

2024

Environmental, Social and Governance (ESG) Report & Sustainability Report

Yangtze Optical Fibre and Cable
Joint Stock Limited Company





About this Report	01
Message from Management	03
Board Statement	05
About YOFC	05
Industry Leadership and Social Recognition	13
Performance Highlights in Sustainable Development	19

02 Environmental

Address Climate Change	35
mprove Environmental Governance	4
Green Management Practice	5

O1 Governance

Execute Responsible Management 23
Strengthen Compliance Building 27
Practice Business Ethics 30

03 Social

Excellent Quality Assurance	59	Chart of Key Performance Indicators	10
Drive Innovations with Intelligent Manufacturing	69	Index of ESG Indicators	106
Sustainable Supply Chain	77	GRI STANDARD INDEX	119
Promote Talent Development	81	Reader Feedback	120
Commitment to Public Welfare	96		

bout this Report Message from Management Board Statement About YOFC and Social Control Programment Programment Support Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feed

About this Report



This report provides a comprehensive overview of the management practices regarding environmental, social, and governance (ESG) practices of Yangtze Optical Fibre and Cable Joint Stock Limited Company and its subsidiaries (the "Group," "YOFC," "the company," or "we") for 2024. It also outlines our performance of corporate social responsibility. For a more complete understanding of our ESG initiatives, we recommend reading this report alongside the relevant sections of the 2024 Annual Report of Yangtze Optical Fibre and Cable Joint Stock Limited Company.

Scope of reporting

Period covered by the report: 1 January 2024 to 31 December 2024. To ensure the integrity of the report, part of the report may go beyond this timeframe.

Organizations covered by the report: Unless otherwise specified, this report covers Yangtze Optical Fibre and Cable Joint Stock Limited Company and its subsidiaries, and the monetary figures in this report are denominated in Renminbi ("RMB"). YOFC regularly reviews the reporting scope to ensure significant impacts across the overall business portfolio are covered. In 2024, a total of 9 subsidiaries and branches were primarily added within the reporting scope.

Basis for report preparation

The report is prepared according to the *Environmental, Social and Governance Reporting Code* and the *Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework ("Implementation Guidance"*) issued by the Stock Exchange of Hong Kong Limited, the *Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies* — *Standardized Operation*, the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies*—*Sustainability Report (Trial)* and the *Guideline on Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange No.4 -- Compilation of Sustainable Development Reports*, with reference to the 10 Principles of UN Global Compact and the GRI *Sustainability Reporting Standards* issued by the Global Reporting Initiative (GRI).

Principles for report preparation

Materiality, balance, quantification and consistency are the four principles for preparing this report.

Materiality principle: During the preparation of this report, major stakeholders and their ESG issues of concern have been identified, and targeted disclosures have been made in this report according to the relative importance of their concerns.

Balance principle: This report follows the balance principle and objectively presents the Group's ESG performance and management status.

Quantification principle: The coverage and calculation method of the data involved in the report have been marked in the report.

Consistency principle: Unless otherwise noted, there have been no significant changes to the statistical methods used for disclosing the Group's ESG information in this report compared to previous years.

Confirmation and approval

This report is approved by the Board of Directors on April 29th, 2025.

Access to the report

The simplified Chinese version of this report is available on SSE website (www.sse.com.cn).

The traditional Chinese and English version of this report is available on the website of the Hong Kong Stock Exchange (www.hkex.com.hk).

Feedback to the report

We value the input of our stakeholders and invite readers to reach out using the contact details provided below. Your feedback will help us improve this report and further enhance the Group's overall ESG performance.

Wuhan Headquarters: No. 9 Guanggu Avenue, Wuhan, Hubei Province

Hong Kong Address: Level 54, Hopewell Center, 183 Queen's Road East, Hong Kong

Telephone: +86-27-68789088

Email: IR@yofc.com

nout this Report Message from Management Board Statement About YOFC Industry Leadership Performance Highlights in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indi

Message from Management



Reflecting on the past year, our steady progress has taken us far. In 2024, the rapid development of 5G, Al, and IoT, coupled with technological advancements and global collaboration, has driven continuous innovation in the industry and accelerated the transition toward green and low-carbon practices. As the communications sector becomes increasingly integrated with digitalization and AI, the demand for intelligent computing power has surged exponentially. Advanced computing systems have undergone comprehensive upgrades, and the construction of intelligent computing centers has been significantly accelerated. This progress is laying a robust foundation for the intelligent transformation of industries across the board. Amidst these opportunities and challenges, YOFC remained committed to scientific and technological innovation, embraced sustainable development, and wrote a new chapter of high-quality development at a steady pace. We achieved significant milestones across various fronts, including all-business growth, internationalization, diversification, technological innovation & digital transformation, capital optimization, and sustainable development.



Committing to intelligent manufacturing, leading the transformation of the era. We have prioritised digital upgrade to accelerate the shift towards intelligent manufacturing and foster green, low-carbon development across the industrial chain. By continuously refining manufacturing processes, deepening the integration of industrial Internet applications, and advancing the development of smart factories, we are enhancing energy efficiency management and optimizing resource utilization. Through the strategic adoption of advanced manufacturing technologies, we are leveraging automation, digitization, and intelligence to reduce costs, improve efficiency, and achieve the seamless integration of green production and high-quality growth. By building an intelligent supply chain system and strengthening end-to-end collaboration, we are paving the way for a more sustainable future in the industry.

Strengthening responsibility management, solidifying the foundation for development. We uphold the concept of "safety first," strictly implementing the workplace safety responsibility system, improving emergency plans, enhancing supply chain resilience and business continuity, and optimizing our global operational model. We have deepened our commitment to intellectual property protection, ensuring autonomy and control over core technologies, while upholding strong business ethics and maintaining exceptional quality standards. We have also strengthened risk management and control, upgrading digital security measures to ensure comprehensive oversight of production, data, and network security, safeguarding the long-term corporate development with robust and stable operations.

Adhering to green development, empowering low-carbon transformation. By steadfastly advancing the "dual-carbon" goals, we have deepened green manufacturing practices, optimized our energy structure, improved resource utilization efficiency, and expanded the application of low-carbon technologies. These efforts have led to a year-on-year reduction in greenhouse gas emissions per 10,000 RMB of output value, steadily progressing toward the goal of achieving carbon neutrality by 2055. We have continued to enhance our carbon management system, reducing emissions across all aspects—from production sources to the entire life cycle of our products. Simultaneously, we have been vigorously promoting the development of green supply chains and green factories, actively practicing the concept of sustainable development. In 2024, a notable achievement is the successful implementation of the YOFC marine distributed photovoltaic power plant project, which generates approximately 15,000 MWh annually. This initiative reduces carbon emissions, injecting green power into our sustainable development.

Focusing on employee well-being, contributing to social welfare. We uphold a "people-oriented" philosophy, fostering a diverse, equitable, and inclusive workplace. By optimizing our talent development system and enhancing career growth opportunities, we are committed to improving the well-being of all employees. We continue to advance a global talent strategy, strengthen professional skill training, expand career development pathways, and drive innovation through effective incentive mechanisms. In addition, we actively fulfill our social responsibilities by supporting rural revitalization initiatives and contributing to social integration and community development. Through these efforts, we aim to realise our corporate vision with a strong sense of responsibility and purpose.

Looking ahead, YOFC remains steadfast in its commitment to sustainable development. Driven by scientific and technological innovation, we aim to achieve green and low-carbon goals while fostering global cooperation. Together with our industry chain partners, we embrace the mission of "Smart Link Better Life," striving to bring optical fibre connectivity to every corner of the world. By bridging the digital divide, we aim to enable everyone to experience the convenience and beauty of optical fibre communications. Together, let us move forward into a smarter and more sustainable digital era.

Zhuang Dan
Executive Director and President
Yangtze Optical Fibre and Cable Joint Stock Limited Company
April 29th, 2025

Message from Management Chart of Kev Performance Indicators Index of ESG Indicators

Board Statement



ESG oversight

The Board places high importance on ESG management and has established a systematic ESG governance framework, structured around "governance, management, and execution." to enhance ESG practices. As the ultimate authority and decision-making body for ESG matters, the Board of Directors is responsible for overseeing the development and implementation of ESG strategies and policies. It is also responsible for monitoring and coordinating the management of ESG-related goals and risks. To ensure effective oversight, the Board holds at least one annual meeting dedicated to discussing critical ESG issues.

ESG management policy and strategy

The Group is committed to integrating ESG principles into its daily management systems, continuously refining its ESG policies and strategies. We regularly review the implementation of ESG-related initiatives, actively engage with stakeholders to understand and address their needs and expectations, and prioritize material ESG issues for focused management. Prior to the release of this ESG Report, the Group's Board of Directors conducted a thorough assessment of the potential impacts and opportunities of ESG issues on the Group's overall strategy. The Board carefully reviewed the results of the materiality assessment, identifying high-priority issues such as science and technology innovation, product responsibility as well as compliance management and business ethics. The detailed assessment process and results are outlined in the "Stakeholder Communication" and "Materiality Matrix" sections of this report.

ESG goals review

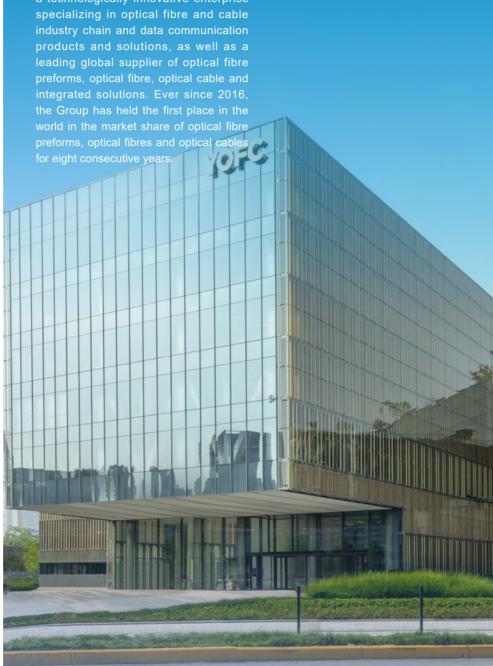
The Board of Directors oversees the establishment and achievement of ESG-related goals to ensure the advancement of the Group's ESG initiatives. During the reporting period, the Group conducted a comprehensive review and update of its environmental goals, which are closely aligned with business operations. These goals are further elaborated in the "Environmental" section of this ESG report.

About YOFC



Company Profile

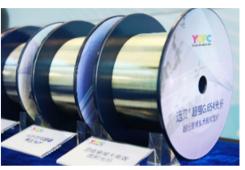




YOFC was listed in the Hong Kong Stock Exchange in December, 2014 (Stock Code: 06869.HK), and listed in the Shanghai Stock Exchang in July, 2018 (Stock Code: 601869.SH), and is the only A&H shares company in China's optical fibre and cable industry as well as the first one in Hubei Province. In July 2022. YOFC acquired Broadex Technologies Company Limited (Stock Abbreviation: Broadex Technologies, Stock Code: 300538), a company listed on the Shenzhen Stock Exchange, and thus became an enterprise spanning the listing platforms in Hong Kong, Shanghai and Shenzhen.

YOFC primarily manufactures and sells optical fibre preforms, optical fibres, optical cables based on various standards and specifications widely applied in the telecommunications industry, and special-purpose optical fibres and cables. power cables, optical transceivers and optical components, active optical cables, RF coaxial cables, and submarine cables customised to customers specifications. We also have presence in industrial laser and marine engineering. Boasting complete integrated systems, engineering design services and solutions, YOFC offers a broad range of optical fibre and cable products relevant solutions for the global telecommunications industry and other sectors such as public utilities, transportation, petro-chemical and healthcare, providing quality products and services in over 100 countries and regions.







Since inception, YOFC has built a unique roadmap for innovation development through the introduction, assimilation, and re-innovation of technologies. YOFC has mastered three types of optical fibre preform manufacturing technology (PCVD/VAD/OVD) for industrialization (as the only one enterprise in the world with such capability). We have also created the longest industrial chain for the optical fibre and cable industry. At the same time, we are National Enterprise Technology Center, National Technology Innovation Demonstration Enterprise, Intelligent Manufacturing Pilot Demonstration Enterprise, Single-Category Champion Manufacturing Enterprise of China (the first batch in China), etc. YOFC has also been honored with many heavy awards, such as the Second Prize in the State Science and Technology Progress Award (3 times), the China Quality Award, the European Quality Award (first one in China), etc. In addition, YOFC hold over 1,900 authorized and valid patents at home and abroad, and it's also one of the significant members of ITU-T and IEC in setting international standards. The company has also become the supporting organization of the National Key Laboratory for Advanced Manufacturing and Application Technology of Optical Fibre and Cable (among the first batch in China and the only one in the industry).







bout this Report Message from Management Board Statement About YOFC and Social Control Programment Pro

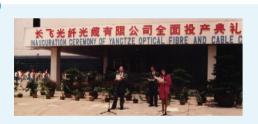
Milestones

For over three decades, the Group has achieved a remarkable transformation from an industry follower to a global leader. Through the introduction, digestion, absorption, and re-innovation of advanced technologies, we have driven significant technological advancements and contributed to the overall development of the industry.



2005

 Won the National Second Prize for Advancements in Science and Technology for the first time



1992

Started mass production



1988

- Established in Wuhan
- "Philips by the Yangtze River"



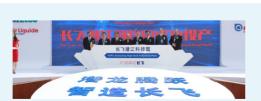
2014

Listed on Hong Kong Stock Exchange



2016

 Ranking No. 1 by market share in the global optical fibre preform, optical fibre and optical fibre cable industries



2017

- Built the world's largest production base for optical fibre preforms
- Launched YOFC Qianjiang Science and Technology Park



2020-2022

- YOFC Hanchuan Science Park was put into production
- One million fkm optical cables were manufactured out of the Poland plant



2018

■ Listed on Shanghai Stock Exchange



2023

 Investment in the construction of YOFC EVERFOTON Xiangyang Base



2024

- Acquisition of RFS Germany and RFS Suzhou
- Official opening of YOFC Mexico factory

About this Report Message from Management Board Statement About YOFC and Social Programmer Profession Support Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback R

Global business presence

YOFC has expanded its products and services to over 100 countries and regions worldwide. With 8 overseas bases, more than 20 overseas platforms, YOFC is actively strengthening its presence in telecommunications projects around the world and building a robust marketing and service network. YOFC is dedicated to the mission of bringing optical-fibre connectivity to every corner of the world.



GRI STANDARD INDEX Message from Management About YOFC

Corporate Culture of YOFC



Smart Link Better Life



To Be the Leader in Information Transmission and Smart Links



Customer Focus, Accountability, Integrity, Innovation, Stakeholder Benefits

11



- Internationalization
- Diversification
- Business-Wide Growth Technological Innovation & Digital Transformation
 - Synergistic Growth of Capital Operation

Sustainability Strategy

YOFC is committed to supporting the ten principles of the UN Global Compact, aligning its development strategy with global sustainability trends. The Group actively upholds its core values of "Customer Focus, Accountability, Integrity, Innovation, Stakeholder Benefits", while positioning responsible governance, smart connectivity, green development, and harmonious ecology as key pillars of its sustainability strategy. Furthermore, YOFC also integrates the realities of the optical fibre and cable industry as well as the needs and expectations of its stakeholders, systematically advancing ESG initiatives through a culture of accountability. This approach underscores the Group's unwavering commitment to driving industry progress, protecting the environment, and fulfilling its ethical responsibilities.

YOFC is dedicated to fulfilling its role as a responsible corporate citizen and strives to be a significant contributor to global sustainability. We align our efforts with the United Nations Sustainable Development Goals (SDGs), join hands with all stakeholders to jointly promote the implementation of initiatives on responsible consumption and production, industrial innovation and infrastructure, climate action, and reducing inequality. Through these efforts, we contribute to building a better and more sustainable future.



Sustainable Development Strategy

Adhering to compliance development and optimizing responsibility governance

- Execute Responsible Management
- Strengthen Compliance Building
- Practice Business Ethics

Adhering to innovation-driven development and focusing on digital + intelligent manufacturing

- Drive Innocations with Intelligent Manufacturing
- Excellent Quality Assurance















- Promote Talent Development
- Commitment to Public Welfare
- Sustainable Supply Chain



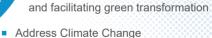












Developing the low-carbon economy

- Improve Environmental Governance
- Green Management Practice









About this Report Message from Management Board Statement About YOFC and Social Parameters and Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedba

Industry Leadership and Social Recognition





In 2024, YOFC hosted and/or contributed to the formulation and revision of

43 standards

Among them, we hosted the revision of

5 international standards

By the end of 2024, the Group had secured over

1,790 authorized and

مريم برماني مريم

780 invention patents

Industry Leadership

YOFC is dedicated to establishing a high-quality and efficient management system that leads in sustainable development values, while continuously enhancing the Group's ESG performance. The Group is at the forefront of the industry in terms of certificates, holding over ten key management system certificates, including the TL 9000 Certificate for Telecommunication Industry, ISO 9001 Certificate for Quality Management System, ISO 14001 Certificate for Environmental Management System, ISO 45001 Certificate for Occupational Health and Safety Management System, SA8000 Certificate for Social Accountability Management System, ISO 17025 Certificate for Laboratory Management System, ISO 27001 Certificate for Information Security Management System, AAA Level Integration of Informatization and Industrialization Management System, and ISO 50001 Certificate for Energy Management System.

As a leading global provider of optical fibre preforms, optical fibres, optical cables, and integrated solutions, the YOFC Group plays an active role in the development of product and technology standardization within both the domestic and international communications industries. We collaborate with all industry stakeholders to foster the sector's high-quality development. In 2024, YOFC hosted and/or contributed to the formulation and revision of 43 standards. Among them, we hosted the revision of 5 international standards, 3 industry standards, and 1 group standard, and we contributed to the revision of 3 international standards, 8 national standards, 15 industry standards, and 8 group standards. By the end of 2024, the Group had secured over 1,790 authorized and valid Chinese patents, including over 780 invention patents, and over 130 patents authorized overseas.

We are committed to driving the integrated innovations of nextgeneration information technology, organising and participating in various industry exchange activities. Through partnerships with renowned domestic and international universities, we facilitate cooperation between industry, academia, and research. Together with our industry partners, we aim to shape a digital and smart future powered by integrated innovations, leading the industry on a path of sustainable development.





YOFC first made its debut at MWC Barcelona 2024



In February 2024, YOFC, as a leading global provider of optical fibre, optical cable and integrated solutions, debuted at the 2024 Mobile World Congress (MWC) Barcelona, the world's premier event for global mobile communications. Under the theme "Connecting the Future with Fibre," we presented an impressive range of products and solutions across five key areas: Move Toward 5G-Advanced, New Hub of Green Computing, New Value of Digital Energy, New Experience of Digital Life, and Bridge the Digital Gap.



YOFC's booth at MWC Barcelona 2024



YOFC made its debut the China Mobile Global Partners Conference 2024



In October 2024, YOFC, a key strategic partner of China Mobile, participated in the China Mobile Global Partners Conference 2024 in Guangzhou. Under the theme "Optical Connectivity for a Smarter World", YOFC showcased innovative products and solutions across three major segments: Al-powered all-optical transport capacity, Aldriven smart computing hubs, and marine communication.

YOFC maintains a close strategic partnership with China Mobile, with both parties committed to positioning AI as the core driver of new productivity. Together, we explore the deep integration of innovative technologies with traditional industries. YOFC looks forward to collaborating with China Mobile, helping industry partners achieve digital and intelligent transformation, opening a new chapter in the smart era and achieving win-win development.



China Mobile Global Partners Conference



YOFC participated in the 2024 World Optical Fibre & Cable Conference as amajor partner



In October 2024, the World Optical Fibre & Cable Conference opened in Shanghai. YOFC, a long-term partner of the event, once again participated in this prestigious industry gathering.

During the Conference, ZHUANG Dan, Executive Director and President of YOFC, delivered a keynote speech titled "Accelerating the Construction of New Optical Networks in the AI Era and Building a New Chapter of Intelligent Future." He also took part in a roundtable discussion alongside senior management from global leaders such as Prysmian (Europe) and Corning (US), where they explored major industry topics in the AI era and discussed the future of the sector.

Additionally, XIONG Zhuang, YOFC's Chief Scientist in optical cable, presented a talk titled "High-Bandwidth, Low-Latency, and High-Speed Optical Fibre Driving the Al Revolution" during the innovation seminar session. His presentation shared information on and provided a thorough analysis of the industry landscape, the latest R&D advancements in optical fibre and cable products, and their practical applications in the field.



2024 World Optical Fibre & Cable Conference

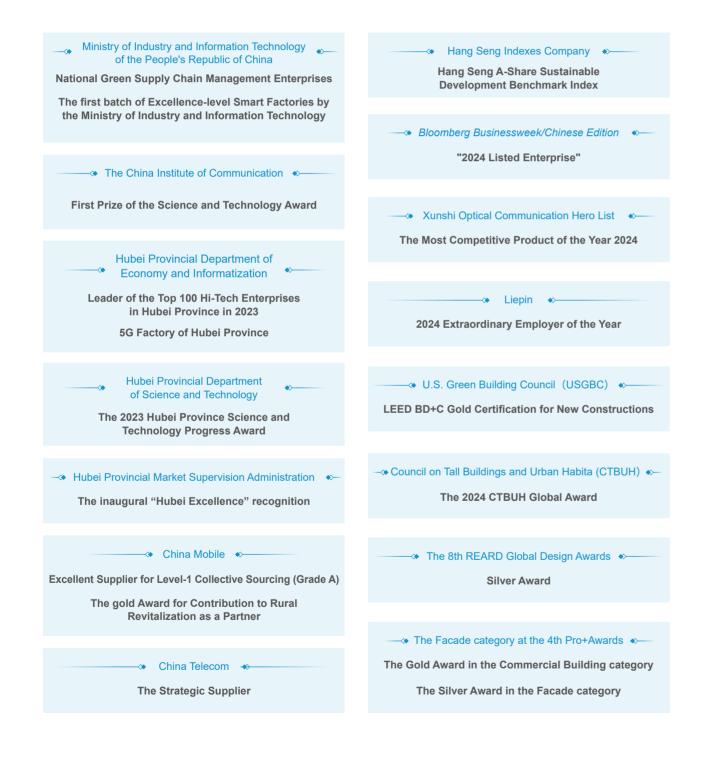
About this Report Message from Management Board Statement About YOFC and Scaled Readership Performance Indicators Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedly

Public Recognition

15

As a leading player in the optical communication industry, YOFC capitalises on the opportunities presented by the evolving landscape, maintaining strong strategic resolve and steadfastly executing corporate development strategy. We are dedicated to delivering greater value to our shareholders and customers while actively fulfilling our social responsibilities. These efforts have earned widespread recognition from all sectors of society.

Major Awards Received in 2024









Performance Highlights in Sustainable Development



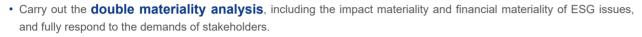












- · We continuously strengthen our integrity management framework and foster a culture of integrity. In 2024, the Group reported no litigation cases related to fraud or corruption.
- · We conduct an annual conflict of interest declaration exercise for employees of the Group, both domestically and internationally, with over 98% of employees participating in 2024.
- · We formally integrated "Integrity" into the Group's core values, fully embedding principles of integrity and honesty, fairness and transparency, as well as integrity and self-discipline across the organization.
- · We revised Code of Business Conduct for Employees and introduced the Code of Business Conduct for Third Parties, which requires all employees and our third-party business partners, including suppliers, to adhere to our compliance and ethical standards.
- Three integrity-themed training sessions were held. All 12 directors participated, achieving a 100% training rate. Additionally, 7,685 management and general staff members (note: limited to employees in the Chinese Mainland) were trained, also achieving a 100% training rate.



















- · YOFC has continuously deepened its efforts in emission reduction and decarbonization. By 2024, the cumulative equivalent carbon reduction reached 24,291 tonnes, with the greenhouse gas emissions per 10,000 RMB of output value decreasing by 3.78% year-on-year.
- · In 2024, YOFC was actively engaged in green and renewable electricity purchasing at home and abroad, reducing approximately 13,400 tonnes of CO2e emissions. In particular, YOFC Wuhan Factory purchased a total of 20,000 MWh of green electricity through the three markets of "electricity - carbon - finance" in Hubei Province.
- · YOFC continues to promote the installation of roof-mounted distributed photovoltaic facilities in each production base, and the installed capacity of new distributed PV facilities with approximately 15.6 MW in 2024.
- In 2024, YOFC's expenditure on environmental protection reached a total of 11.8873 million RMB.













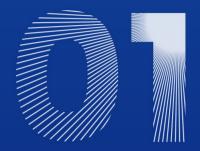






- · Selected as "National Green Supply Chain Management Enterprises".
- We require 100% suppliers to sign the Supplier Green Environmental RoHS 2.0 Commitment, Supplier Green Environmental REACH Commitment, Supplier Integrity Commitment, and complete the External Supplier Social Responsibility Survey Questionnaire and other agreements, so as to make clear the code of conduct on social responsibility that suppliers should follow.
- Sales and technical staff are required to respond to complaints within 24 hours and resolve them within 48 hours, ensuring a 100% timely response and incident resolution rate for customer complaints.
- · Hosted and/or contributed to the formulation and revision of 43 standards, including the revision of 5 international standards, 3 industry standards, and 1 group standard; contributed to the revision of 3 international standards, 8 national standards, 15 industry standards, and 8 group standards.
- · Cumulatively hold over 1,790 authorized and valid Chinese patents, including over 780 invention patents, and has obtained over 130 overseas authorized patents.
- Leading the industry in the scale manufacturing of long-segment, ultra-low-loss hollow-core optical fibres, and has provided high-quality hollow-core optical fibre, cable and connectivity solutions for China's three major carriers' pilot projects within the operating networks, the long-distance transmission trials and verification of hollowcore optical fibres for many equipment vendors, and the emerging commercial applications.
- "2024 Extraordinary Employer of the Year" by Liepin.
- Donated a total of 2.06 million RMB in community welfare and volunteer activities.





Governance

A robust and effective governance system is the cornerstone of sustainable development. YOFC embraces efficient ESG management as a key driver of high-quality growth and digital transformation. By enhancing corporate governance mechanisms and upholding high standards of business ethics and compliance management, we are committed to sharing the benefits of our progress with all stakeholders. This approach enables us to unite in addressing the complex challenges of the global market.











About this Report Message from Management Board Statement About YOFC and Scorial Report Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

Execute Responsible Management



YOFC is deeply committed to its sustainability strategy. While reinforcing the strategic presence in the optical fibre and cable industry, we have embedded sustainable development principles into the core of our operations and management. By continuously optimising our ESG management system, as well as following and addressing the needs and expectations of stakeholders, we strive to drive collaborative progress toward a sustainable future alongside our industry partners.

ESG Management

YOFC firmly believes that ESG management is a critical driver of the Group's high-quality development. We are dedicated to enhancing ESG governance, refining the ESG governance structure and management mechanisms, and balancing corporate development, economic growth, and sustainable development. These efforts keep strengthening our capacity for sustainability.

ESG Governance Structure

We have fully integrated ESG management into our business operations and management to effectively mitigate ESG risks. A three-tier governance structure has been established, with clearly defined responsibilities, decision-making procedures, and reporting mechanisms at each level.



ESG Governance Structure of YOFC







ESG Leading Group



Board of Directors

The Group's Board of Directors, as the highest responsible and decision-making body of the ESG management system, reviews the risks and significance related to the company's ESG matters, and assumes full responsibility for the Group's ESG strategy planning, objectives, information disclosure, and significant

Be responsible for formulating the group's ESG strategy, approving and supervising matters such as the group's ESG policies, systems, objectives, and work plans, reviewing the group's annual ESG report, and supporting various organizations in implementing actions aimed at achieving the group's sustainable development goals.

ESG Working Group

The ESG Working Group is responsible for coordinating internal and external resources of the Group, advancing the planning and implementation of ESG matters, formulating the company's ESG policies and objectives, and regularly reporting progress to the ESG Leading Group.

About YOFC About this Report Message from Management Index of ESG Indicators GRI STANDARD INDEX **Board Statement** Chart of Kev Performance Indicators Sustainable Deve

Stakeholder Engagement

YOFC values the insights of various stakeholders in shaping its sustainability strategy. The Group has identified key internal and external stakeholders—employees, suppliers, shareholders, investors, government, and regulatory authorities—based on the Group's business characteristics, industry trends, and development status,

We fully adhere to the internal policy of *Investor Relationship Management System* as well as other system documents, and maintain an effective communication framework for stakeholder engagement. By utilizing diverse online and in-person channels, we foster strong relationships with stakeholders, regularly sharing the Group's strategic plans and progress. Simultaneously, we listen to, analyse, timely respond to, and properly address their concerns and needs, using their feedback as crucial input for shaping our ESG strategies.

Stakeholders	Issues of Concerns	Communication Channels
Shareholders & Investors	 Organizational governance Product responsibility Risk management Compliance management and business ethics Response to climate change 	 Annual/Extraordinary general meetings of shareholders Investor meetings Performance briefing Press releases/announcements Investor hotline
Government & Regulatory authorities	 Compliance management and business ethics Science and technology innovation Energy management Product responsibility 	 Policy consultations Event debriefing On-site inspections Information disclosure Meetings and exchanges with government agencies
Employees	Diversity, equity, and inclusionHealth and safetyTalent attraction and growth	 Employee interviews Internal publications Employee hotline Employee satisfaction surveys
Suppliers	Sustainable supply chainCompliance management and business ethics	 On-site inspections Supplier surveys Supplier training Phone interviews
Customers	Data security and privacy protectionProduct responsibility	 Customer satisfaction surveys Customer support platform/hotline Group website and social media interactions
Media & NGO	Product responsibilityScience and technology innovationEmployee care	 Social media Media briefings and press releases Seminars Industry forums Academic/Technical exchanges
Communities	 Pollution prevention Low carbon and emission reduction Social welfare Water resource management 	 Press releases/announcements Community welfare Volunteer events Feedback hotline

Double Materiality Analysis

YOFC adheres to the requirements for identifying, analysing, and disclosing "double materiality" as outlined in the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial). Building on stakeholder input, the Group's sustainability strategy, and its operational realities, YOFC has established a double materiality analysis process for ESG issues, fully integrating both domestic and international industry trends.

During the reporting period, we conducted a preliminary assessment and analysis of the impact materiality and financial materiality of ESG issues. This involved carefully categorising and prioritising various ESG issues, evaluating their effects on the company and external stakeholders across economic, social, and environmental dimensions. Additionally, leveraging financial statistics and professional analyses, we assessed the potential financial implications of these issues on the company. This process has provided strong support for more targeted issue management and information disclosure.

Assessment on material issues

Identify issues We actively engaged with the company's management, as well as internal and external experts, to gather their analyses and recommendations. By regularly reviewing regulatory requirements, capital market indices, and benchmarking studies against domestic and international peers, we gained a comprehensive understanding and analysis of stakeholder expectations. This enabled us to identify ESG issues that are material to the Group and its stakeholders within the current business environment.

impact materiality

A thorough quantitative and qualitative assessment of identified ESG issues is carried out through surveys and case studies, with a focus on their impact on non-financial areas such as brand reputation, market perception, and regulatory compliance.

Assess financial materiality

We organized management workshops, inviting senior management and department heads responsible for relevant ESG issues. Through in-depth communication and discussions, we assessed and decided the financial materiality of each ESG issue, taking into account the company's strategic goals, operational realities, and external environmental requirements.

Results analysis for future practice

Based on the assessment results, we developed the 2024 double materiality matrix, identifying and prioritising the issues of materiality for the year. Using these insights, we implement targeted disclosures and focus on enhancing practices accordingly.

Double materiality matrix



Materiality to the corporate finance

About this Report Message from Management Board Statement About YOFC and Scorial Report Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

Strengthen Compliance Building



The Group is committed to maintaining high standards of corporate governance to ensure stable, orderly, and high-quality development, thereby creating more sustainable business value for shareholders. We conduct our business activities in strict compliance with legal requirements, continuously enhance our governance systems, and strengthen risk prevention and control measures. Through robust internal control and compliance management, we support the Group to move forward with steady progress.

Enhance Corporate Governance

YOFC strictly adheres to corporate governance laws, regulations, and international conventions, strengthening its governance system building and standardized operations. We have established a governance structure and operational mechanism centered on the general meeting of shareholders, the Board of Directors, and senior management. Through ongoing improvements to the rules of procedure, optimization of the Board's composition, and enhancement of directors' ability to fulfil their duties, we ensure that the corporate governance has a clear delineation of authority and accountability and operates reasonably and efficiently.

Governance structure of YOFC

General meeting Audit Committee Board of Directors Nomination and Remuneration Committee



General meeting

Senior

- The general meeting of shareholders serves as the highest authority within the Group.
- The regular general meeting is held in strict compliance with requirements. During the meeting, the Board of Directors is elected.
 All shareholders on the register are able to learn about the company's operations and pose questions to the management.
- The Board of Directors consists of 12 members and is responsible for making decisions on the Group's key strategic matters.

Board of Directors and Committees

- It is supported by three specialized committees: the Audit Committee, the Nomination and Remuneration Committee, and the Strategy Committee, each overseeing specific aspects of the Group's operations.
- The senior management is authorized to manage the Group's day-to-day operations.

Senior management

Strategy Committee

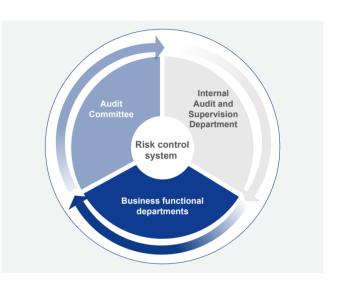
 Among them, the President is primarily responsible for strategic development planning and the overall management of the Group's daily affairs.

In 2024, the company held a total of 8 Board meetings, conducted both on-site and online. All meeting resolutions have been published on the Shanghai Stock Exchange as Announcements of Resolutions of the Board Meetings.

Reinforce Risk Management

YOFC places significant emphasis on risk management, recognising it as a core component of the Group's operations and business development. In compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other national laws and regulations, as well as the Corporate Governance Code outlined in Appendix 14 of the Rules Governing the Listing of Securities issued by HKEX, we have established comprehensive internal risk management systems. These include the Comprehensive Risk Management Manual, Safety, Environmental and Occupational Health Risk Assessment Procedures, Quality Risk Management Procedures, and Information Security Risk Assessment. These systems standardise risk identification and assessment processes across safety, environmental and occupational health, quality management, and information security. They are regularly updated and adjusted to ensure the Group's production and operational activities remain stable and compliant.

We have embedded risk management into our core operations, establishing a comprehensive, multitiered risk control system that includes the Audit Committee, the Internal Audit and Supervision Department, and other key business functional departments. This system enables multi-dimensional monitoring and identification of risks, along with effective prevention and mitigation at all levels, driving continuous improvement in risk management across the organization. Additionally, we implement various initiatives to optimise our risk management practices. The Internal Audit and Supervision Department conducts annual compliance audits of both domestic and international offices in line with the approved audit plan, and in 2024, these audits were carried out as scheduled.





Training Activity on Operation Decision-making Analysis and Risk Management of YOFC

About this Report Message from Management Board Statement About YOFC Industry Leadership Performance Highlights in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedba



Business Continuity

In recent years, the global economic fluctuations and the transformation of the communications industry have presented significant challenges, increasing the uncertainties and risks in the organizational environment. 2024 marks the 10th anniversary of YOFC's international expansion, during which our business relevance to the global stakeholders such as suppliers and professional institutions has grown significantly, spanning sourcing, manufacturing, logistics, and services.

YOFC has built an efficient business continuity support system, enabling steady development even under sustained pressure and showcasing exceptional strategic resolve and resilience. In alignment with the ISO 22301 Business Continuity Management System and tailored to the Group's unique business characteristics, we have developed a number of internal systems. These systems integrate Business Continuity Management (BCM) principles into daily operations and management. Besides, we also conduct regular BCM training for staff and emergency response drills. These efforts continuously enhance the Group's BCM framework, supporting our global market expansion and ensuring stable business growth.

Risk management framework of YOFC

Quality Risk

Safety and Environmental Risk

R&D Risk

Funding Risk

IT and Information
Security Risk

Supply Chain Risk

Intellectual Property Risk

Human Resource Risk

Communication Risk

Public Relations Risk

Practice Business Ethics



The Group is firmly committed to upholding business ethics, maintaining a "zero-tolerance" stance towards corruption, and is resolute in its efforts to eliminate all forms of improper business practices. We have implemented a robust integrity framework, continuously enhancing our anti-fraud and whistle-blowing mechanisms. Additionally, we actively conduct ethics training for employees, requiring all staff worldwide to adhere to the Code of Business Conduct, while fostering a culture of integrity across the organization.

Integrity Building

YOFC strictly adheres to the *Criminal Law of the People's Republic of China*, the *Law Against Unfair Competition of the People's Republic of China*, and other national laws and regulations. To ensure disciplined and socially responsible business conduct, we have established comprehensive management systems, including the *Code of Conduct for Cadres, Cadre Style Requirements, Code of Integrity Management for Employees, Code of Business Conduct for Employees*, and *Employee Manual*. We continuously strengthen our integrity management framework and foster a culture of integrity. By enhancing anti-fraud and whistle-blowing mechanisms, we ensure that anti-corruption initiatives are seamlessly integrated into our business operations. In 2024, the Group reported no litigation cases related to fraud or corruption.

Integrity Management Initiatives

The Group actively implements integrity management initiatives. In line with the *Employee Conflict-of-Interest Declaration and Retrieval Regulations*, we conduct an annual conflict of interest declaration exercise for employees of the Group, both domestically and internationally. In 2024, the declaration exercise was launched in August, with over 98% of employees participating.

Furthermore, we integrate integrity and compliance management into daily operations, strengthening oversight of workflows and key employee reviews. This ensures transparency and impartiality in business decisions, prevents potential conflicts of interest, and continuously enhances operational efficiency and governance standards.

with over

98% of employees

Integrity Management Mechanism of YOFC



Separation of responsibilities for key processes

For critical areas such as payment approval, project approval, personnel management, sourcing and contract management, responsibilities shall be clearly segregated between incompatible roles to effectively mitigate the risk of embezzlement and fraudulent activities.



Background checks for key positions

For new hires and newly promoted employees in key positions, comprehensive background checks—including verification of educational qualifications, work experience, criminal records, and past instances of fraudulent behavior—will be conducted. These checks will be documented in writing and securely archived.

About this Report Message from Management Board Statement About YOFC and Statement About YOFC an

Integrity Culture Building

Integrity has always been the cornerstone of YOFC. The company places great emphasis on fostering an honest and upright corporate culture, expecting all employees to act with honesty, work with a down-to-earth attitude, and uphold a sense of responsibility as a member of YOFC. In 2024, following a collective management decision by management, we formally integrated "integrity" into the Group's core values, fully embedding principles of uprightness and honesty, fairness and transparency, as well as integrity and self-discipline across the organization.

The values of integrity



Integrity & Honesty

Every member of YOFC is expected to uphold the highest personal standards, embodying the principles of integrity and honesty in all aspects of their work. Employees should adhere to the highest ethical standards and professional conduct, avoiding any form of improper behavior. Furthermore, they must have the courage to stand up for justice, address misconduct promptly, and do everything possible to protect the team's reputation for integrity.



Fairness & Transparency

We promote open communication and sincere relationships between employees, customers, and partners, free from deceit or pretence. We are committed to seeking truth from facts in all work reporting and interactions, ensuring the transparency and accuracy of information shared. We respect and rely on facts, not authority, which is the fundamental guide for all our actions; and we maintain an objective and fair approach, making decisions based on facts, not hierarchy or power. Through honest and impartial communication, we strive to foster a fair and transparent work environment, supporting the healthy growth of YOFC.



Integrity & Selfdiscipline Integrity and self-discipline are non-negotiable principles and an unwavering code of conduct for every YOFC employee. Employees are required to strictly observe the highest standards of integrity, resisting any form of bribery or corruption, and refraining from using their position for personal gain by the Group. Whether facing the hidden temptations in the complex business environment or navigating challenges in internal management, YOFC employees must maintain clarity and resolve, exemplifying the values of integrity and self-discipline to build a clean and positive organizational culture.

The Group conducts both on-site and online training to promote a corporate culture of integrity and compliance. Tailored to different employee groups—such as directors, managers, business and functional teams, and frontline staff—we offer a range of initiatives, including anti-corruption education, red line training, online anti-corruption courses, and other integrity awareness activities. For new hires, we implement mandatory online anti-corruption and anti-fraud training during orientation to establish a strong foundation for integrity from the outset. Additionally, this year, we introduced the *Code of Business Conduct for Third Parties*, which requires our third-party business partners, including suppliers, to adhere to our compliance and ethical standards.

In 2024, the Group successfully conducted annual compliance training for our Chinese workforce, reaching over 7,000 employees, with a 100% pass rate on the examinations. The orientation programme also covered more than 130 new recruits, who similarly achieved a 100% pass rate. Throughout the year, three integrity-themed training sessions were held. All 12 directors participated, achieving a 100% training rate. Additionally, 7,685 management and general staff members (note: limited to employees in the Chinese Mainland) were trained, also achieving a 100% training rate.

Anti-Fraud and Whistle-Blowing Mechanism

Building on the effective practice of integrity management, YOFC has established an open and transparent mechanism for addressing fraud incidents. This mechanism standardises the principles and procedures for identifying violations, whistle-blowing, conducting investigations, reporting findings, and implementing remediation and penalties.

Flow chart for addressing fraud incidents

Identification & Whistle-blowing



- In the event of suspected fraud, both internal and external parties can report the issue via hotlines, emails, letters, or in person.
- Any employee has the right to lodge a complaint against the suspected fraud to their department, and can escalate the matter to higher management or directly to the Internal Audit and Supervision Department.

Investigation & Reporting



• The Internal Audit and Supervision Department is responsible for investigating the case and reporting the findings to the management and the Board of Directors.





- Together with the relevant departments, the Internal Audit and Supervision Department develop remediation and improvement plans based on the investigation findings.
- The Group's management and the Board of Directors are tasked with overseeing and ensuring the implementation of the remediation and improvement plans. In addition, those found guilty of fraud will be dealt with in accordance with applicable laws and regulations.

We are committed to continuously enhancing our whistle-blower protection mechanism. We have established the *Anti-Fraud and Whistle-Blowing Management Regulations* and other related systems, clearly committing to the strict protection of whistle-blowers' identities and the confidentiality of their reports. Any form of retaliation against whistle-blowers is strictly prohibited. Personnel found responsible for disclosing whistle-blower information or causing the whistle-blower to be harmed will be held accountable in accordance with the regulations, ensuring the protection of the whistle-blower's legitimate rights and interests.

Anti-Unfair Competition

The Group places great importance on fair competition and is dedicated to fostering a business environment that is fair, transparent, and honest. We strictly adhere to the laws and regulations of the countries and regions in which we operate globally, as well as the relevant provisions outlined in the *Code of Business Conduct for Employees*. We actively promote awareness of fair competition among our employees and strictly prohibit any form of illegal conduct to acquire trade secrets or confidential information from competitors, including trespassing, burglary, wiretapping, bribery, theft, and the dissemination of false or misleading information in advertising. In 2024, the Group had no cases of prosecution related to unfair competition or monopoly.



Environmental

YOFC is fully aware of the far-reaching impact that the to address the challenges posed by the environment and climate change. We continuously enhance environmental governance in our production and operations, pursue high saving technologies. At the same time, we are aware of the risks and opportunities posed by climate change and work to integrate them into our corporate governance to build a sustainable future.



















Address Climate Change



In response to global climate change, YOFC proactively identifies climate-related risks and implements appropriate responses. For the risks we have identified, we have adopted low-carbon development paths, actively engaged with stakeholders' concerns, and committed to achieving green operations across the entire product life cycle while building a sustainable development roadmap.

YOFC consistently monitors global climate policies and industry trends, benchmarks against industry leaders, and improves internal systems documents. We have developed a clear climate change strategy centered around carbon management. We carry out a continuous assessment of climate-related risks and opportunities, formulate three major routes of "operation green evolution" "factory green transformation" and "product green innovation". In alignment with our business development, we also propose tailored solutions across "management programme," "technology programme," and "market programme".

To further enhance the effectiveness of our strategy, we have established a green development evaluation system that regularly assesses progress toward our goals. This system helps us to monitor organizational management and the programme implementation, ensuring continuous optimization and updates.

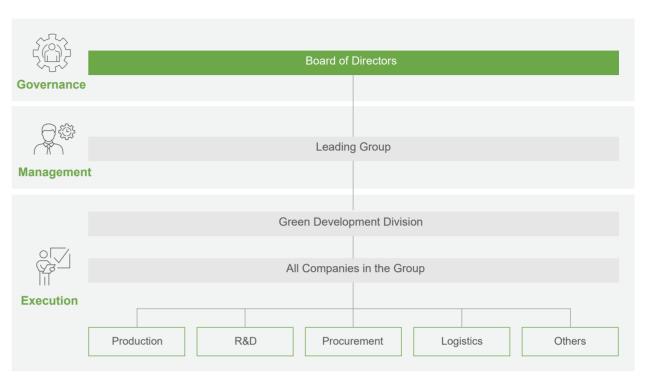
Action programme for green development



Governance

YOFC continually enhances the Group's climate change governance, with a clear governance structure consisting of "Governance - Management - Execution". The Board of Directors holds ultimate responsibility for matters regarding climate change-related risks and opportunities and the ESG Leading Group is responsible for instructing and promoting the Group's overall ESG management efforts, including climate risk identification, assessment and management.

Climate change governance structure of YOFC



Division of responsibilities for climate change in YOFC



The Board of Directors, as the highest authority and decision-making body of the ESG management system, is responsible for overseeing climate change response and other ESG matters, including management of climate risks and opportunities, carbon neutrality goals, and annual progress.



The President holds the ultimate responsibility for the Group's carbon management policies and performance. The President is responsible for approving carbon management policies and carbon neutrality goals, and for coordinating the necessary resources to establish, implement, and maintain the carbon management system. The Director of the Group Operation Quality Center is responsible for organising the formulation and review of the Group's carbon management policies and carbon neutrality goals, and for coordinating the internal and external carbon management operations, while ensuring the resources required to establish, implement, and maintain the carbon management system.

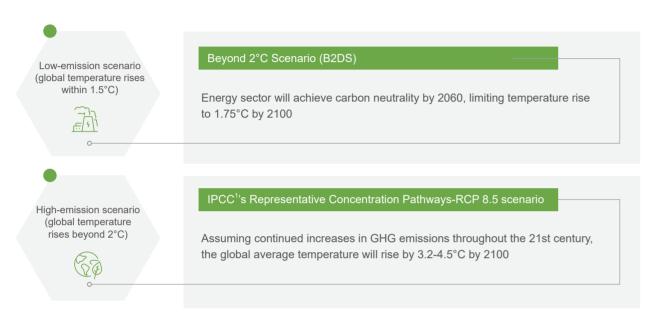


The Execution is carried out by the green development division and the companies under the Group. The green development division is responsible for planning and coordinating carbon management operations in line with the YOFC's green and sustainable development strategy, and for monitoring the carbon and energy management of companies under the Group. Each company must implement the Group's carbon management goals and requirements, establish dedicated carbon emission or energy management department or designate key responsible personnel for it, clarify the responsibilities of the dedicated department and associated business departments, establish internal carbon management mechanisms, carry out initiatives for carbon management capacity building, execute carbon management tasks, and accept the instructions, supervision, and evaluation of the green development division.

About this Report Message from Management Board Statement About YOFC and Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feed

Strategy

YOFC has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework as a reference for climate-related disclosures. In line with the Group's operational realities, we have compiled a comprehensive list of climate risks and opportunities for identification. We have also conducted scenario analyzes and developed corresponding responses. In 2024, we carried out scenario analyzes for the following two long-term climate scenarios, based on the recommendations outlined in TCFD's scenario analysis guidelines and the models simulated by the International Energy Agency (IEA).



Considering our business characteristics, industry context, and the climate emission pathways outlined in the IPCC and IEA assessments and reports, we have conducted in-depth analyzes of the risks and opportunities we may face under various scenarios. We have also evaluated the potential financial impacts of these risks and opportunities, which will serve as a foundation for future risk management and strategic planning. Climate risks have been integrated into our overall risk identification and assessment process, allowing us to prioritize identified risks and develop tailored response strategies to support our sustainable development.

	Climate scenarios		Risks & Opportunities	Response measures
RCP 8.5	Physical scenario	Acute risk: Extreme weather such as typhoons, heavy rains and floods	 Damage to plant and office buildings and equipment, resulting in loss of assets equipment failures, employee unavailability and transport disruptions all have an impact on production stability and business revenues and incur additional O&M cost Extreme weather conditions cause disruptions to the transportation of gases essential to production, which in turn affects the continuity of fibre production and results in revenue losses 	 Develop contingency plans for natural disasters and keep optimizing the emergency response mechanism for natural disasters Identify potential risks of asset loss and purchase insurance to mitigate risks Develop action plans for factories to cope with heavy rains and flooding, and purchase necessary insurance for employee safety (including workplace safety and travel safety, etc.) Build gas supply companies around the optical fibre production sites to enhance production stability.

¹ IPCC (Intergovernmental Panel on Climate Change), jointly established in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Program (UNEP), is recognized as an authoritative body to provide assessments of scientific basis on global climate change.

		Climate sce	narios	Risks & Opportunities	Response measures
			Chronic risks:	Rising temperatures make it necessary for the Group to deploy more cooling equipment, resulting in higher operation costs;	 Adopt energy-efficient cooling technologies and equipment to reduce energy consumption; Increase the thickness of buildings'
				During high temperature seasons,	thermal insulation;
	RCP 8.5	Physical scenario	Prolonged high temperatures, droughts, sea	employees may not be able to work outdoors for long periods of time, which may adversely affect operational efficiency;	 Rationally plan production, thoughtfull organise production, and improve operational efficiency;
			level rise, etc.	 Approximately 6% of the Group's factories are located in coastal areas, which may be exposed to the risk of site damage due to sea level rise. 	 Establish a sound response mechanism and reserve materials for emergencies, and regularly improve the response strategy to ensure production continuity.
				Government may introduce stricter policies and regulations to address climate change, which will increase compliance costs for businesses and may lead to increase in litigations or	Closely monitor changes in environmental laws, regulations and policies, and develop corresponding responses in a timely manner;
			Policy and legal risks	 claims; China's carbon trade will implement a carbon pricing mechanism, which will result in higher operation costs; 	 Actively promote energy-saving and emission reduction measures, increas the use of clean energy and phase of the use of fossil fuels;
				As a key emitter in Hubei Province, YOFC has been included in the Hubei carbon market. Failure to complete performance on time will result in penalties.	 Proactively engage in carbon emissions trading, monitor market trends, and formulate and implement optimal trading strategies.
			There is a risk of failure in investments in low-carbon technology R&D	Enhance the Group's low-carbon technology R&D capabilities with tales cultivation and retention measures;	
	IEA B2DS	Transfor- mation scenario	Technology risks	Failure to promptly identify and implement low-carbon technologies can cause a company's product low- carbon transformation to lag behind	 Continuously promote the eco-design of products to further enhance their green and low-carbon attributes;
Alexander of the second				industry standards, negatively impacting its financial performance.	 Research and apply low-carbon technologies and actively engage in industry cooperation.
				Downstream market customers enquire	 Actively develop green and low-carbo products to meet consumer demand;
				about emission reduction performance, requesting greater transparency in the information disclosure of emission	 Provide carbon footprint data of certain products as requested by customers;
				reduction progress and the provision of carbon footprint data for the products	 Promote emission reduction along the supply chain;
			Market risks	and provide carbon footprint data for the product;	 Promote resource and energy conservation;
				 Products fail to effectively meet consumer demand for green and low- carbon products; 	Enhance the recycling rate of resources;
				Costs of raw materials and energy rise up.	Build an energy information platform t monitor and analyze energy use and enhance energy control capabilities.

37

bout this Report Message from Management Board Statement About YOFC and Social Report Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

	Climate	e scenarios	Risks & Opportunities	Response measures	
IEA Transfo B2DS mation scenario		Reputation risks	 Negative feedback from stakeholders due to poor performance in climate change response and sustainability; In case of failure to complete carbon compliance on time, a company will face penalties from government authorities, which will adversely affect corporate reputation and operations. 	 Enhance the Group's sustainability capabilities and actively respond to climate change; Enhance management transparency and respond to the concerns of stakeholders; Regularly assess the risks regarding carbon compliance, keep track of policy changes, proactively engage in carbon emissions trading and complete compliance on time. 	
	Resource efficiency Product &		Supportive policy incentives.	Actively explore the application of new technologies, equipment and techniques to improve the efficiency of	
			 R&D of green and low carbon products; 	resource use and reduce the costs of energy use;	
		Service	 Industry-wide climate change response solutions. 	 Identify and respond to supportive government policies and green projects; 	
Transfo opportu		Market	User preference shifts amplify green market demand;	Strengthen the R&D of low-carbon technologies and increase the	
			 Increased demand for integrated energy services. 	proportion of green and low-carbon products;	
		Adaptability	 Energy substitution and diversification programmes; 	 Identify and participate in emerging markets; 	
		Adaptability	 Participation in renewable energy projects. 	Promote the development and utilization of renewable energy.	



Risk Management

YOFC has deeply integrated climate risk management into its overall development strategy and risk management system. To enhance the management structure of risks and opportunities related to climate change, we have specified the geographic location and background of its business, thoroughly sorted out key information such as macro-environmental and industry risk reports, integrated our own business development characteristics and long-term planning, fully evaluated multiple dimensions such as the operation scope and segments, and eventually established a list of risks related to climate change. We have comprehensively analyzed the potential influence, including potential financial impact, that climate change may have on YOFC's business operations, and developed robust measures responses to ensure stable operations and provide solid risk management support for the Group's sustainable development.

1	Specify business boundaries	Comb through every business model of YOFC worldwide and specify the boundaries
2	Risk evaluation	Based on the macro environment, industry risks and other information, together with our own business development characteristics and planning, and incorporate factors such as the operation scope and process segments to identify the climate-related physical and transformation risks that could materially affect the Group's business, and then establish a comprehensive climate change risk list
3	Risk prioritization	Comprehensively analyze the potential impact of climate change on YOFC's business operations, including the potential financial risks, and filter out the key climate risks
4	Risk responses	For the identified climate risks, we develop and implement corresponding measures and plans to strengthen our response capabilities

Indicators & Targets

YOFC establishes clear targets for carbon emissions and energy consumption, develops key work plans for emission reduction, and regularly tracks relevant indicators and reports on the progress towards the targets.

Targets for GHG emission reduction



Carbon emissions

Targets & Commitments

- Achieve a 50% reduction in greenhouse gas emissions per 10,000 RMB 2028 compared to 2021.
- Achieve carbon neutrality by 2055.

2024 Progress

 Continuously deepened its efforts in emission reduction and decarbonization. By 2024, the cumulative equivalent carbon reduction reached 24,291 tonnes, with the greenhouse gas emissions per 10,000 RMB of output value decreasing by 3.78% year-on-year.

Action plan

 Continue our efforts in "operation green evolution", "factory green transformation", "product green innovation", and collaborate with our upstream and downstream partners to further reduce GHG emissions and environmental impacts of our operations.



Energy

Targets & Commitments

 Optimize energy structure and gradually increase the use of renewable energy to support the carbon neutrality goals.

2024 Progress

- Actively promoted energy-saving initiatives across its production bases, including technological upgrades and management-driven energy conservation, achieving energy savings equivalent to approximately 15,000 tonnes of standard coal in 2024.
- Steadily advanced the deployment of rooftop distributed photovoltaic (PV) systems across all production bases, with approximately 15.6 MW of newly installed PV capacity added in 2024.

Action plan

 Actively engage in green power trading and construct more renewable energy facilities.

bout this Report Message from Management Board Statement About YOFC Industry Leadership Performance Highlights in Governance Environmental Social Chart of Kev Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

Improve Environmental Governance



As a responsible enterprise, YOFC attaches great importance to environmental governance, fully considers the environmental impact of all business segments, promotes the implementation of environmental governance projects, ensuring sound business development while contributing to a green economy and sustainable development of the society. In 2024, YOFC's expenditure on environmental protection reached a total of 11.8873 million RMB.

Environmental Management System

YOFC strictly complies with the Environmental Protection Law of the People's Republic of China, the Law of People's Republic of China on Environmental Impact Appraisal, and other laws and regulations of the locations where we operate globally, and revises internal management documents such as the EHS Management Manual and the Response Plan for Environmental Emergencies to guide the operations sites worldwide to regulate their environmental management efforts, continuously enhance the environmental management systems, and mitigate the environmental impacts of its production and operation. We regularly engage third-party qualified institutions to carry out audits of each operation site to ensure the effectiveness of our environmental management system through a combination of internal self-inspection and external supervision, to effectively fulfil our commitment to environmental protection. As of the end of 2024, YOFC has obtained ISO 14001:2015 Environmental Management System Certificate; and 30 of our affiliated companies have obtained ISO 14001:2015 Environmental Management System Certificate. In addition, we have actively promoted our overseas factories to obtain the Environmental Management System Certificate. By far, two of our overseas factories have obtained the ISO 14001:2015 Environmental Management System Certificate



ISO 14001:2015 Environmental Management System Certificate of YOFC

YOFC has been purchasing environmental liability insurance² since 2014 to enhance efforts in environmental risk management and reduce the occurrence of environmental pollution incidents. There were no claims this year.

In 2024, a non-key pollutant discharging subsidiary of YOFC received one environmental penalty from local environmental protection authorities for regulatory violations, with a fine amounting to 218,000 RMB. The subsidiary publicly disclosed its environmental information and administrative penalty details on the official website of the local environmental protection department, in compliance with the regulations of the Ministry of Ecology and Environment of the People's Republic of China and requirements from local authorities. By the end of the reporting period, the subsidiary had completed all required rectification measures and obtained official confirmation of compliance from the environmental protection department.

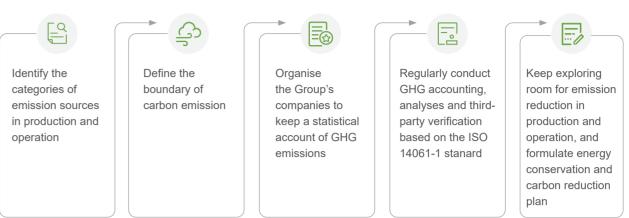
Carbon Management

With energy conservation and emission reduction as our operational goals, YOFC built a series of internal systems, including the *Carbon Management Procedures*, the *Guidance at the Organization Level for Greenhouse Gas Emissions Accounting*, and the *Guidance on Research of the Product Carbon Footprint*. We continue to improve relevant low-carbon management mechanisms and systems in production. We have set up and kept improving the carbon management mechanism, defining the organisational carbon emissions, product carbon footprint, carbon assets, carbon trading, carbon neutrality and carbon disclosure and providing systematic support for the implementation of carbon management. In addition, YOFC carries out research on carbon footprint-related regulations and compiles statistics on products sold, raw materials and packaging to enhance the effectiveness of carbon management.



² The coverage is for YOFC Venture Street Plant, No.9 Optics Valley Avenue, Wuhan East Lake High-Tech Development Zone, and YOFC Science and Technology Park Plant, No.196 Optics Valley 3rd Road.

GHG emissions management process



YOFC conducts comprehensive life cycle carbon footprint research in accordance with the ISO 14067 standard, encompassing all stages from production to disposal. By analysing the carbon footprint results at each stage, we identify targeted emission reduction initiatives to continuously minimise the carbon footprint of our products. In 2024, we initiated a pilot project focusing on optical cable products. This included the development of the *Carbon Footprint Research Guideline for Optical Cable Products*, which provides a framework for carbon footprint accounting, certificate, and report preparation. Additionally, we created a supporting tool to standardize the carbon footprint accounting process, methodology, and database selection for optical cable products.

Full life-cycle green and carbon reduction management for optical fibre & cable products



terms of sustainable development

and low-carbon applications.

solid wastes, utilising resources

to the full and disposing of wastes in a safe manner.

We actively conduct product carbon footprint training to enhance employees' understanding of carbon emission-related knowledge and empower the corporate carbon management efforts.



Product LCA and carbon footprint training at YOFC



In August 2024, YOFC organized a training session on Product Life Cycle Analysis (LCA) and carbon footprinting to enhance organizational understanding of LCA principles and equip participants with the knowledge of carbon footprint standards and accounting methodologies. The training covered carbon emission accounting across the entire product life cycle, including raw material production and transportation, product manufacturing, distribution, usage, recycling, and disposal. The session was conducted both online and on-site, with 172 employees of different roles from the Group and various production bases. Through hands-on calculations and practical exercises, participants gained a deeper understanding of product life cycle assessment and carbon footprint research, further supporting the corporate carbon management initiatives.





Training session

Energy Management

YOFC strictly adheres to local laws and regulations such as the Energy Conservation Law of the People's Republic of China, the Industrial Energy Conservation Management Measures, and the Measures for Energy Conservation Management in Key Energy-Consuming Units, among others. We have formulated procedural documents for energy management, including the Energy Management Manual, the Energy Monitoring, Measurement, and Analysis Control Procedures, and the Energy Benchmarking, Performance Parameters, Goals, and Indicator Control Procedures, clarifying the responsibilities of each department, boosting energy management in all aspects of corporate operation, and facilitating efficient use and conservation of energy. We have actively promoted intelligent management of low-carbon energy, supervised and managed energy consumption, as well as monitored, controlled and analyzed energy data through various digital platforms to update energy management initiatives based on the results of the analyzes.

YOFC has obtained ISO 50001:2018 Certificate of Management System for Energy.



ISO 50001:2018 Certificate of Management System for Energy of YOFC

Energy conservation and carbon reduction initiatives by YOFC

Design for energy conservation and carbon reduction



YOFC attaches great importance to the integration of green concepts in the project design phase to ensure that energy and resource utilization efficiency is maximized while meeting the requirements of the production process. Taking the quartz factory as an example, during the project design, the company optimized the fresh air and air conditioning system, improved the recycled water system, and classified, recycled and disposed of waste from production, which effectively reduced the energy and resource consumption of the factory during operation, and reduced the impact of waste on the environment from the source.

Al model control for chiller units:

Intelligent control & scheduling



Higher-level control - temperature optimization and control of master pipes: This measure focuses on the optimization of master pipe temperature. The AI model receives key parameters such as temperature, humidity, and specific working hours from different points of the process as inputs. Using these inputs, the Al model analyzes them with advanced algorithms and automatically calculates and outputs an optimal target value for master pipe temperature control, in order to meet different process requirements and optimize overall energy

Lower-level control - temperature optimization and control of chillers: At this level, the AI model takes the master pipe temperature control target value as key input, and combines it with the internal chiller efficiency model and chiller mix-load model. Based on these data and algorithms, the model will intelligently and reasonably allocate the master pipe target temperature to each host computer in operation, ensuring that each host computer can operate at optimal efficiency and meet the control target of the master pipe temperature at the same time.

Energy-saving renovation of



Renewal and reconstruction of cooling towers: Through the renewal and reconstruction of cooling towers, solving the problem of high condensing pressure of refrigeration units in summer, guaranteeing the stable operation of refrigeration systems, improving the energy efficiency of operation, and saving about 130 MWh of electricity in a year, and reducing the CO2e emissions by about 87 tonnes.

Upgrade and renovate refrigeration units: Upgrade low energy-efficiency refrigeration units to improve the stability

of the refrigeration system and save energy. This will save about 630 MWh of electricity and reduces the CO2e emissions by about 419 tonnes in a year. Upgrade transformers for energy saving: Use the new energy-saving transformers to improve the stability of the



power supply system and reduce transformer load loss. This will save about 80 MWh of electricity and reduces the CO₂e emissions by about 53 tonnes in a year. Application of ultra-high efficient LED lamps: We have already finished the promotion of LED lamps and the

application of intelligent lighting, and now we are introducing the technology of ultra-high efficient LED lamps with booster circuits to replace the traditional LED lamps. This year, the upgrade to ultra-high efficient LED lamps in production areas can save about 16 MWh of electricity and reduces the CO2e emissions by about 11 tonnes.

Energy structure optimization



Purchase green electricity: In 2024, YOFC was actively engaged in green and renewable electricity purchasing at home and abroad, reducing approximately 13,400 tonnes of CO₂e emissions. In particular, YOFC Wuhan Factory purchased a total of 20,000 MWh of green electricity through the three markets of "electricity - carbon - finance" in Hubei Province.

PV power generation: The company continues to promote the installation of roof-mounted distributed photovoltaic facilities in each production base, and the installed capacity of new distributed PV facilities reached 15.6 MW in

Deepened energy-saving management



YOFC promotes energy saving and emission reduction, formulates production plan on a scientific basis, implements TPM management system, improves equipment reliability and efficiency, and reduces energy waste. With a series of initiatives, the company saves about 2,750 MWh of electricity annually, and reduces CO2e emissions by 1,827 tonnes.

About this Report Message from Management Board Statement About YOFC Governance Highlights in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feed!

Upgrade project of replacing steam with air-source heat pumps



In 2024, YOFC Wuhan factory upgraded to Grade 1 energy-efficient air source heat pump water heaters, replacing steam for hot water preparation during transitional seasons. This change addresses the rising price of steam and the low energy efficiency of the original equipment, effectively reducing operational costs and excessive energy consumption. The upgrade is expected to cut annual steam consumption by approximately 9,494 tonnes and lower production energy costs by around 1.49 million RMB.



Upgrade project of replacing steam with air-source heat pumps

灤

Green electricity certificates obtained in FY2024 (partial)







Wuhan Factory

Brazil Factory

Water-saving initiatives by YOFC

Equipment maintenance	Regularly inspect and maintain water equipment, piping facilities and water appliances to avoid water runoff, seepage, dripping and leakage and other scenarios of uncontrolled water running.
Online monitoring	Monitor the water supply pipeline network through the online monitoring platform to promptly spot water consumption anomalies and carry out corresponding remedial measures.
Reclaimed water recycling	Establish the quartz wastewater station reclaimed water recycling project: The wastewater after quartz processing is reclaimed and pumped to the cooling tower of the refrigeration system on the rooftop of the adjacent building to be recycled as cooling water, which achieves the purpose of cooling, lowers the impurities in the water and reduces fresh water consumption, saving about 5,250 tonnes of water annually.
Rainwater recycling	Rainwater recycling system at the headquarters: The rainwater is collected in recycling tanks, and then transported through pumps and pipes to be used for greening purposes at the headquarters, reducing fresh water consumption and saving about 300 tonnes of water per year.
Inclusion into performance evaluation	Strictly comply with the annual water consumption plan issued by the government, and include water cost management into departmental evaluation, so as to motivate departments to save water and reduce water wastage.



Energy-saving upgrade project for circulating cooling water system of CCV production line



In November 2024, Yangtze (Jiangsu) Marine Technology Company Limited³ (hereinafter referred to as YOFC Marine) upgraded the old external circulating cooling water system of the CCV production line to a closed constant-pressure water supply system. This upgrade involved increasing the pipe diameter and replacing the air cooling tower with an air-cooling module. Post-modification, the pipeline length was reduced to one-sixth of its original size, water pump energy consumption decreased by 40%, and the water temperature could be cooled to as low as 15°C. The closed system minimises water evaporation and requires only minimal periodic replenishment, resulting in significant water resource savings.



External circulating water cooling system upgrade for the CCV vertical tower

Water Resource Management

YOFC strictly complies with the *Water Law of the People's Republic of China* and other relevant laws and regulations, with the dual objectives of achieving efficient operation and maintenance of water-saving facilities and fully exploiting water conservation potential actively promoting the sustainable use of water resources in operation by adopting water-saving technologies for water efficiency. Leveraging online monitoring platforms and other digital tools, we conduct intelligent monitoring to promptly identify abnormal water usage and leakage points, thereby minimising water wastage and avoid exceeding planned water usage. We place great emphasis on the recycling and reuse of water resources. Through initiatives such as the quartz wastewater station recycling project and rainwater recycling systems, we actively advance reclaimed water utilization projects, significantly reducing freshwater consumption.

YOFC has been recognized as a provincial "Water-Saving Enterprise" by the Hubei Provincial Department of Housing and Urban-Rural Development.



Integrated Industrial Waste Management

YOFC adheres to the *Prevention and Control of Environmental Pollution by Solid Waste*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes*, the *National Catalogue of Hazardous Wastes*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and other relevant laws and regulations in the countries and regions where we operate. We are committed to the principles of waste minimization, harmless treatment, and resource recycling, ensuring strict management of waste discharge and treatment. We regularly monitor key environmental factors, including major waste, sewage, waste gases, and noise generated by our operations. Additionally, we implement initiatives such as waste recycling and rainwater-sewage separation to minimise the negative environmental impact of our production activities.

Waste Disposal Management

Following the relevant laws and regulations of the places where we operate, we have formulated internal management documents such as the *Solid Waste Control Procedures* to comprehensively control general industrial solid wastes and hazardous wastes. We have also developed management plans to regulate the generation, collection, transportation, recycling and disposal of wastes, promoting compliance management of wastes in the entire course of production and operation.



Goals of 2024

 Strengthen waste monitoring, management and harmless treatment, including reducing waste generation at source and reducing the impact of waste on the environment.



Goal completion status

 Wastes from YOFC are disposed of reasonably and harmlessly in full compliance with legal regulations.

Waste disposal initiatives by YOFC

General waste

 General wastes are delivered to collection facilities for disposal or recycling, and some of the solid wastes are incinerated for power generation.



Hazardous waste

 Hazardous waste such as waste organic solvents, waste oil, waste cutting fluid, waste lamps, waste acid, and waste packaging are handed over to qualified third parties for collection and disposal.



Domestic waste

- Set up collection spots and centralized collection sites for domestic garbage, and hand it over to qualified third parties for collection and disposal;
- Food waste is professionally handled by qualified third parties.

Wastewater Discharge Management

YOFC strictly adheres to the wastewater treatment laws and regulations in all the places we operate in the world, including the *Integrated Wastewater Discharge Standard (GB 8978-1996)*. We are committed to continuously optimizing our wastewater discharge management and upgrading our treatment facilities. In our factories, we have implemented a "rainwater-sewage diversion" system and installed flow monitors at all discharge points to ensure compliance and improve the effectiveness of wastewater management.



Goals of 2024

- Ensure proper operation of wastewater treatment facilities
- Monitor pollutants regularly
- Ensure compliance with wastewater discharge standards for all pollutants



Goal completion status

- Wastewater treatment facilities are maintained on a regular basis
- Wastewater monitoring is conducted on a quarterly basis
- According to the monitoring report, all the pollutants in the wastewater are discharged in compliance with the discharge standards

Major pollutants in the wastewater discharged by YOFC

Pollutants	Unit	Internal control value ⁴	Discharge standards
F ⁻	mg/L	16	20
COD	mg/L	300	500
BOD	mg/L	150	300
Ammonia nitrogen	mg/L	20	45
Total phosphorus	mg/L	3	8
Suspended solids	mg/L	80	400
Animal and plant oils	mg/L	10	100

Wastewater treatment initiatives by YOFC

• Installed flow monitoring instruments at the main wastewater outlets of each factory.

Wastewater management and control

Wastewater

* All wastewater was treated by wastewater treatment facilities to meet discharge standards before being discharged through the main outlets of each factory.



• Strengthened maintenance of wastewater treatment facilities to ensure the stable operation of environmental protection facilities.

Online monitoring

 We have installed at each main outlet an online monitoring system connected to the local environmental protection bureau, monitor the indicators at the main outlet on a quarterly basis, and then report the monitoring results to the local environmental protection authorities to ensure that the wastewater is discharged in accordance with the standards



⁴ It refers to the sticker pollutant control indicators set by YOFC on the basis of statutory emission standards.

Broadex Technologies under YOFC subsidiary adopts advanced wastewater sedimentation and purification facility



In 2024, Broadex Technologies adopted advanced wastewater treatment facilities. The system first collects polishing, grinding, and cutting machine wastewater into a primary sedimentation tank for initial treatment. The wastewater is then transferred via a pump to a tertiary sedimentation tank for further settling. After sedimentation, the wastewater is filtered through Y-type filters and pumped to a water purification unit for deep filtration. This process ensures the water quality meets the requirements for production equipment.

To better manage and monitor reclaimed water usage, a water meter has been installed on the reclaimed water pipeline, with regular readings and calculations. This initiative effectively reduces wastewater discharge, while the recycled water after disposal can reduce the use of fresh water by about 50%⁵.

the recycled water after disposal can reduce the use of fresh water by about

50%

Waste Gas Emission Management

YOFC strictly adheres to the secondary standards of the Integrated Emission Standard of Air Pollutants (GB 16297-1996) and EU environmental policies. We reinforce management measures to ensure that major waste gases and particles—such as chlorine, hydrogen chloride, nitrogen oxides, and fluoride—are treated in purification towers to meet regulatory standards before being safely discharged. Dedicated personnel are responsible for the maintenance and upkeep of our pollution control facilities, including the regular replacement of activated carbon. In the event of any abnormalities, we will immediately report the issue and halt production, and take corrective actions in line with the specific circumstances. Additionally, we regularly engage professional third-party testing organizations to monitor pollutants and ensure our operations and production comply with rigorous environmental standards.



Goals of 2024

- Ensure proper operation of waste gas treatment facilities
- Ensure compliance with emission standards for all
- Monitor pollutants in the waste gas emission regularly



Goal completion status

- · All treatment facilities have been functioning properly throughout the year
- All pollutants are discharged in compliance with the emission standards
- Pollutant monitoring is conducted on a quarterly basis

Major pollutants in the waste gas emissions from YOFC's production processes

Pollutants	Unit	Internal control value	Emission standards
Cl ₂	mg/m³	30	65
HCI	mg/m³	50	100
Particles	mg/m³	40	120

⁵ Compared to relying solely on fresh water, this method can reduce the water consumption for production by 50%.

Noise Management

YOFC complies with the Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution, as well as other relevant laws and regulations in our operational locations. We ensure that the noise levels at our factory boundaries meet the Class 3 and 4 standards set by the Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008), and we are committed to continuously improving our noise management practices. We closely monitor the environmental impact of our operations on both the company and the surrounding communities. To further this effort, we engage professional third parties for quarterly noise inspections, classify noise as a material environmental impact factor, and implement a range of noise reduction measures to achieve environmentally friendly operations.

We strictly adhere to the "Three Simultaneities⁶" principle, ensuring that effective noise protection measures are implemented at all stages of operation, including equipment construction, modification, and project facilities, to prevent and minimise noise impact. In 2024, to further reduce the noise generated by the auxiliary cooling equipment at our headquarters building and its impact on the surrounding environment and residents, we engaged a professional third-party organization for noise management. We selected high-quality sound insulation materials with excellent noise reduction properties and optimized the installation layout of the sound insulation panels. These measures have significantly reduced noise emissions, ensuring compliance with relevant environmental standards.

Biodiversity

YOFC adheres to the United Nations Sustainable Development Goals, the Land Administration Law of the People's Republic of China and other biodiversity-related laws and regulations, consistently attending to biodiversity conservation in the course of our operations. We actively conduct biodiversity assessments and integrate biodiversity conservation into land development, construction and other activities, and strive to minimize the impact of our our operations.



⁶ To design, construct and put to use simultaneously.

out this Report Message from Management Board Statement About YOFC and Social Recognition Supplying Industry Leadership Performance Inglingers in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedby

Green Management Practice



YOFC carries out carbon emission assessment and management in production and operation. By actively optimizing the energy structure, we continuously promote energy conservation and emission reduction, enhance low-carbon awareness, and boost energy transformation and efficient use of resources.

Factory Green Transformation

YOFC attaches importance to the practice of green manufacturing of optical fibre and cable. We take the initiative to carry out green and clean transformation of production and build green factories, committed to leading the green transformation and sustainable development of the optical communication industry. YOFC and some of the subsidiaries have made to the list of national green manufacturing - green factories for many times by virtue of our excellent performance in clean production and intelligent green management, etc. YOFC continues to promote the low-carbon development of factories by improving the energy structure, upgrading the energy-usage equipment, and enhancing digital energy management, etc., which demonstrates the strength of YOFC's green manufacturing.

Entities of the Group awarded the title of "Green Factory"



Yangtze Optical Fibre and Cable Joint Stock Limited Company (National Level)



Yangtze Optical Fibre Qianjiang Company Limited (National Level)



Yangtze (Jiangsu) Marine Technology Company Limited (Provincial Level)

To further reduce carbon emissions, we are gradually phasing out fossil fuels and vigorously developing and applying renewable energy. With green power purchasing and the development of distributed rooftop photovoltaic projects, we continue to increase the proportion of renewable energy in our factories and optimize the energy consumption for factory production.



Distributed PV power generation project of YOFC Marine



In 2024, YOFC Marine launched a rooftop distributed photovoltaic (PV) power generation project at its factory, boasting a total capacity of 14 MW and an annual output of approximately 15,000 MWh. This initiative not only contributes to energy savings and emission reductions but also significantly reduces transformer load and improves the factory's ambient temperature. The project provides strong support for sustainable development and highlights YOFC's proactive exploration and achievements in adopting green energy solutions.



Distributed PV power generation project of YOFC Marine

Product Green Innovation

YOFC embraces the principles of a circular economy and prioritizes ecological protection in the design and development of new products. We conduct systematic evaluations across multiple dimensions, including material selection, structural optimization, process improvement, and construction methodologies. Additionally, environmental protection, resource conservation, safety, health, circular low-carbon initiatives, and recycling promotion are key priorities in our procurement process. When selecting raw materials, we prioritize energy-efficient, water-conserving, and material-saving options, as well as products and services that support environmental sustainability. Through continuous exploration and dedication, we strive to keep creating green products.

To further enhance our intelligent green management, we continue to update our information management system centered on energy and carbon emission management. Relying on advancements such as artificial intelligence, Internet of Things and big data, we have formed an intelligent energy consumption management system which can manage the whole process of energy consumption and carbon emission, making our management more holistic and effective.

In 2024, we collaborated with our operator customers on digital innovation initiatives, exploring supply chain digital transformation with various sectors and driving green, low-carbon upgrades within the supply chain. Leveraging advanced digital technologies and innovative solutions, we have significantly enhanced our team's professional capabilities, enabling remarkable progress in both digital and low-carbon domains. These efforts have fostered sustainable development for both the company and the industry as a whole.

Joint capacity building projects with China Mobile Group

- Carbon reduction management throughout the life cycle of optical fibre and cable products.
- Intelligent monitoring of carbon footprint of optical fibre and cable products.

Joint project with China Mobile Group on product carbon footprint management based on industrial Internet identification resolution

 Honoured with the Second Prize of "Jingcai Cup" of MIIT in 2024.



R&D of environmentally friendly lightweight photoelectric composite submarine cable



YOFC Marine has successfully developed the world's leading lightweight wet-type environmentally friendly submarine cable through in-depth research on the structure of submarine cables and material selection. The product takes environmental protection as the core design concept, adopts lead-free design, and replaces the traditional lead sheath with metal material and composite material. It is much lighter, but still has the same current-carrying capacity, significantly reducing the difficulty of transport and construction, and effectively lowering the overall investment cost, which can strongly support the cost reduction and efficiency enhancement efforts of offshore wind power projects. In addition, through technological breakthroughs, YOFC Marine has significantly improved the water tree-resistant performance of the insulating material of the submarine cable, and successfully realized the highly efficient water tree-resistant design under the voltage level of 66kV, which ensures the excellent performance of the submarine cable. At present, this cable product has been successfully applied in Site A of Guangxi Fangchenggang Offshore Wind Power Demonstration Project, fully proving its performance and reliability.



nout this Report Message from Management Board Statement About YOFC and Social Report Governance Industry Leadership Performance Injury In

Raw Materials Sustainability

YOFC strongly advocates the concept of green procurement. We give full consideration to environmental protection, resource conservation, safety & health, and circular economy & low-carbon factors when selecting raw materials, and give priority to environmentally friendly raw materials and products. For example, we prefer to use Douglas fir, Luanta fir, brown fir, spruce, and other wood with a shorter growth cycle as cable reels, so as to minimise the environmental impact on the forest vegetation. In addition, when designing and developing new products, we focus on ecological environmental protection and innovate technologies from raw materials to structure, technique and construction to save resources and costs, striving to create environmentally friendly products.

Recycling system for scrap from copper production



Transporting copper production waste back to suppliers for re-smelting and reintegrating it into the new supply system. This closed-loop recycling process effectively saves significant amounts of energy and eliminates the extra energy consumption associated with ore mining, transportation and smelting, delivering significant environmental benefits in both raw material procurement and production.

Lightweight replacement of metal reinforcements



The weight of fibre-reinforced composites (FRP) is about 1/4 of that of steel wire, and thus the use of FRP instead of steel wire can significantly reduce the cable weight and reduce the load on the support structure.

The light weight of FRP cable makes its energy consumption relatively low during production, transport and installation, and the carbon emission of FRP is about 62% less than that of steel wire, contributing to energy saving and emission reduction.

Recycled material replacement for PE sheathing



Polyethylene (PE) is a commonly used material for the production of cable sheaths, and the recycled polyethylene material can be used as the raw material of recycled PE sheathing material.

With reasonably designed formulas, the performance of recycled PE sheathing materials can meet or even exceed national standards and achieve high-value utilization of waste plastics.

Metal shielding structure with copper wire of copper tape



We have innovated from the source of product structure, giving up the traditional lead sheath structure design and replacing it with more environmentally friendly metal shielding structure of copper wire and copper tape, which is characterized by its light weight, small outer diameter and excellent flexibility, significantly reducing the costs of transporting, installing and constructing submarine cables, as well as greatly diminishing the impact on the environment.

Packaging Sustainability

YOFC is committed to reducing the use of packaging materials through optimization, substitution and recycling. We choose sustainable packaging materials and continue to improve their utilization and full-load rate. At the same time, we are actively digitalising the product information and using electronic manuals to improve the efficiency of information transmission and reduce the use of paper materials.

The Group has taken a number of measures to reduce the use of packaging materials with processing techniques to make the packaging easy to dismantle or separate, so as to meet the needs of packaging recycling.

In terms of product packaging, we have updated our packaging technical specifications to stipulate that packaging layers should not exceed three, which not only meets the packaging protection needs of our products, but also effectively reduces packaging waste.

For the use of optical fibre reels, previously, we primarily used optical fibre reels with a length of 25km and 50km; but now we have gradually applied optical fibre reels with a length of 75km. While maintaining the same production capacity, we reduced the use of plastic ABS packaging materials by 50%, which not only improves the efficiency of resource utilization, but also reduces the negative impacts on the environment.

When loading containers in our domestic and international transport business, we have proactively used environmentally friendly materials to reduce the consumption of solid wood. In 2024, we saved a total of 5,000 solid wood triangles throughout the year by customising the loading and reinforcement solutions for each container.

we reduced the use of plastic ABS packaging materials by

50%

we saved a total of

5,000 solid wood triangles throughout the year

For warehouse management, we have promoted the use of clean energy by requiring the use of electric forklifts in the warehouses of all relevant businesses to reduce energy consumption and carbon emissions. At the same time, we promoted the use of biodegradable desiccants made from pure natural plant extracts, effectively reducing the pollution generated during the production of traditional desiccants.

In addition, we collaborate with our global suppliers to recycle and reuse raw material packaging, including reels, containers and optical fibre plastic circulation box, and used reusable metal pallets instead of wooden pallets, effectively enhancing the efficiency of packaging material usage.

Steel wire reels

Approximately

Approximately

350,000 reels recycled

Metal pallets

(replacing woods)

Fibre lubricant bucket Cable lubricant bucket

Approximately Approximately

3,000 buckets recycled 1,000 buckets recycled

Metal pallets
(replacing wooden pallets)
reuse rate
100%

Optical fibre plastic circulation box reuse rate 100%

⁷ Calculated with 1km of 288-core cable.

About this Report Message from Management Board Statement About YOFC and Social Recognition Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedba

Green Office Initiatives YOFC advocates the concept of green environmental protection, practices green office, takes various measures for energy and resource saving and consumption reduction, and regularly organises training prenetion and evaluation of energy saving management measures and programmes to enhance every employee's exameness of low corbon and environmental protection, and to integrate the concept of green office into the Group's operation. In 2004, with the leading sustainability design concept and excellent delign quality, the brand new headquarter building of YOFC was awarded LEED BY-C Gold Certificate for New Constructions, wen, the Gold Award in the Commercial Building calegory and the Sher Award in the







Low-carbon themed event titled "Long-Lasting Green Spirit: Soaring Towards a Low-Carbon Future"



In December 2024, YOFC launched a low-carbon themed event titled "Long-Lasting Green Spirit: Soaring Towards a Low-Carbon Future" for all employees at YOFC's headquarter building. The event featured a sandbag toss game focused on waste sorting, a quiz on low-carbon environmental practices, and an interactive book exchange for vegetables. Employees were also invited to create short videos documenting the event. Through these engaging activities, participants gained knowledge and hands-on experience of low-carbon lifestyle, while the event's impact and level of engagement were then amplified by book donations and video sharing. The initiative significantly enhanced employees' waste sorting knowledge and environmental awareness.





Low-carbon themed event



Social

employees and the company, and actively engage in public























nout this Report Message from Management Board Statement About YOFC Governance Highlights in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedbase

Excellent Quality Assurance



Service and quality are the foundation of YOFC's sustainable and high-quality development. We are fully committed to quality assurance, actively listening to customer feedback, safeguarding the privacy and security of customer information, and delivering products and services of exceptional quality.

Product Quality

YOFC upholds the quality view of "Continuous Improvement, Excellence in Quality". We have established a robust quality management system and comprehensive quality supervision procedures, conducting regular internal audits and pursuing external certificates. By fostering a culture of quality awareness, we ensure the quality of our products throughout their life cycle.

The Group has implemented a well-structured quality management system with a three-tier management structure: "Group-Division-Factory." The Group is responsible for setting overarching management systems and objectives, while divisions and factories serve as the primary entities for quality management. The Group oversees the implementation of quality management at all levels to ensure the effective operation of the system.

Additionally, we have sought for and passed external reviews and successfully applied for certifications on product quality. By far, we have obtained quality management system certificates including ISO 9001, TL 9000, and IATF 16949. Through continuous external review and internal assessment, we are able to promptly identify improvement opportunities for product quality and other aspects of each product line, address these opportunities and follow up on the improvements to ensure product quality and safety.



Quality management mechanism

	 Develop a framework for quality culture-building activities based on corporate strategy Establish and maintain a quality culture resource library (training resources, 	
Quality Culture Building	 quality communication, sharing platforms, etc.) Define the vision for quality management, design quality management guidelines (quality red lines), and clarify quality commitments 	
	Plan, execute, and evaluate the promotion of best business practices	
	 Plan, execute, evaluate, and publish outcomes of quality cultural activities such as "Quality Month" and QCC (Quality Control Circle) activities 	
Quality Management Policy	Develop and maintain quality management guidelines and policies	
	Drafting of technical standards by external organizations	
Quality System Certification	 Develop and maintain procedures for applying for quality system certification and for receiving external audit 	
	 Conduct third-party evaluation of similar factories (suppliers, standards, and horizontal peer review) 	
	Plan, organize, and evaluate quality-specific audits across the Group	
Internal Quality Audit	Certify internal quality auditors through organized programs	
	Analyze internal quality audits and provide recommendations	
Quality Goal Management	Set, monitor and evaluate quality goals and supervise improvements	
	Develop and maintain library of quality tools	
Quality Tool	Unify and maintain quality management methodologies	
Management	 Plan and introduce advanced quality management tools or methodologies in line with actual quality performance 	
	Establish quality tool training programs and mentoring projects	
Quality Incident	Set up criteria for grading quality incidents	رگ
Management	 Organize personnel to investigate, analyze, handle and review major quality incidents at different grades 	
Quality Management Information System	 Guide and facilitate the planning, deployment and optimization of quality information systems 	
Quality Organization and	 Evaluate the competence of quality professionals based on the reality and set up a competence enhancement plan for the quality organizations 	
Competence Development	 The Group assigns quality professionals to fulfill the needs of new businesses for quality management 	
	Develop and maintain document management procedures and standards	
Document	Select, build, and maintain document management information system	
Management	 Audit documents and supervise improvements (refer to document management procedures and standards) 	

pout this Report Message from Management Board Statement About YOFC and Service Research Programment Board Statement Board Statement About YOFC and Service Research Programment Board Statement Board Stateme

To further ensure that every product meets high-quality standards, the company has established internal documents, such as the *Product Recall Management Procedure*. This procedure serves as a guideline for addressing customer complaints and managing non-conforming product recalls across all product lines, aiming to minimise potential losses. It encompasses key steps, including traceability of recalled products, evaluation, information release, product handling, recall closure, and reporting.

YOFC had no product recalls throughout 2024

To enhance the quality awareness and technical skills of our employees, we have implemented a series of activities focused on building a strong quality culture. We have organized QCC to attend training sessions, competitions, and other diverse initiatives to strengthen our quality management practices.



QCC achievement presentation and exchange event

In 2024, to broaden the scope of our training, we invited external experts to deliver specialized QCC training for the company. The training thoroughly reviewed the operational procedures and key aspects of the QCC, using national award-winning QCC project reports as case studies to propose improvement suggestions. Over 80 employees attended the training, both online and in person, and it received highly positive feedback.

In addition, the company carried out the 24th Labor Skills Competition for Young Staff. Among more than 310 participants, we eventually awarded 4 Quality Stars and 4 Youth Cultural Models after a fierce competition. The competition greatly motivated the frontline staff to delve into skills, practise hard, and continuously improve the awareness of product quality.



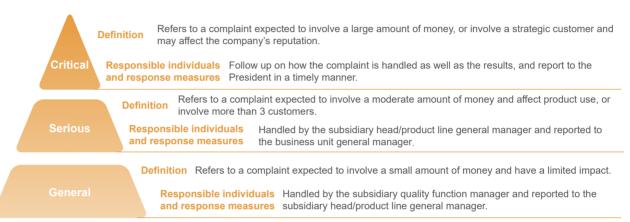
24th Labor Skills Competition for Young Staff

Customer Service

YOFC is committed to listening to our customers, addressing their needs promptly, and continuously optimizing the service experience through a robust customer service system. We aim to protect our customers' rights and interests while striving to enhance their satisfaction with higher-quality, more efficient services that meet their expectations and needs.

The Group has consistently updated the *After-Sales Service Process* and established a comprehensive system for response, reporting, training, and performance evaluation of the after-sales team. This system standardizes both after-sales service and customer complaint handling. In 2024, we refined our approach by categorising and grading complaints based on their severity—general, serious, and critical—taking into account factors such as the amount involved, the impact, and the scope of the complaint. We then implement tailored measures to address each grade of complaint accordingly.

Standard and methodology for customer complaint grading



The Group places great emphasis on delivering high-quality products while actively listening to customer feedback to continuously improve customer satisfaction. We have enhanced our customer complaint handling process, expanded diverse feedback channels, optimized response mechanisms, and built a comprehensive customer service system to elevate our service standards. During the reporting period, major products and services complaints decreased by 8.47% compared to the previous year, with all issues resolved promptly and effectively, achieving a 100% customer complaint resolution rate.

major products and services complaints decreased by

8.47% compared to the previous year



Customer complaint system



System process

 Complaint reception - Team setup - Interim measures (customer protection) - Root cause analysis - Rectification and correction - Customer follow-up - Complaint resolution and closure -Experience sharing.



63

Feedback channel

- Establish various channels such as OA system, CRM platform, email and 24/7 service hotline.
- Keep track of the complaint handling by making follow-up calls to the customers and evaluating the follow-up.



Response mechanism

- Establish sales and technical teams around the world to address problems faced by customers.
- Sales and technical staff are required to respond to complaints within 24 hours and resolve them within 48 hours, ensuring a 100% timely response and incident resolution rate for customer complaints.

We fully understand that customer recognition is an important driver to ensure the sound operation of our business. At the same time, we integrate customer service satisfaction metrics into KPIs for evaluation. With this evaluation, we keep upgrading our service quality for better customer experience.

After-sales satisfaction survey



- Employ various methods, such as online surveys, telephone interviews, and face-to-face conversations, to gain a comprehensive and in-depth understanding of customer needs and feedback
- Establish dedicated suggestion boxes to encourage customers to share their opinions and suggestions.



 Adjust the frequency of feedback collection based on the urgency of business needs and customer input, ensuring timely access to the latest customer perspectives.



 All customers who have used the company's products or services, including individual consumers and corporate customers.



- Analyze and summarize the collected data, calculating parameters such as average scores and standard deviations, and categorize the results by relevant dimensions (e.g., product category, service type).
- Develop targeted improvement measures based on the analysis to continually enhance customer satisfaction.

In 2024, we conducted customer satisfaction surveys to acquire customers' suggestions, feelings and specific needs for the use of our products, and formed improvement and enhancement plans to continuously improve customer satisfaction.



About this Report Message from Management Board Statement About YOFC and Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

Information Security and Privacy Protection

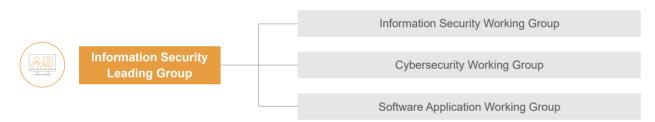
Ensuring the security of information and data is a critical factor in maintaining the stable operation of an enterprise. The Group firmly safeguards the standard of security, guided by the principle of "security first, prevention-focused, and equal emphasis on management and technology, with comprehensive precautions". We continuously strengthen our information security management, prioritize the protection of customers' personal information and privacy, and proactively address evolving cyber threats and business demands. This approach ensures the operational security of the Group and safeguards the legitimate rights and interests of our customers.

Information Security Management

The Group strictly adheres to the *Cybersecurity Law of the People's Republic of China*, the *Administrative Measures for the Graded Protection of Information Security*, and other relevant laws and regulations. During the reporting period, we revised and enhanced a series of institutional documents, including the *Terminal and Security Management Procedures* and the *Information Security Management Measures*. These efforts have further consolidated the company's foundational information security capabilities across mechanisms, systems, and management practices, ensuring the safe and stable operation of our business.

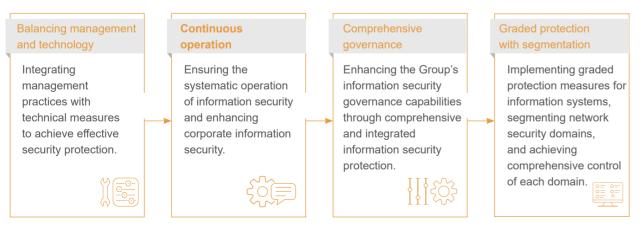
To oversee these efforts, the Group has established an Information Security Leading Group, chaired by the President, which serves as the highest authority for information security management. This group is responsible for the top-level design, decision-making, and promotion of the Group's information security strategy. Supporting this structure are specialized working groups, including the Information Security Working Group, the Cybersecurity Working Group, and the Software Application Working Group, which coordinate and execute the initiatives set out by the Leading Group.

Information security governance structure



We have continuously optimized and refined our information security management system, implementing end-to-end information security management across all business operations. By integrating management practices with technical measures, we ensure the smooth, secure, and stable operation of our information security system. Additionally, we enforce graded protection for information systems, segmenting network security domains to achieve comprehensive control over each domain. Through holistic information security protection, we effectively prevent and/or respond to risks such as data breaches and system crashes.

Information security management system



The Group has earned multiple certificates and public recognitions for information security, underscoring our expertise and commitment to safeguarding information security. In 2024, YOFC achieved ISO 27001 certificate for its information security management system and successfully passed the Level III certificate for network security graded protection.





Information security management system certificate

Level III certificate for graded protection

In terms of data management, in 2024, our Data Management Capability Maturity has reached Level 3: Defined. At the same time, we have been awarded the AAA-Level Integration of Informatization and Industrialization Management System Certificate, which demonstrates that we are well-regulated and efficient in our data management.



Data Management Capability Maturity certificate



AAA-Level Integration of Informatization and Industrialization Management System Certificate

Information Security Control

The Group attaches great importance to information security and builds an efficient defence system on all sides with the help of AI to minimise the risk of information leakage and losses. In 2024, the Group did not experience any data security incidents or customer privacy breaches.

In terms of early warning and identification, we use AI algorithms to enhance the analysis of user behaviors, accurately identify abnormal and suspicious behaviors, detect internal threats and abnormal access in a timely manner, and effectively prevent data leakage and account hijacking, building a firm security line of defence from the very start.

On the technical protection, we have introduced advanced AI models for malware detection and automated response and repair to improve the efficiency and accuracy of malware detection. Once a malware is detected, the system can swiftly isolate the infected system and network, effectively preventing the spread of the attack and safeguarding the stable operation of the Group's information system.

At the same time, we emphasise on the analysis and review of information security vulnerabilities, and keep improving the effectiveness and accuracy of the review through continuous AI model optimization and updates, so as to spot and fix potential security vulnerabilities in a timely manner and further reinforce our line of defence.

nout this Report Message from Management Board Statement About YOFC and Social Report Governance Industry Leadership Performance Industry Leadership Performan

Security Awareness Training

The Group continuously strengthens the promotion and education on information security awareness and is committed to improving the information security protection awareness of all employees. In our daily operations, we regularly share information security-related knowledge to our employees via our corporate mail and WeChat account, and publish mandatory information security courses on our online training platform, requiring all employees to attend, so as to ensure that every employee is able to consciously comply with the information security regulations, proactively guard against various types of security risks, and collectively maintain a sound information security environment for the Group.

We provide information security training to all employees on a quarterly basis, covering mailbox security, WiFi security, ransomware precautions and network information security awareness. Upon completion of the training, all employees are required to take and pass a test, and are encouraged to attend the training repeatedly until they master the key points of information security, so as to effectively improve their information security literacy. In 2024, the information security training of the Group reached 100% of our employees.

We regard the information security management capabilities of third parties and partners as an important support for our own security development, and keep improving the relevant management measures to ensure high standards and consistency in information security management both internally and externally.

the information security training of the Group reached

100% of our employees



Information security management measures for third parties and partners



Adopt strict criteria to comprehensively investigate the information security management system, historical incident records and certificate status of potential partners, and only accept those who meet the security criteria.



Sign a detailed confidentiality agreement before cooperation, clarifying the information security responsibilities and obligations of both parties, covering data protection, information confidentiality, access control etc.



Set up a regular information security communication mechanism, including meetings, incident notifications, etc., to respond to risks in a timely manner; establish emergency response procedures to swiftly address incidents.



Provide information security training programmes covering the fundamentals, company policies and operational guidelines to enhance partners' security awareness and skills.

User Privacy Protection

YOFC is committed to the highest standards of privacy protection and has developed internal guidelines, including the *Privacy Information Security Management Procedures*, to govern the code of conduct regarding the confidentiality of user information.

We have implemented comprehensive protection mechanisms for the collection, storage, use, and deletion of personal data, ensuring full lifecycle security for users' personal information. Regarding data collection, we strictly adhere to legal requirements and clearly inform customers of the purpose and scope of the data we collect. For data storage, we employ advanced encryption technologies to safeguard data and establish a robust backup system to ensure data recovery. When it comes to data access and use, we enforce strict access controls, ensuring that only authorized personnel can access the information, while real-time behavioral audits help mitigate risks. For data deletion, we ensure thorough and secure disposal of information in full compliance with legal standards. Additionally, the Group continuously enhances the customer data protection systems and processes, providing systematic training for employees to raise awareness of data protection, thus ensuring comprehensive security of customers' privacy data.

About this Report Message from Management Board Statement About YOFC and Social Chart of Key Performance Indicators GRI STANDARD INDEX Reader Feedback Report Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

Drive Innovations with Intelligent Manufacturing



YOFC takes "Technological Innovation and Digital Transformation" as one of its five pillar strategies, actively embracing the cutting-edge technologies in intelligent manufacturing and industrial internet, and committed to optimizing and delivering service solutions through continuous innovation to help industrial enterprises achieve digital transformation and upgrading, promote the vigorous development of the global digital economy, and contribute to the goal of sustainable development.

Innovative R&D

The Group attaches great importance to the innovation and iteration of products and technologies, and has revised and refined internal documents such as the *R&D Management Process*, *R&D Project Evaluation Criteria* and *Guidelines on R&D Risk Management Programs* to standardize the whole life cycle management of our R&D projects. In 2024, we have updated our R&D strategic planning, project initiation and acceptance criteria, adjusting our focus to assessing whether a R&D project meets the market demand, customers'requirements and strategic alignment, rather than solely concentrating on the gap between project goals and outcomes. This approach emphasises the true value of each project.

YOFC has established a "1+N" R&D structure, which focuses on innovation and efficient synergy to raise the effectiveness of R&D in an all-round way. To be specific, "1" refers to the Group's innovation core consisting of the National Key Laboratory and the Group Innovation Center, which is responsible for the Group's R&D planning and system building; "N" refers to the R&D organizations under YOFC's divisions, including the R&D forces of the branch/subsidiaries, which are responsible for undertaking and executing the R&D projects.

The Group continues to make breakthroughs in innovation capabilities, increase R&D investment, build teams of tech talents, enhance core competitiveness, and promote business diversification. In 2024, the company invested a total of more than 787 million RMB in R&D, accounting for 6.45% of revenue, an increase of 1.57% compared to the same period of last year. To further promote product development and innovation, the company has carefully built an excellent R&D team consisting of experts from various disciplines as well as top international talents. The team members have an average of more than 20 years of experience in the industry, with outstanding achievements in the fields of optical communications, semiconductors, industrial lasers and quartz materials, etc. As of the end of 2024, the Group had a total of 1,355 R&D personnel.

By continuously strengthening the R&D efforts in the fields of new types of optical fibres, communication materials, components and terminal applications, YOFC promotes the innovation and application of optical communication technologies to meet the growing demand for high-speed communication in the 5G and Al era.

the company invested a total of more than

787 million RMB in R&D

accounting for

6.45% of revenue

an increase of

1.57% compared to the same period of last year

2024 Innovation highlights of YOFC



Hollow-core optical fibre

Hollow-core optical fibre offers revolutionary advantages, including low latency, low non-linearity, high capacity, and intrinsic low loss. YOFC has been leading the industry in the scale manufacturing of long-segment, ultra-low-loss hollow-core optical fibres, and has provided high-quality hollow-core optical fibre, cable and connectivity solutions for China's three major carriers' pilot projects within the operating networks, the long-distance transmission trials and verification of hollow-core optical fibres for many equipment vendors, and the emerging commercial applications.



G.654.E fibre-optic air-blown micro cable

YOFC joined hands with China Mobile to build the world's first G.654.E fibre-optic air-blown micro cable for trunk lines. The cable has the advantages of thin diameter, light unit weight, shorter time for cable laying, lower requirement for pipeline resources, longer length of single section of cable and fewer cable routing joints.

The results of this innovative project show that with this kind of construction speed, it will save considerable time and human resources compared to ordinary manual cable laying.

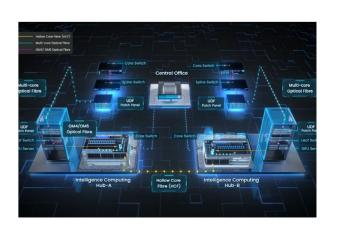




Multi-core optical fibre solution for data center

YOFC, together with Tianjin Mobile, successfully launched the first pilot line of multi-core optical fibre solution for data center in China.

In the pilot line, the 4-core FIFO provided by YOFC achieves a maximum insertion loss of 0.5dB, with an average loss of 0.31dB, positioning it as an industry leader. The attenuation of each channel in the 4-core fibre is comparable to that of standard single-mode fibre, while offering a single-fibre capacity four times higher. Remarkably, its size is only 45.7% of the original, making it highly suitable for high-density cabling scenarios with limited pipeline space.

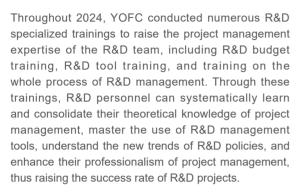


About this Report Message from Management Board Statement About YOFC Industry Leadership Performance Highlights in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedba

In addition, YOFC conducts regular training for R&D staff to ensure that employees are aware of the company's R&D and innovation policies and to enhance their R&D skills. We encourage our employees to give full play to their potential and empower development with innovation.



R&D specialized training





Honoured with the First Prize in the 2024 Science and Technology Award by the China Institute of Communications

In 2024, the Group made remarkable achievements in the field of R&D and innovation and won multiple awards. Among them, the project of "Key Technology and Industrialization of Highly Reliable Special Optical Fibre and Cable with Wide Temperature Zone" won the First Prize in the 2024 Science and Technology Award by the China Institute of Communications, and the domestically produced G.654.E optical fibre won the First Prize in the 3rd "Guanghua Cup" Gigabit Optical Network Application Innovation Competition.

Intellectual Property Protection

By the end of 2024, YOFC cumulatively hold over 1,790 authorized and valid Chinese patents, including over 780 invention patents, and has obtained over 130 overseas authorized patents.

YOFC attaches great importance to the management and arrangement of intellectual property rights. Based on relevant national laws and regulations, the Group has formulated a series of targeted intellectual property-related guidelines and systems covering the application for, use and maintenance of intellectual property rights, such as trademarks, patents and copyrights, so as to ensure that the efforts on intellectual property rights are carried out in a standardized and efficient manner. The Group places great emphasis on technological R&D. In order to incentivise employees to engage in innovation for patents, the Group has expanded the incentive differences between high-value patents, valuable patents and general patents to raise the quality of patent development.

The Group respects R&D achievements and protects intellectual property rights by formulating and implementing patent risk precautions, infringement analyzes and initiatives to defend IP rights. We also commit to, while protecting our own intellectual property interests, fully respecting and avoiding infringement of the intellectual property achievements of others.

Brand Protection

The Group upholds a high sense of brand responsibility, strictly follows the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other laws and regulations, and improves internal rules and systems, such as the *Brand Management Regulations* and the *Brand Cultivation Management Manual*, to ensure the legitimacy and compliance of our brand building and management, and to safeguard the sound development of the brand.

We have built a sound brand publicity management system, clarified the process of information release for external communication, and ensured that the information released strictly follows the Group's rules and systems. The Group has established requirements and norms for the use of brand logos and has promoted them across the Group. In 2024, there were no violations of the regulations on marketing (including advertising, promotion and sponsorships, etc.) and the voluntary code of conduct within the Group.

Intelligent Manufacturing

YOFC embraces cutting-edge technologies in intelligent manufacturing and the industrial internet, continuously advancing the intelligent upgrading and capacity building across multiple business scenarios. The company has developed a range of exceptional application scenarios and solutions, which have been replicated and implemented across its production bases for optical fibre preforms, optical fibres, optical cables, and diversified products. These solutions are already operational in numerous bases, including those in Indonesia, Poland, Mexico, Qianjiang, and Hanchuan. Additionally, production bases in South Africa, Ezhou, Xiangyang, and Jiaxing are currently being empowered for solution application. Through these internal initiatives, YOFC has elevated its overall intelligent manufacturing capabilities and achieved significant scale effects in intelligent manufacturing.

Intelligent Manufacturing Factory

As one of China's first pilot demonstration enterprises for intelligent manufacturing, YOFC actively promotes the intelligent upgrading of the industry, aiming to build a globally leading base for optical fibre and cable production. From planning and design to high-standard implementation, and from pilot projects in single factories to global expansion and cross-industry promotion, YOFC continues to accelerate the advancement of intelligent manufacturing and digital transformation. Through such intelligent initiatives, the company enhances the advanced nature and reliability of its products while sharing its intelligent manufacturing expertise with more industries, driving the application of intelligent manufacturing in broader scenarios.

Guided by national standards on intelligent manufacturing and considering the inherent characteristics of preform, optical fibre, and cable production, YOFC has developed a comprehensive planning and design framework and was the first to propose and establish a five-layer model for intelligent manufacturing. Leveraging years of exploration and experience in intelligent manufacturing, YOFC has achieved high-standard implementation of its intelligent manufacturing plans. This has resulted in a hierarchical and modular approach to smart factories, with fully integrated and standardized processes. With such achievements, YOFC has been successfully selected as one of the first Excellence-level Smart Factories by the Ministry of Industry and Information Technology.



In October 2024, YOFC assessed its own intelligent manufacturing capabilities through the *Maturity Model* of *Intelligent Manufacturing Capability (GB/T 39116-2020)* and acquired the Certificate of Level IV Intelligent Manufacturing Capability Maturity.



Maturity certificate for intelligent manufacturing capabilities

About this Report Message from Management Board Statement About YOFC and Social Chart of Key Performance Indicators GRI STANDARD INDEX Reader Feedback Report Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

5G Factory

As the world's largest single intelligent manufacturing workshop for optical cables, the 5G factory within YOFC Science and Technology Park has seamlessly integrated with the Park's business operations, achieving full 5G signal coverage across the entire facility. The factory has applied cutting-edge technologies such as artificial intelligence algorithms, the Internet of Things (IoT), digital twins, machine vision, and big data analytics in key areas, including intelligent logistics, collaborative R&D and design, virtual on-site services, and remote equipment control. These innovations have enabled comprehensive intelligent management of the factory. By the end of 2024, the factory achieved a 25.6% increase in overall production efficiency, a 20% improvement in order delivery efficiency, and a 20% boost in resource utilization. In recognition of its achievements, the 5G optical cable factory at YOFC Science and Technology Park was awarded the title of 5G Factory of Hubei Province in 2024.



5G Factory of Hubei Province

Machine Vision Quality Check

YOFC has always been committed to improving the efficiency of product inspection by fully integrating advanced 5G networks, artificial intelligence (AI), image analysis technology and image sensors (CCD cameras) to build a comprehensive machine vision inspection system.

In the production of optical cables, preventing sparks, stretching and bulging has always been the key to quality control. Traditional inspection solutions rely on manual or basic machine inspection, which is inefficient and limited in accuracy. We are working actively to develop new technologies that enable intelligent inspection of optical fibre end faces and cable sheathing. With the help of virtual 5G enterprise private network, the system can swiftly extract the image features of in-process products on the production line and automatically identify product quality abnormalities through the image recognition model, which can be timely fed back to the production staff to ensure that only defect-free products can enter into the next production process.

The application of new technology significantly improves the inspection efficiency and accuracy. Compared with the traditional way, the inspection efficiency has been increased by 80%, the inspection accuracy reaches one thousandth of a centimetre, and the inspection rate can reach 200m/minute, significantly optimizing the production efficiency and product quality. At present, this inspection system has been applied in many factories of optical fibre and optical cable, which plays an important role in assuring product quality and improving production efficiency.



Machine vision quality check

the inspection efficiency has been increased by

80%

the inspection rate can reach

200 m/minute

Digital Twin Factory

Based on microservice architecture, we have independently developed a digital twin development platform based on multidimensional model engine and applied 3D modelling to establish a virtual environment with visual, auditory and tactile perception. Through the real mapping of and real-time interaction between physical entities and virtual models, we can conduct online production monitoring and remote control of equipment. By importing historical data into the model, we can reproduce the production process, assist in quality control and traceability, and promote the continuous optimization of production process and product quality.

With digital twin factory, we can integrate AR/VR to build a completely virtual scene that is close to the real scene for operation skill training and voluntary operation practice. It can also offer virtual training and on-the-job evaluation for key processes. Through immersive and autonomously controlled human-computer interaction in the virtual scene, we can break through the limitations of traditional operation training, create an open teaching environment, assist in skill learning services, and improve the efficiency of skill learning. During the reporting period, with the help of virtual scene services, the efficiency of hands-on training was increased by 50%.



Virtual scene service



Production Traceability in Industrial Chain

Through identification and resolution, we share product quality data with suppliers and customers, establish an integrated operation system of the industrial chain covering manufacturers, suppliers and carrier customers, and straighten out the whole process of product design, production, use, operation and maintenance. Users can scan the unique identification code of the product via their app, and get product information, information of each production link, information of upstream raw materials, information of product construction, operation and maintenance, and other data of the entire chain. This enables a truly full-life-cycle traceability and management of product quality.

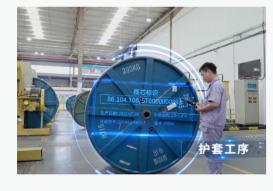
Integrated operation system of the industry chain

Platform empowerment—Industrial internet identification connectivity drives industry chain collaboration and supports the stable development of the industry chain

YOFC has established the optical communication industry's first secondary node for Industrial Internet identification and resolution. It is promoting an optical cable quality collaboration solution based on identification and resolution across the industry chain, helping to advance the implementation of Industrial Internet identification connectivity.









Innovative synergy with the three major carriers

Strengthen the upstream and downstream synergy of the industry chain through digitalization; realize synergy in planning, orders, quality, logistics and delivery with the three major carriers; and further carry out innovation pilot projects such as cloud factory inspection, cloud factory acceptance and cloud supervision of manufacturing, so as to promote the efficient and synergistic development of the industry chain.



production





Delivery to



Bridge Digital Gap

As a leading company in the global optical communications industry, YOFC strives to connect optical fibres to every corner of the world and build a solid foundation for the development of the digital economy. We have created a new pattern of digital cooperation with our global partners, striving to bridge the digital gap with intelligent connectivity.

Contribute to the Global Optical Communication Infrastructure

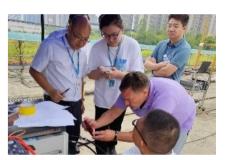
From 2013 to 2024, YOFC is committed to the "Belt and Road" initiative and dedicated to spreading optical fibre networks to all corners of the world. By the end of 2024, we have provided quality products and services to more than 100 countries and regions around the world, and our business territory has been expanding, established 8 overseas bases, 20+ overseas platforms worldwide. With excellent product quality and extensive market presence, the Group has held the first place in the world in the market share of optical fibre preforms, optical fibres and optical cables for eight consecutive years since 2016.



YOFC's contribution to the "Belt and Road" initiative in Uzbekistan



In order to promote the construction of communication infrastructure in Uzbekistan and its neighbouring countries, YOFC launched a leaky cable project in 2024. This product is a mature product independently developed, designed and manufactured by the Group, which has accumulated extensive application experience in China's dedicated metro network projects. This leaky cable is used in the railway tunnel signal system for the electrification of the China-Kyrgyzstan-Uzbekistan Corridor No. 2 (Angren-Andijan-Khanabad) railway project as part of the "Belt and Road" initiative, effectively narrowing the digital gap in the neighbouring cities, and providing strong support for upgrading and optimizing the local communication network.



YOFC's contribution to the "Belt and Road" initiative

Promote Global Industrial Communication

In 2024, the rapid development of 5G, Al, and IoT, coupled with technological advancements and global collaboration, has driven continuous innovation in the industry. YOFC continues to strengthen exchanges and cooperation with upstream and downstream enterprises in the global industry, showcasing comprehensive technology and service capabilities across the entire value chain and helping China's optical communication industry reach a higher peak.



YOFC attended the China Communications Industry Conference 2024

Zheng Xin, Vice President of YOFC, attended the China Communications Industry Conference 2024 and delivered a presentation on the building of new optical networks in the AI era at the thematic forum. At the meeting, YOFC introduced a variety of products and solutions, highlighting industrial advantages in all aspects. We also had in-depth exchanges with experts on the industry trends in the AI era and the future of the industry. At this conference, YOFC showed firm determination and great strength to build a strong infrastructure for the future development of the intelligent world.



China Communications Industry Conference 2024

Industry Leadership Performance Highlights in Governance Environmental Social Chart of Key Performance Indicators GRI STANDARD INDEX Reader Feedba

Sustainable Supply Chain



YOFC continuously improves the quality and efficiency of procurement as well as auditing and supervision, optimizes the supplier management mechanism, and strives to build a fair, transparent, efficient and orderly supply chain. At the same time, we practice sustainable procurement, incorporate environmental and social requirements into industry chain management, and require suppliers to carry out businesses in a responsible manner to ensure the sustainable development of the supply chain.

Full-Process Supplier Management

We strictly comply with the laws and regulations and industry standards of the places where we operate around the world, adhere to the principle of mutually beneficial and win-win cooperation, and formulate and implement the *Procurement Policy* and the *Supplier Management Policy*, etc. This is to improve our supplier management system, implement the full life-cycle supplier management model, and regulate supplier screening and access, review and evaluation, as well as elimination and removal, so as to ensure that all procurement is legitimate and in compliance with the law.

We have systematically categorized suppliers based on the type of products or services they provide, dividing them into two major groups: production-related and non-production-related. These are further subdivided into specific categories: Production-related: Raw materials for fibre rods, optical cables, as well as ODN (Optical Distribution Network) raw materials, among others. Non-production-related: Equipment spare parts, engineering construction, logistics services, and other subcategories. Additionally, we have implemented a tiered supplier management system. Suppliers are classified into several levels—such as highly critical, critical, important, and general—based on their impact on the Group's strategic development and operations. This approach enhances the management quality and efficiency for existing suppliers.

Full life-cycle supplier management model



- Require new suppliers to sign the *Code of Conduct for External Suppliers* at the supplier introduction stage;
- Carry out qualification & capability evaluation, on-site review and credit rating for new suppliers, and examine suppliers' qualifications in ISO certificates, business operation, and manufacturing capabilities;
- Explain the Group's safety management requirements to suppliers involved in on-site operations at YOFC, and ask them to sign a safety agreement before construction.
- Regularly conduct daily and quality reviews of suppliers, with assessment criteria covering the Group's requirements, service quality and other dimensions;
- Implement performance assessment and evaluation of suppliers from cost, delivery, etc., and increase procurement share under the same conditions and offer business co-operation opportunities on a priority basis for excellent suppliers with good performance.
- Cut down the procurement share or business cooperation opportunities for unqualified suppliers, require them to rectify and produce analysis reports within a limited period of time, and guarantee to raise quality with commitment letters, follow-up monitoring, etc;
- Consider cancelling cooperation with suppliers that seriously violate the red line and fail to meet the requirements after rectification.

YOFC attaches great importance to the performance of suppliers. Based on the Group's business characteristics and the categories of existing suppliers corresponding to these characteristics, YOFC has actively implemented a variety of management initiatives to continuously empower suppliers and reduce procurement risks.



Digital management for supply chain

- In 2024, the SRM procurement system has been fully optimised to incorporate
 the digital e-invoice system, using e-invoices for payment, which enables
 comprehensively transparent, informative and digital management of the supply
 chain;
- On the basis of building, optimising and connecting various business systems, the fee control system was docked with the FRM system, making the payment process no longer require paper document submission, effectively improving the efficiency of procurement and reducing the use of paper.



supply chain

- Established a comprehensive supply chain logistics management system, integrating production planning, sales orders, logistics control, warehouse inquiries, tender dispatching, and order tracking;
- Established port warehouses, where goods are packed at professional locations to reduce unforeseen logistics risks;
- Goods are warehoused according to specified time to reduce port storage periods and save port storage resources.



Risk management for supply chain

- Based on the business type, we classify suppliers as high risk, medium risk and low risk. For high-risk suppliers, we diversify our procurement sources, increase backup suppliers and step up the frequency of monitoring;
- For hazardous chemicals such as inks and thinners, we follow China's export and
 destination's customs import policies to develop compliant procurement programmes.
 Indonesia factory imports steel by quota and purchases locally for anything
 exceeding the quota. Poland factory only imports electromechanical products with
 CE certificate and strictly controls brand authorisation.



About this Report Message from Management Board Statement About YOFC Industry Leadership Performance Highlights in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedba

The Group stresses on equal treatment of small and medium-sized supplier enterprises in terms of bidding, payment and evaluation. We aim to create win-win situations with all suppliers by organizing regular training on site safety management and procurement business management for new suppliers.

In 2024, we carried out business training for international import and export logistics suppliers, covering the interpretation of international trade processes and trade risk control measures, in order to enhance the expertise and risk management of suppliers. At the same time, we also provided training on raw material sampling and testing for suppliers of port warehouses to ensure that the quality of raw materials in the supply chain complies with the standards, improving the reliability and efficiency of the supply chain.



On-site training for SME suppliers



Accident analysis and safety awareness session for suppliers



Safety promotion session for facility suppliers



Awarding to international & domestic logistics suppliers

Green Supply Chain

YOFC places high priority on building a green and sustainable supply chain. We actively promote the concept of "green procurement" to global suppliers, collaborating with upstream and downstream partners to reduce negative impact on environment, enhance resource recycling, and drive the industry's green transformation. In 2024, YOFC was recognized as a National Green Supply Chain Management Enterprise.

We have established a robust supplier Corporate Social Responsibility (CSR) management framework based on the *Ten Principles of UN Global Compact*, the *Code of Conduct of Responsible Business Alliance (RBA)*, the *Joint Audit Cooperation (JAC) Supply Chain Sustainability Guidelines*, the ISO 26000 Guidance on Social Responsibility, the SA8000 Social Accountability Standard and other internationally recognized standards. This system enhances organizational efficiency, optimizes supplier relationships, advances green procurement, reduces supply chain carbon emissions, and aligns our procurement strategy with the overall sustainable development strategy.

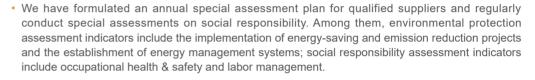
We rigorously implement green supply chain control measures, conducting supplier qualification reviews and specialized evaluations. During the supplier screening and qualification review processes, we strictly enforce environmental and social responsibility standards into our evaluation. Meanwhile, we also provide specialized training and audits for existing suppliers to ensure sustainable management covers the entire supply chain.

New suppliers



- Before introducing new suppliers, we require them to sign the Supplier Green Environmental RoHS 2.0 Commitment, Supplier Green Environmental REACH Commitment, Supplier Integrity Commitment, and complete the External Supplier Social Responsibility Survey Questionnaire and other agreements, so as to make clear the code of conduct on social responsibility that suppliers should follow.
- Review the social and environmental risks of new suppliers and require them to sign documents including *Supplier Environmental Protection Commitment* and *Conflict Mineral Declaration*.
- We impose energy consumption limitations on newly admitted suppliers. For suppliers with higher
 energy consumption risk levels, we require them to adopt effective measures to reduce energy
 consumption as mentioned in the External Supplier Code of Conduct to make sure their behaviors
 comply with environmental protection standards.

Qualified suppliers





- We conduct surveys on greenhouse gas emissions data for qualified suppliers and require them to fill out the *Supplier Greenhouse Gas Data Survey Form* to calculate the energy consumption during the production and transportation processes of products purchased from suppliers.
- We set up energy-saving and environmental protection metrics in the Technical Terms of Procurement for Electromechanical Equipment to require the procurement of electromechanical equipment from qualified suppliers to meet the standards.
- According to the External Supplier Code of Conduct, we provide various ESG communication and training sessions for qualified suppliers, covering anti-corruption training, carbon reduction review and promotion session, supplier safety & environmental protection session, etc. We would provide such training on an annual basis.



YOFC and SF entered into a green energy transport agreement



In 2024, YOFC and SF signed a framework agreement to use hydrogen energy vehicles or electric vehicles for transport businesses around Wuhan, aiming to reduce carbon emissions and promote the building of a green supply chain. This cooperation reduces carbon emissions in the logistics chain by optimizing transportation to build an entire green chain from procurement to transportation, setting a model of green development for the industry.





SF hydrogen energy vehicle

About this Report Message from Management Board Statement About YOFC ADMINISTRATION Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedba

Promote Talent Development



YOFC regards employment compliance as its foundation, the protection of rights and interests as its benchmark, and the creation of a sustainable, diverse workplace as its starting point. Guided by the principle of "people-oriented" development, YOFC is committed to supporting employees' career growth, safeguarding their health and well-being, fostering effective communication mechanisms, and respecting and protecting the legitimate rights and interests of every employee. These efforts align with our vision where employees and the Group work together for mutual growth.

Employment Management

Compliant Employment

The Group strictly complies with the national and local labor laws and regulations, such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. We kept revising our internal regulations and systems, including the Recruitment Management Regulations, the Recruitment and Hiring Process, the Employee Rehiring Management Rules, and the Employee Departure Procedures, to standardize management and control over the entire career cycle of employees, effectively protecting the legitimate rights and interests of employees.

We strictly comply with the *Provisions on the Prohibition of Using Child Labor, Convention on the Rights of the Child* and other laws and regulations related to children's rights and interests applicable in the countries and places of operation, and resolutely prohibit the employment of child labor and any form of forced labor. In the event of any violation, the Group will deal with the matter in accordance with the laws and regulations. In addition, we have always adhered to the concept of open and inclusive employment, practiced the policy of diversified employment, and opposed any form of discrimination, so that employees of different ages, races, religions, and genders can enjoy fair development opportunities. In 2024, there were no incidents of child labor, forced labor, or any violation involving discrimination in employment in our Group (including our overseas subsidiaries).

Based on the Group's strategy and business needs, we have formulated diversified and internationalized recruitment plans and goals in the Group's strategic human resources development plan, clarifying the direction, scale and structure of talent development and making dynamic adjustments and updates every year. We make continuous efforts to build our employer brand, optimize the recruitment process, and make use of diversified recruitment channels to improve the matching between jobs and talents, so as to widely attract and retain outstanding talent resources.

During the reporting period, YOFC was named "2024 Extraordinary Employer of the Year" by Liepin.





YOFC is committed to diversified employment policy

Named as "2024 Extraordinary Employer of the Year" by Liepin

灤

YO Plan Summer Camp for talent attraction

To attract and secure top talent, the Group launched its inaugural campus recruitment program, YO Plan, in 2024. The initiative drew nearly 2,000 recent graduates. After a rigorous selection process, 30 exceptional candidates were chosen to participate in a week-long summer camp in Wuhan. The camp featured a range of activities, including face-to-face workplace insights from the President, handson experiences at the intelligent manufacturing facility, and exposure to international cultures. These activities not only enhanced the students' understanding of YOFC, but also reinforced its reputation as an employer of choice, establishing a strong foundation for the company's long-term talent pipeline and sustainable growth.

30 exceptional candidates were chosen to participate in a week-long summer camp



YOFC Summer Camp for campus recruitment

The Group also attaches great importance to the standard requirements of the *Universal Declaration of Human Rights* of the United Nations. We fully respect the human rights of all employees, expressly prohibit any infringement of the rights and interests of employees and improve and implement the national regulations on labor conditions, labor intensity, working hours, labor protection, labor welfare and labor safety. We strictly enforce the *Collective Contract* and safeguard the legitimate rights and interests of every employee to freely associate and participate in collective bargaining. During the reporting period, the employee labor contract signing rate was 100%, with a full 100% coverage of collective contracts.

the employee labor contract signing rate was

100%

with a ful

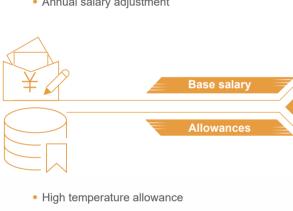
100% coverage of collective contracts

Remuneration Management

The Group has consistently upheld the principle of "position-based ranking, rank-based compensation, personnel-position alignment, and salary adjustments tied to role changes". We strictly comply with relevant laws and regulations, including the Social Insurance Law of the People's Republic of China and the Interim Provisions on Wage Payment, as well as other administrative rules. Internally, we have developed and regularly updated systems such as the Wage Management System and the Bonus Management System. We have also implemented a role-based ranking and matching system that evaluates positions based on their value and required competencies. Additionally, we have established a comprehensive compensation framework that includes base salary, bonuses, allowances, and equity incentives. This approach not only enhances employee motivation but also ensures internal pay equity and maintains external market competitiveness.

Compensation framework of YOFC

- · Group-wide ranking system
- Group management of remuneration standards
- Remuneration structure based on business differences
- Annual salary adjustment



- Position-specific allowance
- Allowances for relocated employees at home and abroad

- Annual performance bonus
- Incentives from sales process evaluation
- · Special incentives for R&D
- Small incentives
- Honours & Awards

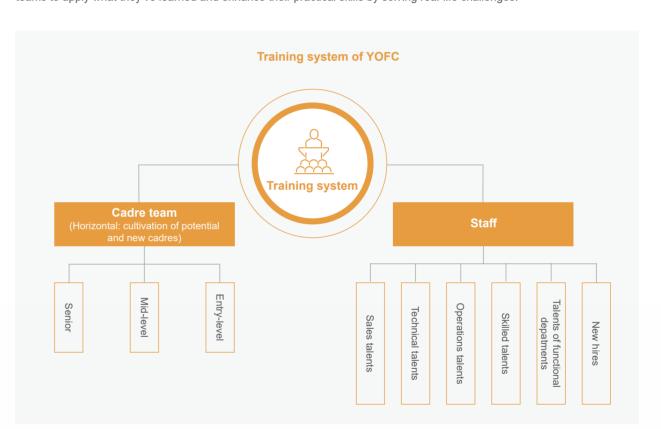
Equity incentives



• Employee stock ownership plan

Training & Growth

We emphasize on talent pipeline building and development of human resources. The Group adheres to the training concepts of "universal" "targeted" "planning" "whole process" and "tracking", and has formulated Training Management Regulations, Course System Management Regulations, Internal Lecturer Management Regulations, Regulations for Subsidizing Employees' Further Education and Learning, etc. to build a systematic and standardized corporate talent training system. We embrace new technologies into our employee training and empowerment initiatives, exploring innovative solutions such as Al-driven lesson planning and Al-based learning recommendations to offer rich learning resources and seamless learning experiences. At the same time, we strongly advocate for a model that combines training with practical application, ensuring that training content is closely aligned with real-world operations. This allows employees to learn through hands-on experience and continuously improve. For example, we have introduced simulation projects, where employees collaborate in teams to apply what they've learned and enhance their practical skills by solving real-life challenges.





About this Report Message from Management Board Statement About YOFC and Social Chart of Key Performance Indicators GRI STANDARD INDEX Reader Feedback Report Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

We utilise both online and offline training as well as hands-on practice and other training formats to design programs that cater to the unique needs of our employees' personal development. By offering diverse training resources, we aim to foster a mutually beneficial growth of both employee capabilities and organizational strength. This system has also been extended to our overseas employees this year. During the reporting period, the Group incurred training-related expenses amounting to 5.79 million RMB.

Training programs of YOFC

Business training

Improve employees' professional skills and business competence with customised training to execute the strategy practically.



Orientation

Help new hires up their business competence and adapt to the new environment, and enable them to better understand the company's core values and enhance their sense of belonging and identity by passing on the corporate culture.



Leadership training

Continuously improve leadership training system and optimise the training content to help leaders improve their comprehensive quality.



Compliance training

Enhance employees' compliance awareness and improve the efficiency and effectiveness of the Group's compliance management, including training on employees' code of conduct, as well as anti-corruption and anti-bribery training.



Cross-culture training

To meet the training needs of overseas employees, we've developed multilingual training materials and implement customised empowerment programmes for local employees in overseas factories via our e-learning platform.



Professional training

To meet the needs of different professions, we provide employees with customised growth programmes to systematically enhance their professional knowledge and skills required for their positions and to promote their personal career development.



In 2024, the Group implemented two core optimization strategies for leadership training. We upgraded our leadership model and defined in detail the qualification standards for cadres, realizing a precise positioning of leadership. At the same time, the leadership development system and global leadership training program underwent a complete overhaul, covering the theoretical learning framework, practical training modules and personalized IDPs (Individual Development Plans) at all levels of leadership.

On top of this, the Group has conducted a comprehensive talent inventory based on the new leadership model, covering the headquarters, subsidiaries and local employees abroad, with the aim of accurately identifying and selecting potential talents, and providing them with tailor-made training programs to accelerate their leadership growth.



淤

Specialized training for finance personnel to strengthen the awareness of sustainable development



In 2024, the Group continued to promote the training project of "Finance Elite Class", and 40 outstanding financial trainees who had undergone strict screening successfully completed the project. The program included intensive face-to-face training, online learning courses and researches with "cost reduction" as the theme to enhance the cost and efficiency awareness of employees. With this training program, the trainees dived deep into their profession while gaining an in-depth understanding of the business, not only acquiring a more profound understanding of the concept of sustainable development, but also enhancing their excellent expertise and innovative thinking in key areas such as cost control and efficiency improvement.



Finance Elite Class training at YOFC

About this Report Message from Management Board Statement About YOFC and Social Chart of Key Performance Indicators GRI STANDARD INDEX Reader Feedback Report Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

The Group conducts annual performance management for all regular employees, assessing performance outcomes (including key result goals, key initiative goals, and personnel management goals), values, and individual capability development plans. To further enhance the accountability and contribution of key positions in core business operations and sustainable development, we have incorporated ESG-related indicators into the performance evaluations of employees in these roles. The weighting of these indicators is tailored according to the specific responsibilities of each position. For employees with dual reporting lines, we have implemented a dual-line evaluation mechanism, where both the direct-line supervisor and the dotted-line supervisor jointly assess performance. This ensures a comprehensive and fair evaluation process.

To foster the professional growth of our employees, the Group encourages self-directed learning to acquire cutting-edge knowledge and skills. We also provide financial support for staff pursuing advanced degrees, such as Doctor of Engineering, Master of Business Administration (MBA/EMBA), Master of Finance (MF), and Master of Engineering Management (MEM), among others. These initiatives are designed to motivate employees to continuously improve and strive for excellence.

The Group is dedicated to building a diversified career development system, offering pathways in management, professional expertise, and technical skills. Clear promotion criteria are established for each category, providing employees with transparent guidance on career progression, advancement opportunities, and role transitions. Employees are empowered to choose their development paths based on their personal career aspirations, enabling them to achieve growth and advancement within their ranks or positions.

Communication & Care

The Group endeavors to enhance employees' sense of well-being and belonging, actively promotes democratic management, opens up employee communication channels, provides employees with a multi-layer welfare system, and carries out cultural and sports events, aiming to create a warm, harmonious and positive workplace atmosphere.

Employee Communication

The Group attaches great importance to employee communication. We are continuously revising systems such as the *Regulations on Employee Complaints* and the *Social Responsibility Management Manual*, establishing diversified channels to receive employees' feedback and appeals including emails, corporate WeChat and OA suggestion boxes, in order to maintain open, frank and effective communication with our employees, listen to their opinions and suggestions and take proactive initiatives to enhance employee satisfaction. During the reporting period, there were no employee complaints within the Group (including overseas subsidiaries); the annual employee satisfaction survey covered all domestic and overseas employees, with a response rate of 81% and a satisfaction rate of 92%.

In addition, we made every effort to protect the right of employees to participate in corporate democratic management and took various measures to encourage employees to engage in the practice of democratic management.

response rate

81%

satisfaction rate

92%

Highlights of democratic management initiatives



Organized employee symposiums and face-to-face meetings with the President and senior executives to enhance the efficiency of internal corporate communication



Set up an online employee suggestion box to give instant feedback and handle suggestions in a transparent and fair manner



Set up a dedicated suggestion box to get constructive suggestions, encouraging employees to contribute with small rewards



Overseas, each

achieved

subsidiary and overseas institution attaches great importance to the voices of employees. By enabling employees to participate in the enterprise's decision-making process, a deep integration of Chinese and foreign cultures is



Encourage
employees to
participate in
corporate culture
building to enhance
their sense of
belonging and
creativity



Face-to-Face with President

In 2024, the company held another "Face to Face with President" event. As a bridge between senior executives and staff, the event ensured the effective communication of the frontline voices and gave employees the opportunity to give direct feedback and suggestions to the top management of the company. The event effectively enhanced internal communication and cohesion, further stimulated employees' motivation and creativity, and injected new vitality into the Group's sustainable and healthy development.



"Face-to-Face with President" event at YOFC

Employee Benefits and Services

The Group adheres to the *Welfare Management System*, offering employees a wide range of non-compensation benefits to enhance their well-being and foster a sense of belonging. In addition to providing mandatory social insurance and housing provident fund contributions, we also offer supplementary commercial insurance (including life, accident, and medical insurance) and employee mutual-aid medical insurance. During the reporting period, the social insurance coverage rate for employees under labor contracts reached 100%. Furthermore, the Group provides employees with paid annual leave, workplace meals, regular medical check-ups, free gym access, family visit benefits, and holiday perks. To accommodate the unique demands of certain roles, flexible work schedules have been implemented for some employees, reflecting the Group's commitment to a caring and humanistic workplace culture.

We are deeply attuned to the voices and needs of our employees, actively implementing various support initiatives to address their urgent challenges and difficulties.

Highlights of employee support initiatives



About this Report Message from Management Board Statement About YOFC and Cardinated Frontinance Indignators In Governance Environmental Social Chart of Key Performance Indignators Index of ESG Indicators GRI STANDARD INDEX Reader Feedba





Employee service of "Summer Cool Treat"





"Summer Cool Treat" by YOFC's trade union

In 2024, as the heat lasted longer than previous years, the Group's trade union launched and expanded the scale and investment of for the "Summer Cool Treat", a total of 28,650kg watermelons were procured as important cooling materials for the summer. At the same time, the trade union, in collaboration with the logistics department, provided green bean water and other highly effective heat-prevention items to protect the health and safety of employees during the heat.

In addition, we endeavor to create a positive and healthy workplace atmosphere and provide a platform for diversified sparetime activities to help employees balance work and life, and to stimulate the passion and vitality of the team.



The first "YOFC Family Day"



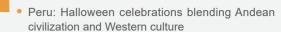
On 1 June 2024, the Group held a family day for all employees, which attracted nearly 300 employees and their families. During the event, the employees' families got a closer look at the working environment and responsibilities of YOFC employees and had an in-depth experience with the corporate culture of YOFC. By actively advocating the concepts of openness, diversity and internationalization, the event formed an invisible link between the "small family" and the "big family", closely connecting each family member to the corporate big family and creating a harmonious and amicable atmosphere.



YOFC Family Day

Overseas Employee Care and Welfare Program

In promoting global integration, YOFC has consistently adhered to the principle of "deep localization" as the core guideline for cross-cultural management. Through cross-cultural events carefully planned for the overseas workplace, the company has effectively fostered deeper communication and mutual understanding among its international workforce. These initiatives fully demonstrate the Group's respect for and integration of global cultural diversity, laying a solid foundation for building a sustainable working environment.





• Philippines: Mid-Autumn Festival reunion event



• Poland: Tribute event for Women's Day









Cross-cultural events for overseas employees



YOFC Mexico Factory hosted Day of the Dead celebration



On November 1, 2024, YOFC's plant in Mexico held a culturally rich Day of the Dead celebration, deeply rooted in local traditions. The factory was adorned with colorful traditional altars, featuring marigolds that symbolizes life and reverence, candles, traditional foods, and handmade decorations, showcasing the unique cultural charm of Mexico's Day of the Dead. Employees dressed in festive attire, with intricate skull face paintings, immersing themselves in the lively holiday atmosphere. Through this event, employees gained a deeper appreciation of Mexican culture, strengthened team communication and cohesion, and highlighted the company's respect for and inclusion of diverse cultures. This initiative further enhanced employees' sense of belonging and cultural identity.



YOFC Mexico Factory hosted Day of the Dead celebration

bout this Report Message from Management Board Statement About YOFC and Social Report in Governance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedba

YOFC Indonesia Factory organized basketball competition





YOFC Indonesia Factory organized basketball competition

As the Group's first overseas optical fibre project and the first optical fibre enterprise in Indonesia and Southeast Asia, YOFC's plant in Indonesia marked the company's 10th anniversary of global expansion in 2024. To enrich the leisure time of overseas employees and strengthen team cohesion, the factory organized the "Engineering Construction Cup" basketball competition. This event provided employees with a platform to showcase teamwork and encouraged them to extend the spirit of competition into their work, contributing to the company's future development. Together, employees are driving YOFC's continued expansion and success in overseas markets

Rights and Interests of Female Employees

The Group cares about the protection of special rights and interests of female employees and has formulated and strictly implemented the *Special Collective Contract for the Protection of Rights and Interests of Female Employees* for maximum protection. In our daily management practice, we offer holidays to female employees on the 8th of March, regularly distribute hygiene products and other necessities to female employees and formulate dedicated leave and welfare programs for female employees during pregnancy, maternity and breastfeeding periods, demonstrating our deep care and support for female employees in an all-round manner. On the Women's Day in 2024, the Group granted special perks to female employees, with a total expenditure of 200,000 RMB.



Seminar on women in the workplace





"Women's Role Balance" seminar

In June 2024, Broadex Technologies organized a seminar on the theme of "Women's Role Balance" for women in the workplace, which attracted female employees from different departments and different ranks. The event focused on the topic of "Women's Role Balance" and shared insights and practical experiences from different perspectives. The event conveyed the company's deep care for the personal growth and career development of female employees, and demonstrated our firm commitment to building a diverse and inclusive work environment.

Health & Safety

The Group comprehensively carries the principal responsibility for workplace safety, establishes a sound safety management system, strengthens the management before, during and after any possible incident, and regularly undertakes various initiatives for the prevention of occupational-related diseases to reduce the risk of exposure to occupational diseases, dedicated to protecting the health and safety of employees and building a safe and healthy work environment.

Workplace Safety Management

The Group strictly complies with the Occupational Safety and Health Law of the People's Republic of China, the Special Equipment Safety Law of the People's Republic of China, and the Fire Protection Law of the People's Republic of China and other laws and regulations, and establishes the EHS Management Manual, Work Safety Responsibility System and other systems related to employees' work safety, so as to regulate the various types of safety management of the Group and the subsidiaries in the course of production and operation or within the jurisdiction of corporate operation. We have continuously improved our health and safety management system by conducting internal reviews on a regular basis, commissioning third-party certification bodies to conduct audits and proactively accepting supervisory inspections by the relevant government authorities to ensure the continuous optimization and enhancement of the safety management system.

The Group remains committed to the principle of "safety first, prevention first, and comprehensive management" and establishes practical workplace safety goals and plans. We have established a comprehensive organizational structure for environmental and occupational health and safety management, adhering to the policy requirements of "shared responsibility of the Party and government" and "dual responsibilities for each position". The Chairman of BOD and Secretary of the Party Committee, along with the President and Executive Director, jointly holds the position of Chairperson of the Safety Committee. The Vice President acts as the Executive Vice Chairperson, overseeing daily operations. Additionally, individuals with professional expertise and management capabilities are appointed to key safety management roles. This structure promotes the simultaneous advancement of employee health, environmental protection, and workplace safety. By the end of 2024, 87.5% of domestic factories had achieved ISO 45001 certification.

EHS governance structure of YOFC



About this Report Message from Management Board Statement About YOFC and Eadership Performance Industry Leadership Performance Foundation Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedba

We use the OA system to establish a knowledge base for safety training, which gathers knowledge on regulations, standards, experience, risk management and accident cases to guide daily operations. In addition, we have established a digital platform for safety control and management covering the entire Group. Through the EHS digital system, we have formulated management and control plans for risk identification, investigated risks and generated data to provide managers with visual decision-making support accordingly. For the identified risks, we have formulated standardized control plans to ensure that all safety risks can be effectively controlled.

EHS risk control measures



Management system, working procedures, operation rules, inspection, maintenance, surveillance, etc.



Engineering

Temperature and pressure check, gas detection and alert, inert gas protection, emergency pressure relief, emergency cut-off, confinement system, video monitoring, safety instrumentation, protective cofferdams, safety warning signs



Personal protection

Safety helmets, protective glasses, welding masks, dust and gas masks, earplugs and earmuffs, acid and alkali resistant gloves, insulated gloves, anti-static shoes, anti-acid and alkali shoes, chemical-proof clothing, anti-acid and alkali suits, and fall protection supplies



Emergency response

Emergency rescue plan, emergency supplies, emergency facilities, etc.



Education & Training

Three-tier education, training for special operators, specialized training, training for job transfer, safety briefing, etc.

We regard contractor safety as one of the priorities in ensuring safe operations. The Group has formulated the *Code of Construction Filing Management within the Park*, which requires all contractors to sign a *Safety Agreement* to regulate contractors' initiatives in work safety management, qualification review and safety technical training, etc. By 2024, 100% of the contractors have signed the *Safety Agreement*.

Occupational Health & Safety

The Group strictly abides by the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Measures for the Administration of Occupational Health Examinations and other laws and regulations to safeguard the occupational health and safety of our employees. In terms of prevention and control of occupational diseases, we have established a closed-loop health management system covering occupational hazards identification, prevention and control, monitoring, facilities and supplies, and health check-ups, providing our employees with all-round and diversified health management protection. In order to prevent and control the occurrence of occupational diseases at source, the Group strictly enforces safety management measures for employees exposed to occupational hazards, requiring all relevant employees to pass an occupational health assessment before they are allowed to start work. At the same time, we continue to optimize our equipment and production processes, significantly reducing the number of points where occupational hazards are detected as exceeding the standard, effectively safeguarding the occupational health and safety of our employees.

To safeguard employee health and safety, we conduct comprehensive, multi-dimensional, and professional internal inspections to promptly identify and eliminate all types of occupational health and safety hazards.

Internal inspections for health and safety



Regular inspections

- Quarterly inspections at corporate level
- Monthly inspection at center level
- Weekly inspection at departmental level
- Daily inspection by EHS Department
- Process position inspection per shift



Jnscheduled inspections

- Unannounced inspection by the Group to the subsidiaries
- Dedicated fire safety inspection
- Dedicated electricity safety inspection
- Special inspection for hidden hazards that may cause major accidents

During the reporting period, the Group had 0 work-related fatality accidents, 612 lost days due to work injury, no cases of occupational diseases and 100% coverage of medical check-ups for employees.

work-related fatality accidents

612 lost days due

to work injury

100% coverage of medical check-ups for employees

Number and rate of work-related fatalities in the past three years				
Indicator	Unit	2024	2023	2022
Number of work-related fatalities	Person	0	0	0
Rate of work-related fatalities	%	0	0	0

About this Report Message from Management Board Statement About YOFC AND STANDARD INDEX Reader Feedback

Safety Awareness Training

In order to further deepen our employees' safety awareness and ability to respond to emergencies, the Group regularly conducts safety awareness training and safety emergency drills to comprehensively improve the workplace safety capabilities of our employees. Meanwhile, to ensure the continuous improvement of workplace safety, we have implemented a strict reward and punishment mechanism to recognise units and individuals with excellent workplace safety performance, and to take punitive measures against those who are inadequate in this respect.



Fire escape drill to enhance employees' experience in dealing with safety issues



In July 2024, in response to the emergency management initiative of "safety for all, emergency preparedness for all, and ensuring safe escape routes," YOFC's headquarters conducted a fire drill. During the exercise, all individuals in the building were evacuated within three minutes, with a total of 493 employees taking part. The drill effectively enhanced employees' awareness of fire safety and their ability to respond to emergencies.

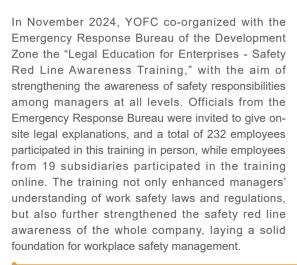




Fire escape drill at YOFC

÷∰;

Safety red line awareness training to deepen managers' understanding of the importance of workplace safety





Safety red line awareness training at YOFC

Commitment to Public Welfare



The Group gives full play to its strengths and makes active efforts in nurturing professionals and helping the disadvantaged groups in the society to empower the development of community welfare undertakings. We also actively respond to the national call for rural revitalization, assist in the economic development of underdeveloped regions, and convey our warmth to the community.

Community Welfare

The Group encourages employees to engage in volunteer services and social welfare activities to give back to the community with love and spread warmth and care. During the year, we donated a total of 2.06 million RMB in community welfare and volunteer activities.

Highlights in community welfare initiatives

Welfare activity (caring for the elderly and children, planting trees, etc.)

60,000 RMB

Scholarships to Tsinghua University and Wuhan University of Technology

390,000 RMB

Donation of flood relief supplies from Poland plant

70,000 RMB

Donation to Hubei Provincial Charity Federation and schools

560,000 RMB

Donation for the care of retired soldiers

980,000 RMB



2024 Public welfare tree planting activity at YOFC

pout this Report Message from Management Board Statement About YOFC Industry Leadership Performance Highlights in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedly

Relief donation by YOFC Poland factory



In August 2024, severe natural disasters struck western Poland, causing widespread flooding. YOFC responded swiftly by partnering with the local government of Rawa Mazowiecka to donate emergency supplies worth a total of 30,000 Polish złotych. The donations included cleaning supplies, shovels, wheelbarrows, brooms, hygiene products, and power generators. This initiative provided tangible assistance to the affected areas, alleviating the pressures of post-disaster recovery. The effort demonstrated the Group's strong sense of social responsibility and international humanitarian spirit, further enhancing the company's influence and reputation within the local community.





Relief donation by YOFC Poland factory

Respect and care for the elderly



In October 2024, corporate leaders of YOFC led volunteers to Baoli Shidai Community and Fozuling Nursing Home for a social welfare initiative of caring for the elderly. The volunteers brought rice, cooking oil, warm socks, hand cream, hair clippers and other supplies and talked with the elderly cordially with their best wishes. YOFC Brazil factory has collaborated with local organizations to support disadvantaged communities with donations. Additionally, the factory has provided assistance to 31 elderly residents at Casa de Alsina. Through these elderly care initiatives, the Group has enabled seniors to experience the warmth and care of a compassionate enterprise. These efforts not only promote the traditional virtues of the Chinese nation but also demonstrate the company's commitment to fulfilling its corporate social responsibilities through tangible actions.





YOFC's welfare initiative of caring for the elderly

YOFC Brazil factory welfare initiative of caring for the elderly



Build a beautiful childhood and protect children's future together



In May 2024, YOFC's volunteer team visited Wuhan Xizang High School and Changxing Primary School in Hong'an County, bringing thoughtful gifts such as sun umbrellas, school supplies, teaching audio equipment, guitars, and snack boxes to the children. They also encouraged the students to continue striving for their dreams with courage and determination. This charitable initiative marked the sixth consecutive year that the Group has extended care and warmth to these two schools, highlighting its unwavering commitment to educational philanthropy and supporting the growth of young students. Overseas factories have also actively contributed to the well-being of children. For instance, YOFC Brazil factory has supported multiple local educational institutions, providing financial assistance to help children complete their studies.





YOFC's initiative for children care

YOFC Brazil factory initiative for children care



hout this Report Message from Management Board Statement About YOFC Governance Enginging in Governance Engineering Formation Highlights in Governance Engineering Formation (Fig. 1) and the statement About YOFC Governance Engineering Formation (Fig. 1) and the statement Formation (Fig. 1) and the statement

Talent Cultivation

The Group actively responds to the national call for talent cultivation and contributes to education by providing YOFC Scholarships and funding YOFC Class. At the same time, we continue to explore and innovate, actively contributing our strength to joint cultivation of high-end talents.

Highlights in industrial talent cultivation initiatives



Since 2001, YOFC has been cooperating with universities nationwide through the "YOFC Scholarship" to continuously cultivate talents for the telecommunications industry. This year, the Group continued to further this program to provide incentives for outstanding students to pursue further studies to build a better talent pipeline for the industry.



The Group continues to sponsor the YOFC Class at the Affiliated High School of Huazhong Normal University in 2024, helping teachers to improve the quality of their teaching and promoting the all-round development and growth of young people.



Joint cultivation of high-end talents



The Group worked with Huazhong University of Science and Technology and Wuhan University of Technology on the joint cultivation of master and doctoral degree programs in engineering, marking our innovative practice of cultivating applied technological talents through the joint cultivation of "universities + enterprises" model. As of 2024, four graduate students from this program have joined YOFC and are under the guidance of corporate mentors for practical training. In the same year, the Group joined the second batch of governing bodies of the National Academy of Excellent Engineers of Huazhong University of Science and Technology and the first batch of governing bodies of the National Academy of Excellent Engineers of Wuhan University of Technology, which further strengthens university-enterprise co-operation and builds a new high ground for talent cultivation together.





Certificate for YOFC as governing body of the National Academy of Excellent Engineers

Rural Revitalization



YOFC Won Gold Award for Contribution to Rural Revitalization from China Mobile

The Group actively responds to the national call for rural revitalization and takes practical actions to devote to the cause of rural revitalization by contributing our corporate strength to help poverty-stricken areas to broaden the sales channels of agricultural products, alleviate the problem of agricultural product backlog, and promote the sustainable development of the local economy. At the same time, we donate materials to impoverished areas to improve the quality of life of residents, adding momentum to the development of rural revitalization, and won the Gold Award for Contribution to Rural Revitalization from China Mobile.



Benefit rural areas with consumption to fulfil corporate social responsibility



The Group actively promoted the consumption of agricultural products for rural revitalization and completed the procurement of agricultural and sideline products from Hefeng County of Enshi City and Wufeng County of Yichang City of Hubei Province from June to December 2024, with a total procurement amount of 583,000 RMB. This activity promoted the sale of agricultural products, eased the economic pressure of local villagers, and contributed to the promotion of rural revitalization.



Handwritten letter of thanks from Hefeng County



Handwritten letter of thanks from Wufeng County



Chart of Key Performance Indicators

Category	Indicator	Unit	2024
	Greenhouse Gas ⁹		
	Total Greenhouse Gas Emission (Scope 1 & Scope 2)	Tonne (CO ₂ e)	352,908.43
	Direct Greenhouse Gas Emission (Scope 1)	Tonne (CO ₂ e)	36,011.59
	Indirect Greenhouse Gas Emission (Scope 2)	Tonne (CO ₂ e)	316,896.84
	GHG emission intensity	Tonne (CO ₂ e)/RMB 10,000 output value	0.18
	Energy		
	Total energy consumption ¹⁰	MWh	740,610.62
	Energy consumption intensity	MWh/RMB 10,000 output value	0.38
Environmental ⁸	Direct energy consumption		
Environmental	Total direct energy consumption	MWh	146,716.22
	Unleaded gasoline	Liter	126,165.41
	Hydrogen	m ³	758,059.36
	Propane	m ³	155,442.59
	Diesel	Liter	876,418.13
	Liquefied petroleum gas ¹¹	kg	38,289.00
	Natural gas	m ³	13,596,247.23
	Indirect energy consumption		
	Total indirect energy consumption	MWh	593,894.40
	Steam	MWh	35,614.65
	Purchased electricity	MWh	558,279.75

⁸ The environmental data disclosed in this report is compiled using the operational control methodology, with the statistical scope encompassing YOFC and its subsidiaries.

Category	Indicator	Unit	2024
	Resource use		
	Water usage ¹²		
	Total water consumption	m³	1,958,048.04
	Water consumption intensity	m³/RMB 10,000 output value	1.01
	Packaging materials		
	Paper	Tonne	1,976.33
	Plastic	Tonne	505.59
	Metal	Tonne	1,907.40
	Wood	Tonne	33,588.97
	Others	Tonne	66.86
	Total packaging materials	Tonne	38,045.14
	Packaging materials intensity	Tonne/RMB 10,000 output value	0.02
Environmental ⁸	Wastewater discharge		
	Amount of wastewater discharged	m³	478,860.95
	Waste		
	Non-hazardous waste ¹³		
	Domestic waste	Tonne	5,532.19
	Production waste	Tonne	5,897.21
	Food waste	Tonne	3,868.26
	Sludge	Tonne	481.42
	Other non-hazardous waste	Tonne	949.14
	Total non-hazardous waste disposal	Tonne	16,728.22
	Non-hazardous waste disposal intensity	Tonne/RMB 1 million output value	0.862

⁹ In 2024, YOFC conducted a carbon inventory and third-party verification in accordance with ISO 14064-1:2018 "Greenhouse gases — Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". Based on operational characteristics, the Group's primary greenhouse gas emissions originate from direct emission sources (Scope 1) and energy-related indirect emission sources (Scope 2).

¹⁰ The total energy consumption is calculated using the standard coal coefficients specified in the *General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)* of the national standard.

¹¹ In 2024, YOFC Brazil factory has incorporated liquefied petroleum gas (LPG) into its production processes, leading to a significant rise in LPG consumption compared to previous year.

¹² The water sources used by the Group are mainly municipal water supply, and there is no issue in sourcing water that is fit for purpose.

¹³ In 2024, YOFC has established new plants both domestically and overseas and expanded operations, leading to an increased workforce compared to the previous year. Consequently, this expansion has resulted in a rise in non-hazardous waste generation compared to previous year.

Category	Indicator	Unit	2024
	Hazardous waste		
	Waste organic solvents	Tonne	88.29
	Waste acid	Tonne	267.73
F	Waste activated carbon	Tonne	74.21
Environmental ⁸	Waste packaging materials contaminated by chemicals	Tonne	94.84
	Other hazardous waste ¹⁴	Tonne	194.20
	Total hazardous waste disposal	Tonne	719.26
	Hazardous waste disposal intensity	Tonne/RMB 1 million output value	0.037
	Employment		
	Total workforce	Person	9,616
	By gender		
	Female	Person	2,591
	Male	Person	7,025
	By employee type		
Social	Senior management	Person	42
	Mid-level management	Person	636
	Other office staff	Person	3,626
	General workers and technicians	Person	5,312
	By age		
	< 30	Person	2,339
	30 - 50	Person	6,687
	> 50	Person	590

Category	Indicator	Unit	2024
	By region		
	Chinese Mainland	Person	7,685
	Hong Kong, Macau and Taiwan of China	Person	3
	Overseas	Person	1,928
	Turnover rate ¹⁵		
	Total turnover rate	%	4.93
	By gender		
	Female	%	6.30
	Male	%	4.67
	By age		
Social	< 30	%	12.17
Social	30 - 50	%	4.01
	> 50	%	0.42
	Health & Safety		
	Number of work-related fatalities	Person	0
	Rate of work-related fatalities	%	0
	Lost days due to work injury ¹⁶	Day	612
	Average hours of employee training		
	Average training hours	Hour	28.34
	By gender		
	Female	Hour	26.54
	Male	Hour	29.01

¹⁵ During the reporting period, the statistical scope of the turnover rates only includes Wuhan headquarters of YOFC, so the data by region only covering Mainland China.

¹⁶ In 2024, the scope for statistical boundary of lost days due to work injury has been expanded to cover Yangtze Optical Fibre and Cable Joint Stock Limited Company and its subsidiaries.

Category	Indicator	Unit	2024
	By employment type		
	Senior management	Hour	18.31
	Mid-level management	Hour	24.47
	Other office staff	Hour	25.33
	General workers and technicians	Hour	30.94
	Percentage of trained employees ¹⁷		
	By gender		
	Female	%	100
	Male	%	100
	By employment type		
	Senior management	%	100
	Mid-level management	%	100
Social	Other office staff	%	100
	General workers and technicians	%	100
	Product responsibility		
	Customer service		
	Major product and service complaint	Case	108
	Supplier distribution and quantity ¹⁸		
	By region		
	China	Company	538
	Japan	Company	1
	Asia Pacific (excluding China and Japan)	Company	118
	Europe	Company	143
	North America	Company	3
	Total	Company	803

¹⁷ The percentage of employees trained in each category is calculated as: Number of employees trained in each category / Total number of employees in that category * 100%.

Index of ESG Indicators

Index of HKEX

Indicators	Related section(s)
Mandatory Disclosure Requirements	
Governance Structure	
A statement from the board containing the following elements:	
(i) a disclosure of the board's oversight of ESG issues;	
(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	Board Statement
(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	
A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality, Quantitative and Consistency.	About this Report
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report
"Comply or explain" Provisions	
A. Environmental	
Aspect A1: Emissions	
General Disclosure	
Information on:	
(a) the policies; and	Improve Environmental Governance
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Governance
KPI A1.1 The types of emissions and respective emissions data.	Improve Environmental Governance
KETAT. THE types of emissions and respective emissions data.	Chart of Key Performance Indicators
KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Improve Environmental Governance
(e.g. per unit of production volume, per facility).	Chart of Key Performance Indicators
KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate,	Improve Environmental Governance
intensity (e.g. per unit of production volume, per facility).	Chart of Key Performance Indicators

 $^{^{\}rm 18}$ The number of suppliers refers to the data of production-related suppliers for the core business of YOFC.

Indicators	Related section(s)
A. Environmental	
Aspect A1: Emissions	
KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	Address Climate Change Improve Environmental Governance
KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Address Climate Change Improve Environmental Governance
A2: Use of Resources	
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Improve Environmental Governance
KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Improve Environmental Governance Chart of Key Performance Indicators
KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Improve Environmental Governance Chart of Key Performance Indicators
KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Improve Environmental Governance
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Improve Environmental Governance
KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Management Practice Chart of Key Performance Indicators
A3: The Environment and Natural Resources	
General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Improve Environmental Governance Green Management Practice
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Improve Environmental Governance Green Management Practice

Indicators	Related section(s)	
B. Social		
B1: Employment		
General Disclosure		
Information on:		
(a) the policies; and		
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment Management	
KPI B1.1 Total workforce by gender, employment type (for example, full- or part-	Employment Management	
time), age group and geographical region.	Chart of Key Performance Indicators	
	Employment Management	
KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Chart of Key Performance Indicators	
B2: Health and Safety		
General Disclosure		
Information on:		
(a) the policies; and	Health & Safety	
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		
KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health & Safety	
KPI B2.2 Lost days due to work injury.	Health & Safety	
KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health & Safety	
B3: Development and Training		
General Disclosure		
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training & Growth	
Note: Training refers to vocational training. It may include internal and external courses paid by the employer.		
KPI B3.1 The percentage of employees trained by gender and employee	Training & Growth	
category (e.g. senior management, middle management).	Chart of Key Performance Indicators	
KPI B3.2 The average training hours completed per employee by gender and	Training & Growth	
employee category.	Chart of Key Performance Indicators	

Indicators	Related section(s)	
B4: Labor Standards		
General Disclosure		
Information on:		
(a) the policies; and	Employment Management	
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.		
KPI B4.1 Description of measures to review employment practices to avoid child and forced labor.	Employment Management	
KPI B4.2 Description of steps taken to eliminate such practices when	Formless and Management	
discovered.	Employment Management	
B5: Supply Chain Management		
General Disclosure	Full-Process Supplier	
Policies on managing environmental and social risks of the supply chain.	Management	
KPI B5.1 Number of suppliers by geographical region.	Chart of Key Performance Indicators	
KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Full-Process Supplier Management	
KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Full-Process Supplier Management	
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain	
B6: Product Responsibility		
General Disclosure		
Information on:		
(a) the policies; and	Product Quality	
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.		
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality	
	Product Quality	
KPI B6.2 Number of products and service related complaints received and how they	Customer Service	
are dealt with.	Chart of Key Performance Indicators	

Indicators	Related section(s)
B6: Product Responsibility	
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
KPI B6.4 Description of quality assurance process and recall procedures.	Product Quality
KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection
B7: Anti-corruption	
General Disclosure	
Information on:	
(a) the policies; and	Practice Business Ethics
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Integrity Building
KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Fraud and Whistle- Blowing Mechanism
KPI B7.3 Description of anti-corruption training provided to directors and staff.	Integrity Building
B8: Community Investment	
General Disclosure	
Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Welfare
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community Welfare
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Community Welfare
D Climate-related Disclosures	
Governance	
Skills and Capabilities	Address Climate Change
Approach and Frequency	Address Climate Change
Role and Responsibilities of the Board	Address Climate Change
Monitoring Progress	Address Climate Change
Role and Responsibilities of Management	Address Climate Change

bout this Report Message from Management Board Statement About YOFC and Scape Programme In Industry Leadersnip Performance Industry Leaders Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedby

Indicators	Related section(s)
Strategy	
Climate-related Risks and Opportunities	Address Climate Change
Business Model and Value Chain	Address Climate Change
Climate Resilience	1
Financial Condition, Financial Performance and Cash Flows	1
Strategy and Role	Address Climate Change
Risk Management	
Risk Identification	Address Climate Change
Risk Assessment	Address Climate Change
Risk Prioritization	1
Risk Management	Address Climate Change
Risk Integration	Address Climate Change
Metrics and Targets	
Greenhouse Gas Emissions	Address Climate Change
Cross-industry Metrics	1
Internal Carbon Pricing	1
Remuneration	1
Industry-specific Metrics	1
Climate-related Targets	Address Climate Change

Index of SSE

No.	Indicator	Related section(
Environmental Information Disclosure						
	Article 21 Aside from disclosing governance related to climate change tackling; strategies;impacts, risks, and opportunities management; indicators; and targets in accordance with Chapter II of these Guidelines, a disclosing entity shall also provide information on its climate response as required by this Section.	Address Climate Change				
	Article 22 (1) The entity's assessment of how climate change impacts its strategies and business models, as well as how it responds to these impacts.	Address Climate Change				
	Article 22 (2) Significant uncertainties it has considered when assessing its climate adaptation.	Address Climate Change				
	Article 22 (3)The entity's capacity to adjust its strategies and business models over the short, medium, and long term to adapt to climate change.	Address Climate Change				
	Article 23 (1) Adjustments made in the company's current and future strategies, business models, and resource allocation to respond to climate risks and opportunities.	Address Climate Change				
Section 1 Climate Response	Article 23 (2) Actions taken or planned by the company to update the production processes and equipment to directly or indirectly tackle climate risks and opportunities.	Address Climate Change				
	Article 23 (3) The transition plan created by the company to address climate risks and opportunities and the fundamental assumptions underpinning the plan.	Address Climate Change				
	Article 23 (4) The resources allocated by the company to execute the transition plan.	Address Climate Change				
	Article 23 (5) The progress in executing the company's transition plan.	Address Climate Change				
	Article 24 A disclosing entity shall calculate and disclose its total GHG emissions in the reporting period, and convert different GHG emissions into tonnes of carbon dioxide equivalent. The disclosing entity is encouraged to disclose Scope 1 and Scope 2 emissions and, if able, Scope 3 emissions.					
	Any disclosing entity that uses carbon credits shall disclose the source and amount of the carbon credits it uses. Any disclosing entity that participates in carbon emissions trading shall disclose whether it has completed settlement and whether it has been ordered to take corrective actions or is formally investigated by a government agency within the reporting period.	Address Climate Change Chart of Key Performance Indicators				
	The Exchange encourages those disclosing entities that are able to engage a third party to audit or provide assurance on the GHG emissions data and other relevant figures.					

Industry Leadership Performance Highlights in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

No.	Indicator	Related section(s)
	Article 25 (1) The company shall provide GHG emissions details at each scope level by operational unit or facility.	Address Climate Change Chart of Key Performance Indicators
	Article 25 (2) The company shall provide GHG emissions details at each scope level by country or region.	Address Climate Change Chart of Key Performance Indicators
	Article 25 (3) The company shall provide GHG emissions details at each scope level by type of source (e.g., combustion, processing, electricity, heating, cooling, and steam).	Address Climate Change Chart of Key Performance Indicators
	Article 26 A disclosing entity shall disclose the standards, methods, assumptions, or calculation tools used for GHG emissions accounting and state how emissions data are consolidated (such as by equity share proportion or financial and operating control). If there is a change to the accounting standards, methods, or assumptions in the reporting period, the disclosing entity shall state the reasons and specific impacts of these changes.	Address Climate Change Chart of Key Performance Indicators
Section 1 Climate	Article 27 A disclosing entity shall disclose information on GHG emissions reduction practices, including its participation in the various emissions reduction initiatives, emissions reduction targets and measures (e.g., management strategies, funding, development of technologies), and the outcomes.	
Response	The disclosing entity shall disclose, for each scope level, the amount of GHG emissions directly reduced by such emissions reduction measures as redesigning production procedures, updating equipment, improving manufacturing processes, and switching fuels, and convert the data into tonnes of carbon dioxide equivalent. Emissions reductions may be disclosed by each measure used to achieve the reduction.	Address Climate Change Chart of Key Performance Indicators
	The disclosing entity shall disclose its registration and trading activities in relation to the national projects for voluntary GHG emissions reduction and the China Certified Emission Reduction (CCER), as well as its registration and trading of any other emissions reduction initiatives and emissions savings.	
	Article 28 Any disclosing entity that discloses new technologies, products, and services that contribute to de-carbonization and carbon neutrality and the related R&D progress shall provide an objective and prudent account of the specifics of the technologies or services developed based on the relevant processes and technologies, the R&D investment and progress in the relevant businesses, approvals or certifications it has obtained, its mass production capacity, and its existing orders, among other information. The disclosing entity is encouraged to describe the impacts thereof on its current period's and future financial positions and operating results, as well as the possible uncertainties and risks.	Address Climate Change Drive Innovations with Intelligent Manufacturing Chart of Key Performance Indicators
Section 2 Pollution Control and Ecosystem Protection	Article 30 (1) Information on pollutant discharge, including but not limited to the types, names, total discharge, certified total discharge, over-discharge, and environmental performance grade (if any) of or in relation to the key pollutants, characteristic pollutants, and the controlled substances specified by international environmental conventions. Disclosing entities are encouraged to present details on its pollutant discharge by category in the dimensions of business units or facilities, type of source, and type of activity.	Improve Environmental Governance Chart of Key Performance Indicators

No.	Indicator	Related section(s)
	Article 30 (2) The technologies and methods employed to treat pollutants, as well as the building, operation, and results achieved by pollution control facilities (e.g., reduction in the concentration/intensity or total amount of discharge).	Improve Environmental Governance
	Article 30 (3) The targets set for the amount of discharge reduction of the key pollutants and the specific actions taken to achieve these targets.	Improve Environmental Governance
	Article 30 (4) The impact of pollutant discharge on such groups as its employees and local communities.	Improve Environmental Governance
	Article 30 (5) Any major administrative penalties received by and any criminal liabilities charged against it in the reporting period for pollutant discharge, and whether there exist significant flaws in the company's environmental monitoring schemes and risk management practices.	Improve Environmental Governance
	Article 31 (1) The total amounts (in tonnes) and density (e.g., per unit of revenue, unit of output, or facility) of hazardous wastes and non-hazardous wastes produced.	Improve Environmental Governance Chart of Key Performance Indicators
	Article 31 (2) The treatment methods and disposal of hazardous and non-hazardous wastes.	Improve Environmental Governance
	Article 31 (3) The targets set for the amount of discharge of the wastes and the specific actions taken to achieve these targets.	Improve Environmental Governance
Section 2 Pollution	Article 32 (1) The discontinuation of any production and operational activities and relevant facilities that were in the ecological red zones.	Improve Environmental Governance
Control and Ecosystem Protection	Article 32 (2) Efforts and achievements in the protection and restoration of the areas around the production and operational sites, key land and marine ecological functional areas, ecological red zones, nature reserves, and other regions with critical ecological functions or ecologically fragile regions.	Improve Environmental Governance
	Article 32 (3) Efforts and achievements in the protection of wild plants and wildlife and protection and restoration of natural habitats.	Improve Environmental Governance
	Article 32 (4) Efforts and achievements in the protection, sustainable use, obtainment and benefit-sharing, monitoring and early warning, and risk management of biological genetic resources.	Improve Environmental Governance
	Article 32 (5) Efforts and achievements in reducing its products' ecological footprint and reliance on the ecosystem, biological species and their habitats, and biological genetic resources over their life cycles.	Improve Environmental Governance
	Article 33 (1) Risk assessments for environmental incidents, management protocols to prevent the related risks, and the overview of contingency plans for environmental emergencies.	Improve Environmental Governance
	Article 33 (2) The dates, locations, and duration of the major environmental emergencies in the reporting period; the classification of these incidents, the responses, and the outcome of these responses; their impacts on the company and the public; and its corrective actions.	Improve Environmental Governance
	Article 33 (3) Details on any major administrative penalties or criminal charges received from an ecological and environmental authority or other government agencies in the reporting period for an environmental incident, including but not limited to violations, the reasons for and the amount of the penalties, the impacts on the company's production and operational activities, and its corrective actions.	Improve Environmental Governance

About this Depart	Managara from Managarant	Deard Ctatement	About VOEC	Industry Leadership	Performance Highlights in		Empiremental		Chart of Kay Darfarmanaa Indicators	Index of ECC Indicators	CDI CTANDADD INDEV	Doodox Foodbook
About this Report	Message from Management	board Statement	ADOUL TOFC	and Social Peccapition	Sustainable Development	Governance	Environmental	Social	Chart of Key Performance Indicators	index of ESG indicators	GRI STANDARD INDEX	Readel Feedback

No.	Indicator	Related section(s)
	Article 35 (1) An overview of energy usage, including but not limited to the total direct and indirect consumption (expressed in tonnes of standard coal) of energy (e.g., coal, electricity, gas, or oil) categorized by type, the energy consumption structure, and the overall energy intensity (e.g., expressed as per unit of output).	Improve Environmental Governance Chart of Key Performance Indicators
	Article 35 (2) Details on the use of clean energy, including but not limited to wind, solar, hydro, geothermal, biomass, and marine energy, as well as the types, total amounts, and proportions of clean energy used such as natural gas.	Improve Environmental Governance Chart of Key Performance Indicators
	Article 35 (3) Energy saving goals and the specific actions taken, including but not limited to purchasing energy-efficient production, lighting, and temperature control equipment and implementing residual heat and pressure recovery and tiered energy use, and any specific challenges encountered in the use of energy.	Improve Environmental Governance
Section 3 Resource Utilization and Circular	Article 36 (1) An overview of the usage of water resources, including but not limited to total water consumption (expressed in tonnes) and usage intensity (e.g., per unit of output).	Improve Environmental Governance Chart of Key Performance Indicators
Economy	Article 36 (2) Water conservation goals and the specific actions taken, and any specific challenges encountered in the recycling and the use of water resources.	Improve Environmental Governance
	Article 37 (1) The specific goals and plans established to achieve a circular economy.	Improve Environmental Governance
	Article 37 (2) The specific actions taken in the reporting period toward achieving a circular economy, including reducing the use of resources, improving resource efficiency, using renewable resources, and preventing and reducing waste creation and recycling wastes.	Improve Environmental Governance Chart of Key Performance Indicators
	Article 37 (3) The specific progress and achievements in attaining circular economy objectives in the reporting period, such as the recycling and comprehensive utilization of wastes (including the amount of waste recycled), the consumption of renewable resources, and the proportion of renewable resources in the total amount of resources consumed.	Improve Environmental Governance Chart of Key Performance Indicators
Social Informa	ation Disclosure	
	Article 39 (1) If a high proportion of the disclosing entity's businesses is in the rural and poverty alleviation areas, it shall, in the context of its business activities, disclose in detail how its support for rural revitalization and for current progress on poverty alleviation is integrated into its corporate strategies.	Commitment to Public Welfare
Section 1 Rural Revitalization	Article 39 (2) The specific actions taken to support the specialty industries and local employment in rural areas in the context of its business activities in the rural and poverty alleviation areas, as well as other specific actions taken to support rural revitalization.	Commitment to Public Welfare
and Social Contributions	Article 39 (3) The specific achievements, such as the total investment made and the scope and number of beneficiaries in the reporting period, and the impact on the company's brand and businesses.	Commitment to Public Welfare
	Article 40 A disclosing entity shall provide an overview of its contributions to the public and society in the reporting period, including but not limited to details on any charitable and volunteer activities organised, the amount of funds invested, number of personnel and time allocated, the outcomes, and the impact on its brand and businesses.	Commitment to Public Welfare

No.	Indicator	Related section(s)
Section 2 Innovation- Driven Development and Ethics of	Article 42 (1) The strategies and objectives for technological innovation and, if investment is involved, the arrangements for fundraising and the safeguards.	Drive Innovations with Intelligent Manufacturing
	Article 42 (2) Details on its innovation activities, such as the creation of institutional systems for R&D and innovation management, its involvement in R&D and innovation projects and technology collaboration projects, the amount and percentage of R&D expenditure relative to its operating revenue, the number and proportion of R&D personnel, and the number of invention patents applied in its principal businesses.	Drive Innovations with Intelligent Manufacturing
	Article 42 (3) R&D progress and achievements, professional qualifications, and significant awards received, including the number of invention patent applications filed and granted and the number of valid patents; its certification as a high-tech enterprise; and national science and technology awards received in the reporting period.	Drive Innovations with Intelligent Manufacturing
	Article 42 (4) Any achievements in innovation and of their application in promoting the new quality productive forces and the impact on the broader economy, society, environment, and stakeholders.	Drive Innovations with Intelligent Manufacturing
Science and Technology	Article 43 (1) The fields of the company's scientific and technological activities such as research and development, and the ethical standards in science and technology it adheres to.	1
	Article 43 (2) Rules within the company's internal management systems that concern the ethics of science and technology and the company's observance thereof, the establishment of any ethics (review) committee for science and technology programs and its operations.	1
	Article 43 (3) Any instances of a violation of the ethics of science and technology, including an overview of such violations, the penalties imposed by competent authorities, the internal investigation and accountability processes conducted, and the corrective actions taken (if any).	1
	Article 43 (4) The internal and external training on ethics in science and technology and efforts to raise public awareness on the related topics.	1
	Article 45 (1) An overview of its supply chain risk management program, including but not limited to its objectives and specific plans for supply chain risk management, risk response mechanisms, actions taken, and their outcomes.	Sustainable Supply Chain
	Article 45 (2) Actions, such as mergers, acquisitions, or reorganization and technological innovations, and the positive outcomes related to maintaining supply chain security and increasing the company's competitive edge in supply chain management.	Sustainable Supply Chain
Section 3 Suppliers and Customers	Article 46 If the balance of accounts payable (including notes payable) exceeds RMB30,000,000,000 or represents more than 50 percent of the total assets at the end of the reporting period, the disclosing entity shall disclose the amount of overdue accounts payable as of the end of the reporting period and the solutions it plans to implement.	
	If a disclosing entity or one of its subsidiaries publicly indicates through the National Enterprise Credit Information Publicity System that it owes an overdue payment to a small and medium-sized enterprise ("SME"), it shall disclose the amount of the overdue payment, the payment term for SME suppliers, the reasons behind the overdue payment, whether the overdue payment has led to litigation or arbitration, and the solutions.	Sustainable Supply Chain
	The Exchange encourages other disclosing entities to make disclosures in line with the provisions of the preceding two paragraphs.	

About this Report Message from Management Board Statement About YOFC Industry Leadership Performance Highlights in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedback

No.	Indicator	Related section(s)
	Article 47 (1) The establishment, execution, and specific measures of the product and service quality management systems and policies.	Excellent Quality Assurance
	Article 47 (2) Quality management-related certifications received by the company and the certification status of its quality management systems for the major products and services.	Excellent Quality Assurance
	Article 47 (3) Any significant safety or quality liability incidents in the reporting period relating to its products and services, including the nature of such incidents (e.g., administrative penalties), their impact and the amount of damages, and the actions taken in response and the progress on those actions (if any).	Excellent Quality Assurance
Section 3 Suppliers and	Article 47 (4) The establishment and implementation of after-sales service and product recall policies, the channels for receiving customer complaints, and the process and outcome of complaint handling.	Excellent Quality Assurance
Customers	Article 48 (1) The development, functioning, and specific measures of its data security management system and certifications (if any)	Excellent Quality Assurance
	Article 48 (2) The specific circumstances of the data security incidents that occurred during the reporting period, including the impact caused, the amount of money involved, the countermeasures taken and the progress made (if any).	Excellent Quality Assurance
	Article 48 (3) The development and functioning of its customer privacy protection system.	Excellent Quality Assurance
	Article 48 (4) Details on any privacy breach incident that occurred in the reporting period, including its impact, the monetary amount involved, and the actions taken in response and the progress on those actions.	Excellent Quality Assurance
	Article 50 (1) Employment and compensation policies and how they are implemented, information including but not limited to job creation and flexible employment in the reporting period, a breakdown of the gender and age distribution of employees at the end of the period, as well as information on payment of salary and social security, labor disputes, employee turnover, protection of the rights of flexible employees and the compliance, fairness, and transparency of the recruitment and hiring procedures.	Promote Talent Development
Section 4 Employees	Article 50 (2) Basic information on occupational health and safety, including but not limited to the identification and assessment of occupational safety risks and their sources, the establishment and implementation of the occupational health and safety management systems, the obtainment of certain certifications, related training, the investment in and coverage of work-related injury insurance and workplace safety liability insurance, and the details of any safety accidents that occurred in the reporting period.	Promote Talent Development
	Article 50 (3) General information on employee career development and training, including but not limited to the disclosing entity's position structure, the mechanisms for employee promotion, selection, and career development, the type, frequency, and implementation of employee training, as well as the annual expenditure on training and the training coverage rate.	Promote Talent Development Chart of Key Performance Indicators

No.	Indicator	Related section(s)				
Disclosure of Sustainability-related Governance Information						
Section 1 Sustainability- Related	Article 52 The Exchange encourages each disclosing entity to, in line with its realities, disclose information on the due diligence it has conducted during the reporting period in relation to identifying and responding to the negative sustainability-related impacts or risks, including but not limited to the organization or personnel carrying out the due diligence, the scope of due diligence, the procedures for identifying such negative impacts or risks, and the details on its response to the relevant negative impacts and risks.	Execute Responsible Management				
Governance Mechanisms	Article 53 (1) The establishment and execution of its stakeholder engagement rules.	Execute Responsible Management				
	Article 53 (2) The channels for receiving and responding to stakeholder comments and suggestions and how they are implemented, e.g., the method, frequency, and content of the relevant communications.	Execute Responsible Management				
	Article 55 (1) The establishment and operation of the anti-commercial bribery and anti-corruption risk management system, and whether a whistle-blower protection policy has been established.	Practice Business Ethics				
	Article 55 (2) An assessment of the commercial bribery and corruption risks.	Practice Business Ethics				
	Article 55 (3) The total count and percentage of board members, management-level staff and other employees who received anticommercial bribery and anti-corruption training.	Practice Business Ethics				
Section 2 Commercial Behaviors	Article 55 (4) Details about all commercial bribery and corruption incidents that occurred in the reporting period, including the specifics of the resulting dismissals or disciplinary actions against any board members, management-level staff and employees, investigations by competent authorities, termination or non-renewal of contracts with business partners, and any lawsuits against the disclosing entity, its board members, management-level staff or employees (if any).	Practice Business Ethics				
	Article 56 (1) The establishment, operation, and specific measures of the management system to prevent unfair competition (e.g., untrue publicity, implementing monopoly behaviors, and infringing on commercial secrets).	Practice Business Ethics				
	Article 56 (2) If any litigation or significant administrative penalties arise from the disclosing entity's anti-competitive practices in the reporting period, it shall disclose the specifics about the litigation, the amount involved, the administrative penalties imposed, and its corrective actions.	Practice Business Ethics				

nout this Report Message from Management Board Statement About YOFC Industry Leadership Performance Highlights in Governance Environmental Social Chart of Key Performance Indicators Index of ESG Indicators GRI STANDARD INDEX Reader Feedly

GRI STANDARD INDEX

Report Structure	GRI Standard Number
About this Report	2-2; 2-3
Message from Management	
Board Statement	2-12; 2-14
About YOFC	2-1; 2-6; 2-22
Industry Leadership and Social Recognition	
Highlighted Performance in Sustainable Development	
Governance	
Execute Responsible Management	2-16; 2-29; 3-1; 3-2; 3-3
Strengthen Compliance Building	2-9; 2-10; 2-13
Practice Business Ethics	205-1; 205-2; 205-3; 206-1
Environmental	
Address Climate Change	201-2
Improve Environmental Governance	302-4; 302-5; 303-1; 303-3; 303-4; 305-5; 306-1; 306-2; 306-4
Green Management Practice	302-4; 302-5; 303-1; 303-3; 303-4; 305-5; 306-1; 306-2
Social	
Excellent Quality Assurance	3-3; 301-3; 416-1; 416-2
Drive Innovations with Intelligent Manufacturing	1
Sustainable Supply Chain	308-1; 414-1; 414-2
Promote Talent Development	2-7; 2-19; 2-20; 2-21; 201-3; 401-1; 401-2; 401-3; 403-1; 403-2; 403-3; 403-4; 403-9; 403-10; 404-1; 404-2; 405-1; 416-2
Commitment to Public Welfare	203-1; 413-1
Appendix	
Chart of Key Performance Indicators	1

Reader Feedback

Dear reader:
Thank you for reading our 2024 Environmental, Social and Governance (ESG) Report & Sustainability Report. For better communication with you and other stakeholders, continuous improvement of our ESG performance and the preparation of future reports, we sincerely hope to listen to your valuable comments and suggestions, and we truly look forward to your feedback in this survey.
Please provide your specific feedback:
How would you rate this report?
○ Excellent ○ Good ○ Average ○ Inadequate
2. How would you rate the clarity, accuracy and completeness of the information and data disclosed in this report?
○ Excellent ○ Good ○ Average ○ Inadequate
3. How would you rate the comprehensiveness of this report in reflecting the corporate economic responsibilities?
○ Excellent ○ Good ○ Average ○ Inadequate
4. How would you rate the comprehensiveness of this report in reflecting the corporate environmental responsibilities?
○ Excellent ○ Good ○ Average ○ Inadequate
5. How would you rate the comprehensiveness of this report in reflecting the corporate social responsibilities?
○ Excellent ○ Good ○ Average ○ Inadequate
6. How would you rate the design and layout of this report in terms of readability?
○ Excellent ○ Good ○ Average ○ Inadequate
7. What do you think has the biggest room for improvement in this report?
○ Governance ○ Safety ○ Product & Service ○ Employee ○ Environmental ○ Social
8. What you would like to know but are not disclosed in this report are:

9. Your feedback on our environmental, social and governance efforts and on this report:



Address: No. 9 Guanggu Avenue, Wuhan, China

Postal Code: 430073 Phone: 027-68789088 Website: www.yofc.com