

(STOCK CODE:601869.SH 06869.HK)

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
ndustry Leadership and Social Recognition	13
Performance Highlights in Sustainable Development	19

02 Environmental

Address Climate Change	35
Improve Environmental Governance	41
Green Management Practice	51

01 Governance

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

03 Social

Excellent Quality Assurance	59
Drive Innovations with Intelligent Manufacturing	69
Sustainable Supply Chain	77
Promote Talent Development	81
Commitment to Public Welfare	96

Chart of Key Performance Indicators	101
Index of ESG Indicators	106
GRI STANDARD INDEX	119
Reader Feedback	120

About YOFC

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.

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Industry Leadershi and Social Recogniti

Sustainable Dev

Message from Management

Reflecting on the past year, our steady progress has taken us far. In 2024, the rapid development of 5G, AI, 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

optimization, and sustainable development.



About YOFC



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, lowcarbon 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 guality 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 About YOFC Industry Leadersh and Social Recogni Performance Highlights II

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

Yangtze Optical Fibre and Cable Joint Stock Limited Company (also known as "YOFC"), founded in May 1988, is a technologically innovative enterprise specializing in optical fibre and cable industry chain and data communication products and solutions, as well as a leading global supplier of optical fibre preforms, optical fibre, optical cable and integrated solutions. Ever since 2016, 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.



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).







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Industry Leadership and Social Recognition Performance Highlights in Sustainable Development

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

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.



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Corporate Culture of YOFC



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 "Client 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.

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Sustainable Development Strategy



About YOFC

Industry Leadership and Social Recognition





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



Among them, we hosted the revision of

5 international standards

By the end of 2024, the Group had secured over

authorized and

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 highquality 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 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.

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 AI 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.





China Mobile Global Partners Conference



About YOFC Industry Leadership and Social Recognitio

Public Recognition

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



Recognition for the Group's branches and subsidiaries

Yangtze Optical Cable (Suzhou) Company Limited

and Innovative "Little Giant" Enterprise

National-Level High-Tech Enterprise

Suzhou Municipal Health Commission

2023 Suzhou Model Enterprise for Occupational Disease Prevention and Control

Yangtze (Jiangsu) Marine Technology Company Limited

Jiangsu Provincial Department of
 Industry and Information Technology

The Provincial Green Factory by Jiangsu Province

Yangtze Optical Fibre Qianjiang Company Limited

Hubei Provincial Department of Economy and Informatization

Single-Category Champion Manufacturing Enterprise of Hubei Province in 2023

Yangtze (Wuhan) Optical System Corporation

Hubei Provincial Department of Economy and Informatization

Single-Category Champion Manufacturing Enterprise of Hubei Province in 2023

EverPro (Wuhan) Technologies Joint Stock Limited Company

Green Carbon Tracking and Smart Buildings Magazine

The Most Influential Brand in the Intelligent Building Industry in 2024

🐟 🛛 HiVi Magazine (Japan) 🔹 👁 –

The "BEST BUY Award" of the Summer 2024

VGP 2024 Gold Award

-- The 25th CIBIS Building Intelligentization Summit +--

Award for Top Ten Comprehensive Cabling Brands Excellent Practice Award for Data Center

Everfoton Technologies Corporation Limited Wuhan Municipal Department of Economy and Informatization * * * * * * * * * * * * * * * * * *
 and Informatization "2024 Potential Unicorn"enterprise by Hubei Province and Wuhan City Science and Technology Innovation and New Economy Development Bureau of * East Lake High-Tech Zone "2024 Optics Valley Gazelle Enterprise"
Province and Wuhan City Science and Technology Innovation and New Economy Development Bureau of East Lake High-Tech Zone "2024 Optics Valley Gazelle Enterprise"
 New Economy Development Bureau of East Lake High-Tech Zone "2024 Optics Valley Gazelle Enterprise"
→ The 3rd "China Laser Star Awards" ◆
The "Best Fibre Laser Technology Innovation Award"
The "Eaglet Plan" Award
Vico Cup · OFweek 2024 Laser Industry Annual Awards
The "Most Promising Enterprise for Growth in the Laser Industry"
Broadex Technologies Company Limited
ZTE Corporation
The "Best Service Support Award"
The "Best Quality Performance Award"
The "Best CQE"
Xunshi Optical Communication Hero List
EverPro (Hanchuan) Technologies Company Limited
Responsible Business Alliance (RBA) Silver Award
YOFC Brasil Cabos e Solucoes Ltda
Great Place to Work Institute Great Place To Work® Brasil

Performance Highlights in Sustainable Development



UNGC 2024 Forward Faster Now Asia & Oceania
2024 ESG Global Leaders Conference
2024 China Mobile Global Partners Conference
China Mobile Computility Network Future Industry and Consortium Innovation Forum
Release of Key Achievements in China Mobile Hollow-Core Optical Fibre and Transmission Systems
China Telecom Tianyi Supply Chain Ecosystem Development Forum
2024 China Unicom Global Partners Conference
New Product Launch Conference: "Light up a New Future of Transmission"
Joint Learning and Development Activity for Party Building at the MIIT Press and Publicity Center
The First "Yangtze River Venture Capital Day" of Hubei Province
The 2nd YOFC Innovation Day

Message from Management

About YOEC

Performance Highlights in Sustainable Development







- · Carry out the double materiality analysis, including the impact materiality and financial materiality of ESG issues, and fully respond to the demands of stakeholders.
- · 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.





- · 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".
- · 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".
- responsibility that suppliers should follow.
- 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, 15 industry standards, and 8 group standards.
- obtained over 130 overseas authorized patents.
- optical fibres, and has provided high-quality hollow-core optical fibre, cable and connectivity solutions for China's three core 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.





• 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

• Sales and technical staff are required to respond to complaints within 24 hours and resolve them within 48 hours.

standards, 3 industry standards, and 1 group standard; contributed to the revision of 3 international standards, 8 national

• Cumulatively hold over 1,790 authorized and valid Chinese patents, including over 780 invention patents, and has

Leading the industry in the scale manufacturing of long-segment, ultra-low-loss hollow-core

major carriers' pilot projects within the operating networks, the long-distance transmission trials and verification of hollow-



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.

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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.







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 issues.

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 Governance Structure of YOFC

oard of Dir	ectors
	\uparrow
orts	Work report
	\uparrow
G Leading	Group
s	Work report
G Working	g Group
	\uparrow
SG	Plan and operate ESG initiatives



ESG Leading Group



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.

Industry Leadership and Social Recognition About YOFC

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 chain Compliance 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
کیک 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.



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



for future practice

Materiality to the corporate finance

Assessment on material 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.

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,

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,

			Social
ement and business ethics supply chain	technology innovation	•	Environmental
			Governance
Response to climate ch	Product responsibility		
e			
ance			
		Hial	h

About YOFC Industry Leadershi

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.



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



Message from Management

About YOFC Board Statement

Industry Leadershi and Social Recogniti

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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



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.

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.





with over

98% of employees participating



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.

Industry Leadershi and Social Recogniti About YOFC

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.



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



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, whistleblowing, conducting investigations, reporting findings, and implementing remediation and penalties.

Flow chart for addressing fraud incidents



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.

• In the event of suspected fraud, both internal and external parties can report the

 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

• 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

Environmental

YOFC is fully aware of the far-reaching impact that the environment and climate may have on the corporate operations, and has actively taken a series of initiatives to address the challenges posed by the environment and climate change. We continuously enhance environmental governance in our production and operations, pursue high efficiency and environmental friendliness, and promote the use of clean energy and the development of energysaving 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.







About YOFC Industry Leadersh

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.



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.



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.

Climate change governance structure of YOFC

ard of Directors	
eading Group	
evelopment Division	
ananias in the Crown	
npanies in the Group	
Procurement Logistics	Others

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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.

37

ment Board Statement

About YOFC Industry Leadership and Social Recognitic Sustainable Development

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Strategy

YOFC has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework as a reference for climaterelated 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 sce	narios	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.

Climat	te scenarios	Risks & Opportunities	Response measures
RCP 8.5 Physi scena		 Rising temperatures make it necessary for the Group to deploy more cooling equipment, resulting in higher operation costs; During high temperature seasons, employees may not be able to work outdoors for long periods of time, which may adversely affect operational efficiency; 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. 	 Adopt energy-efficient cooling technologies and equipment to reduce energy consumption; Increase the thickness of buildings' thermal insulation; Rationally plan production, thoughtfully organise production, and improve operational efficiency; Establish a sound response mechanism and reserve materials for emergencies, and regularly improve the response strategy to ensure production continuity.
	Policy and legal risks	 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 claims; China's carbon trade will implement a carbon pricing mechanism, which will result in higher operation costs; 	 Closely monitor changes in environmental laws, regulations and policies, and develop corresponding responses in a timely manner; Actively promote energy-saving and emission reduction measures, increase the use of clean energy and phase out 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 talen cultivation and retention measures;
IEA Trans B2DS scena	n risks	• Failure to promptly identify and implement low-carbon technologies can cause a company's product low- carbon transformation to lag behind industry standards, negatively impacting its financial performance.	 Continuously promote the eco-design of products to further enhance their green and low-carbon attributes; Research and apply low-carbon technologies and actively engage in industry cooperation.
	Market risks	 Downstream market customers enquire about emission reduction performance, requesting greater transparency in the information disclosure of emission reduction progress and the provision of carbon footprint data for the products and provide carbon footprint data for the product; Products fail to effectively meet consumer demand for green and low- carbon products; 	 Actively develop green and low-carbon products to meet consumer demand; Provide carbon footprint data of certain products as requested by customers; Promote emission reduction along the supply chain; Promote resource and energy conservation; Enhance the recycling rate of resources;
		Costs of raw materials and energy rise	 Build an energy information platform to monitor and analyze energy use and

Board Statement

pout YOFC Industry Lead

on Performance Highlights in Sustainable Development

		Climate	e scenarios	Risks & Opportunities	Response measures
IE B2	A 2DS	Transfor- 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	Supportive policy incentives.	 Actively explore the application of new technologies, equipment and techniques to improve the efficiency of
			Product &	 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;
	ansfoi portu	rmation nities	Market	 User preference shifts amplify green market demand; 	 Strengthen the R&D of low-carbon technologies and increase the
			market	 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 mo
2	Risk evaluation	Based on the macro environme own business development cha the operation scope and proce transformation risks that could r comprehensive climate change ri
3	Risk prioritization	Comprehensively analyze the operations, including the potentia
4	Risk responses	For the identified climate risks measures and plans to strengthe

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



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. odel of YOFC worldwide and specify the boundaries

nent, industry risks and other information, together with our naracteristics and planning, and incorporate factors such as cess segments to identify the climate-related physical and I materially affect the Group's business, and then establish a risk list

e potential impact of climate change on YOFC's business al financial risks, and filter out the key climate risks

ks, we develop and implement corresponding en our response capabilities





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.

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.

About YOFC

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 gualified 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 ⊕.

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.

Define the

boundary of

GHG emissions management process

emission sources carbon emission in production and operation YOFC conducts comprehensive life cycle carbon footprint research in accordance with the ISO 14067 standard.

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Identify the

categories of

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



database selection for optical cable products.





ISO 14001:2015 Environmental Management System Certificate of YOFC





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

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



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

efficiency.

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

equipment

year, and reducing the CO2e emissions by about 87 tonnes.

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



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 2024

Deepened energy-saving management

emissions by 1,827 tonnes.



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 AI 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

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

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

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

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 ÷∰∹

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



	water-saving initiati
Equipment maintenance	Regularly inspect and maintain water eq water runoff, seepage, dripping and leaka
Online monitoring	Monitor the water supply pipeline netwo spot water consumption anomalies and c
Reclaimed water recycling	Establish the quartz wastewater station in quartz processing is reclaimed and pum the rooftop of the adjacent building to be of cooling, lowers the impurities in the wa 5,250 tonnes of water annually.
Rainwater recycling	Rainwater recycling system at the head and then transported through pumps headquarters, reducing fresh water const
Inclusion into performance evaluation	Strictly comply with the annual water con water cost management into department water and reduce water wastage.
	ving upgrade project for circulating co

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.

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.



Water-saving initiatives by YOFC

r equipment, piping facilities and water appliances to avoid eakage and other scenarios of uncontrolled water running.

etwork through the online monitoring platform to promptly nd carry out corresponding remedial measures.

ion reclaimed water recycling project: The wastewater after bumped to the cooling tower of the refrigeration system on b be recycled as cooling water, which achieves the purpose e water and reduces fresh water consumption, saving about

eadquarters: The rainwater is collected in recycling tanks, nps and pipes to be used for greening purposes at the onsumption and saving about 300 tonnes of water per year.

r consumption plan issued by the government, and include mental evaluation, so as to motivate departments to save

cooling water system of CCV production line



External circulating water cooling system upgrade for the CCV vertical tower

About YOFC

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.



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



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.



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

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

Wastewater management and control	 Installed flow monitoring instruments at the main of environmental protection facilities.
Online monitoring	 We have installed at each main outlet an onli environmental protection bureau, monitor the basis, and then report the monitoring res authorities to ensure that the wastewater is di

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



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

- nain wastewater outlets of each factory.
- eatment facilities to meet discharge standards Itlets of each factory.
- atment facilities to ensure the stable operation







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



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.



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

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/m ³	30	65
HCI	mg/m ³	50	100
Particles	mg/m ³	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 value chain activities on biodiversity. We regularly conduct environmental monitoring to evaluate the impact of our production and operation on the surrounding environment, and incorporate biodiversity into the issues of concern for our operations.



⁶ To design, construct and put to use simultaneously

gement Board Statement

Industry Leadership

Green Management Practice

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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.

About YOF

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"



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.

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 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.



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.

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About YOFC Industry Leadership

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 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 $62\%^7$ 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.

⁷ Calculated with 1km of 288-core cable.

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.

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.



we reduced the use of plastic ABS packaging materials by



we saved a total of

5,000 solid wood triangles throughout the year

Green Office Initiatives

About YOFC







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

As a model of corporate social responsibility, YOFC is committed to fostering the development of a harmonious society. We prioritize quality assurance as our cornerstone, drive growth through innovation, optimize supply chain management, focus on the mutual development of our employees and the company, and actively engage in public welfare and charitable initiatives to contribute to sustainable social development.





长飞光纤光缆股份有限公司

agement Board Statement

About YOFC

Social Recognition

Sustainable Development

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.



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	quanty manageme
	 Develop a framework for quality cu strategy
	 Establish and maintain a quality cu quality communication, sharing pla
Quality Culture Building	 Define the vision for quality manage guidelines (quality red lines), and c
	Plan, execute, and evaluate the pr
	 Plan, execute, evaluate, and public such as "Quality Month" and QCC
Quality lanagement Policy	Develop and maintain quality man
	 Drafting of technical standards by
Quality System Certification	 Develop and maintain procedures and for receiving external audit
	 Conduct third-party evaluation of s horizontal peer review)
	 Plan, organize, and evaluate quality
Internal Quality Audit	Certify internal quality auditors thro
	 Analyze internal quality audits and
Quality Goal Management	• Set, monitor and evaluate quality g
	Develop and maintain library of qu
Quality Tool	 Unify and maintain quality manage
Management	 Plan and introduce advanced qual line with actual quality performance
	 Establish quality tool training progr
Quality Incident	 Set up criteria for grading quality ir
Management	 Organize personnel to investigate, incidents at different grades
Quality Management Iformation System	 Guide and facilitate the planning, c information systems
Quality Organization and	 Evaluate the competence of quality up a competence enhancement planet
Competence Development	 The Group assigns quality profess for quality management
	Develop and maintain document m
Document Management	Select, build, and maintain docume
Management	 Audit documents and supervise im management procedures and stan

ement mechanism

culture-building activities based on corporate	
culture resource library (training resources, platforms, etc.)	
agement, design quality management d clarify quality commitments	L ^M -YS
promotion of best business practices	
olish outcomes of quality cultural activities C (Quality Control Circle) activities	
anagement guidelines and policies	
y external organizations	
es for applying for quality system certification	
f similar factories (suppliers, standards, and	
ality-specific audits across the Group	576
nrough organized programs	
nd provide recommendations	
y goals and supervise improvements	
quality tools	
gement methodologies	
ality management tools or methodologies in nce	
grams and mentoring projects	
r incidents	r
e, analyze, handle and review major quality	
, deployment and optimization of quality	
lity professionals based on the reality and set plan for the quality organizations	
ssionals to fulfill the needs of new businesses	
management procedures and standards	~
ment management information system	
improvements (refer to document andards)	

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 awardwinning 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.



Refers to a complaint expected to involve a large amount of money, or involve a strategic customer and

Responsible individuals Follow up on how the complaint is handled as well as the results, and report to the

Refers to a complaint expected to involve a moderate amount of money and affect product use, or

Responsible individuals Handled by the subsidiary head/product line general manager and reported to

Definition Refers to a complaint expected to involve a small amount of money and have a limited impact.

Responsible individuals Handled by the subsidiary quality function manager and reported to the and response measures subsidiary head/product line general manager.

> 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.



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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.



- 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.







esponden

and corporate customers.



service type).

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.

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

• Establish dedicated suggestion boxes to encourage customers to share their opinions and

• 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

· 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,

• Develop targeted improvement measures based on the analysis to continually enhance customer

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

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

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.

信息系统安全等级保护	依据《信息安全等级保护管理办法》的有关
备案证明	规定。 <u>长飞光好光魏最份有限公司</u> 单位
	89:
	第 <u>3级长飞光云上业工政同平台</u> 系统
	于以备案。
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中华人民共和国公安部监制	and it is and

Level III certificate for graded protection



AAA-Level Integration of Informatization and Industrialization Management System Certificate

PFC Industry Leadership

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.



100% of our employees



Selecting 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.



Information security management measures for third parties and partners
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 AI era.

the company invested a total of more than



accounting for

6 45% of revenue

an increase of

1.57% compared to the same period of last year





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 hollowcore 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.

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.

2024 Innovation highlights of YOFC







Industry Leadership and Social Recognition

Sustainable Development

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&I

R&D specialized training

Throughout 2024, YOFC conducted numerous R&D specialized trainings to raise the project management expertise of the R&D team, including R&D budget training, R&D tool training, and training on the whole process of R&D management. Through these trainings, R&D personnel can systematically learn and consolidate their theoretical knowledge of project management, master the use of R&D management tools, understand the new trends of R&D policies, and enhance their professionalism of project management, thus raising the success rate of R&D projects.



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.



Excellence-level Smart Factory of YOFC



Maturity certificate for intelligent manufacturing capabilities

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.

Machine Vision Quality Check

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 defectfree 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 guality. 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.

YOFC has always been committed to improving the



授予: 长飞光纤光缆股份有限公司

湖北省5G工厂

5G Factory of Hubei Province

湖北省经济和信息化厅

二〇二四年四月

Machine vision quality check

the inspection efficiency has been increased by

80%

the inspection rate can reach





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

DFC Industry Leadership

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.



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.

Promote Global Industrial Communication

In 2024, the rapid development of 5G, AI, 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.



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



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

Scree	ening & A	F ccess

Review & Evaluation

- 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.















chain:



- dispatching, and order tracking;
- supply chain
- reduce unforeseen logistics risks;
- and save port storage resources.
- suppliers and step up the frequency of monitoring;

Risk management for supply chain

///////

the categories of existing suppliers corresponding to these characteristics, YOFC has actively implemented a variety of

• 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

• 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.

• Established a comprehensive supply chain logistics management system, integrating production planning, sales orders, logistics control, warehouse inquiries, tender

• Established port warehouses, where goods are packed at professional locations to

· Goods are warehoused according to specified time to reduce port storage periods

• 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

• 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.

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.





- should follow.
- comply with environmental protection standards.

Qualified suppliers

- include occupational health & safety and labor management.
- equipment from qualified suppliers to meet the standards.
- 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

· 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

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

• We have formulated an annual special assessment plan for gualified suppliers and regularly conduct special assessments on social responsibility. Among them, environmental protection assessment indicators include the implementation of energy-saving and emission reduction projects and the establishment of energy management systems; social responsibility assessment indicators

· 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

 According to the External Supplier Code of Conduct, we provide various ESG communication and training sessions for gualified suppliers, covering anti-corruption training, carbon reduction review and promotion session, supplier safety & environmental protection session, etc. We would provide

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

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.



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 full

100% coverage of collective contracts

Management Board Statemen

OFC Industry Leadership

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



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.





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.	

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

Compliance training

Orientation

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.

WANTED

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.

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



response rate

81%

satisfaction rate

92%

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.

Highlights of democratic management initiatives



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.



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

Applied for mutual-aid medical insurance through the trade union system for employees

Distributed care packages to hospitalized employees

Applied for critical illness subsidies through the trade union system for employees



Established a dedicated care fund for employees in cases such as passing of an immediate family member or family financial difficulties

Offered an early retirement plan with monthly subsidies for longserving employees who are unable to continue in their current roles due to health issues

Employees suffering from serious illnesses received additional support, and medical leave was extended as needed based on individual



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.



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.

- Peru: Halloween celebrations blending Andean civilization and Western culture
- Mexico: Day of the Dead memorial ceremonies and Independence Day festivity
- Philippines: Mid-Autumn Festival reunion event
- Indonesia: Dragon Boat Race for the Dragon Boat Festival and Eid al-Fitr religious celebrations
- Poland: Tribute event for Women's Day





Cross-cultural events for overseas employees



YOFC Mexico Factory hosted Day of the Dead celebration

91

YOFC Indonesia Factory organized basketball competition

程建设杯"篮球赛开幕

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

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.

"Women's Role Balance" seminar

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

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 thirdparty 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.

Safety and Environme EHS De **Business Department** EHS Heads of Subsidiaries



al Prot	ection Commit	tee	
/			
partmen	nt		
			Headquarters
	Functiona	al Departme	ent Center
			Subsidiaries

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



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, gualification 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.



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

medical check-ups for employees

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

In November 2024, YOFC co-organized with the Emergency Response Bureau of the Development Zone the "Legal Education for Enterprises - Safety Red Line Awareness Training," with the aim of strengthening the awareness of safety responsibilities among managers at all levels. Officials from the Emergency Response Bureau were invited to give onsite legal explanations, and a total of 232 employees participated in this training in person, while employees from 19 subsidiaries participated in the training online. The training not only enhanced managers' understanding of work safety laws and regulations, but also further strengthened the safety red line awareness of the whole company, laying a solid foundation for workplace safety management.



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.)

Poland plant

60,000 RMB

390,000 RMB

Scholarships to Tsinghua University and Wuhan University of Technology



2024 Public welfare tree planting activity at YOFC





Donation of flood relief supplies from



Donation to Hubei Provincial Charity Federation and schools Donation for the care of retired soldiers





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

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

YOFC	
Scholarship	

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 universityenterprise 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



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





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.

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		
Livironmentar	Total direct energy consumption	MWh	146,716.22
	Unleaded gasoline	Liter	126,165.41
	Hydrogen	m³	758,059.36
	Propane	m³	155,442.59
	Diesel	Liter	876,418.13
	Liquefied petroleum gas ¹¹	kg	38,289.00
	Natural gas	m³	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.

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.

Category	Indicator	Unit	2024
	Resource use		
	Water usage ¹²		
	Total water consumption	m ³	1,958,048.04
	Water consumption intensity	m ³ /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	m ³	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

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.

Industry Leadership and Social Recognition

Performance Highlights in Sustainable Development

Category	Indicator	Unit	2024
	Hazardous waste		
	Waste organic solvents	Tonne	88.29
	Waste acid	Tonne	267.73
	Waste activated carbon	Tonne	74.21
Environmental [®]	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
Octai	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

¹⁴ Other hazardous waste includes laboratory waste, waste oil, and waste emulsion, among others.

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.

Board Statement

Industry Leadership and Social Recognition

Performance Highlights in Sustainable Development

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
Social	Mid-level management	%	100
	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%.

¹⁸ The number of suppliers refers to the data of production-related suppliers for the core business of YOFC.

Index of ESG Indicators

Index of HKEX

Mandato	ory Disclosure Requirements
Gover	nance Structure
A state	ement from the board containing the following elemen
(i) a di	sclosure of the board's oversight of ESG issues;
to eval	board's ESG management approach and strategy, in luate, prioritise and manage material ESG-related iss 's businesses); and
()	w the board reviews progress made against ESG-relation of how they relate to the issuer's businesses.
	ription of, or an explanation on, the application of the preparation of the ESG report: Materiality, Quantitativ
proces	ative explaining the reporting boundaries of the ESG as used to identify which entities or operations are inc s a change in the scope, the issuer should explain the e.
"Compl	y or explain" Provisions
A. Envir	onmental
Aspect /	A1: Emissions
Gener	al Disclosure
Inform	ation on:
(a) the	policies; and
the iss	npliance with relevant laws and regulations that have uer relating to air emissions, discharges into water ar dous and non-hazardous waste.
KPI A1	1.1 The types of emissions and respective emissions

KPI A1.4 Total non-hazardous waste produced (in tonnes) intensity (e.g. per unit of production volume, per facility).

Related section(s)

nts:

ncluding the process used sues (including risks to the	Board Statement
ated goals and targets with an	
e following Reporting Principles ve and Consistency.	About this Report
report and describing the cluded in the ESG report. If he difference and reason for the	About this Report

e a significant impact on and land, and generation of	Improve Environmental Governance
s data.	Improve Environmental Governance
uala.	Chart of Key Performance Indicators
where appropriate, intensity	Improve Environmental Governance
	Chart of Key Performance Indicators
and, where appropriate,	Improve Environmental Governance
	Chart of Key Performance Indicators

Industry Leadership and Social Recognition

ndicators	Related section(s)	
nvironmental		
ect A1: Emissions		
A1.5 Description of emissions target(s) set and steps taken to achieve	Address Climate Change	
em.	Improve Environmental Governance	
I A1.6 Description of how hazardous and non-hazardous wastes are ndled, and a description of reduction target(s) set and steps taken to nieve them.	Address Climate Change Improve Environmental Governance	
e of Resources		
ral Disclosure		
ies on the efficient use of resources, including energy, water and other naterials.	Improve Environmental Governance	
e: Resources may be used in production, in storage, transportation, in		
ldings, electronic equipment, etc.		
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	
A2.2 Water consumption in total and intensity (e.g. per unit of production ne, per facility).	Improve Environmental Governance Chart of Key Performance Indicators	
A2.3 Description of energy use efficiency target(s) set and steps taken shieve them.	Improve Environmental Governance	
A2.4 Description of whether there is any issue in sourcing water that		
for purpose, water efficiency target(s) set and steps taken to achieve	Improve Environmental Governance	
A2.5 Total packaging material used for finished products (in tonnes) and, pplicable, with reference to per unit produced.	Green Management Practice Chart of Key Performance Indicators	
	Chart of Ney Ferrormance Indicators	
The Environment and Natural Resources		
eneral Disclosure	Improve Environmental Governance	
sies on minimizing the issuer's significant impacts on the environment	Green Management Practice	
and natural resources.	5	
	Improve Environmental Governance	
3.1 Description of the significant impacts of activities on the onment and natural resources and the actions taken to manage them.	Green Management Practice	
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ndicators	Related section(s)
abor Standards	
eneral Disclosure	
nformation on:	Employment Management
(a) the policies; and	Employment Management
b) compliance with relevant laws and regulations that have a significant impact on the ssuer relating to preventing child and forced labor.	
PI B4.1 Description of measures to review employment practices to avoid child and	Employment Management
orced labor.	
KPI B4.2 Description of steps taken to eliminate such practices when	Employment Menorement
scovered.	Employment Management
Supply Chain Management	
General Disclosure	Full-Process Supplier
Policies on managing environmental and social risks of the supply chain.	Management
	Chart of Key Performance
(PI B5.1 Number of suppliers by geographical region.	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
PI B5.3 Description of practices used to identify environmental and social risks along ne 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
: Product Responsibility	
General Disclosure	
nformation on:	
a) the policies; and	Product Quality
b) compliance with relevant laws and regulations that have a significant impact on the ssuer relating to health and safety, advertising, labeling and privacy matters relating o products and services provided and methods of redress.	
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and	
nealth reasons.	Product Quality
	Product Quality
KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Customer Service
	Chart of Key Performance Indicators

ard Statement Abo

Industry Leadership and Social Recognition Performance Highlights in Sustainable Development

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

Article 24 A disclosing entity shall call emissions in the reporting period, and c tonnes of carbon dioxide equivalent. Th disclose Scope 1 and Scope 2 emissions

Any disclosing entity that uses carbon of amount of the carbon credits it uses. Any carbon emissions trading shall disclose and whether it has been ordered to tak investigated by a government agency with

The Exchange encourages those discloses a third party to audit or provide assurant other relevant figures.

Related section(s)

sing governance related to climate change ks, and opportunities management; indicators; in Chapter II of these Guidelines, a disclosing nation on its climate response as required by	Address Climate Change
essment of how climate change impacts its s, as well as how it responds to these impacts.	Address Climate Change
ties it has considered when assessing its climate	Address Climate Change
ity to adjust its strategies and business models ng term to adapt to climate change.	Address Climate Change
nade in the company's current and future and resource allocation to respond to climate	Address Climate Change
or planned by the company to update the ipment to directly or indirectly tackle climate	Address Climate Change
n created by the company to address climate e fundamental assumptions underpinning the	Address Climate Change
allocated by the company to execute the	Address Climate Change
xecuting the company's transition plan.	Address Climate Change
shall calculate and disclose its total GHG od, and convert different GHG emissions into valent. The disclosing entity is encouraged to emissions and, if able, Scope 3 emissions.	
carbon credits shall disclose the source and uses. Any disclosing entity that participates in disclose whether it has completed settlement ered to take corrective actions or is formally gency within the reporting period.	Address Climate Change Chart of Key Performance Indicators
se disclosing entities that are able to engage e assurance on the GHG emissions data and	

Board Statement At

Industry Leadership and Social Recognition

No.	Indicator	Related section(s)		
Section 1 Climate Response	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.	Chart of Key Performance Indicators Address Climate Change		
	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).			
	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	Address Climate Change Chart of Key Performance		
	accounting standards, methods, or assumptions in the reporting period, the disclosing entity shall state the reasons and specific impacts of these changes.	Indicators		
	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.	Address Climate Change Chart of Key Performance Indicators		
	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 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. 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	Address Climate Change Drive Innovations with Intelligent Manufacturing Chart of Key Performance Indicators		
			impacts thereof on its current period's and future financial positions and operating results, as well as the possible uncertainties and risks. 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	Improve Environmental		
	Control and Ecosystem Protection	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.	Governance Chart of Key Performance Indicators	

	Related section(s)
methods employed to treat ration, and results achieved by n in the concentration/intensity	Improve Environmental Governance
mount of discharge reduction actions taken to achieve these	Improve Environmental Governance
scharge on such groups as its	Improve Environmental Governance
penalties received by and any ne reporting period for pollutant nificant flaws in the company's risk management practices.	Improve Environmental Governance
nes) and density (e.g., per unit of hazardous wastes and non-	Improve Environmental Governance Chart of Key Performance Indicators
nd disposal of hazardous and	Improve Environmental Governance
ount of discharge of the wastes these targets.	Improve Environmental Governance
ny production and operational in the ecological red zones.	Improve Environmental Governance
n the protection and restoration nd operational sites, key land , ecological red zones, nature tical ecological functions or	Improve Environmental Governance
in the protection of wild plants n of natural habitats.	Improve Environmental Governance
in the protection, sustainable nitoring and early warning, and sources.	Improve Environmental Governance
nts in reducing its products' ecosystem, biological species resources over their life cycles.	Improve Environmental Governance
or environmental incidents, lated risks, and the overview of ergencies.	Improve Environmental Governance
, and duration of the major ting period; the classification of e outcome of these responses; iblic; and its corrective actions.	Improve Environmental Governance
inistrative penalties or criminal nd environmental authority or ing period for an environmental ations, the reasons for and the the company's production and ctions.	Improve Environmental Governance

out YOFC Industry Leadership and Social Recognition

No.	Indicator	Related section(s)	No.	Indicator	Related section
Section 3 Resource Utilization and Circular Economy	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.,	Improve Environmental Governance Chart of Key Performance Indicators		Article 42 (1) The strategies and objectives for technological innovation and, if investment is involved, the arrangements for fundraising and the safeguards. Article 42 (2) Details on its innovation activities, such as the creation of	Drive Innovatio with Intelligent Manufacturing
	expressed as per unit of output). 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		institutional systems for R&D and 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 Innovatio with Intelligent Manufacturing
	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 2 Innovation-	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 Innovati with Intelligen Manufacturing
	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	Driven Development and Ethics of Science and	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 Innovati with Intelligen Manufacturing
	Article 36 (2) Water conservation goals and the specific actions taken, and any specific challenges encountered in the recycling and the use of water	Improve Environmental Governance	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 37 (1) The specific goals and plans established to achieve a circular economy.	Improve Environmental Governance		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.	/
	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 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 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	Improve Environmental Governance Chart of Key		Article 43 (4) The internal and external training on ethics in science and technology and efforts to raise public awareness on the related topics.	/
ocial Informa	recycled), the consumption of renewable resources, and the proportion of renewable resources in the total amount of resources consumed.	Performance Indicators		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 S Chain
Section 1 Rural Revitalization and Social Contributions	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 corrected disclose	Commitment to Public Welfare	Section 3 Suppliers and Customers	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.	ng Sustainable Su
	corporate strategies. 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		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.	
	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		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. The Exchange encourages other disclosing entities to make disclosures in line with the provisions of the preceding two paragraphs.	Sustainable Supp Chain
	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			

Industry Leadership and Social Recognition

No.	Indicator	Related section(s)	No.	Indicator	Related section(
Section 3 Suppliers and Customers	Article 47 (1) The establishment, execution, and specific measures of the	Excellent Quality	Disclosure of S	Disclosure of Sustainability-related Governance Information			
	 product and service quality management systems and policies. 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. Article 47 (3) Any significant safety or quality liability incidents in the 	Assurance Excellent Quality Assurance	Section 1	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	Execute Responsible Management		
	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	Sustainability- Related Governance Mechanisms	Article 53 (1) The establishment and execution of its stakeholder engagement rules.	Execute Responsible Management		
	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	- - -	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 48 (1) The development, functioning, and specific measures of its data security management system and certifications (if any)	Excellent Quality Assurance		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 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 55 (2) An assessment of the commercial bribery and corruption risks.	Practice Business Ethics		
	Article 48 (3) The development and functioning of its customer privacy protection system.	Excellent Quality Assurance		Article 55 (3) The total count and percentage of board members, management-level staff and other employees who received anti- commercial bribery and anti-corruption training.	Practice Business Ethics		
	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	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	Practice Business		
Section 4 Employees	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	Duran da Taland	Deliaviois	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).	Ethics		
	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		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 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 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		
	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					

Industry Leadership and Social Recognitio

Performance Highlights in Sustainable Development

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 Go communication with you and other stakeholders, continuous im future reports, we sincerely hope to listen to your valuable con feedback in this survey.
Please provide your specific feedback:
1. How would you rate this report?
◯ Excellent ◯ Good ◯ Average ◯ Inadequate
2. How would you rate the clarity, accuracy and completeness of
⊖ Excellent ⊖ Good ⊖ Average ⊖ Inadequate
3. How would you rate the comprehensiveness of this report in re
\bigcirc Excellent \bigcirc Good \bigcirc Average \bigcirc Inadequate
4. How would you rate the comprehensiveness of this report in re-
◯ Excellent ◯ Good ◯ Average ◯ Inadequate
5. How would you rate the comprehensiveness of this report in re-
\bigcirc Excellent \bigcirc Good \bigcirc Average \bigcirc Inadequate
6. How would you rate the design and layout of this report in terr
\bigcirc Excellent \bigcirc Good \bigcirc Average \bigcirc Inadequate
7. What do you think has the biggest room for improvement in th
⊖ Governance ⊖ Safety ⊖ Product & Service ⊖ Emp
8. What you would like to know but are not disclosed in this rep

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

overnance (ESG) Report & Sustainability Report. For better mprovement of our ESG performance and the preparation of mments and suggestions, and we truly look forward to your

of the information and data disclosed in this report?

reflecting the corporate economic responsibilities?

reflecting the corporate environmental responsibilities?

reflecting the corporate social responsibilities?

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port are:



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