, with the theme "Thirty Years Together", featured four types of races, including a 20KM individual race and a 3×5KM team relay race, attracting 215 employees and their families. The event included custom 30th anniversary commemorative medals, with local specialties like Fuzhou fish balls and grass jelly offered as refreshments, along with a professional medical team ensuring safety. The event integrated corporate culture and health concepts, strengthening team cohesion and family interaction.

Social Performance

Quality Management and Product Safety

Policies, standards and system certifications

- **Quality management system:** Based on ISO 90 01:2015, the *Quality Manual* is developed, covering the entire chain of development, procurement, production, and after-sales. The Quality Management Committee oversees and supervises, clarifying the responsibilities at each level. In 2024, 12 internal quality training sessions were conducted.
- **Dual certification assurance:** With ISO 9001 Quality Management System and ISO 27001 Information Security Management System certifications, we ensure product quality and information security. 100% of our terminal devices meet the *China UnionPay Payment Terminal Device Security Certification*.

Full-process quality control

- **Development phase:** We implement IPD (Integrated Product Development) online management, execute the *Product Testing Management Process*, *Engineering Change Guidelines*, and DRX review mechanisms to ensure traceability of development documents.
- **Procurement phase:** We conduct quality inspections based on the *IQC Inspection Regulations*, as well as monthly statistics on non-conforming products, and drive vendors to take corrective actions.
- **Production phase:** We establish a process monitoring system, conduct failure analysis and improvements according to the *Finished Product Inspection Regulations*.
- **After-sales phase:** We manage customer complaints according to the *Customer Complaint Handling Regulations* and *Device Testing Operation Regulations* in a closed-loop manner. In 2024, the Company recorded no major complaints or product recalls.

Chemicals and supply chain safety

- **Environmental compliance:** We require suppliers to use lead-free solder paste and RoHS/REACH compliant materials, and prohibit the use of ozone-depleting substances and heavy metals in packaging.
- **Testing and verification:** New products are tested by independent laboratories before release to ensure the harmful substance content is below threshold levels. All materials in the entire process are 100% compliant with environmental standards.

Case

Newland Payment Technology used the senior management dialogue mechanism to deepen quality culture practises

On 25 June 2024, Newland Payment Technology held the fourth “Youzaihui” meeting. Its General Manager Lin Jian, Senior Vice General Managers Lin Tao and Chen Ming, along with employee representatives, conducted a thematic discussion on “Quality Culture”. The meeting focused on the implementation path of quality policies, and discussed in depth the refinement of quality standards, optimisation of closed-loop customer complaint management, and the linkage mechanism between customer evaluations and internal assessments. The company reaffirmed the “Speed First, Customer Orientation, Effective Execution, Continuous Improvement” 16-character principle and proposed the construction of a response system where customer feedback directly drives quality improvements. Through direct communication between senior management and frontline employees, the meeting clarified the quality responsibilities across the entire chain, strengthened the improvement framework focused on customer needs, and provided a roadmap for enhancing product reliability and market competitiveness.

Social Performance

Data Security and Customer Privacy Protection

Policies, standards and certification systems

- Information security management: We establish an information security management system based on ISO 27001: 2022, and formulate 23 policy documents, including *Data Security Management Procedures* and *Network Access Policy*, covering the entire process of data classification, access control, backup encryption, etc. We have passed international certifications including ISO 27001, ISO 20000, PCI DSS. 100% of our terminal devices meet China UnionPay Security Certification as well as the requirements of the EU GDPR and CERED directives.
- Privacy protection mechanism: Employees sign the *Confidentiality Agreement* and customers sign confidentiality clauses before data exchange, specifying the anonymisation period and breach responsibilities. Core data is protected through dual-level backups, while a zero-trust architecture with multi-factor authentication (MFA) is implemented. Endpoint Detection and Response and host security protection tools are mandatory.

Full-scenario security management

- Terminal security: We deploy IPguard anti-leakage systems and antivirus software, mandate the installation of host protection tools. In 2024, the frequency of virus scans reached 100 times, a 100% increase year-on-year.
- Network security: We formulate the *Network Security Management Procedures* and the *Privileged Access Policy*, and establish intrusion detection and log auditing mechanisms.
- Physical security: We classify office areas by security levels according to the *Physical Access Control Procedures*, and implement biometric access control for key facilities.

Technical defence and compliance assurance

- Product security: Our payment terminals are certified with PCI5.X Android POS, support EMV standards for Visa/Mastercard contactless payments, and meet RoHS and 3C certifications.
- Collaborative defence and co-construction: In partnership with third-party security companies, regular penetration tests, attack-defence drills and vulnerability scanning are conducted to build a robust information security defence line.

Training and capability building

- Comprehensive education: New employees are required to complete the *Information Security Awareness* course. Annual security training is conducted for all employees to continuously strengthen secure development capabilities and awareness of protective measures.
- Professional qualifications: The Company is holding over 20 qualifications, including CCRC, ITSS, CS4, and its DCMM data management capacity is at Level 4.

Customer Service: Protecting Rights, Building Customer Trust Ecosystem

Policies, standards and system assurance

The Company has formulated policies such as the *Bank Card Acquiring Business Management Measures*, *Customer Rights Protection Internal Control Policies*, and *Customer Complaint Handling Regulations*, strictly regulating service quality and data security. Transaction environments are secured through data encryption, access control, and compliance management to ensure safety and reliability.

Customer feedback and continuous improvement

Multiple feedback channels: An around-the-clock customer service hotline, online platform, and email are provided, with dedicated work order follow-up specialists to collect and track customer feedback.
Closed-loop management system: We establish a “Pre-Review - Root Cause Analysis - Solution Review - Preventive Improvement” process to ensure efficient resolution of customer requests.
Satisfaction improvement: Customer satisfaction reached 98.3% in 2024, according to online evaluations and regular surveys of continuous service optimisation.

Service network and response mechanism

Service coverage: The Company has established 13 sales service centres, 5 maintenance hubs, and spare parts warehouses nationwide, ensuring rapid response to customer needs.
Digital services: We set up a “Product Service Management Platform”, providing online repair request channels through the “Hi Xiaoshi” mini-programme and WeCom, enabling real-time reception and processing of customer requests.
Transparent processes: Customers can track repair progress through the official website and WeChat public account, ensuring that the entire service process is traceable.

Social Performance | Sustainable Supply Chain

Supplier review mechanism

The Company has established a supplier admission and dynamic evaluation system.

- **Admission review:** Suppliers are vetted through four levels of screening, i.e., qualification verification (business licences, industry certifications, financial compliance), agent authorisation checks, on-site inspections (supply chain capabilities, production technologies), and sample testing, ensuring that suppliers are legal and compliant, and meet quality standards.
- **Roster-based management:** Qualified suppliers are included in the *Qualified Supplier Roster*, which is updated regularly to ensure continuous validity of partner qualifications.
- **Performance evaluation:** Suppliers are evaluated annually based on supply quality, timeliness, service, and innovation capability. Suppliers with no transactions for six consecutive months or those failing to meet the standards will have their cooperation terminated.
- **Graded application:** Outstanding suppliers are awarded additional orders, while substandard suppliers are given deadlines for improvement or excluded, driving continuous optimisation of the supply chain.

Supply chain training system

Build an internal-external collaborative training ecosystem

- **Internal training:** New employees undergo **4 weeks** of full-process procurement training. In 2024, **6** focused procurement training sessions were held, synchronised between the headquarters and regional offices. Quarterly procurement case seminars are also held to strengthen practical skills.
- **Supplier empowerment:** We provide specialised training on compliance standards, system operations, etc. In 2024, **35** sessions held, attracting nearly **600** participants. The "Fuyao Plan" offers policy and technical support to help ecological partners enhance core competitiveness.
- **Quality training:** **12** quality training sessions were held for suppliers in 2024, with over **900** participants. A supplier conference was also held to unify goals and promote improvements in both supply chain quality and efficiency.

Case

Smart industry chain drove the future

On 25 November 2024, Newland AIDC officially launched the first "Industrial Distributor Product Technical Training Class", aiming to empower supply chain partners through systematic courses. The class focused on the implementation of product pre-concept, covering technical analysis, practical application scenarios, and marketing strategies, deepening distributors' understanding of product performance and value, and enhancing their technical service capabilities and market confidence. Through a combination of theoretical and practical courses, the training accelerated technological collaboration along the industry chain, enhanced distributor terminal service efficiency, and promoted efficient collaboration across the supply chain, supporting the creation of a stable and innovative industrial ecosystem.

Social Performance | Sustainable Supply Chain

Supply chain management system

Drive efficient supply chain collaboration through institutional and technological innovation

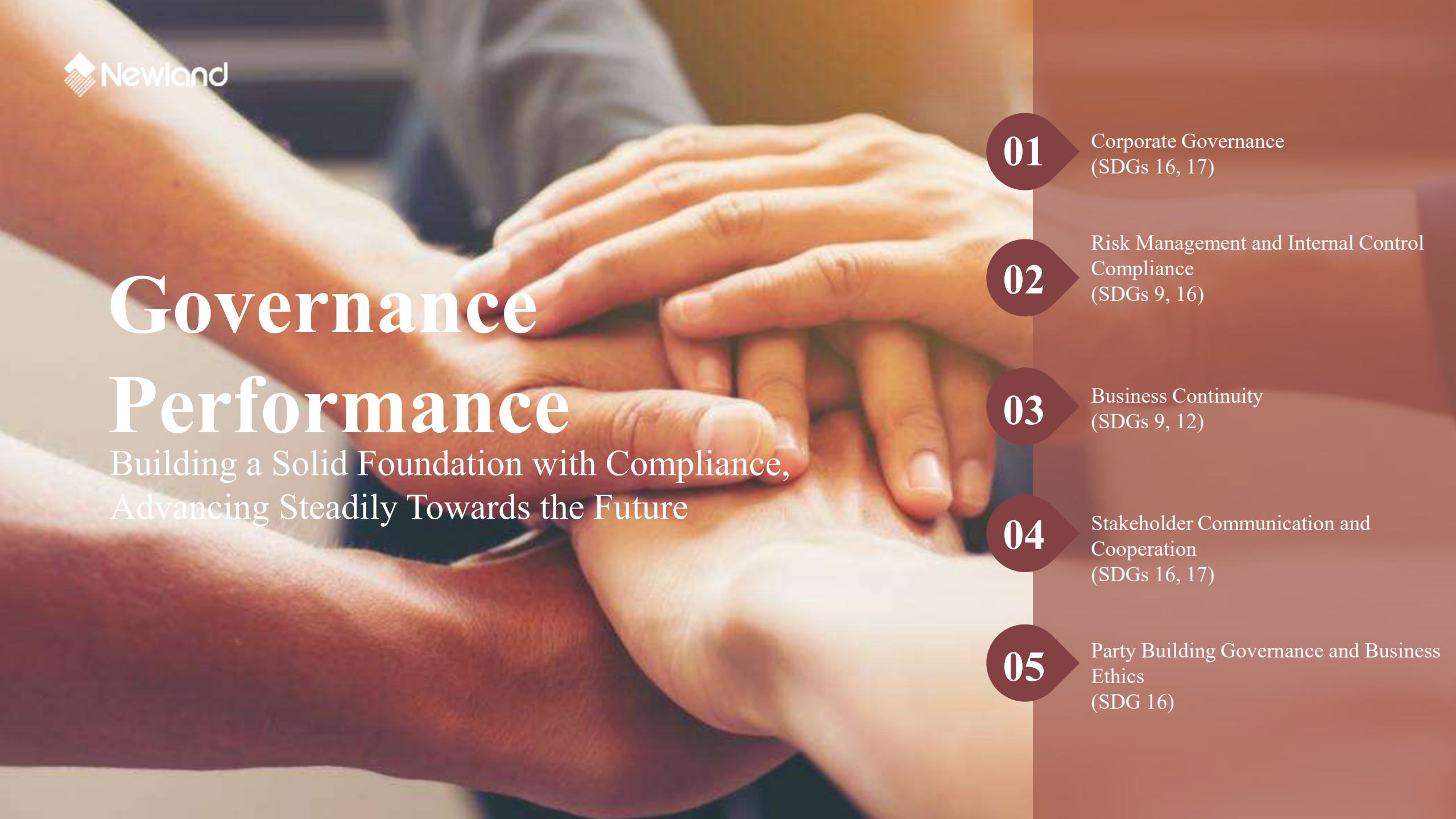
- **Policies and standards:** We formulate the *Supplier Management Procedures*, covering the entire process of admission evaluation and performance review. For key components, we include 2 to 3 suppliers of the same level, as well as backup suppliers, to ensure supply stability.
- **Digital upgrade:** We introduce a cloud warehouse solution to monitor inventory, automate sorting, and enable precise delivery, reducing resource waste.
- **Sustainable development:** We strictly follow green procurement standards, require suppliers to use environmentally friendly technologies and fulfil social responsibilities, prohibit direct procurement of minerals from mining, smelting or refining plants, and conduct annual due diligence on conflict minerals. No minerals from conflict regions have been found in the supply chain.

Green factories

The Company deeply integrates ESG principles into supply chain management, reducing its own environmental footprint while guiding downstream manufacturers towards sustainable models. Through systematic, data-driven and routine management, the Company achieves a collaborative improvement in environmental performance and production efficiency.

The Company's manufacturing partners strictly follow green manufacturing system standards:

- They have built and been continuously operating an environmental management system that complies with ISO 14001, and hold the *Environmental Management System certification*.
- They adhere to the core principles of "compliant operations, energy-saving and consumption reduction, full-coverage governance, pollution prevention, and continuous improvement", set quantifiable energy consumption targets, and implement a graded environmental factor control mechanism.
- They have been preparing the *Environmental Impact Assessment Report* and obtaining approval and filing from local ecological and environmental authorities to ensure full-cycle environmental compliance for construction projects.
- The implement an environmental protection training system for all employees, creating a collective consensus on green development.



Governance Performance

Building a Solid Foundation with Compliance, Advancing Steadily Towards the Future

01 Corporate Governance
(SDGs 16, 17)

02 Risk Management and Internal Control Compliance
(SDGs 9, 16)

03 Business Continuity
(SDGs 9, 12)

04 Stakeholder Communication and Cooperation
(SDGs 16, 17)

05 Party Building Governance and Business Ethics
(SDG 16)

Governance Performance

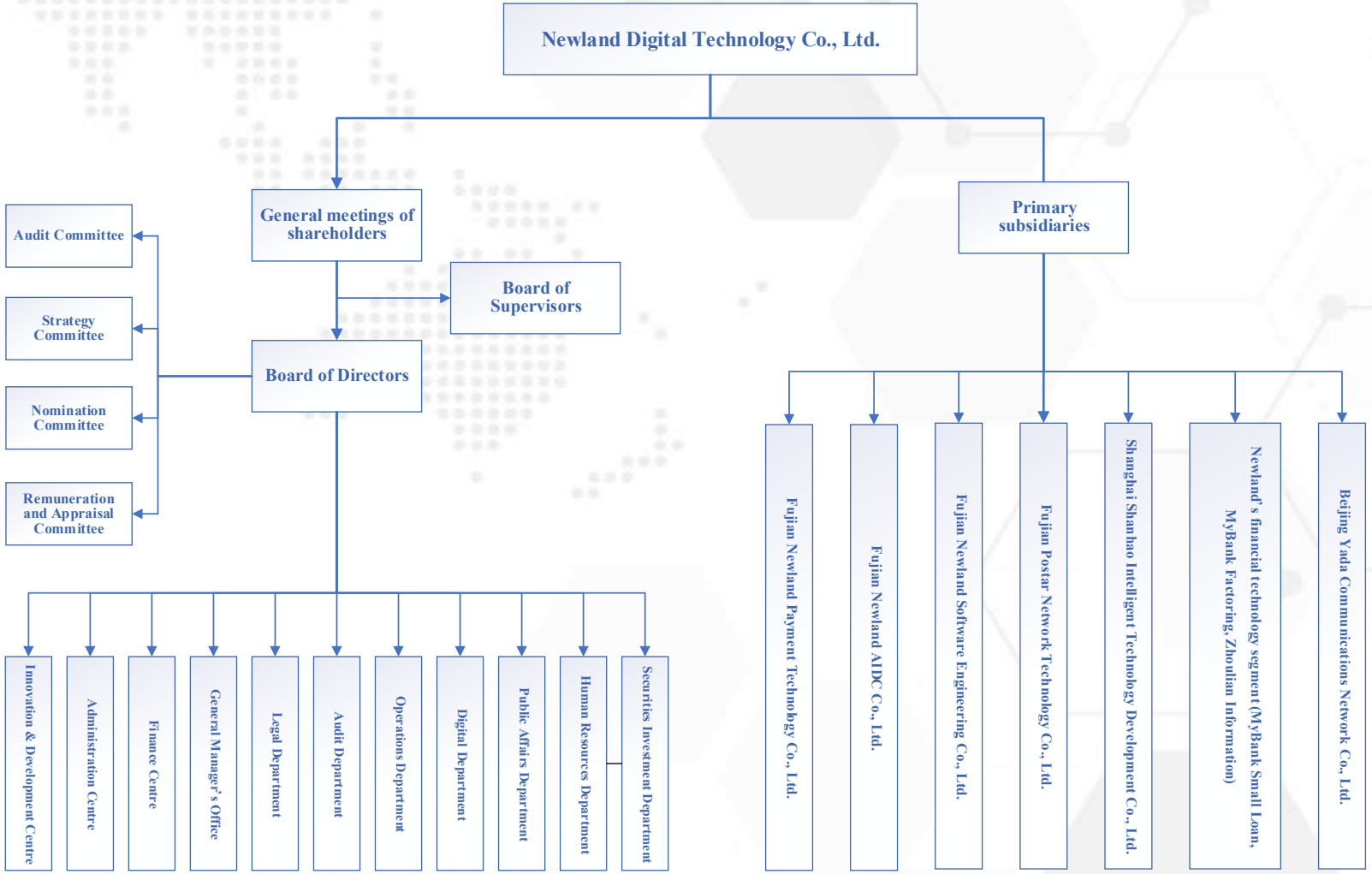
Corporate Governance

Organisational structure

The Company strictly adheres to laws and regulations such as the *Company Law*, *Securities Law*, and *Code of Corporate Governance for Listed Companies*, and has established a corporate governance system with clear responsibilities and effective checks and balances. The General Meeting of Shareholders, as the highest authority, oversees the Board of Directors and the Board of Supervisors, forming a governance structure where decision-making, execution, and supervision are independent of each other.

The Board of Directors is responsible for strategic decision-making and operational management. It is supported by four specialised committees - the Strategic Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee, which professionally review major corporate matters. The Board of Supervisors exercises its supervisory functions in accordance with the law to ensure the Company's proper operation.

The current organisational structure encompasses **three centres and eight functional departments**. Through a systematised decentralisation and checks-and-balances mechanism, the Company effectively protects the legal rights of all shareholders, achieving an organic unity between the scientific nature of governance decisions and operational efficiency.



Governance Performance

Corporate Governance

Composition of the Board of Directors

The Company's Board of Directors, Board of Supervisors, and senior management team currently consist of 10 members, with **20%** of them being women. The Company continuously encourages female employees to improve their professional abilities through a well-established career development mechanism, striving to optimise the gender balance in the decision-making structure.

Our Board members demonstrates strong professional qualifications. **67%** of non-independent directors hold a master's degree, and **all** have senior engineer titles, forming a decision-making core with both academic depth and practical experience. Independent directors' professional backgrounds cover areas such as finance and law, ensuring that the strategic planning and core business needs are precisely aligned, while also guaranteeing that the decision-making process complies with regulatory norms and market dynamics.

Governance results

2 general meetings of shareholders
17 proposals reviewed and approved

8 meetings of the Board of Directors
48 proposals reviewed and approved

6 meetings of the Board of Supervisors
14 proposals reviewed and approved

Awards of the Board of Directors

- Top 100 Board of Directors with Growth Potential by *Securities Times* at the 18th China Listed Company Value Ranking
- 300 Most Valuable Board of Directors among Listed Companies by Tonghuashun
- 300 Most Popular Board Secretary of the Year among Listed Companies by Tonghuashun
- 2024 Golden Medal Award for Board Secretary of the Year
- Gold Medal for Board Secretary at the 20th New Fortune Ranking

Governance Performance

Risk Management and Internal Control Compliance

Risk prevention and control regulations

The Company has established a comprehensive compliance system with risk prevention and control at its core, covering employee code of conduct, information security, and internal control mechanisms:

Code of conduct: We formulate the *Employee Code of Professional Conduct* and *Employee Disciplinary Policies*, clarifying compliance requirements for employees in interactions with stakeholders such as customers and suppliers, and emphasising adherence to laws, regulations, and business ethics.

Internal control mechanism: We set up an internal control team and conduct annual internal audits. Simultaneously, we construct an "Information Security Risk Assessment Control System", with risk identification and classification management coordinated by the Information Security Committee.

Reporting channels: We provide multiple channels such as offline mailboxes and online OA reporting portals, and require that every report must be verified and every accountable person must be punished.

Compliance management system and technological innovation

Driven by both regulations and technologies: We strictly adhere to laws and regulations such as the *Regulation on the Supervision and Administration of Non-Banking Payment Institutions*, establish a compliance department and build an intelligent monitoring system to achieve real-time transaction behaviour review and risk warning.

Anti-money laundering technology upgrade: We deploy customer risk assessment, transaction monitoring, and watchlist filtering systems. In 2024, using technologies like name similarity models, AI risk sample analysis, and optimised risk control models, the accuracy of identifying suspicious transactions improved by 46% compared to 2023.

Closed-loop risk control network: We form a full-chain protection system of "Regulations - Technologies - Response", with layered customer ratings and feature identification effectively eliminating monitoring blind spots, supporting compliant business expansion.

Internal training reinforces risk control capabilities

Anti-fraud capacity building: In 2024, the Company, in collaboration with the police, held activities such as themed movie screenings and special lectures under the theme "Work Together to Combat Fraud", covering illegal fundraising identification and strategies to counter telecom fraud, enhancing overall employee risk awareness.

Long-term awareness mechanism: We require all employees to install the "National Anti-Fraud Centre" APP, establish a monthly case analysis mechanism, update the anti-fraud knowledge base, and reinforce employees' real-time risk warning capabilities.

Internal training system: We strengthen employees' compliance awareness through legal and compliance training, and build a transparent governance culture with the disclosure of annual compliance reports.

Governance Performance

Business Continuity

Business continuity assurance system

With ISO 22301 certification as the core, the Company has built a cloud redundancy architecture and data primary-backup disaster recovery system, enabling minute-level switching. Dynamic risk control and graded responses, along with improved BCP (Business Continuity Plan) and AB-role remote support, ensure continuous optimisation and enhance business resilience.

01

System certifications and infrastructure

- Through ISO 22301 Business Continuity Management System certification, the Company has established a standardised management framework.
- We adopt Alibaba Cloud's AWS to build an N+1 redundancy solution, where the primary and backup servers synchronise data in real-time, and the failover time is controlled within minutes.

02

Data security and disaster recovery mechanism

- The database operates in a master-backup mode, with daily full backups stored in an offsite secure centre.
- Critical systems implement active-passive fault tolerance solutions to ensure uninterrupted service.

03

Management processes and risk control

- Regular reviews: Subsidiaries regularly conduct operational analyses and QBR (Quarterly Business Review) meetings to dynamically identify risks and deploy contingency plans.
- Risk management: In accordance with the *Comprehensive Risk Management Implementation Measures*, the Company regularly conducts risk classification assessments and formulates graded response strategies.

04

Emergency response and organisational support

- Major customer complaints are handled by a disposal team led by the General Manager of the Customer Service Centre, with time-bound processing and direct reporting to the General Manager.
- Non-technical scenario contingency plans: We develop special BCP plans for natural disasters and other events, designate AB roles for key positions, and support remote work and seamless personnel transitions.

05

Continuous improvement mechanism

- Departments that do not meet performance standards are required to develop improvement plans, promote closed-loop optimisation, and ensure continuous enhancement of business resilience.

Governance Performance

Stakeholder Communication and Cooperation

Protection of minority shareholders

The Company places high importance on the rights of minority shareholders, positioning them at the core of corporate governance. We are committed to ensuring equal participation in decision-making, transparency in information access, and fairness in dividend distribution among shareholders. We ensure that minority shareholders can timely understand the Company's operations and participate in major decisions through regular information disclosures, shareholder meetings, and effective communication channels.

The Company has established and implements a reasonable dividend policy. In 2024, we distributed dividends **twice**, totalling **RMB556 million**. The Company has set up a dedicated body to protect shareholders' rights, particularly to prevent the potential harm to minority shareholders' interests by controlling shareholders, while ensuring that the operation of the shareholders' meeting is fair and transparent, fully respecting shareholders' rights to speak and vote.

Behaviour of controlling and major shareholders

The Company enforces strict regulations on the actions of controlling and major shareholders to protect the common interests of all shareholders, ensuring the soundness of corporate governance and the coherence of strategic execution. We ensure that the actions of controlling shareholders do not adversely affect the Company's governance structure, and through the public information platform of the shareholders' meeting, safeguard all shareholders' right to participate in decision-making. In strategic adjustments and financial decisions, the Company always takes shareholder interests as the starting point, ensuring transparency in the process and fairness in the results. At the same time, we strengthen internal governance, maintain the Company's market image and reputation, and through clear shareholder protection clauses, ensure that the actions of controlling shareholders do not harm the interests of minority shareholders, thus guaranteeing equality of shareholder rights and shared decision-making governance.

Standard disclosure value delivery

The Company strictly fulfils its information disclosure obligations. Through authoritative platforms such as *Securities Times*, *China Securities Journal*, *Shanghai Securities Journal*, and cninfo.com.cn, key information such as business dynamics, external guarantees, and mergers and acquisitions are disclosed in a timely manner. In 2024, a total of **99** announcements and supporting materials were published, ensuring that the information is truthful, accurate, and complete, thus protecting shareholders' right to know.

In maintaining investor relations, the Company has built a diversified interaction mechanism. In 2024, the Company responded to **78** investor inquiries on irm.cninfo.com.cn, held **one** results briefing, and received the visits by **39** institutions. Innovatively using visual communication formats, the Company enhances information reach efficiency by regularly publishing reports and business overviews through its official WeChat account. We have deepened cooperation with financial media to timely communicate strategic progress and industry insights, enhancing investors' understanding and recognition of the Company's value.

Governance Performance

Party Building Governance and Business Ethics

Party building leadership

Under the leadership of the Party, Newland has deeply integrated Party building with the Company's production and operations, innovatively implementing the "Party Building + Talent + Industry" model to enhance the influence of the Party building brand. Through political guidance, talent team building, activation of innovation momentum, social responsibility fulfilment, resource sharing, and technology empowerment, Newland has achieved comprehensive improvements in the organisational strength of Party branches, corporate management capabilities, and social service capabilities. The Party Committee has received multiple honours, including the "National 'May Fourth' Red Flag Youth League Branch", and has cultivated a group of advanced Party members. In 2024, Newland was recognised as the "Municipal Advanced Primary-level Party Organisation", showcasing its outstanding results and exemplary case in Party governance.

Enhancing both integrity and business

The Company has built a business ethics defence line with a "zero tolerance" attitude and has incorporated anti-corruption into the core governance system. All members of the management team have signed the *Officer Conduct Commitment*, clearly prohibiting bribery, kickbacks, and other corrupt behaviours, and incorporating integrity performance into performance evaluations. Through the *Officer Management Measures*, a regular supervision mechanism has been established. Combined with quarterly audits, the anonymous reporting platform, and specialised integrity training, the full process of power operations is made transparent. In 2024, the Company recorded zero incidents of officer violations. By driving both system rigid constraints and moral awareness, the Company has fostered an organisational culture of "integrity and responsibility", injecting integrity into the Company's sustainable development.

Case

Newland's Party building Led industry-academia-research integration

On 27 December 2024, Newland, in collaboration with the Party Branch of the Information Centre of Fuzhou Municipal Special Equipment Inspection Institute, held a Party building joint event themed "Promoting Progress through Joint Party Building, Advancing Together for Development". The two sides visited the exhibition hall and laboratory of Newland AIDC to learn more about the core technologies of the IoT and the results of digital transformation. They also discussed how Party building can empower industrial upgrades. At the seminar, both sides shared their Party building model practises and signed the *Party Co-Building Agreement*, clearly defining areas for deepened collaboration in technological breakthroughs, standard formulation, and talent development. This initiative will drive the dual empowerment of Party building and business, injecting the "Red" energy into the intelligent detection of special equipment and the development of the digital economy.

Case

The Company held legal education event with prosecutors to strengthen compliance and guard development

In 2024, Newland, in collaboration with the procuratorates and federations of industry and commerce of Fuzhou City and Mawei District, held a legal education event, attended by 670 Board members and core employees. The event focused on high-incidence corporate crimes such as embezzlement, commercial bribery, and infringement of trade secrets. Through case studies, it systematically interpreted the legal boundaries of occupational crimes and criminal risks. Experts from procuratorates, based on new business scenarios, provided in-depth insights into the key points of compliant operations and set behavioural boundaries for businesses. This educational initiative empowered the building of business ethics through legal education, creating a compliance ecosystem where corruption is deterred, prevented, and disincentivised.

Appendices

About This Report

Key reminders

The Board of Directors and all directors of the Company guarantee that the contents of this report contain no false statements, misleading representations, or significant omissions, and assume joint and several responsibility for the authenticity, accuracy, and completeness of this report.

Reporting scope

The reporting period spans from 1 January 2024 to 31 December 2024, with certain information retroactively covering 2023 and earlier. This report covers Newland Digital Technology Co., Ltd. and its subsidiaries.

Basis of preparation

This report is prepared based on the *Guidelines No. 3 for Self-Regulation of Listed Companies - Compilation of Sustainability Report* and *Guidelines No. 17 for Self-Regulation of Listed Companies - Sustainability Report (Trial)* of the Shenzhen Stock Exchange and the *Corporate Sustainability Disclosure Standards - General Standards (Trial)* jointly issued by the National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Finance, Ministry of Housing and Urban-Rural Development, Ministry of Transport, Ministry of Railways, Ministry of Water Resources, National Radio and Television Administration and Civil Aviation Administration of China, with particular reference to the following reporting standards:

- Global Sustainability Standards Board (GSSB) *GRI Sustainability Reporting Standards*
- The United Nations Sustainable Development Goals (SDGs)
- The International Organisation for Standardisation (ISO) *Guidance on Social Responsibility* (ISO 26000)

Principles for preparation

Materiality: In accordance with standards and administrative guidelines, this report focuses on and discloses ESG topics that have a material impact on the Company's sustainable development and stakeholders' decisions, ensuring that this report highlights key information to help readers quickly understand the Company's core ESG topics and key initiatives.

Quantification: ESG-related performance is presented with specific data and indicators whenever possible, providing quantifiable basis for internal management and external evaluation, making this report more scientific and convincing.

Balance: This report takes into account the needs of different stakeholders, fully and objectively presenting the Company's efforts in all areas of ESG, including environment, employees, data security, and governance, to ensure the authenticity and fairness of this report.

Consistency: This report maintains uniformity and coherence in data collection, indicator definitions, calculation methods, and structure, and terminology, following industry-recognised standards and frameworks.

Data explanation

The information and data in this report mainly derive from the Company's internal data collection systems, work reports, and publicly available information, such as the Company's annual reports and information released by authoritative media. Unless otherwise specified, the amounts in this report are presented in RMB. All content and data disclosed in this report have been reviewed by the Company's Board of Directors.

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Appendices

Key ESG Performance Table

Key Operating Performance Table

Key Performance Indicator	Unit	2022	2023	2024
Total assets	RMB100 million	115.87	132.00	127.04
Operating revenue	RMB100 million	73.70	82.50	77.45
Net profit attributable to parent company	RMB100 million	-3.82	10.04	10.10
Net cash flow from operating activities	RMB100 million	10.45	22.27	8.63
Cash dividend	RMB100 million	0	5.07	5.56
Basic earnings per share	RMB1/share	-0.38	0.99	1.00
Taxes paid	RMB100 million	2.36	2.48	3.30

Key Innovation Performance Table

Key Performance Indicator	Unit	2022	2023	2024
R&D investment	RMB100 million	6.57	6.32	6.64
R&D investment as a percentage of total revenue	%	9.9	8.3	8.6
Number of R&D personnel	Person	3,658	3,765	3,804
Number of R&D personnel with a master's degree	Person	186	207	230
Number of invention patents granted	Item	36	54	19
Number of invention patents applied for	Item	64	66	78
Number of valid invention patents	Item	248	284	230
Number of certificates	Item	5	5	8
Number of standard setting projects led or contributed to	Item	7	8	8

Key Corporate Governance Performance Table

Key Performance Indicator	Unit	2022	2023	2024
Number of meetings of the Board of Directors held	Time	9	9	8
Number of meetings of the Board of Supervisors held	Time	3	3	6
Number of general meetings of shareholders held	Time	2	2	2
Number of meetings of the Board of Directors' Strategy Committee held	Time	1	1	1
Number of meetings of the Board of Directors' Nomination Committee held	Time	1	1	1
Number of meetings of the Board of Directors' Remuneration and Appraisal Committee held	Time	1	1	1
Number of meetings of the Board of Directors' Audit Committee held	Time	3	3	4
Number of directors	Person	5	5	5
Number of independent directors	Person	2	2	2
Number of female Board members	Person	1	1	1
Number of results briefings held	Time	0	2	1
Total number of institutional investor visits received	Time	2	2	1
Total number of announcements and supporting materials disclosed	Copy	85	78	99

Appendices

Key ESG Performance Table

Key Environmental Performance Table

Key Performance Indicator	Unit	2022	2023	2024
Energy Utilisation				
Purchased electricity	kWh	7,877,700	8,493,190	9,248,901
Data centre electricity consumption	kWh	-	631,852	676,837
GHG Emissions				
Total emissions	tCO_2e	-	-	15,485.28
Scope 1	tCO_2e	-	-	775.30
Scope 2	tCO_2e	-	-	3,425.84
Scope 3	tCO_2e	-	-	11,284.14
Emission intensity	tCO_2e/RMB1 million of revenue	-	-	2.00
Water Resources				
Total domestic wastewater discharge	Tonne	34,516	31,805	30,875
Office water consumption	Tonne	51,773	47,707	46,313
Waste				
Total hazardous waste generated	Tonne	0	0	0
Total non-hazardous waste generated	Tonne	-	28	23
Company vehicle scheduling	Time	1,840	2,024	2,306

Key Social Responsibility Performance Table

Key Performance Indicator	Unit	2022	2023	2024
Occupational Health and Safety				
Safety education coverage rate	%	100	100	100
Number of occupational disease cases	Case	0	0	0
Training and Education				
Total training investment	RMB10,000	-	-	194.56
Total number of employees trained	Person	-	13,668	20,900
Total training hours	Hour	-	61,252.5	109,723.62
Number of users of the Company's online learning platform	Person	-	99,964	22,455
Average training hours per employee	Hour/person	-	5.98	19.37
Supply Chain Management				
New suppliers screened using environmental criteria	%	100	100	100
New suppliers screened using social criteria	%	100	100	100
Number of supplier training sessions	Time	-	-	12
Employment				
International employees hired	Person	6,620	6,561	6,703
Percentage of female executives	%	20	20	20
Percentage of employees with a bachelor's degree or higher	%	70.38	77.8	80

Appendices GRI Index

GRI Standards	Disclosure Item	Corresponding Section in This Report	Corresponding Page in This Report
GRI 2: General Disclosures			
The organisation and its reporting practises			
2-1	Organisation details	About Newland	003
2-2	Entities included in the organisation's sustainable development report	About This Report	054
2-3	Reporting period, frequency and contact point	About This Report	054
2-4	Restatements of information	Key ESG Performance Table	055
Activities and workers			
2-6	Activities, value chain and other business relationships	Stakeholder communication	014
		Sustainable Supply Chain	046
2-7	Employees	Employee Responsibilities	037
		Key Social Responsibility Performance Table	056
Governance			
2-27	Governance structure and composition	Corporate Governance	048
2-10	Nomination and selection of the highest governance body	Corporate Governance	048
2-14	Role of the highest governance body in sustainability reporting	Chairman's Message	006
Strategy, policies and practises			
2-22	Statement on sustainability strategy	Chairman's Message	006
		ESG Development Philosophy and Strategy	010
2-23	Policy commitments	Carbon Neutrality and Climate Change Response	025
		Resource Recycling and Pollution Control	027
		Employee Responsibilities	039
		Data Security and Customer Privacy Protection	043
		Sustainable Supply Chain	046
		Risk Management and Internal Control Compliance	050
2-27	Compliance with laws and regulations	About This Report	054
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Communication	014
GRI 3: Material Topics			
3-1	Process to determine material topics	ESG Topic Materiality Assessment	015
3-2	List of material topics	ESG Topic Materiality Assessment	015
Economy			
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	Key Operating Performance Table	055
201-2	Financial implications and other risks and opportunities due to climate change	ESG Risk Management Mechanism	013
201-3	Defined benefit plan obligations and other retirement plans	Employee Responsibilities	040
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	Rural Revitalisation and Social Contribution	033
GRI 205: Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures	Party Building Governance and Business Ethics	053

Appendices GRI Index

Environmental			
GRI 302: Energy			
302-1	Energy consumption within the organisation	Key Environmental Performance Table	056
GRI 303: Water and Effluents			
303-1	Interactions with water as a shared resource	Resource Recycling and Pollution Control	028
303-5	Water consumption	Key Environmental Performance Table	056
		Resource Recycling and Pollution Control	028
GRI 304: Biodiversity			
304-2	Significant impacts of activities, products and services on biodiversity	Land Use and Ecological Conservation	029
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Key Environmental Performance Table	056
305-2	Energy indirect (Scope 2) GHG emissions	Key Environmental Performance Table	056
305-3	Other indirect (Scope 3) GHG emissions	Key Environmental Performance Table	056
305-4	GHG emissions intensity	Key Environmental Performance Table	056
GRI 306: Waste			
306-2	Management of significant waste-related impacts	Resource Recycling and Pollution Control	027
306-5	Waste directed to disposal	Resource Recycling and Pollution Control	027
GRI 308: Supplier Environmental Assessment			
308-1	New suppliers screened using environmental criteria	Sustainable Supply Chain	046

Social			
GRI 401: Employment			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Responsibilities	040
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	Employee Responsibilities	039
403-3	Occupational health services	Employee Responsibilities	039
403-5	Worker training on occupational health and safety	Employee Responsibilities	039
403-6	Promotion of worker health	Employee Responsibilities	039
		Key Social Responsibility Performance Table	056
403-8	Workers covered by an occupational health and safety management system	Employee Responsibilities	039
403-10	Work-related ill health	Key Social Responsibility Performance Table	056
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	Employee Responsibilities	038
		Key Social Responsibility Performance Table	056
404-2	Programmes for upgrading employee skills and transition assistance programmes	Employee Responsibilities	038
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Corporate Governance	048
		Employee Responsibilities	037
GRI 412: Supplier Social Assessment			
412-1	New suppliers that were screened using social criteria	Sustainable Supply Chain	046
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	Quality Management and Product Safety	042

Appendices

GHG Accounting Certificates

Appendices

GHG Accounting Certificates

We sincerely appreciate your time and attention in reviewing *Newland Environmental, Social and Governance (ESG) Report 2024*. In our continued effort to provide more professional and valuable information to you and other stakeholders, we kindly invite you to scan the QR code and complete the relevant questions in the feedback form. We deeply welcome and look forward to your valuable suggestions and comments.

1. What is your relationship with Newland?
□ General employee □ Management member □ Government or regulatory authority □ Business partner
□ Supplier □ Shareholder □ Public or media □ Customer
2. How would you rate the overall quality of this report?
□ Excellent □ Good □ Fair □ Poor □ Very poor
3. How would you rate the clarity, accuracy, and completeness of the information, indicators, and data disclosed in this report?
□ Excellent □ Good □ Fair □ Poor □ Very poor
4. How would you rate Newland's performance in environmental responsibility?
□ Excellent □ Good □ Fair □ Poor □ Very poor
5. How would you rate Newland's performance in social responsibility?
□ Excellent □ Good □ Fair □ Poor □ Very poor
6. How would you rate Newland's performance in governance responsibility?
□ Excellent □ Good □ Fair □ Poor □ Very poor
7. How would you rate the layout and design of this report?
□ Excellent □ Good □ Fair □ Poor □ Very poor

8. Which topics in this year's ESG Report are of most interest to you?
□ Climate change response and carbon neutrality
□ Pollutant discharge and waste management
□ Land use and biodiversity
□ Environmental management policies □ Energy utilisation □ Water resource management
□ Circular economy □ Rural revitalisation and social contribution
□ Technological innovation □ Supply chain management □ Business continuity
□ Customer service □ Product safety and quality
□ Data security and customer privacy protection □ Diversity and inclusion
□ Employee training and career development □ Occupational health and safety
□ Employee care and benefits □ Corporate governance
□ Risk management and internal control compliance
□ Stakeholder communication and cooperation □ Business ethics
9. Are there any additional topics you would like to see covered in this report?
_____

10. Do you have any comments or suggestions regarding our ESG report or our ESG and sustainability management efforts?
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