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2025

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

Yangtze Optical Fibre and
Cable Joint Stock Limited Company

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About This Report

Report Overview

This report provides a comprehensive overview of the environmental, social, and governance ("ESG") management initiatives and achievements in fulfilling corporate social responsibilities by Yangtze Optical Fibre and Cable Joint Stock Limited Company and its subsidiaries (hereinafter referred to as "the Group", "YOFC", "the Company" or "we") in 2025. This report should be read in conjunction with the relevant sections of the *2025 Annual Report of Yangtze Optical Fibre and Cable Joint Stock Limited Company* to provide readers with a holistic understanding of our ESG practices and achievements.

Report Scope

Reporting Period: 1 January 2025 to 31 December 2025. To enhance the completeness of the report narrative, certain content extends beyond the aforementioned period.

Reporting Boundary: Unless otherwise specified, the reporting boundary covers Yangtze Optical Fibre and Cable Joint Stock Limited Company and its subsidiaries. All monetary amounts in this report are denominated in Renminbi ("RMB"). YOFC regularly reviews its reporting boundary to ensure coverage of the material impacts of its overall business portfolio.

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).

Reporting Principles

This report is prepared in adherence to the principles of materiality, balance, quantifiability and consistency.

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 29, 2026.

Access to the Report

This Report is prepared in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese text shall prevail.

The simplified Chinese version of this report is available on the website of the Shanghai Stock Exchange ("SSE") (<https://www.sse.com.cn/>)

The Chinese Traditional and English versions of this report are published on the website of The Stock Exchange of Hong Kong Limited (the "Exchange") (<https://www.hkex.com.hk/>)

Reliability Statement and Assurance

The Board of Directors takes responsibility for the authenticity, accuracy and completeness of the report's content. The data and textual information contained in this report have been assured by Bureau Veritas Certification (Beijing) Co., Ltd., an independent international third-party assurance provider, in accordance with the *AA1000 Assurance Standard (Version 3)*, *International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000)* and other relevant standards. The independent assurance statement is included in the appendix to this report.

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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Message from Management

In 2025, the development of domestic communication infrastructure continued to improve, driving high-quality advancement across the telecommunications industry. As the inaugural year of the 15th Five-Year Plan period, 2026 sees clear national planning objectives set forth to further advance the development of a digital China, accelerate innovation in intelligent technologies including artificial intelligence, and bolster the efficient supply of computing power, algorithms and data. The national strategy also mandates the full roll-out of the "AI Plus" initiative to empower industries across all sectors in an all-round manner, charting a clear course for the growth of the optical communications sector. Climate change remains one of the most critical global challenges of the 21st century, and the resulting landscape of risks and opportunities is profoundly reshaping industrial development. Amid a market defined by intertwined challenges and opportunities, the Company maintains strategic resolve, and advances five core strategic priorities in a coordinated manner: overall business growth, international expansion, diversified development, technological innovation and digital transformation, as well as synergised capital operations. We continue to strengthen our core competitiveness, address environmental and societal transitions with a strong sense of responsibility, and honour our commitments as a responsible corporate citizen through tangible action.

38 Years of Leadership, Forging a Global Industry Benchmark

After 38 years of dedicated development, YOFC has achieved continuous top-ranking global market share in optical preforms, optical fibres and optical cables for 10 consecutive years through sustained independent innovation and steady operation. We have built a global industrial ecosystem covering more than 100 countries and regions, with 8 overseas production bases and over 20 overseas platforms. Guided by our mission of "Smart Link Better Life", we seize the explosive growth in computing power demand and connectivity opportunities brought by the artificial intelligence era, proactively embrace technological paradigm shifts, and accelerate the strategic transformation from a single product provider to an integrated cable and solution provider through the strategic portfolio of "AI-driven, multi-collaborative and global layout", achieving high-quality development of the Company. In 2025, we won multiple science and technology progress awards and was selected as one of the first batch of Pioneer-level smart factories by the Ministry of Industry and Information Technology. We have enhanced production efficiency and product quality through digital and intelligent upgrading, continuously consolidating our core competitiveness in the global optical communication industry.

Strategic Focus on Climate Governance, Building a Comprehensive Management System

We deeply recognise that addressing climate change is not only a social responsibility but also a strategic core for the long-term development of the enterprise. We have established a climate change governance structure spanning the governance, management and execution levels. By setting targets to achieve a 50% reduction in greenhouse gas emissions intensity in 2028 compared to 2021 and carbon neutrality by 2055, we have fully integrated climate considerations into the Company's strategic planning. In 2025, we conducted our climate scenario analysis to systematically assess the short, medium and long-term climate risks and opportunities affecting YOFC's operations and value chain. Going forward, we will dynamically adjust our climate strategies and continue to invest in carbon reduction technologies to comprehensively enhance the Company's climate resilience.

Taking Action for Green Development with Remarkable Results

Over the past year, we have firmly implemented the concept of green development. YOFC MT was awarded the title of National Green Factory, and YOFC Hanchuan Science and Technology Park became one of the first zero-carbon parks in Hubei Province, setting a benchmark for green manufacturing and zero-carbon operation in the industry. Furthermore, the Company has developed full product line carbon footprint accounting capabilities. As the sole representative from the optical fibre and cable industry, it participated in the "Carbon Pioneer" benchmarking in the information and communication sector. Meanwhile, we empower green operations through digitalisation: the Company launched the SmartCarbon carbon management platform which has obtained international certification, and the green practices of the headquarters building were selected as a national-level typical case. The global digital EHS platform was rolled out across all factories in 2025, solidifying the foundation for sustainable development.

Deepening Social Value Creation, Building Win-Win Harmonious Development

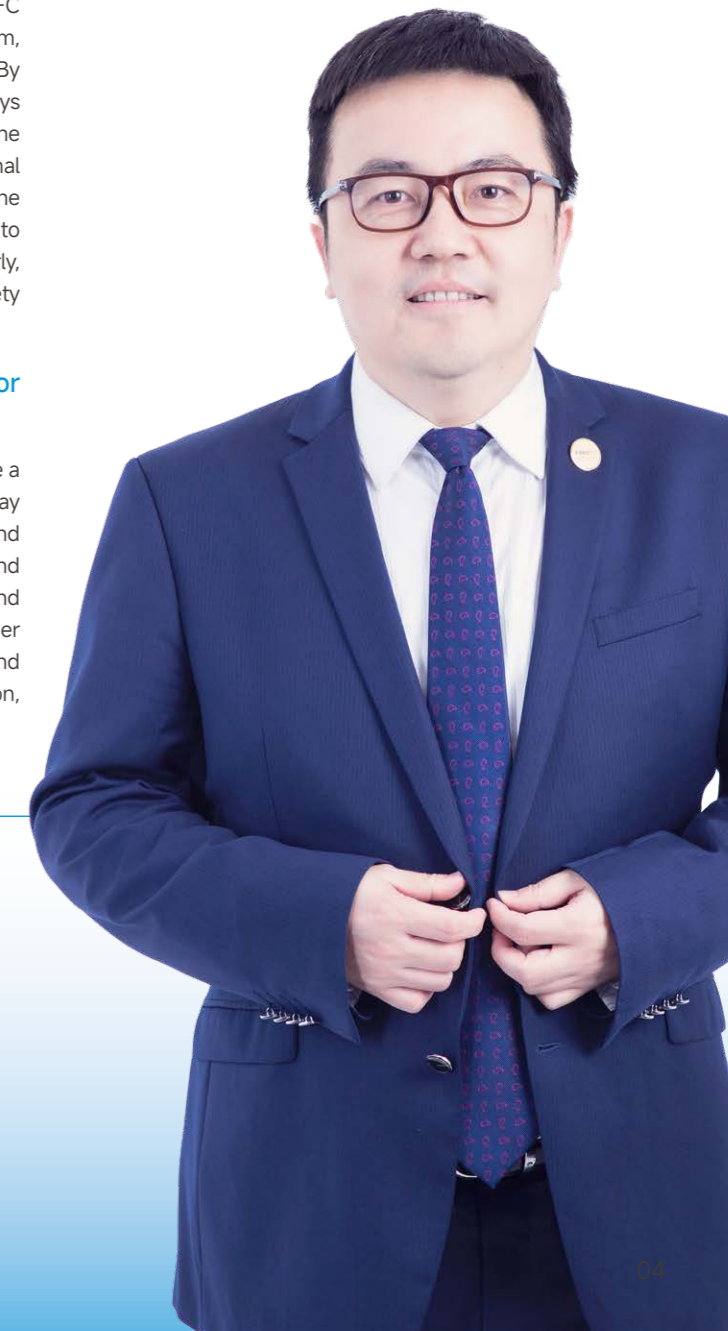
Adhering to our philosophy of "People-oriented, Symbiosis and Prosperity", we have continued to make efforts in protecting employee rights and interests, empowering the supply chain and giving back to society, ensuring that the fruits of development benefit more groups and demonstrating the responsibility and warmth of a corporate citizen. In terms of employee care, we prohibit all forms of discrimination and unfair treatment, and are committed to building a diverse, equal and inclusive workplace. Since obtaining approval for internal independent professional title evaluation in 2022, we have gradually established and improved a group-wide professional talent evaluation system. Over 400 employees have passed the assessment and been awarded the corresponding professional title certificates. We founded YOFC University to build a tiered and classified talent development platform, with annual total training hours exceeding tens of thousands. By providing employees with well-defined career development pathways and systematic training mechanisms, we have effectively optimised the Group's overall talent structure and enhanced collaborative professional capabilities. While achieving self-development, we have leveraged the resource advantages and social influence of an industry leader to continuously invest in caring for children's growth, respecting the elderly, consumption assistance and building digital rural areas, repaying society with practical actions.

Outlook for the Future: Building a New Ecosystem for Sustainable Development

Green, low-carbon development and social responsibility have become a global consensus for industrial development. Going forward, we will stay true to our vision of "To be the leader in information transmission and smart link", continue to increase investment in core technology R&D and green transformation, and deepen the construction of environmental and social governance systems. Upholding the core value of "Stakeholder Benefits", we will join hands with industrial chain partners, investors and all sectors of society to deepen cooperation in technological innovation, green development and social responsibility.

Yangtze Optical Fibre
and Cable Joint Stock Limited Company

Executive Director and President
Zhuang Dan



Board Statement

The Board of Directors of the Group ("Board") hereby issues this statement on the Group's ESG matters, comprehensively elaborating on the Board's oversight responsibilities, management policies and targets review mechanisms for ESG affairs to ensure compliance with the listing rules and regulatory requirements of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, and to disclose the Group's ESG management in a true and accurate manner.

As the supreme decision-making and oversight body for ESG affairs, the Board has integrated ESG into the Group's overall strategy and established a three-tier governance structure of "governance-led, management-coordinated and execution-implemented", clarifying the responsibilities of each tier. The Board comprehensively oversees the formulation and implementation of ESG strategies and policies, supervises ESG risk prevention and control, target advancement and resource allocation, holds at least one meeting annually to review material ESG matters, and urges the management to improve the ESG information disclosure mechanism to ensure that disclosed information is true, accurate, complete and timely. The Company has formulated the *Remuneration Management System for Directors and Senior Management*, which clearly links remuneration to sustainable development and ESG indicators as a key principle of remuneration management.

The Board continues to promote the deep integration of ESG and business, optimises ESG management strategies, and establishes a standardised process for topic assessment, prioritisation and risk control. In accordance with the regulatory requirements of the two stock exchanges, industry trends, stakeholder expectations and business characteristics, the Board has comprehensively sorted out core ESG topics, prioritised them through materiality assessment, and identified innovation-driven, product responsibility, sustainable supply chain and climate change tackling as double materiality topics. Meanwhile, a mechanism for identifying, assessing and responding to risks and opportunities at the topic level has been established, and risk management measures are dynamically optimised to ensure effective control and mitigation of various risks.

Based on the operational strategy, ESG topic assessment results and stakeholder feedback, the Board reviews and supervises the setting and implementation progress of ESG targets. All ESG targets ensure the orderly and sustainable development of the business, promote the synchronisation of ESG and business, and achieve the coordinated development of environmental, social and governance benefits.

About YOFC

Company Profile

Yangtze Optical Fibre and Cable Joint Stock Limited Company ("YOFC"), founded in May 1988 and headquartered in Wuhan, Hubei Province, is a leading global provider of optical fibre preforms, optical fibres, optical cables, data communication-related products and integrated solution. YOFC mainly manufactures and sells optical fibre preforms, optical fibres and optical cables in a wide range of standard specifications widely used in the telecommunications industry, as well as optical transceivers, special-purpose optical fibres, active optical cables, submarine cables, RF coaxial cables, accessories and other products developed in response to customer need. With comprehensive system integration capabilities, engineering design services and solutions, YOFC provides a broad portfolio of optical fibre and cable products and integrated solutions for the global telecommunications industry and other sectors, including utilities, transportation, petrochemicals and healthcare.

Innovation remains YOFC's core development strategy. The Company has built an industry-leading, fully integrated in-house R&D system and operates a number of national-level innovation platforms, including the National Key Laboratory of Advanced Technology for Optical Fibre and Cable Manufacturing and Application, the National Enterprise Technical Center, an Academician Expert Workstation and a Postdoctoral Research Workstation. It has been recognised as a National Technology Innovation Demonstration Enterprise. YOFC remains at the forefront of the domestic industry in core R&D capability. It is the only company in China's optical fibre and cable industry to have won the National Second Prize for Advancements in Science and Technology three time, has undertaken and participated in more than 50 national-level projects and research programmes, and has achieved globally leading technological breakthroughs in next-generation optical fibre.

YOFC was listed on The Stock Exchange of Hong Kong Limited in December 2014 (06869.HK) and on the Shanghai Stock Exchange in July 2018 (601869.SH). It is the only company in China's optical fibre and cable industry, and the first enterprise in Hubei Province, to be dual-listed in both the A-share and H-share markets. Since 2016, the Group has ranked first globally in market share of optical fibre preforms, optical fibres and optical cables for ten consecutive years.

NO.1

Core Businesses for Ten Consecutive Years

10,000+

Employees

100+

Countries and Regions

2,110+

Chinese Patents

130+

Overseas Patents



Corporate Culture of YOFC



Mission

Smart Link Better Life



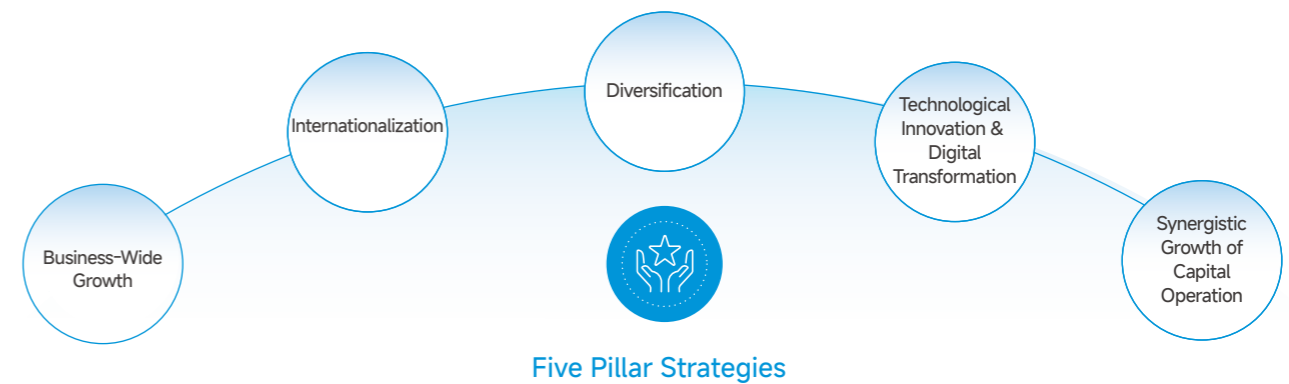
Vision

To Be the Leader in Information Transmission and Smart Link



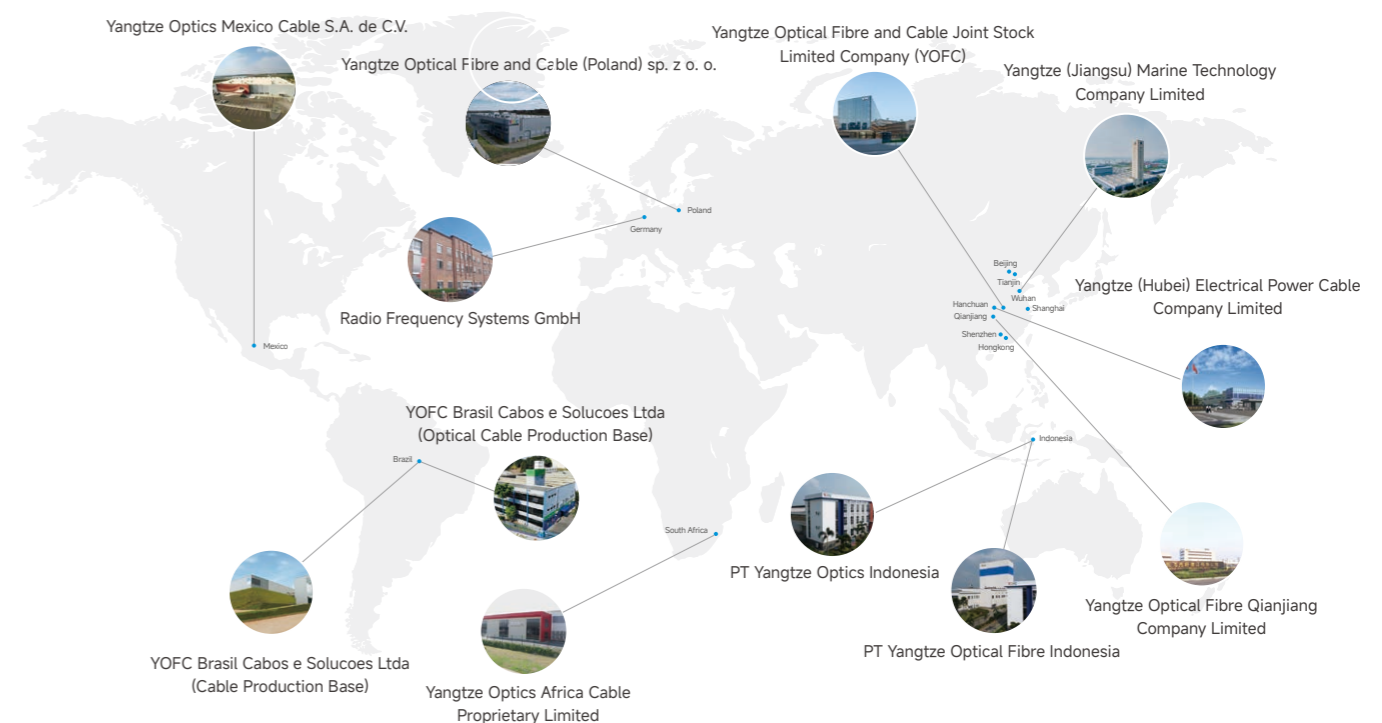
Core Values

Customer Focus, Accountability, Integrity, Innovation, Stakeholder Benefits



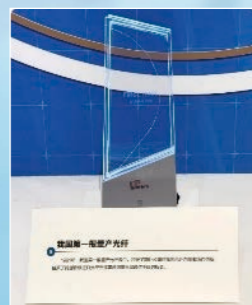
Global Business Presence

YOFC's business covers more than 100 countries and regions worldwide. The Company has established 8 overseas production bases and over 20 overseas platforms globally, and is committed to providing high-quality products and services to customers around the world.



Development Milestones

Over 38 years of dedicated progress, YOFC has completed the leap from an industry follower to an industry leader through the introduction, assimilation and re-innovation of technologies, driving technological advancement and coordinated industrial development across the sector.



1991

Produced China's first mass-produced optical fibre



2014

Listed on Hong Kong Stock Exchange



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
Acquired EverProX Technologies Company Limited (a company listed on the Shenzhen Stock Exchange)



2024

Acquisition of RFS Hannover and RFS Suzhou
Official opening of YOFC Mexico factory

1988

Established in Wuhan



2005

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



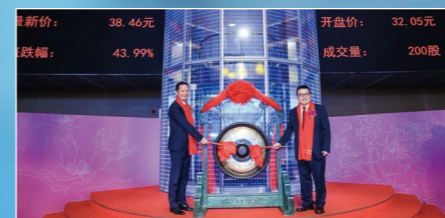
2016

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



2018

Listed on Shanghai Stock Exchange



2023

Investment in the construction of YOFC Everfoton Xiangyang Base



2025

47.8% year-on-year growth in overseas business, with revenue contribution exceeding 40% for the first time
Commercialisation of hollow-core optical fibre, including the world's longest 100 km Guangdong-Hong Kong commercial project



Awards and Recognition

As a leading enterprise in the optical communications industry, YOFC consistently focuses on industry trends and steadfastly advances its strategic priorities. We are committed to creating sustainable value for shareholders and customers while actively fulfilling our social responsibilities, earning broad recognition and trust.

Major Awards Received in 2025

- First Batch of Pioneer-level Smart Factory Projects**
Ministry of Industry and Information Technology
- 2025 Beautiful China Green Users for Space Case**
Ministry of Ecology and Environment
- Green-Label Enterprise**
Department of Ecology and Environment of Hubei Province
- Hubei Demonstration Zero-Carbon Park**
Hubei Carbon Emissions Exchange Centre
- 2025 Top 500 Sci-Tech Enterprises by Innovation Capability**
China Enterprise Evaluation Association
- First Prize of the 2025 Science and Technology Progress Award of the Chinese Society for Optical Engineering**
Chinese Society for Optical Engineering
- Second Prize of the 2025 Hubei Provincial Science and Technology Progress Award**
Hubei Provincial People's Government
- "Win-Win Cooperation Award"**
China Communications Standards Association
- 7th National Civilised Unit**
China Civilization Network
- "Core Supplier"**
China Mobile
- "Listed Company of the Year"**
Bloomberg Businessweek/Chinese Edition
- Top 50 ESG Value Listed Companies 2025**
Bohan Finance
- Top 20 A-share Communications Services Companies for ESG Information Disclosure in 2025**
Huazheng Index
- Climate Change Questionnaire - B**
CDP
- ESG Rating: AA**
Wind

Recognition for the Group's Branches and Subsidiaries

Award / Recognition	Awarded Entity	Presenting Organisation
Specialized and Sophisticated "Little Giant" Enterprise	Yangtze Optical Cable (Suzhou) Company Limited Everfoton Technologies Corporation Limited	Ministry of Industry and Information Technology
National High and New Technology Enterprise	Yangtze Optical Cable (Suzhou) Company Limited	Ministry of Industry and Information Technology
National Green Factory	Yangtze (Jiangsu) Marine echnology Company Limited	Ministry of Industry and Information Technology
Municipal Green Factory	EverProX Technologies Company Limited Radio Frequency Systems (Suzhou) Company Limited	Jiaxing Municipal Bureau of Economy and Information Technology Suzhou Municipal Bureau of Industry and Information Technology
Hubei 5G Factory	Yangtze (Hubei) Electrical Power Cable Company Limited	Department of Economy and Information Technology of Hubei Province
China's Top Ten Optical Industry Technologies - Optics Category	Everfoton Technologies Corporation Limited	Selection Committee for China's Top Ten Optical Industry Technologies
2025 Outstanding Green Innovation Case Award	EverProX Technologies Company Limited	ZTE Corporation
Best Workplace - Great Place To Work® Brasil	YOFC BRASIL CABOS E SOLUCOES LTDA	Great Place to Work Institute

YOFC's Management System Certifications and Qualifications

Management System / Qualification	Total in 2025
ISO 9001 Quality Management System	41
ISO 14001 Environmental Management System	30
ISO 45001 Occupational Health and Safety Management System	29
ISO 50001 Energy Management System	6
ISO 22301 Business Continuity Management System	4
ISO 37001 Anti-Bribery Management System	4
Green Factories at National, Provincial and Municipal Levels	6

◆ Main Exchanges and Events Attended in 2025

● Mobile World Congress Barcelona 2025 (MWC Barcelona 2025)

● Optical Fibre Communication Conference and Exposition (OFC 2025)

● The 26th China International Optoelectronic Exposition (CIOE 2025)

● The 51st European Conference on Optical Communication (ECOC 2025)

● LASER World of PHOTONICS CHINA 2025

● COMNEXT 3rd Next Generation Communication Technology & Solutions Expo (COMNEXT 2025)

● FibreConnect APAC Conference 2025 (FibreConnect APAC 2025)

● Mobile World Congress Shanghai 2025 (MWC Shanghai 2025)

● 2025 World Intelligent Manufacturing Conference (WIMC 2025)

● 2025 China 5G + Industrial Internet Conference

● ICT China High Level Forum 2025

● 2025 Communications Industry Conference

● 2026 ICT Industry Trends Annual Conference

● The 20th Optics Valley of China International Optoelectronic Exposition (OVC EXPO 2025)

● 2025 High-Quality Development Conference for Sci-Tech Enterprises

● China Institute of Communications 2025 (44th) Academic Annual Conference on Communication Lines

● China Mobile Global Partners Conference 2025

● China Unicom Partnership Conference 2025

● Global Compact Local Action: 2025 United Nations Global Compact China Office Annual Meeting – Commemorating 25 Years of United Nations Global Compact

● 2025 Sustainability Global Leaders Conference

● Green and Low-Carbon Supply Chain International Cooperation Exchange Conference

● The 5th Boao Conference on Carbon Neutrality 2025

● Forum on Empowering the Green Development of the Electronics Industry through a New Electricity-Carbon-Finance Service Model

● 2025 Seminar on Green New Technologies and New Products Applications in the Information and Communications Industry

● International Seminar on Life Cycle Assessment and Green Trade Development

● Seminar on Innovative Optical Communication Technologies and Applications in the Intelligent Computing Era

● "Forging the Path to National Strength: China's Manufacturing Achievements under the 14th Five-Year Plan" Exhibition

● "A New Landscape of Network Development" Achievement Exhibition



Sustainability Highlights

Governance



<p>Sustainability Management</p> <p>The Company has issued the policy document <i>Sustainable Development Policy</i> and formulated the <i>Sustainable Development Management Guidelines</i>, organised special training on sustainable development, and continuously enhanced its capacity for sustainable development.</p>	<p>Risk Management and Due Diligence</p> <p>The Company has successfully obtained certification for the ISO 22301 Business Continuity Management System.</p>	<p>Risk Management and Due Diligence</p> <p>The Company has improved its compliance verification mechanism and completed internal compliance certification surveys of more than 600 business partners.</p>
<p>Anti-commercial Bribery and Anti-corruption</p> <p>In 2025, no litigation cases arising from fraud or corruption occurred within the Group.</p>	<p>Anti-commercial Bribery and Anti-corruption</p> <p>Delivered integrity-themed training, achieving 100% attendance among directors, as well as 100% attendance among management and general employees.</p>	<p>Anti-commercial Bribery and Anti-corruption</p> <p>The Company has successfully attained certification for the ISO 37001 Anti-bribery Management System.</p>
<p>Anti-unfair Competition</p> <p>In 2025, no litigation cases arising from unfair competition or trade secret infringement occurred in the Group.</p>	<p>Data Security and Customer Privacy Protection</p> <p>In 2025, no privacy leakage incidents occurred at YOFC.</p>	<p>Data Security and Customer Privacy Protection</p> <p>Formulated the "Top Ten Information Security Targets", with all targets fully achieved.</p>

Social



<p>Innovation-Driven</p> <p>Hollow-core optical fibre achieved a global minimum attenuation of 0.04 dB/km, with a single preform drawn to 91.2 km, enabling large-scale manufacturing of long-length, ultra-low-loss hollow-core fibre.</p>	<p>Innovation-Driven</p> <p>A total of 42 standards were led or participated in, including 3 led (2 international, 1 national) and 39 participated in (international, national, industry, group standards), contributing expertise to industry standardisation and high-quality development.</p>	<p>Innovation-Driven</p> <p>YOFC was selected for the MIIT's first batch of Pioneer-level Smart Factory projects, representing the pinnacle of China's intelligent manufacturing.</p>
<p>Product Responsibility</p> <p>In 2025, complaints regarding main products and services decreased by 29.95% compared with 2024.</p>	<p>Product Responsibility</p> <p>Through deep cultivation of the entire customer service process and high-quality, efficient service, customer satisfaction reached 95.66 points in 2025.</p>	<p>Contributions to the Society and Rural Revitalisation</p> <p>Actively fulfilling social responsibilities and conveying YOFC's warmth through regular public welfare practices, the total philanthropic contribution in 2025 was RMB 6.73 million.</p>
<p>Talent Attraction and Development</p> <p>YOFC University was established to build a tiered, categorised talent development system, utilising diverse training formats to promote a learning organisation and knowledge-sharing culture.</p>	<p>Talent Attraction and Development</p> <p>Total annual employee training hours reached 238,261.66 hours.</p>	<p>Diversity, Equity and Inclusion</p> <p>The "One YOFC, Go Global" Global Culture Month campaign was carried out to strengthen the "One YOFC" cultural consensus and global cohesion.</p>
<p>Sustainable Supply Chain</p> <p>CSR audit coverage for newly introduced suppliers was 100%.</p>	<p>Sustainable Supply Chain</p> <p>The signing rate of the <i>External Supplier Code of Conduct</i> by suppliers was 100%.</p>	<p>Sustainable Supply Chain</p> <p>The signing rate of the integrity agreement by suppliers was 100%.</p>

Environmental



<p>Climate Change Response</p> <p>YOFC continued to advance emissions reduction and decarbonisation. In 2025, the cumulative equivalent reduction in carbon emissions reached 86,333 tCO_{2e}, while GHG emissions intensity decreased by 13.12% compared with 2024.</p>	<p>Climate Change Response</p> <p>The SmartCarbon carbon management platform was launched, and its organisational carbon and product carbon modules respectively obtained ISO 14064-1 and ISO 14067 methodology validation statements.</p>	<p>Climate Change Response</p> <p>YOFC Hanchuan Science and Technology Park was selected for the first batch of zero-carbon parks in Hubei Province.</p>
<p>Environmental Compliance Management</p> <p>In 2025, no incidents of regulatory penalties arising from non-compliance in environmental management occurred within the Group.</p>	<p>Environmental Compliance Management</p> <p>Awarded Green-Label Enterprise in environmental credit evaluation for five consecutive years.</p>	<p>Pollutant and Waste Management</p> <p>100% of exhaust gas, wastewater and noise emissions met the applicable standards.</p>
<p>Energy Utilisation</p> <p>Energy consumption intensity decreased by 4.54% compared with 2024.</p>	<p>Energy Utilisation</p> <p>YOFC actively expanded the use of renewable energy and consumed a total of 159,279 MWh of green electricity in 2025.</p>	<p>Water Resource Utilisation</p> <p>Total water consumption intensity decreased by 28.54% compared with 2024.</p>

Sustainability Management

YOFC has gradually established a standardised sustainability governance system, defined a sustainability strategy closely integrated with its business, systematically identified risks and opportunities, and formulated sustainability indicators and targets covering environmental, social and governance aspects, forming a comprehensive sustainability management layout. The Group has been closely tracking policy trends and industry developments in the global sustainability field to ensure that all management measures are aligned with cutting-edge requirements, and to promote the deep integration of the sustainability concept into the entire process of enterprise operations.

Sustainability Governance

The Group has established a three-tier sustainability governance structure covering "Governance – Management – Execution", clarifying the personnel structure, responsibilities, decision-making procedures and communication and coordination mechanisms of each tier. In 2025, YOFC issued the flagship document *Sustainability Management Policy*, which explicitly integrates the concept of sustainable development into its core business, ensuring alignment with the Company's overall strategy. The Company has also established a comprehensive sustainability governance and management system to continuously advance management innovation. In addition, the Company formulated the *Sustainable Development Management Guidelines*, further enhancing its performance appraisal, incentive, supervision and inspection mechanisms. Sustainability performance has been incorporated into the appraisal system and linked to remuneration, so as to continuously strengthen sustainability capabilities, mitigate relevant risks and safeguard the rights and interests of stakeholders.

 <p>Governance Level</p>	<p>Board of Directors</p> <ul style="list-style-type: none"> To review the risks and materiality of matters relating to the Group's sustainable development. To review and approve the public disclosure of the Group's performance in relation to sustainable development. To review and approve the Group's sustainable development strategy and medium-to-long-term development targets.
 <p>Management Level</p>	<p>ESG Leading Group</p> <ul style="list-style-type: none"> Composed of the President, and the heads of primary organisational entities including the business units and functional centres. To formulate the Group's ESG strategy, approving and supervising matters such as the Group's ESG policies, systems, targets, and work plans. To review the Group's annual ESG report, and supporting various organizations in implementing actions aimed at achieving the Group's sustainable development goals.
 <p>Execution Level</p>	<p>ESG Working Group</p> <ul style="list-style-type: none"> Composed of personnel responsible for specific implementation, including the Group ESG Secretariat, heads of relevant functional departments at both Group and Business Unit levels, and sustainability-related business interfaces To coordinate internal and external resources of the Group, advancing the planning and implementation of ESG matters, formulating the Company's ESG policies and targets, and regularly reporting progress to the ESG Leading Group.

• YOFC sustainability governance structure

<p>Regular Meetings</p> <ul style="list-style-type: none"> The Board of Directors convenes at least one meeting per year on ESG matters. The ESG Leading Group holds regular working meetings on sustainable development to coordinate and resolve implementation issues. The ESG Working Group regularly organises relevant activities and progress reports. 	<p>Cross-Departmental Collaboration</p> <ul style="list-style-type: none"> For material topics, the lead department shall establish an ad-hoc working group with relevant departments, defining clear roles, responsibilities, and timelines. For material topics, the lead department shall establish an ad-hoc working group with relevant departments, defining clear roles, responsibilities, and timelines. 	<p>Communications with Stakeholders</p> <ul style="list-style-type: none"> An annual stakeholder engagement review or survey is conducted to gather input, which is then incorporated into the priorities of sustainable development work. Regular and ad-hoc online and offline communication is carried out with various stakeholders. For further details, please refer to the section "Communications with Stakeholders" in this chapter.
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• YOFC sustainability communication coordination mechanism

In addition, to strengthen the Company's ESG capabilities, we organised special sustainability capacity-building training in 2025, with 14 members of the ESG Leading Group and relevant principals of subsidiaries participating in thematic training to enhance practical capabilities in climate change response and ESG management. In the same period, the Company launched an ESG Best Practice Selection activity, and the Group Human Resources Centre was awarded the Excellent Practice Organisation, promoting the implementation of sustainability concepts and management requirements at all levels through evaluation.

Sustainability Strategy

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

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



• Certificate of Participation in the United Nations Global Compact for the 2025-2026 Period



• YOFC sustainable development strategy

Communications with Stakeholders

YOFC regards stakeholder opinions as an important support for the implementation of its sustainability strategy. In accordance with internal systems such as the *Investor Relations Management System* and *Sustainability Management Guidelines*, and combined with its own business characteristics, industry development trends and the Group's overall development plan, the Group has systematically identified core internal and external stakeholders including employees, suppliers, shareholders and investors, and government and regulatory authorities. We maintain efficient and smooth communication mechanisms and build close cooperative and communication relationships with all stakeholders through diversified online and offline channels.

Stakeholder	Focus Topics	Engagement Methods	2025 Engagement Highlights
 Shareholders and Investors	<ul style="list-style-type: none"> Corporate governance Risk management and due diligence Anti-commercial bribery and anti-corruption Innovation-driven Product responsibility Climate change tackling 	<ul style="list-style-type: none"> Annual general meetings/ extraordinary general meetings Investor meetings Results presentations Press releases/announcements Investor hotline 	<ul style="list-style-type: none"> Held 3 general meetings and 3 results briefings
 Government and Regulatory Authorities	<ul style="list-style-type: none"> Anti-commercial bribery and anti-corruption Anti-unfair competition Innovation-driven Product responsibility Climate change tackling Energy usage Environmental compliance management 	<ul style="list-style-type: none"> Policy consultation Event reporting On-site inspections Information disclosure Meetings with government agencies 	<ul style="list-style-type: none"> Participated in the training session "Listed Companies High-Quality Development Series Training - Sustainable Development (ESG) Reporting Theme" organised by the Shanghai Stock Exchange Presented at the 2025 World Intelligent Manufacturing Conference, delivering a keynote speech entitled The Evolution Path of YOFC Smart Factories Polytech Qianjiang compiled its annual environmental information disclosure report in accordance with applicable laws and regulations, proactively accepting supervision and public oversight
 Employees	<ul style="list-style-type: none"> Diversity, equality and inclusion Talent attraction and development Employee rights and care Health and safety 	<ul style="list-style-type: none"> Employee interviews Internal publications Employee hotline Employee satisfaction surveys 	<ul style="list-style-type: none"> BOM Face-to-Face President's Talk Employee Forum Welfare Platform
 Suppliers	<ul style="list-style-type: none"> Anti-commercial bribery and anti-corruption Sustainable supply chain 	<ul style="list-style-type: none"> On-site audits Supplier questionnaires Supplier training Telephone interviews 	<ul style="list-style-type: none"> Held the Annual Supplier Sustainability Conference, inviting representatives of nearly 30 core suppliers
 Customers	<ul style="list-style-type: none"> Data security and customer privacy protection Innovation-driven Product responsibility 	<ul style="list-style-type: none"> Customer satisfaction surveys Customer service platforms/hotlines Company website and social media interactions 	<ul style="list-style-type: none"> 0 product recalls Customer satisfaction score: 95.66/100 Qualified rate of purchased materials: 99.11%
 Media and NGOs	<ul style="list-style-type: none"> Innovation-driven Product responsibility Circular economy 	<ul style="list-style-type: none"> Social media Press conferences and releases Seminars Industry forums Academic/technical exchange activities 	<ul style="list-style-type: none"> Has organised the "YOFC Sci-Tech Innovation Day" Innovation Forum for 3 consecutive years Hosted the 2025 Annual Academic Conference on Communication Lines of the Chinese Institute of Communications Led or participated in the formulation and revision of 42 standards
 Community	<ul style="list-style-type: none"> Climate change tackling Environmental compliance management Pollutant management Waste management Ecosystem and biodiversity protection Usage of water resources Contributions to the society and rural revitalisation 	<ul style="list-style-type: none"> Press releases/announcements Community public welfare activities Volunteer activities Complaint hotline 	<ul style="list-style-type: none"> Hosted or participated in 4 international ESG-related activities Carried out public welfare activities for Children's Day for 7 consecutive years and respect-for-the-elderly activities for 8 consecutive years

Double Materiality Assessment

In accordance with internal policies including the *Sustainability Management Guidelines* and *Sustainability Management Indicator Standards*, YOFC conducts annual identification, sorting and assessment of sustainability topics. In 2025, with reference to the requirements of *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and *Guidelines No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Preparation of Sustainability Reports*, the Company systematically carried out a double materiality assessment, established a standardised assessment process, invited extensive participation of internal and external stakeholders, comprehensively identified relevant topics, systematically analysed the financial impacts of risks and opportunities associated with each topic on the Company, and the positive and negative impacts of the Company's performance on each topic to the economy, society and environment. Finally, a materiality matrix was formed, providing solid support for the scientific formulation of annual action plans and the steady advancement of sustainability work.

Topic Identification

- Taking into account factors such as regulatory and capital market indicators, as well as benchmarking against domestic and international peers, the Group analyses its business activities and seeks to understand the expectations of various stakeholders. This is done to identify ESG topics that are material to both the Group and its stakeholders in the current business environment.
- We have preliminarily identified 21 topics to be included in the scope of the materiality assessment.

Impact Materiality Determination

- A comprehensive quantitative and qualitative assessment of the identified ESG topics is conducted using methods such as surveys and case studies, with a focus on their non-financial implications for brand image, market reputation and regulatory compliance.

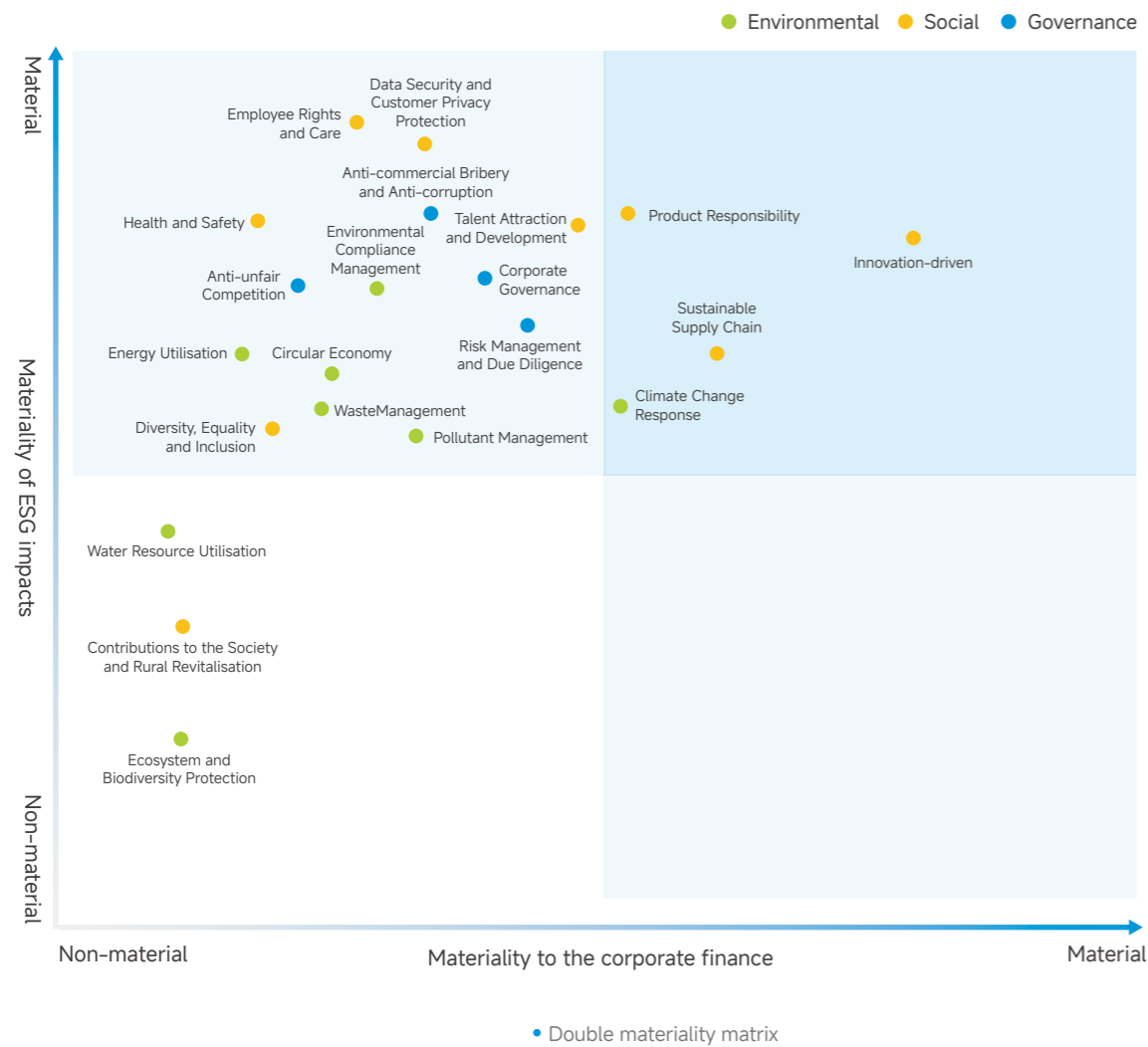
Financial Materiality Determination

- Management workshops are held with the participation of Group executives and heads of issue-relevant departments. Through in-depth discussions and deliberations, and taking into account the Group's strategic targets, operational realities and external regulatory requirements, each ESG topic is assessed and determined for financial materiality.

Results Analysis and Implementation

- In 2025, we revised the list of material topics and completed a fresh double materiality assessment in compliance with regulatory requirements applicable to A-share listed entities.
- Among the double materiality topics identified in 2024, "Risk Management" was revised to "Risk Management and Due Diligence". Recognised in 2025 as a foundational element of corporate governance that applies across all operational areas, it is no longer separately assessed as a double materiality topic and has been reclassified as an impact materiality topic. A new topic, "Environmental Compliance Management", has been added and classified as an impact materiality topic. "Employee Care" was renamed "Employee Rights and Care", upgraded from a non-material topic in 2024 to an impact materiality topic. "Diversity, Equality and Inclusion" was also reclassified from a non-material topic in 2024 to an impact materiality topic. "Community Welfare" was revised to "Contributions to the Society and Rural Revitalisation", downgraded from an impact materiality topic in 2024 to a non-material topic. These revisions fully account for the expectations of all stakeholders and reflect the actual operational and ESG development context of YOFC in 2025.
- The Group will conduct regular reviews of evolving material topics and dynamically adjust its management strategies, so as to maintain the effectiveness and forward-looking nature of its ESG governance framework.

• YOFC double materiality assessment process



Materiality Level	2025 ESG Topics	
Double Materiality	Innovation-driven Product Responsibility	Sustainable Supply Chain Climate Change Response
Impact Materiality	Corporate Governance Anti-commercial Bribery and Anti-corruption Energy Utilisation Risk Management and Due Diligence Pollutant Management Circular Economy Employee Rights and Care	Environmental Compliance Management Health and Safety Waste Management Anti-unfair Competition Talent Attraction and Development Data Security and Customer Privacy Protection Diversity, Equality and Inclusion
Non-materiality	Contributions to the Society and Rural Revitalisation Ecosystem and Biodiversity Protection Water Resource Utilisation	

Topic	Impacts, Risks and Opportunities	Value Chain Scope			Chapter
		Upstream Value Chain	Own Operations	Downstream Value Chain	
Innovation-Driven	Risks of intellectual property protection and infringement		✓	✓	Boosting R&D and Innovation Focusing on Intelligent Manufacturing Key Performance Indicators
	Risks of technological upgrading		✓	✓	
	Cost reduction and efficiency improvement to consolidate the digital foundation		✓	✓	
	Innovation iteration to deepen diversified markets		✓		
Sustainable Supply Chain	Risks of sustainable supply chain compliance	✓	✓	✓	Building a Sustainable Supply Chain Key Performance Indicators
	Risks of supply chain continuity	✓	✓		
	Promoting industrial low-carbon transformation	✓	✓		
	Enhancing supply chain resilience	✓	✓	✓	
Product Responsibility	Risks of deviation from customer expectations	✓	✓	✓	Ensuring Product Quality Key Performance Indicators
	Risks of compliance and regulatory penalties	✓	✓		
	AI reshaping quality control efficiency		✓	✓	
Climate Change Response	Positive impacts	✓	✓	✓	Addressing Climate Change Key Performance Indicators
	Negative impacts	✓	✓	✓	
	Risks	✓	✓	✓	
	Opportunities	✓	✓	✓	

YOFC

Responsible Operations, Robust Governance

We are committed to building a transparent and effective governance system, integrating comprehensive risk management into corporate decision-making and operations. We adopt a zero-tolerance stance towards commercial bribery, corruption and fraud, strictly abide by the market rules of fair competition, and continuously improve the ethical and compliance mechanism. Meanwhile, we attach great importance to data security and information privacy protection, and earnestly fulfil corporate social responsibility through systematic management measures to achieve sustainable and healthy development.

Topics:

- Corporate Governance
- Anti-commercial Bribery and Anti-corruption
- Anti-unfair Competition
- Data Security and Customer Privacy Protection
- Risk Management and Due Diligence

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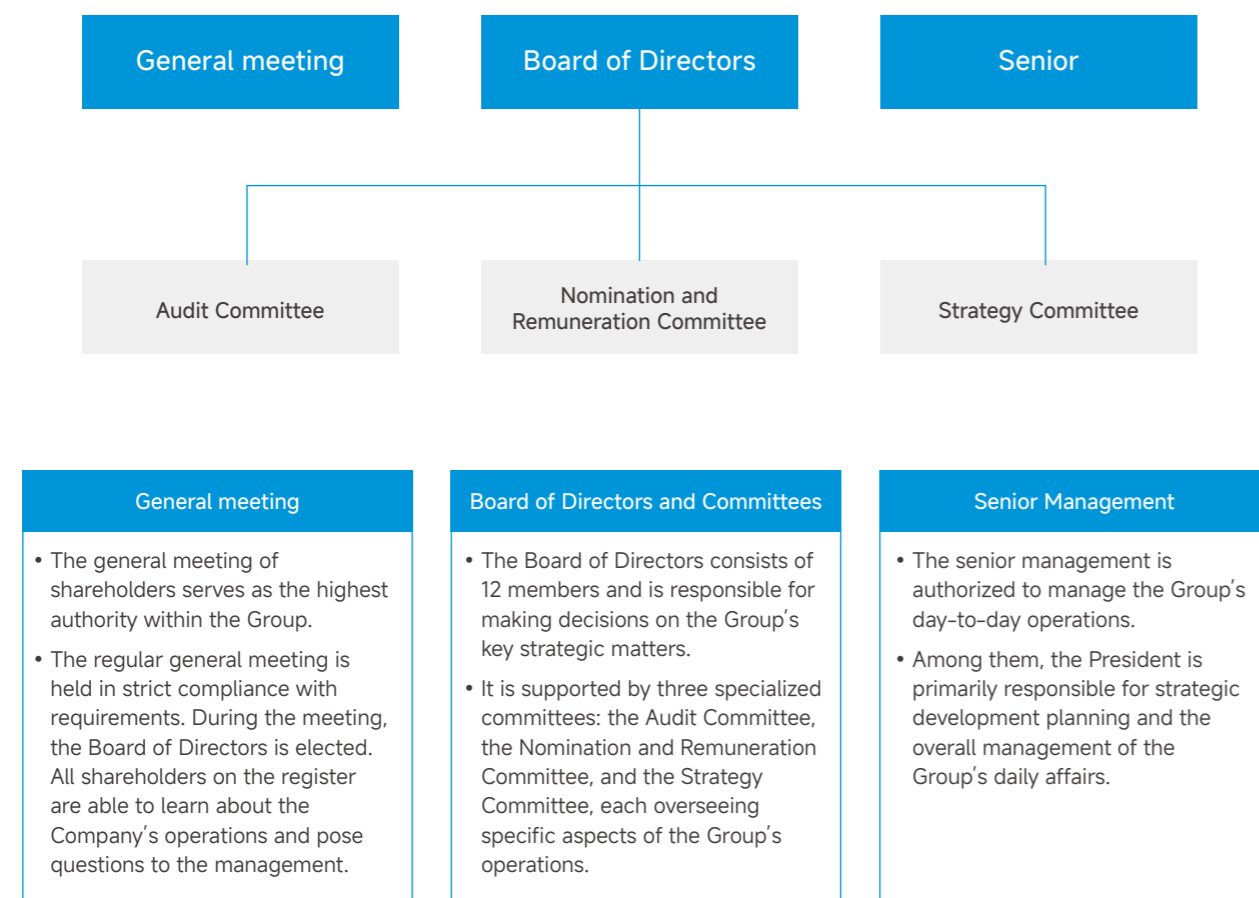


Stabilizing Corporate Operations

The Group has always consolidated the foundation of corporate operations, continuously improved the governance structure, strengthened end-to-end risk management, and built a solid business continuity defence line, laying a solid foundation for the Company's high-quality and sustainable development with robust operation and management capabilities.

Governance Structure

YOFC is committed to maintaining a high standard of corporate governance, continuously consolidating the governance system and standardising operation and management. The Group has established a governance structure and operating mechanism centred on the general meeting of shareholders, the Board of Directors and senior management, focusing on the role of the Board and its special committees, and continuously improving the rules of procedure to ensure clear division of responsibilities and stable operation of corporate governance.



- | General meeting | Board of Directors and Committees | Senior Management |
|---|---|--|
| <ul style="list-style-type: none"> The general meeting of shareholders serves as the highest authority within the Group. The regular general meeting is held in strict compliance with requirements. During the meeting, the Board of Directors is elected. All shareholders on the register are able to learn about the Company's operations and pose questions to the management. | <ul style="list-style-type: none"> The Board of Directors consists of 12 members and is responsible for making decisions on the Group's key strategic matters. It is supported by three specialized committees: the Audit Committee, the Nomination and Remuneration Committee, and the Strategy Committee, each overseeing specific aspects of the Group's operations. | <ul style="list-style-type: none"> The senior management is authorized to manage the Group's day-to-day operations. Among them, the President is primarily responsible for strategic development planning and the overall management of the Group's daily affairs. |

• YOFC governance structure

In 2025, the Company updated the *Articles of Association*, *Procedural Rules for the General Meeting*, *Procedural Rules for the Board of Directors*, *Working Rules for Independent Directors* and other systems to improve the governance system and effectively protect the rights and interests of investors and other stakeholders. The Company held 7 Board meetings through on-site and communication means, and the agenda of each meeting has been disclosed on the Shanghai Stock Exchange in the form of Board resolution announcements.

◆ Board Diversity

The Board adopts a diversity policy and considers the diverse backgrounds of directors from multiple aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of service and time to be contributed as directors of the Company. We have formulated a Board diversity policy to ensure that at least one director of a different gender serves on the Board, and steadily promote the gender diversity of the Board. As of the end of the reporting period, YOFC has 1 female director and 1 female senior management member, accounting for 11.11% of the senior management team.

The Group will also continuously evaluate the composition of directors in terms of skills, experience and diverse perspectives based on business development and specific strategic needs to ensure the forward-looking and effectiveness of the Board's decision-making.

Risk Management

The Board has established and effectively implemented an internal control system covering the Group's subsidiaries. For risk types including financial management risk, fund management risk, procurement risk, sales risk and inventory risk, an organic combination of risk early warning, prevention and control, and measure optimisation has been formed.

We have built a multi-level risk management structure coordinated by the Audit Committee, Internal Audit and Supervision Department, and business functional departments, deeply integrating risk management into core management and the entire business process, conducting comprehensive identification and multi-level prevention and control of various risks, and continuously improving risk management effectiveness at all levels. Meanwhile, we have continuously optimised risk management practices: in 2025, we updated the *Internal Audit Management Measures*, carried out a number of special audits, and systematically strengthened end-to-end risk prevention and control effectiveness.

In the field of sustainable development, we have established a risk assessment system covering safety, environmental and occupational health, quality management, information security and other fields, formulated core documents including the *Safety, Environmental and Occupational Health Risk Assessment Procedures*, *Quality Risk Management Procedures*, *Information Security Risk Assessment* and *Business Continuity Risk Implementation Procedures*, standardised the entire process of risk identification and assessment, and continuously updated and optimised them in accordance with regulatory dynamics and business development to ensure compliant and orderly production and operation.

In 2025, the Group provided *Corporate Sustainability Reporting Directive* (CSRD) compliance policy training and implementation support to two overseas factories, YOFC Poland and RFS Hannover, and simultaneously promoted the two factories to complete core work such as *European Sustainability Reporting Standards* (ESRS) gap analysis, double materiality assessment (DMA) and stakeholder interviews, continuously consolidating the Group's ESG compliance management system and laying a solid foundation for sustainable development compliance.

Compliance and Due Diligence

The Group regards compliance management as a cornerstone of operation and development, standardises partner access management through due diligence, and continuously improves the compliance verification mechanism in cooperation links with consideration of sustainable development-related risk prevention and control. The Group requires partners to complete the commercial due diligence questionnaire and compliance certification before introduction, focusing on four dimensions: anti-corruption, anti-bribery, trade compliance and conflict of interest. Potential compliance and sustainable development-related risks in cooperation are identified through standardised procedures such as document review and information verification, and differentiated risk management and control are implemented.

As of the end of the reporting period

YOFC has completed internal compliance certification surveys for more than **600** partners, consolidating the foundation of compliance management in cooperation links through standardised due diligence processes and promoting the implementation of corporate compliance management.

Case | Training on YOFC's commercial due diligence and internal compliance certification system

In September 2025, the Group Legal and Compliance Centre organised special training on the commercial due diligence and compliance certification system for all sales staff and relevant business personnel, systematically explaining the core content, application scope, process operation, system operation and frequently asked questions of the commercial due diligence system. The training was conducted online and offline, with a total of 816 participants in two sessions, promoting the standardised and standardised management of commercial due diligence through systematic training.



• Training on commercial due diligence and compliance certification system

Business Continuity

YOFC has established a standardised system centred on the *Business Continuity Management Manual*, *Business Continuity Business Impact Analysis Implementation Procedures*, *Business Continuity Risk Assessment Implementation Procedures* and *Business Continuity Plan Response Procedures*. The Company integrates the concept of business continuity management (BCM) into the entire process of daily operation governance, forming a sound mechanism of "system-led and governance-implemented", promoting the normalisation and standardisation of BCM management and laying a solid foundation for the implementation of various work of system construction throughout the year. In 2025, YOFC successfully passed the ISO 22301 Business Continuity Management System certification, conducted the internal audit and management review, comprehensively carried out business impact analysis and risk assessment, completed 57 business impact analyses and 57 risk assessments, accurately identified various potential risks, and formulated targeted business continuity strategies and plans to build a comprehensive risk prevention and control system.

Top Ten Risk Frameworks



• Business continuity management framework

In response to the top ten risk frameworks, the Company formulated 44 business continuity strategies and 42 business continuity plans, and completed the planning and reporting of 42 business continuity management drills. In July 2025, 50 employees of the Company obtained the ISO 22301 internal auditor certificate, comprehensively improving the awareness of business continuity management and emergency response capabilities of all staff, and continuously improving the BCM management system.

Upholding Integrity in Corporate Operations

The Group adheres to the bottom line of integrity operation, integrates business ethics and integrity throughout the entire operation process. We build a solid institutional defence against corruption, fraud and unfair competition, deepen the construction of business ethics culture, improve the reporting and supervision mechanism, and carry out regular special training to practise integrity operation in an all-round way.

Anti-Bribery and Anti-Corruption

Based on international and national laws and regulations including the *Criminal Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China*, *Anti-money Laundering Law of the People's Republic of China*, *Interim Provisions on Prohibiting Commercial Bribery*, *United Nations Convention against Corruption*, *Beijing Anti-corruption Declaration* and *Foreign Corrupt Practices Act*, YOFC has formulated a number of management systems including the *Code of Conduct for Managers*, *Regulation on Employee Honesty & Integrity Management*, *Code of Business Conduct for Employees* and *Employee Handbook* to standardise the business conduct of all staff. In addition, all management personnel are required to sign the *Commitment on Diligence and Integrity for Managers*. YOFC has established a Discipline Committee and publicised the corresponding reporting mechanism and contact email address to its employees. The Company has established a complete anti-bribery management system and successfully obtained the ISO 37001 Anti-bribery Management System certification. To effectively control the risks of commercial bribery and corruption, YOFC regularly conducts special audits covering the entire Group to ensure the stable operation of the Company.

During the reporting period



No litigation cases arising from fraud or corruption occurred in the Group.

Employee Conflict of Interest Declaration

• In 2025, YOFC has conducted employee conflict of interest declarations in accordance with the *Regulation on Conflict of Interests Declaration and Clearance Procedure for the Employees*. Covering all employees, the declaration completion rate has exceeded 98%.

Segregation of Duties in Key Business Areas

• Focusing on high-risk areas such as fund payments, project approvals, HR management, procurement, and contracts, YOFC enforces the segregation of positions with potential conflicts of interest. Internal check and balance mechanisms have been established to prevent corruption and fraud risks at the source.

Standardised Background Checks for Key Positions

• For newly recruited employees and those promoted to key positions, YOFC verifies critical information, including educational background, work history, criminal records, and past fraudulent behaviour. This is documented in writing to ensure traceability. Through proactive risk screening, YOFC mitigates potential fraud and employment risks.

Audit Rectification Tracking Platform

• In 2025, YOFC officially launched its audit rectification tracking process. This enables real-time online supervision and closed-loop management of rectification tasks, enhancing the efficacy of internal governance and risk control.

• YOFC anti-bribery and anti-corruption management measures

Corporate Ethics Culture Development

The Group has continuously deepened the multi-level and full-coverage construction of business ethics culture through online and offline publicity. In April and July 2025, we carried out immersive integrity education and training for middle and senior management cadres, including visits to education bases for warning against corruption, to strengthen their awareness of compliance, integrity and lawful conduct in the performance of duties. In November 2025, all employees completed the online video course on the Code of Business Conduct, achieving 100% coverage to ensure that every employee fully understands and abides by the relevant requirements, and to strengthen the line of professional ethics. The Group is committed to improving its anti-fraud and reporting handling mechanisms, promoting the integrated implementation of business ethics culture and business operations.

During the reporting period



YOFC has conducted integrity-themed training. A total of **12** directors received the training, representing a **100%** training participation rate, while the participation rate for management and general employees also reached **100%**.

YOFC optimised the *Management Regulation on Anti Embezzlement and Claims* to strengthen the reporting response and investigation mechanism.

Discovery and Reporting	Investigation and Reporting	Remediation and Discipline
<ul style="list-style-type: none"> Internal and external parties may report to the department of the employee involved, higher-level management, or the Internal Audit and Supervision Department through various channels such as hotlines, emails, letters, or visits, ensuring that reporting channels remain open. 	<ul style="list-style-type: none"> The Internal Audit and Supervision Department is independently responsible for investigating fraud cases and reports the investigation results directly to the Group management and the Board of Directors. 	<ul style="list-style-type: none"> Based on the investigation results, the Internal Audit and Supervision Department collaborates with relevant departments to formulate and implement targeted remediation measures. The Group management and the Board of Directors are responsible for supervising the execution of these remediation efforts.

• YOFC fraud incident handling process

We have publicly set up a reporting email and hotline on the official website to accept reports and complaints from the public including suppliers. All valid complaints received in 2025 have been fully processed and closed, with a 100% handling rate. The Company solemnly promises to keep the personal information of whistle-blowers and the content of reports strictly confidential, and will not tolerate any form of retaliation. Anyone who violates the confidentiality regulations or infringes on the rights and interests of whistle-blowers will be held seriously accountable in accordance with laws and regulations to effectively protect the legitimate rights and interests of whistle-blowers.

Reporting Channels



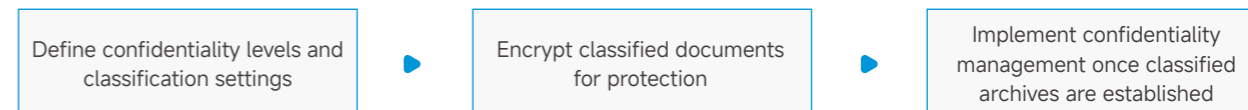
Email: cr@yofc.com



Telephone: 18571801110

Anti-Unfair Competition

The Group strictly abides by the *Anti-monopoly Law of the People's Republic of China*, *EU Trade Secrets Protection Directive* and other laws and regulations of the regions where it operates globally, and has established a systematic anti-unfair competition governance system. With the *Code of Business Conduct for Employees* and *Commercial Secret Document Management Regulation* as guidelines, the Group strengthens internal management and maintains the order of fair competition in the market. The Company improves the awareness of fair competition among all staff through regular training, and explicitly prohibits acts such as stealing trade secrets, commercial bribery and issuing misleading information.



• YOFC commercial secret document management responsibilities

During the reporting period



No litigation cases arising from unfair competition or trade secret infringement occurred in the Group.

Ensuring Information Security

By establishing and continuously operating an information security and privacy protection management system, YOFC is committed to building a safe and reliable operating environment system to protect the data security and personal privacy of the Company, customers and relevant parties, and providing solid support for business development.

Information Security Governance

The Group follows laws and regulations including the *Cybersecurity Law of the People's Republic of China* and *Regulations on the Administration of Information Security Level Protection*, and has established a sound information security governance structure and mature management system. As of the end of the reporting period, YOFC has obtained the ISO 27001 Information Security Management System certification and ISO 20000 Information Technology Service Management System certification, systematically guarding the security line of the Company's information assets and realising the construction of standardised and process-oriented information technology service capabilities. In addition, YOFC has passed the Level 4 Assessment of Digital Transformation Maturity and Level 3 Certification of Data Management Maturity, continuously building comprehensive strength in digital transformation.

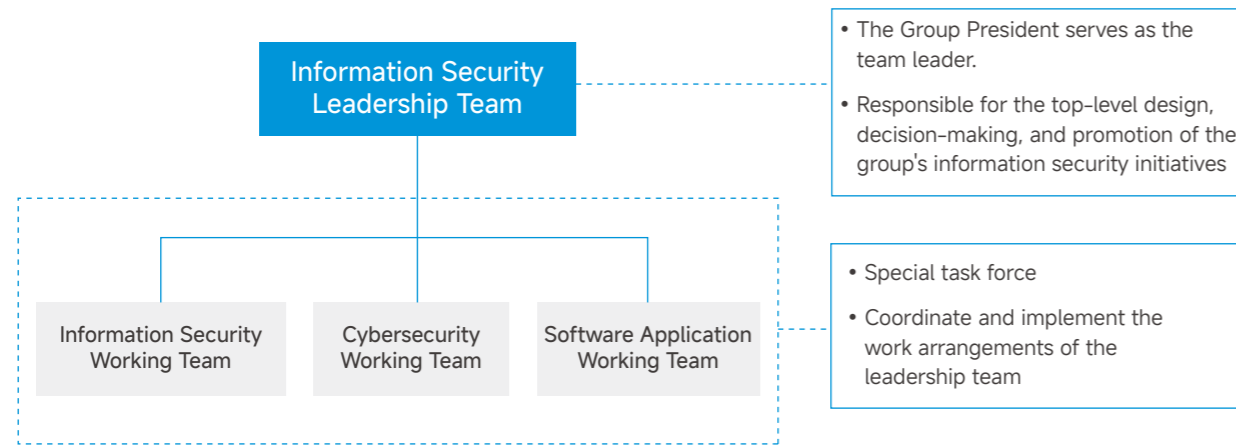


• YOFC has passed the Level 4 assessment for digital transformation maturity



• YOFC has passed the Level 3 certification for data management maturity

The Information Security Leadership Team is the supreme management body for the Group's information security, with the Information Security Working Team, Network Security Working Team and Software Application Working Team under it. In 2025, we appointed full-time information security personnel to be responsible for the identification of daily information security risks, achieving early identification and early disposal of risks and preventing information security incidents.



• YOFC information security governance structure

Ten Information Security Target

To continuously strengthen information security management capabilities, the Group formulated annual targets and quantitative indicators in 2025 around information asset protection, stable system operation and compliance management, and clarified the responsible departments and personnel for each target. All targets were fully achieved, safeguarding the stable operation of YOFC.

No.	Information Security Target	Key Measures
1	No leakage of confidential and above-level information	<ul style="list-style-type: none"> Strictly implement the three-network isolation strategy for production, office and equipment networks, implement minimised authorisation management of resources through bastion hosts, reduce risk exposure of resources and achieve minimised authority control.
2	Information security training coverage rate $\geq 90\%$ per quarter and $\geq 95\%$ annually	<ul style="list-style-type: none"> Release compulsory information security courses on the Company's digital empowerment platform, requiring all staff to complete online learning and examinations.
3	Availability rate of key application systems $\geq 99.5\%$	<ul style="list-style-type: none"> Build a highly available virtualised private cloud platform to ensure reliable business resource support through storage technology; Conduct regular/irregular backups of all systems or data, and organise disaster emergency drills annually to ensure continuous availability of application systems.

No.	Information Security Target	Key Measures
4	Network availability rate $\geq 99.5\%$	<ul style="list-style-type: none"> Set up full-time network operation and maintenance posts, implement regular inspection mechanism for computer room equipment; build a dual-link core network and adopt multi-export load balancing to ensure continuous availability and rapid fault recovery of network services; Deploy firewalls to implement network isolation and minimised authority control, and purchase hardware maintenance services for core equipment to achieve in-depth defence of network security and ensure reliable operation.
5	No large-scale virus infection in the Company	<ul style="list-style-type: none"> Fully deploy anti-virus software, configure firewalls at network boundaries, and strictly isolate office network and production network; Automatically block risky IPs and domain names through the linkage of situational awareness platform and firewalls; Deploy honeypot systems to trap and detect attack sources and improve the proactive discovery and disposal capabilities of potential threats.
6	100% of systems and software pass security testing before launch	<ul style="list-style-type: none"> Conduct security mechanism testing, functional and performance testing on requirements in the requirement specification, and conduct trial operation verification; Scan system vulnerabilities through enterprise-built vulnerability scanning tools to identify and handle risks; Conduct code review by project leaders before code merging and release; Conduct penetration testing on systems to identify vulnerabilities, weaknesses and other security issues before deployment.
7	100% completion rate of security classification for new information systems	<ul style="list-style-type: none"> Conduct security level classification for newly launched systems.
8	100% completion rate of computer fault resolution	<ul style="list-style-type: none"> Set up a special computer operation and maintenance office and professional team; Fault response follows the on-site priority principle, and standby equipment is provided for replacement as needed to ensure same-day closure of issues found on the day.
9	Recovery point target for structured data ≤ 1 day; for unstructured data ≤ 1 week	<ul style="list-style-type: none"> Perform daily full and incremental backups of core systems and data, and continuously optimise backup strategies to ensure full coverage of key information; Conduct daily backup inspections and generate periodic reports to ensure timely and effective backups; Regularly organise business continuity emergency drills to continuously consolidate recovery capabilities.
10	Data synchronisation between headquarters data centre and disaster recovery centre; data disaster recovery tolerance ≤ 1 day	<ul style="list-style-type: none"> Establish an off-site backup platform, conduct quarterly equipment maintenance, monitor the operation of backup systems at headquarters and disaster recovery centre in real time, and handle issues in a timely manner.

Information Security Culture Development

The Company attaches great importance to the systematic cultivation of information security culture, and continuously carries out full-staff security awareness education through online and offline integration. In daily operations, the Company regularly disseminates security knowledge and organises all staff to complete compulsory information security courses released periodically through the corporate email, internal communication platform and YOFC University online learning platform. In 2025, the training focused on industrial data security and risk protection under the background of "integration of informatisation and industrialisation", strengthening employees' practical security capabilities in digital transformation.

Case | Data security specialized training

In July 2025, the Group organised data security training for system management and operation and maintenance personnel, covering all staff of the Information Technology Department, with a training duration of 3 hours. In August 2025, the Group carried out information security awareness publicity and training for key departments through a 2-hour offline course to enhance employees' security awareness.

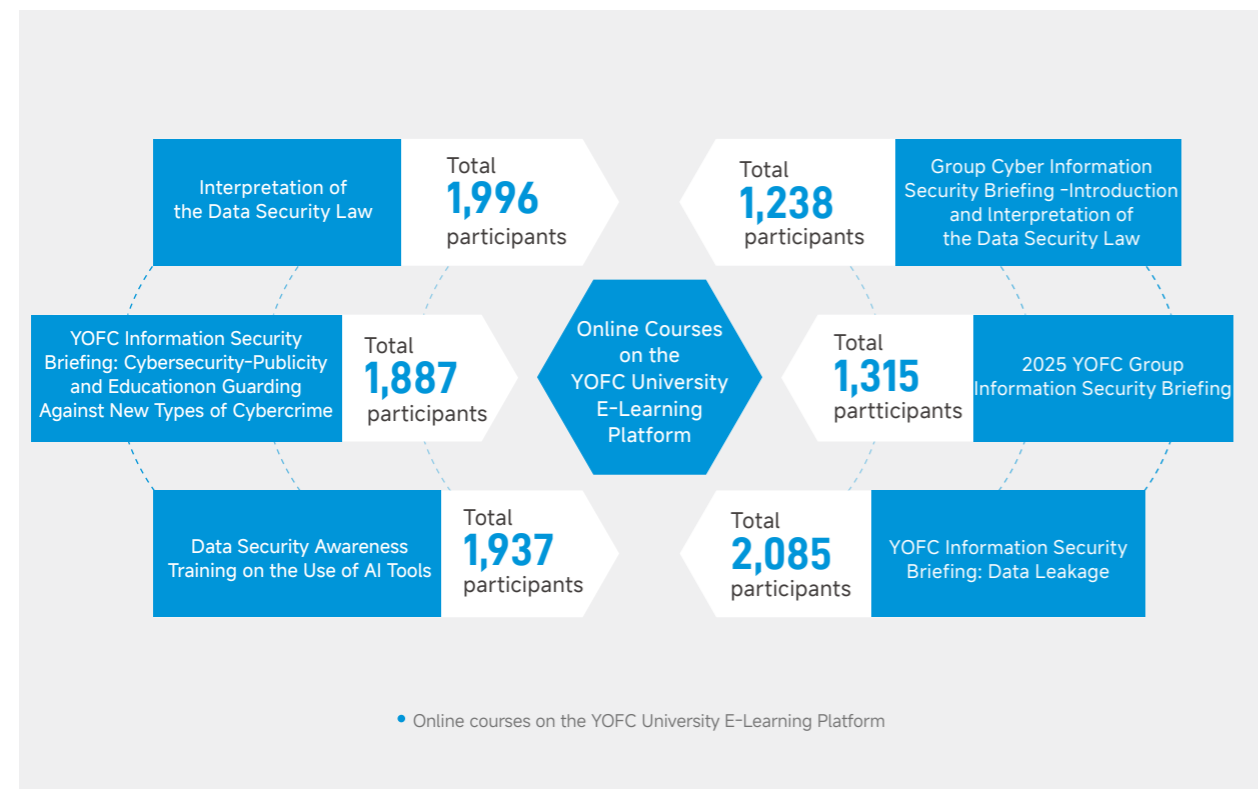


• IT department training



• Key department training

In 2025, the Group continued to launch a series of online courses focusing on updates of external regulations, trends of AI tools and revisions of internal systems, systematically implementing full-staff education on information security.



The Company also actively organises internal offensive and defensive drills and emergency simulations to effectively improve the overall security prevention and response level. In 2025, the Company's team won the third prize in the "Jingchu Escort - Net Forging 2025" Cybersecurity Offensive and Defensive Drill in Hubei Province with solid defence strength and teamwork.

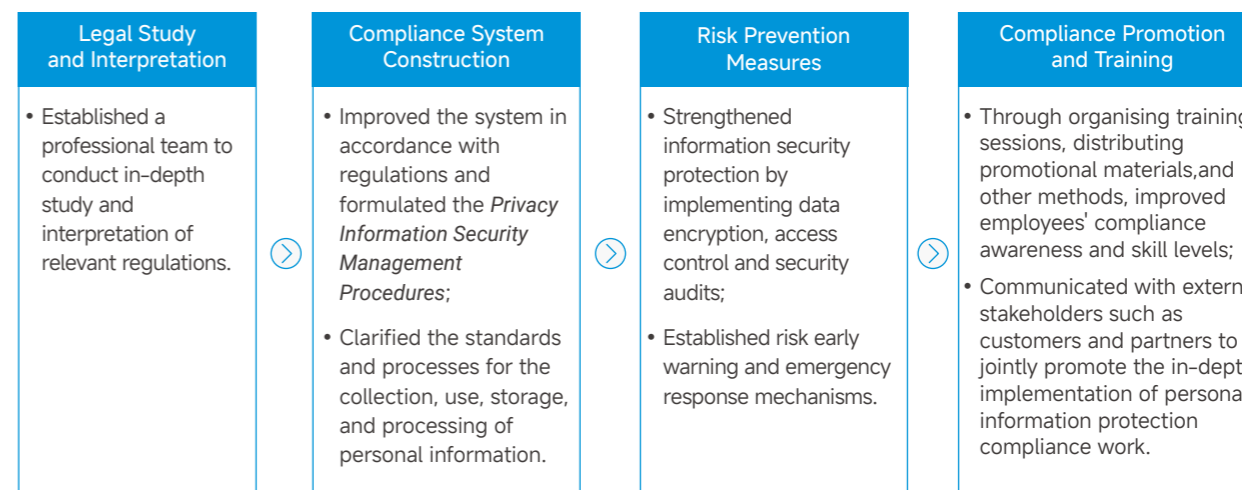


During the reporting period

Information security training coverage rate of YOFC reached **100%**.

Privacy Protection

YOFC strictly abides by the *Civil Code of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China* and other laws and regulations, formulates and implements internal systems such as the *Privacy Information Security Management Procedures*, clarifies customer privacy protection clauses and the full life cycle management specifications of data collection, storage, transmission and destruction, guides the Group's code of conduct in user information confidentiality, and establishes a closed-loop control mechanism from legal collection, encrypted storage, strict authority control to secure destruction.



• YOFC privacy protection management process

YOFC continuously improves the customer data protection system and process, systematically carries out employee training on information security and privacy protection, enhances the awareness of data protection of all staff, and comprehensively ensures the security of customer privacy data to effectively protect customer privacy from leakage.

During the reporting period

No privacy leakage incidents occurred at YOFC.

02

Green Development, Environmental Stewardship

YOFC firmly believes that green development is fundamental to sustainable corporate operations and an important cornerstone of long-term development. We consistently uphold a firm baseline for environmental compliance management, regard Address Climate Change as a topic of both impact materiality and financial materiality, continue to optimise pollutant control and waste treatment throughout our production processes, and advance the efficient use of water and energy in a scientific manner. At the same time, we balance ecosystem conservation with biodiversity protection and actively explore pathways for developing the circular economy. Through comprehensive and refined environmental management practices, we continuously enhance our environmental governance, promote the coordinated advancement of business development and ecological protection, and uphold our original commitment to sustainable development.

Topics

- Environmental Compliance Management
- Ecosystem and Biodiversity Conservation
- Climate Change Response
- Water Resource Utilisation
- Pollutant Management
- Energy Utilisation
- Waste Management
- Circular Economy



Addressing Climate Change

The Group strictly adheres to the Hong Kong Stock Exchange's *Environmental, Social and Governance Reporting Code* and the *Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework*, proactively aligning with the international standards IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures) to systematically establish a climate-related financial disclosure system. In 2025, we formulated the "Climate Change Management Procedure," further building a comprehensive management system covering both transition risks and physical risks. We comprehensively manage and disclose climate-related matters across four dimensions: Governance, Strategy, Risk and Opportunity Management, and Metrics and Targets. Regarding climate information disclosure, we have conducted specific disclosures through the CDP Climate Change Questionnaire since 2023, achieving a 'B' rating for three consecutive years, supporting low-carbon, resilient, and sustainable development through open and transparent data practices.

Governance

YOFC places high importance on climate change governance and has established a "Governance - Management - Execution" climate change governance structure, continuously strengthening the governance foundation, intensifying management efforts, and enhancing execution effectiveness. In 2025, the Company organized two specialized climate governance training sessions. In November, training was conducted for functional departments at the executive level, focusing on practical climate risk assessment and its connection to business operations. In December, training targeted the Board of Directors and management level, focusing on the strategic integration of climate risk management into corporate decision-making. Through tiered training, relevant personnel at the Board, management, and executive levels are ensured to receive climate change-related knowledge and advisory recommendations, effectively enhancing climate management and execution capabilities.



• Board & senior management targeted training: climate governance



• Executive-Level targeted training: climate risk assessment and business integration



• YOFC climate change governance structure

Strategy

Climate change systematically reshapes the Group's operating environment, cost structure, market demand, and competitive landscape through two transmission pathways: physical risks and transition risks. In accordance with the strategic requirements of HKFRS S2, and based on the principle of "Double Materiality," we identify and assess climate-related risks and opportunities through systematic scenario analysis and deeply integrate them into the Company's strategic planning.

Climate Scenario Analysis

To scientifically assess the Company's climate resilience, we concurrently utilize authoritative international scenarios from the NGFS (Network for Greening the Financial System), IEA (International Energy Agency), and IPCC (Intergovernmental Panel on Climate Change), analyzing across three time horizons: short-term (before 2030), medium-term (2040–2050), and long-term (2060–2080). Multi-dimensional interviews were conducted with the Company's main business segments, either on-site or online, covering key information such as physical risks, transition risks, transition opportunities faced by the business, as well as business sensitivity and adaptive capacity. Based on a comprehensive assessment model, the analysis covers the Group's own operations (global production sites and offices) and key stakeholders upstream and downstream in the value chain, resulting in the Group's final climate risk assessment outcome.

Scenario Framework and Key Assumptions

Scenario System	Adopted Scenario	Key Assumptions
NGFS	Nationally Determined Contributions (NDCs) Scenario 1.5°C Orderly Transition (Net Zero 2050) Scenario	Reflects carbon price pathways under committed policies; High carbon prices, stringent regulations under radical transition
IEA	Announced Pledges Scenario (APS) Net Zero Emissions by 2050 Scenario (NZE)	Energy technology transition pathways, power mix evolution, technology cost reduction
IPCC	SSP1-2.6 (Low Emissions) SSP3-7.0 (Medium Emissions) SSP5-8.5 (High Emissions)	Drives physical risk assessment models, provides change data for physical indicators like temperature, precipitation, sea level

Key Findings from Scenario Analysis¹

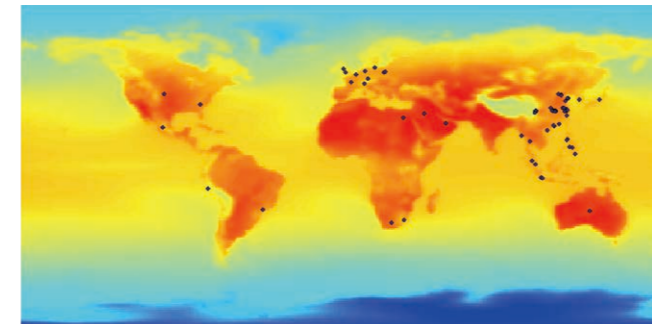
Physical Risks Significantly Intensify	Transition Pressures Diverge	Delayed Transition Risk is Highest
Under the SSP5-8.5 high emissions scenario, by 2080, an average of approximately 51.96% of the Group's assets will be at medium to high risk levels, with water stress, extreme heat, and pluvial/fluvial flooding being the most universal risk drivers. Even under the SSP1-2.6 low emissions scenario, physical risks will continue to rise due to climate inertia.	Under the NDCs scenario, risks are relatively gradual and can be absorbed through energy efficiency improvements and product enhancements; Under the "1.5°C Orderly Transition (Net Zero 2050) Scenario", carbon prices will increase exponentially (e.g., reaching USD 250/tonne in the EU by 2030), posing an existential challenge to core process decarbonization.	If early action is slow, forcing a later radical transition, the Company will face "cliff-edge risks," leading to significant transition pressure and cost challenges.

1. Key Data Sources: Physical risk data is sourced from the IPCC WGI Interactive Atlas and the WRI Water Risk Atlas. Carbon price pathways for transition risk analysis are referenced from regional data across various scenarios of the NGFS Phase IV framework (including China, European Union).

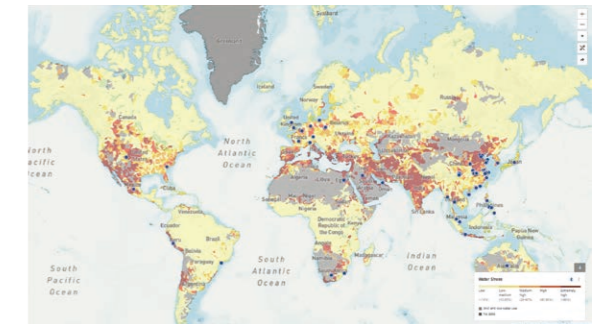
Physical Risks

Scenario Framework and Key Parameters

Based on scenario analysis using IPCC SSP1-2.6, SSP3-7.0, and SSP5-8.5, the Group's internal climate risk assessment identified a total of 10 climate indicators relevant to the business. Combining the number of involved business departments and comprehensive risk levels, the scope of this physical risk assessment was selected, covering six climate indicators: extreme heat, extreme cold, extreme precipitation, typhoons, sea level rise, and water stress².



● Example of extreme high temperature risk assessment for YOFC global operation sites



● Example of water risk assessment for YOFC global operation sites

Scenario Analysis Results

Asset Risk Rating Assessment

Acute Risks

Extreme Heat: The Company has assessed the risk level associated with an increase in extreme heat days as relatively high. This risk is expected to have a certain impact on operational efficiency, employee health, and the stable operation of equipment at some production sites.

Extreme Precipitation and Extreme Low Temperatures: Both are assessed as high-risk. Extreme precipitation may lead to waterlogging within plant areas, logistics disruptions, and equipment damage. Extreme low temperatures pose a direct threat to raw material fluidity, outdoor operations, and energy supply systems.

Typhoons: The impact on the Company's overall assets is assessed as relatively low. However, coastal and island plant sites will maintain baseline preventive standards and will not be subject to risk downgrading.

Flooding: This risk is gradually escalating to a high-risk category over time. Under mid-to-long-term (2040–2080) climate scenarios, some assets currently located outside designated high-risk zones exhibit an increasing trend in flood exposure. This requires proactive integration into infrastructure planning and insurance arrangements.

Chronic Risks

Water Stress: Although the current primary asset locations benefit from abundant precipitation and face limited drought exposure, the Company has identified certain individual areas with potential water scarcity (such as some inland production bases). These areas have been designated as key monitoring subjects under the long-term water resource management plan.

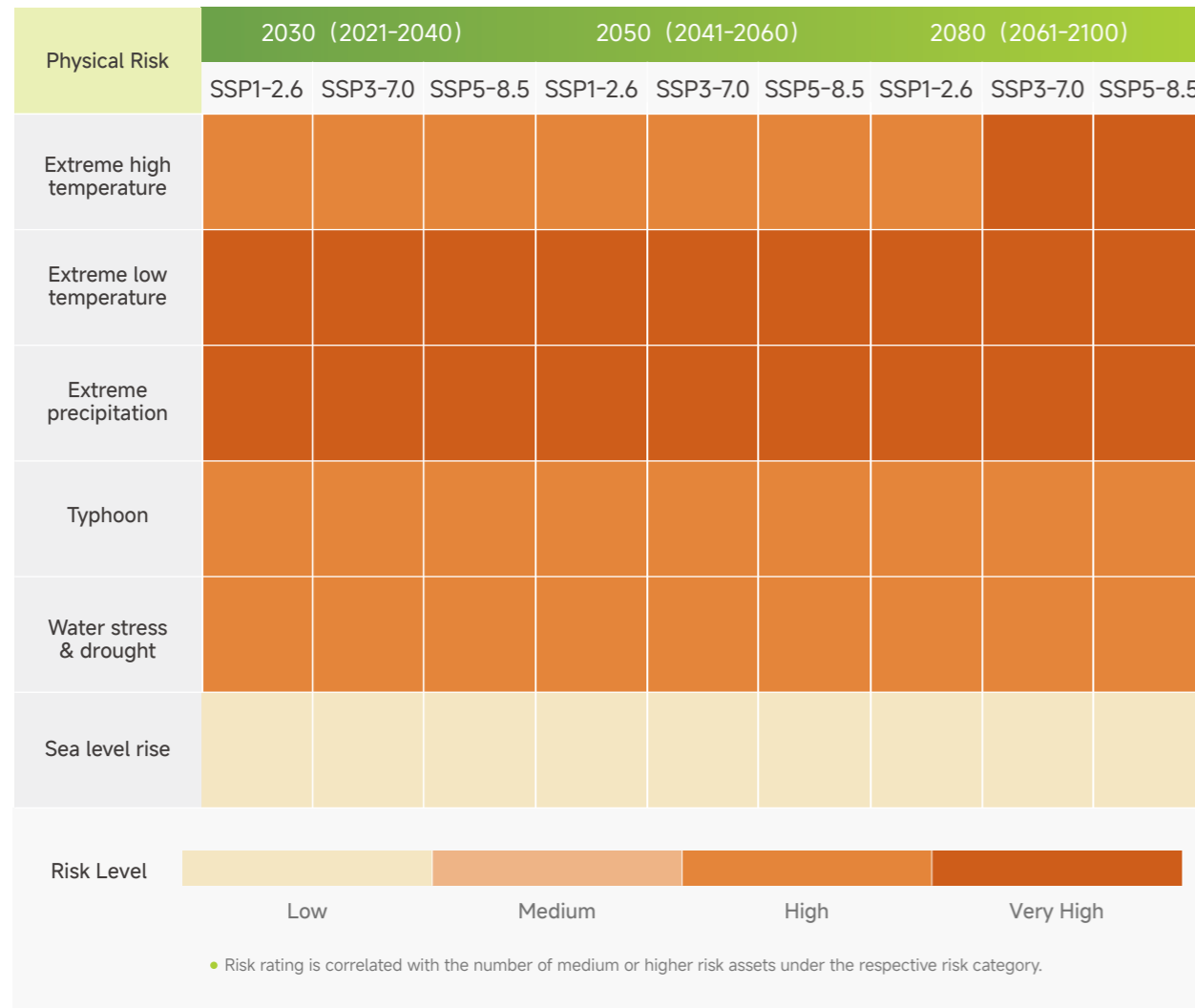
Sea Level Rise: The assessment confirms that sea level rise risk is not applicable to the Company's existing assets, and no significant impact has been identified.

Financial Materiality Impact Analysis

According to the special assessment on the financial impact of climate risks, fixed assets assessed as high-risk in respect of climate-related physical risks accounted for 10% of the Group's total fixed assets in 2025. This result indicates that future climate risks may have a certain degree of financial impact on the Group. The identified very high and high-level physical risks are all within the reasonably estimated range, and corresponding management and safeguard measures have been formulated and implemented. Such risks are expected to be effectively controlled.

This assessment is based on the average data results of future climate projections from multiple climate models. Therefore, a certain degree of uncertainty exists; however, it remains within a reasonable range and does not have a material impact on the assessment results.

2. For detailed parameter explanations, please refer to the Glossary section in the Appendix.



◆ Transition Risks

To deeply understand the potential impact of transition risks on YOFC under different climate futures, we conducted a systematic transition risk scenario analysis based on the latest authoritative scenarios published by the Network for Greening the Financial System (NGFS) and the International Energy Agency (IEA). This analysis aims to assess the potential impact of identified core transition risks (carbon pricing, customer low-carbon demand, technology competition, etc.) on the Group's financial position, strategic resilience, and long-term value under various policy, technological, and market pathways, providing a quantitative basis for strategic decision-making and risk mitigation.

Scenario Framework and Key Parameters

We selected the "Nationally Determined Contributions (NDCs) Scenario" and the "1.5°C Orderly Transition (Net Zero 2050) Scenario" from the NGFS scenario framework as references for baseline analysis and stress testing, while also referencing the IEA's "Announced Pledges Scenario" (APS) and "Net Zero Emissions by 2050 (NZE) Scenario" for more detailed energy technology parameters. Key parameter settings are as follows:

Parameter Category	Key Indicator	NDCs Scenario (Baseline)	1.5°C Orderly Transition (Stress Test)	Data Source
Carbon Price	EU 2030	USD 130/tCO ₂	USD 250/tCO ₂	NGFS Phase IV
	China 2030	USD 25/tCO ₂	USD 60/tCO ₂	
	EU 2050	USD 280/tCO ₂	>USD 500/tCO ₂	
	China 2050	USD 80/tCO ₂	USD 300/tCO ₂	
Power Mix	Global Zero-Carbon Power Share 2030	~45%	~60%	IEA WEO 2024, NZE
	Global Zero-Carbon Power Share 2050	~80%	~100%	
Key Tech Penetration	Industrial Electrification (Medium Temp) 2030	Partial Demonstration	Widespread Pilots	IEA APS IEA NZE
	Hydrogen/CCUS 2050	Limited Application	Scaled Deployment	
	Recycled Material Usage Rate 2030	Gradual Increase	Industry Standard	

Scenario Analysis Results

NDCs Scenario: Progressive Challenges, Systematic Response

In this scenario, countries globally largely fulfill their 2030 climate pledges. Transition pressures are real, continuously intensifying, but relatively manageable in pace.

Policy & Regulatory Risk

- EU carbon price rises to approximately USD 130/tonne by 2030; the EU Carbon Border Adjustment Mechanism (CBAM) is fully implemented, with policy risk of further extension to downstream products.
- China's national carbon market gradually includes high-energy-consuming industries; the Group's relevant production bases will face pressure from rising carbon compliance costs.

Market & Demand Risk

- Green procurement standards of core domestic and international customers are fully implemented, with requirements upgrading from "providing carbon footprint reports" to "carbon footprint below industry benchmarks," increasing the share of renewable electricity usage; low-carbon requirements become core supply chain access conditions.
- Low-carbon attributes shift from a "competitive advantage" to a "qualification requirement" for market access; non-compliance directly results in loss of bidding eligibility.

Technology & Competition Risk

- R&D needs to focus on "incremental innovation" and widespread adoption of mature low-carbon technologies; otherwise, production carbon emission control may lag, leading to risk of declining market competitiveness.
- Global supply chains are undergoing deep transformation towards full lifecycle carbon footprint management. Core customers will initiate supply chain carbon emission mapping and carbon performance rating systems.

Reputation & Financing Risk

- Failure to meet emission reduction targets and missing out on green financing incentives will lead to increased financing costs and operational disruptions.
- Overseas production bases will face reputational erosion risks due to heightened community pressure regarding carbon transition in host countries.

1.5°C Orderly Transition Scenario: Existential Challenge, Deep Transformation

This scenario analysis depicts the rapid and profound transformation required to achieve the 1.5°C temperature control goal, posing significant tests to the Company's business model and long-term strategy.

<p>Policy & Regulatory Risk</p>	<ul style="list-style-type: none"> EU carbon price reaches USD 250/tCO₂ by 2030, exceeding USD 500/tCO₂ by 2050; the EU Carbon Border Adjustment Mechanism (CBAM) is highly likely to extend further to end products like optical fibre cables, exerting significant cost pressure on the Group's export business. China's carbon price reaches USD 60/tCO₂ by 2030, rising to USD 180/tCO₂ by 2040. If the Group's relevant production bases fail to complete deep decarbonization on schedule, carbon compliance costs will exert significant pressure on the Group's profitability, fully highlighting the strategic urgency of deep decarbonization.
<p>Market & Demand Risk</p>	<ul style="list-style-type: none"> Core customers' procurement requirements upgrade from "low-carbon" to "zero-carbon/net-zero carbon"; value chain (Scope 3) emissions management shifts from a voluntary requirement to a mandatory access condition, placing higher demands on the Group's full lifecycle carbon management capabilities. High-carbon products will gradually exit the market; green and low-carbon products become the industry benchmark. The Group's profitability will entirely depend on the speed of emission reduction advancement and full-process cost control capabilities.
<p>Technology & Competition Risk</p>	<ul style="list-style-type: none"> In the context of long-term deep decarbonization goals, the Group needs to continuously promote incremental innovation and actively deploy and explore breakthrough innovative technology directions to seize early opportunities in the low-carbon technology track. Incorrect technology roadmap choices will lead to significant sunk investment costs for the Group, impacting long-term competitiveness.
<p>Reputation & Financing Risk</p>	<ul style="list-style-type: none"> Global financing conditions will show significant polarization; "transition leaders" will receive priority support from green capital, while "transition laggards" will face dual pressures of shrinking financing channels and credit rating downgrades. Community and public expectations regarding corporate environmental performance continue to rise, requiring the Group to continuously optimize operational management, strengthen environmental governance, and actively maintain good corporate reputation and stakeholder relationships.



Climate-Related Risks and Opportunities

Based on the scenario analysis results, we identified the following climate-related risks and opportunities with financial materiality to the Group and developed targeted response measures and transition plan:

Category	Risk	Risk Description	Financial Impact	Time Horizon	Response Measures and Transition Plan
<p>Physical Risks</p>	<p>Extreme Heat, Cold / Water Stress</p>	<p>Sustained temperature rise, water scarcity, and extreme cold lead to increased operating costs and reduced production efficiency.</p>	<p>Increased operating costs, potential revenue decline.</p>	<p>Medium-term Long-term</p>	<ul style="list-style-type: none"> Engineering Retrofits: Promote high-efficiency cooling systems and cooling tower upgrades at factories like YOFC Qianjiang and YOFI. Please see the "Energy Management" section of this report for further details. Operational Adjustments: Implement smart energy management systems to optimize HVAC operation, establish high-temperature work regulations to adjust outdoor work schedules. Please see the "Energy Management" section of this report for further details. Emergency Drills: Regularly conduct emergency response drills for extreme weather events like heatstroke, extreme cold, and water shortages. Please see the "Environmental Management" section of this report for further details.
	<p>Extreme Precipitation & Flooding</p>	<p>Frequent occurrences of events such as heavy rainfall and typhoons may lead to plant flooding, production interruptions, and logistics disruptions.</p>	<p>Loss of fixed assets, decline in operating revenue.</p>	<p>Short-term Medium-term</p>	<ul style="list-style-type: none"> Flood Prevention Construction: Establish systems like the <i>Factory Typhoon and Flood Prevention Management Measures</i> at coastal and low-lying plants (e.g., YSME, YOFC MT). Build flood control facilities, elevate critical equipment. Please see the "Environmental Management" section of this report for further details. Insurance Coverage: Purchase property insurance and business interruption insurance for high-risk assets. Emergency Response: Conduct flood and typhoon prevention emergency drills. Please see the "Environmental Management" section of this report for further details.
<p>Transition Risks</p>	<p>Carbon Pricing & Policy Compliance</p>	<p>The EU Carbon Border Adjustment Mechanism (CBAM) and the expansion of China's national carbon market have led to a significant increase in compliance cost.</p>	<p>Increased operating costs, compliance cost rise.</p>	<p>Short-term Medium-term</p>	<ul style="list-style-type: none"> Internal Carbon Pricing: Introduced internal carbon pricing in carbon allowance cost allocation, exploring a comprehensive internal carbon pricing model to guide low-carbon choices. Energy Saving & Consumption Reduction: Accelerate implementation of energy efficiency projects to reduce carbon emissions from the source. Please see the "Energy Management" section of this report for further details. Carbon Trading Compliance: Participate in carbon market trading, innovatively apply carbon financial instruments, e.g., obtaining low-interest green loans via carbon allowance pledges to purchase green electricity. Please refer to the "Innovating Green Finance Models" within this section for details.
	<p>Customer Low-Carbon Demand</p>	<p>Downstream customers have explicit requirements for product carbon footprint and green electricity usage, becoming a "hard threshold" for market access.</p>	<p>Potential revenue decline, R&D investment increase.</p>	<p>Short-term Medium-term</p>	<ul style="list-style-type: none"> Green Product Development: Launch lightweight, low-energy products, develop environmentally friendly recycled materials. Please see the "Green Products" section of this report for further details. Carbon Footprint Accounting: Establish full product line carbon footprint accounting capabilities, developing methodologies for products including optical fibre preforms, fibres, cables, and wires to provide data support for customers. Green Electricity Procurement: Continuously expand the proportion of green electricity procurement; domestic and international plants actively purchase green electricity, using carbon allowance pledge loans for green power purchases. Please see the "Energy Management" section of this report for further details. Carbon Management Platform: The SmartCarbon platform's organisational carbon and product carbon modules have obtained ISO 14064-1 and ISO 14067 methodology verification statements respectively, enabling one-click product carbon footprint calculation and rapid response to customer carbon data requests. Please refer to the "Launching Carbon Management Platform" within this section for details.

Category	Opportunity	Opportunity Description	Financial Impact	Time Horizon	Response Measures and Transition Plan
Opportunity	Low-Carbon Products & Services	Develop more energy-efficient, longer-lasting products using recycled materials to meet customer green procurement needs.	Increased revenue, enhanced market share.	Medium-term Long-term	<ul style="list-style-type: none"> Product Eco-Design: Develop sustainable green products around indicators like low-carbon attributes, environmental attributes, resource attributes, energy attributes, and quality attributes. Please see the "Green Products" section of this report for further details. Clean Technology Products: Mass-produced submarine cables for wind power generation etc.; Collaborated with leading companies to develop multi-mode fibre optimized for 212G VCSEL, supporting energy-efficient AI intelligent computing centers. Please see the "Clean Technology Opportunities" section of this report for further details. Green Standards: Lead and participate in the formulation of green standards. Public Green Development Actions: Participated in the 2025 Information and Communication Industry Green New Technologies and Products Application Seminar, released the "YOFC Green Development Action Report"; Participated in the UNGC SDG Young Innovator Accelerator Program. Climate Adaptation: Provided more durable, long-life optical fibre products, reducing equipment replacement frequency in harsh environments, lowering material consumption and maintenance-related carbon emissions. Please refer to the "Building Climate-Resilient Product Systems" within this section for details.
	Resource Efficiency & Circular Economy	Significantly reduce energy and water consumption per unit product through process optimization, waste heat recovery, and water recycling.	Reduced operating costs, improved profitability.	Short-term Medium-term	<ul style="list-style-type: none"> Energy Saving Technical Renovation: Implement waste heat recovery, energy-efficient lighting retrofits, equipment heating optimization, and other energy-saving technical renovation projects. Please see the "Energy Management" section of this report for further details. Water Resource Circulation: Promote cooling water system recycling retrofits, establish wastewater treatment-reuse systems. Please see the "Water Resources and Wastewater Management" section of this report for further details. Material Recovery: Carry out resource recycling projects like preform handle recovery, gas recovery, and sheathing material recovery. Please see the "Circular Economy" section of this report for further details. Green Packaging: Optimize packaging design, promote reusable turnover trays to replace disposable packaging. Please see the "Green Packaging and Circulation" section of this report for further details.

Business Resilience Analysis

Based on the scenario analysis conclusions, the Group's business model demonstrates a degree of resilience but also possesses vulnerabilities. Resilience stems from diversified global operations (mitigating regional risks), technological leadership (supporting product eco-design), and the initially established governance system. However, the concentration of energy-intensive processes (e.g., YOFC Qianjiang), supply chain carbon management still being in its initial phase, and some assets located in high-risk areas are our primary vulnerabilities. Consequently, we anticipate dynamically adjusting our strategy in the future: anchoring strategy to the 1.5°C goal, progressively introducing internal carbon pricing and scenario stress testing into all major investment decisions, and increasing R&D investment in breakthrough decarbonization technologies to comprehensively enhance climate resilience.

Impacts, Risks, and Opportunities Management

The Company places high importance on the management of climate-related risks and opportunities and has established a systematic control mechanism. In 2025, the Company formulated the Climate Change Management Procedure to further standardize the management requirements for the entire process of identifying, assessing, responding to, and monitoring climate-related risks and opportunities, ensuring full compliance with the relevant requirements of HKFRS S2.



◆ Identification & Assessment

The Group periodically organizes the identification and assessment of climate-related risks and opportunities, led by the Green Development Department, jointly advanced with functional departments and business units. Leveraging scenario analysis data and industry benchmarking results, a multi-dimensional assessment model (covering dimensions like probability of occurrence, financial impact, adaptive capacity, strategic alignment) is used to systematically score risks and opportunities, forming a priority heatmap. Regarding opportunity identification, focus is placed on directions such as energy efficiency improvement, low-carbon technology application, green product market expansion, clean energy substitution, and supply chain resilience optimization, integrating internal and external expert opinions to fully unlock potential business value from climate action.

◆ Response & Integration

For identified significant climate risks, the Group formulates targeted response measures, clarifying responsible parties and completion timelines. For example, to address carbon market risks, we promote the systematic establishment of product carbon footprint accounting and the scaled implementation of energy-saving technical renovation projects; facing operational disruption risks from extreme weather, we completed the preparation and practical drills of emergency response plans for high-risk plants. Simultaneously, focusing on identified climate opportunities, the Group has initiated dedicated work in areas such as green product R&D and renewable energy procurement, translating opportunities into concrete action plans. All risk responses and opportunity implementations are incorporated into the Company's unified project management and performance assessment mechanisms, with coordinated resource allocation and progress tracking to ensure execution effectiveness and management closure.

Metrics and Targets

Short-Term Target

- Achieve a 50% reduction in greenhouse gas emissions intensity³ in 2028 compared to 2021.

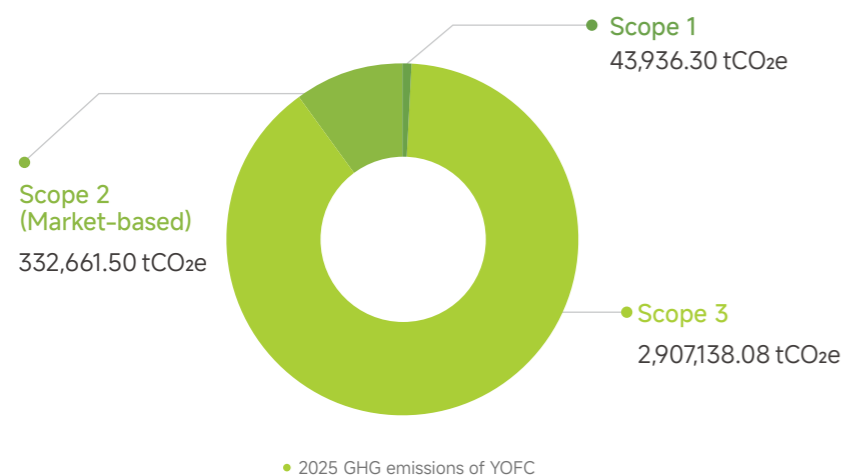
Long-Term Vision

- Achieve carbon neutrality by 2055.

We track and measure the effectiveness of our climate actions by setting clear quantitative metrics and targets, fully complying with the disclosure requirements for metrics and targets under HKFRS S2.

Emission Category	Unit	2025	2024
Scope 1 GHG Emissions	tCO ₂ e	43,936.30	36,011.59
Scope 2 GHG Emissions (Location-based)	tCO ₂ e	363,133.37	316,896.84
Scope 2 GHG Emissions (Market-based)	tCO ₂ e	332,661.50	311,790.88
Total GHG Emissions (Scope 1+2) (Market-based)	tCO ₂ e	376,597.80	347,802.47
GHG Emission Intensity (Scope 1+2) (Market-based)	tCO ₂ e / RMB 10,000 output value	0.16	0.18

YOFC conducts inventory and third-party verification of GHG emissions sources within its organizational boundaries using the operational control approach, in compliance with the scopes, categories and calculation methods defined in ISO14064-1 and GHG Protocol.



Greenhouse gases verification opinion

3. Measured by emissions per RMB 10,000 output value.
 4. Science Based Targets initiative.
 5. By 2035, a climate-resilient society shall be basically established.

Case | YOFC Poland's carbon targets approved by SBTi⁴

YOFC Poland's science-based carbon targets were officially approved and validated by the SBTi in June 2025. This not only signifies that the YOFC Group has received international authoritative recognition for climate action in its overseas operations but also underscores the Group's firm commitment to integrating sustainable development into its global strategy. By setting 1.5°C 1.5°C targets aligned with the Paris Agreement, YOFC demonstrates leadership as an industry leader in addressing climate change. These targets encompass a net-zero emissions pathway across the entire value chain, driving comprehensive green transformation from the Group's own operations (Scope 1, 2) to the upstream and downstream supply chain (Scope 3). Specific targets are as follows:

Near-Term Targets

- Commit to reduce absolute Scope 1 and Scope 2 GHG emissions by 58.8% by 2034 from a 2024 base year.
- Commit to reduce absolute Scope 3 GHG emissions from purchased goods and services by 35% within the same timeframe.

Long-Term Target

- Commit to reduce absolute Scope 1, Scope 2, and Scope 3 GHG emissions by 90% by 2050 from a 2024 base year, achieving net-zero GHG emissions across the value chain.



Key Progress of the 2025 Climate Transition Plan

Building Climate-Resilient Product Systems

YOFC takes climate resilience as a key product strategy. Through proactive R&D and technological innovation, the Group has developed resilient product systems that withstand extreme climate risks and ensure stable operation of critical infrastructure, building a differentiated competitive edge and driving the industry's green transition amid global climate challenges.

In response to frequent extreme weather and sharp temperature fluctuations caused by climate change, the Group has launched its High-Reliability Wide-Temperature-Range Special Optical Fibres and Cables. These products resolve industry difficulties in deploying advanced optical communication and sensing systems in harsh environments, supporting China's 2035 NDC⁵ targets with practical actions. Its core performance indicators are internationally leading, with multiple core technologies independently controlled. The achievement won the 2024 First Prize of Science and Technology Progress awarded by the China Institute of Communications. Furthermore, by providing durable long-life fibres and cables, the Group reduces replacement of communications infrastructure in harsh environments, cutting material consumption and operational carbon emissions at source. Adopting full product lifecycle management, YOFC embraces green manufacturing and promotes sustainable development.



First Prize of the Science and Technology Award of the China Institute of Communications (CIC)

Strengthening Carbon Management Capabilities

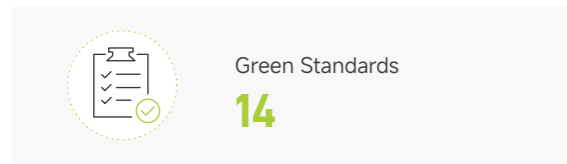
YOFC systematically advances full-value-chain carbon management capacity building closely aligned with its sustainable development strategy and business layout requirements. We have conducted multiple professional carbon management training sessions for key personnel across internal functions, subsidiaries, and external core suppliers. The training covers key areas such as application of carbon calculation methodologies, practical use of the carbon management platform, product carbon footprint calculation, and setting science-based emission reduction targets. This comprehensively enhances the carbon management expertise and practical capabilities at all levels of the Company and among value chain partners, laying a solid foundation for the Company's low-carbon and efficient development and the establishment of a green supply chain system.



Carbon management training

Establishing and Leading Green Standards

YOFC actively engages in establishing a green standards system to lead the low-carbon transition of the industry. The Company has led and participated in developing multiple green standards covering energy conservation, low-carbon practices, green manufacturing and carbon management, with 14 standards released in 2025. These achievements underpin its green development and advance the green high-quality growth of the optical communications sector.



Innovating Green Finance Models

In 2025, the Company actively participated in carbon market trading, innovatively applied carbon financial instruments, and explored pathways for monetizing carbon assets. In 2025, three entities⁶ of the Company located in Hubei Province successfully completed their annual carbon trading compliance in the Hubei Carbon Emissions Trading Market. Carbon trading management capabilities are maturing, laying a practical foundation for addressing transition risks arising from carbon pricing policies. Building on this, the Company will further explore establishing an internal carbon pricing mechanism, integrating carbon costs into the assessment framework for project investment and operational decisions, guiding internal emission reduction behaviors through economic signals, and strengthening the internal management of climate risks.

Case | Carbon finance innovation model

In exploring innovative carbon finance models, the Company obtained a green information loan through the State Grid's "Electricity e-Finance Service" platform, used for paying for green electricity purchases. In July 2025, the Company pledged 50,000 tonnes of carbon allowances and secured a one-year loan of RMB 5.893 million for purchasing green electricity. This saved costs and transformed carbon assets into working capital supporting green development, creating a virtuous cycle of "Carbon Assets - Green Financing - Clean Energy - Carbon Emission Reduction."

Case | Green loan

YOFC partnered with SPD Bank on a GHG emission reduction-linked loan, with a total of RMB 140 million drawn as of the end of 2025. The collaboration uses "GHG emission reduction" as a key performance indicator and features a two-way interest rate adjustment mechanism, encouraging both parties to jointly pursue new approaches to green manufacturing development.

Carbon Emissions Trading

In 2025, three entities successfully completed carbon trading compliance, with a total compliance volume of 253,704 tCO₂e.

Launching Carbon Management Platform

To support the digital and scaled operation of the carbon management system, the Company launched the SmartCarbon Management Platform after multiple iterations and technical optimizations. The platform has completed integration with key business systems, unified data standards and accounting processes. Its organizational carbon module and product carbon module have obtained ISO 14064-1 and ISO 14067 methodology verification statements, respectively.



GHG accounting tool methodology validation statement

6. The three entities are as follows: Yangtze Optical Fibre and Cable Joint Stock Limited Company, Yangtze Optical Fibre Qianjiang Company Limited, Yangtze Gas Qianjiang Company Limited.

Organizational Carbon Inventory

Input, allocate, and synchronize emission source data online, accurately calculate and comprehensively monitor the carbon emissions of all organisational levels, providing data support for carbon management decisions.

Product Carbon Footprint Calculation

Calculate, analyze, and share product carbon footprints, enabling quick responses to customer demands, conducting multi-dimensional analysis of carbon footprint components, and promoting low-carbon product design and emission reduction implementation.

Emission Reduction Targets and Project Management

Set multi-level and multi-method emission reduction targets, continuously track project progress and outcomes, and quantify the value and achievements of carbon reduction efforts.

Core functions

Comprehensive Data Integration

Deeply integrated with the Group's core business systems, the platform enables automatic carbon data collection across procurement, logistics, business travel and other scenarios, with one-click synchronisation of Scope 3 data.



Technical Highlights

Refined Factor Library

Equipped with a comprehensive and detailed carbon accounting factor library, it supports automatic matching of material items, financial accounts, waste with corresponding accounting factors.

Smart Accounting Engine

Built on authoritative domestic and international standards and embedded with accounting methodologies, it automatically performs carbon data calculation and generates reports with one click.

Improving Transparency in Green Development

From July 30 to 31, 2025, the 2025 Information and Communication Industry Green New Technologies and Products Application Seminar, themed "Innovative Application, Green Development," was successfully held in Beijing. At the seminar, company representatives presented the "YOFC Green Development Action Report." Upholding the mission of "Smart Link Better Life," driven by innovation, YOFC is innovation-driven and committed to the independent research, development and application of new technologies and products. It strongly supports network interconnection under China's "Dual Carbon" strategy and the "East Data, West Computing" project, providing global customers with smarter and greener optical connectivity solutions, and empowering the digital future through innovative technologies.

Through the systematic governance, strategy, risk management, and metric tracking outlined above, YOFC is committed to transforming climate challenges into development opportunities, contributing our strength to the green transition of the global optical communications industry and the carbon neutrality goals of the entire society.

Sustaining Green Operations

Environmental Management

YOFC complies with the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, the *Environmental Protection Law of Indonesia*, *Brazil's National Environmental Policy*, *Poland's Environmental Protection Act*, and *Mexico's General Law for the Prevention and Integral Management of Wastes and National Water Law*, among other laws and regulations in the jurisdictions where it operates, and earnestly fulfils its environmental protection responsibilities. As of the end of the reporting period, the Company had achieved 100% compliant emissions of air pollutants, wastewater, noise and other pollutants at all production plants, and there were no incidents in which the Company was penalised by regulators or held criminally liable due to non-compliance in environmental management.

The Company duly pays Environmental Protection Tax in accordance with the law, and is entitled to tax reduction and exemption benefits under Article 13 of the *Environmental Protection Tax Law of the People's Republic of China*. Meanwhile, the Company strictly complies with the regulatory requirements of the *Measures for the Administration of Legally Disclosed Enterprise Environmental Information*, and fulfils the principal responsibility for legally disclosing environmental information. For its subsidiary Polytech Qianjiang, which is included in the disclosure list, the Company strictly prepares the annual legally disclosed environmental information report in accordance with the *Guidelines for the Format of Legally Disclosed Enterprise Environmental Information*, and proactively accepts regulatory and public supervision.

The Company continues to build a high-standard environmental management system. Through the ongoing revision and improvement of internal management rules, it standardises and guides environmental management across its operating sites. In 2025, the Company updated and issued the *Environmental Policy*, further clarifying the strategic direction and work requirements for environmental management across the Group.

To further strengthen environmental management capability, YOFC regularly carried out third-party environmental management system audits, and carried out environmental audits across all operating sites. As its environmental management practices continue to deepen, the Company has also received recognition from regulators at different levels. Since 2021, YOFC has been recognised as a "Green-Label Enterprise" in environmental credit evaluation for five consecutive years. In 2025, the Company was included in the Fourth Batch of Benchmark Enterprises for Pollutant Discharge Permit Management in Wuhan released by the Wuhan Municipal Bureau of Ecology and Environment, demonstrating its environmental responsibility and industry-leading role.

As of the end of the reporting period



Number of YOFC companies certified with ISO 14001 Environmental Management System: **30**

Environmental Risk Identification and Response

The Company has formulated the *Procedure on EHS Risk Identification, Risk Assessment and Determination of Control Measures*, and in strict accordance with the procedural requirements, regularly conducts comprehensive identification and systematic evaluation of environmental risks in work activities on an annual basis. For the identified and evaluated environmental risks, the Company implements whole-process management and control from two dimensions: risk prevention and risk response. Through source control, process supervision and technological optimization, the Company implements risk prevention requirements to minimize the probability of risk occurrence. Meanwhile, it clarifies risk response measures including emergency response, rectification and correction, and continuous improvement, to ensure risks are under control and prevent environmental safety incidents.

<p>Environmental risk identification</p>	<ul style="list-style-type: none"> YOFC carries out environmental risk assessments tailored to local conditions. For example, YOFC Brasil conducts surveys on environmental aspects and impacts, while YOFC India and YOFC Mexico have established a <i>Hazardous Substance Identification and Risk Assessment mechanism</i>. These measures support the effective identification of environmental risks across domestic and overseas plants and the formulation of appropriate preventive and response measures.
<p>Environmental risk prevention</p>	<ul style="list-style-type: none"> To effectively control environmental risks, the Company conducted unannounced inspections at 12 production plants in 2025. Through enhancement initiatives such as environmental management support services, the Company further strengthened its environmental management capability.
<p>Environmental risk response</p>	<ul style="list-style-type: none"> The Company has formulated dedicated contingency plans, including the <i>Response Plan for Environmental Emergencies</i> and the <i>Emergency Response Plan for Toxic and Hazardous Gas Leaks</i>. Through regular drills such as chemical leak emergency drills and propane leak emergency handling drills, it ensures its emergency response capability for environmental risks.

Case | Propane leak emergency drill at YOFC's Chuangye Street factory area

On 23 July 2025, YOFC organised a dedicated emergency drill for a propane leak at its propane station at the Chuangye Street Factory Area. Guided by the principle of "prevention first, with prevention and emergency response combined", the drill simulated a propane leak scenario and focused on testing the effectiveness of risk-zone isolation and on-site response procedures. The emergency response teams acted in close coordination, further strengthening practical emergency response capabilities and safety control in key hazardous areas.



Propane leak emergency drill

Digitalised Environmental Management

In response to national digital transformation policies and to enhance the efficiency of environmental, health and safety (EHS) management, the Company completed the construction of an EHS digital platform in 2025, and gradually rolled out its application across the Group. Based on ISO 14001, ISO 45001 and the Group's safety standards, and designed separately considering the actual circumstances of each plant, the platform interfaces with existing systems and enables closed-loop management covering target-setting and cascading of responsibilities, implementation of safety work, process supervision, performance evaluation and improvement. The platform supports multiple language modes, and incorporates EHS-related laws, regulations and standards from the jurisdictions in which the Group operates, providing effective digital support for the Group's standardised management.



EHS information platform

Building Environmental Capabilities

The Company regards the cultivation of environmental compliance awareness and operational skills as an important safeguard for the effective operation of its environmental management system. In 2025, the Company conducted a series of environmental management training sessions through centrally organised in-person classes. The sessions were delivered by EHS technology experts, covering all employees. This created a company-wide environmental capability-building system spanning front-line staff to management, which translates environmental management requirements into everyday behavioural norms and provides human-capability support for the continuous improvement of environmental performance.

<p>Three-level training</p> <p>Based on the Company's management requirements, clarifying the environmental bottom lines that must be observed in production, with a focus on plant processes, the discharge of wastewater, waste gas and solid waste, and related management requirements.</p>	<p>Environmental compliance</p> <p>Interpreting relevant national and local environmental laws and regulations, with a focus on wastewater discharge, waste gas control and hazardous waste disposal.</p>
<p>Management systems</p> <p>Clarifying the core framework of ISO 14001, the Plan-Do-Check-Act (PDCA) cycle and the fundamental requirements of core elements for production departments.</p>	<p>Environmental emergency response</p> <p>Covering response procedures for common environmental emergencies arising during production, and clarifying escalation routes and coordination requirements.</p>

2025 environmental management training topics

◆ Energy Management

Comprehensive and systematic energy management is one of the key pathways through which an enterprise can achieve low-carbon transformation and build future green competitiveness. To further enhance consistency and standardisation in energy management across the Group, we formulated the *Energy Management Guidelines* in 2025, promoting the expansion and upgrading of energy management arrangements from company-level application to Group-level deployment.

As of the end of the reporting period



Number of YOFC companies certified with ISO 50001 Energy Management Systems: **6**



• YOFC energy-management document system

◆ Energy Targets

Short-term target

- By 2030, reduce energy consumption intensity (energy consumed per unit of output value) by 10% from the 2025 baseline.

Long-term vision

- By 2060, fully build a clean, low-carbon, safe and efficient energy system, achieve internationally advanced levels of energy efficiency, and realise green, low-carbon, circular and sustainable development.

Indicator	Target	2025	2024
Energy consumption intensity	By 2030, reduce energy consumption intensity (tce/RMB 10,000 output value) by 10% from the 2025 baseline	0.042	0.044

◆ Energy Management Pathways and Measures

In 2025, YOFC implemented a series of energy-saving and carbon-reduction measures, including process optimisation, energy-efficiency retrofits, emission substitution, resource recovery and reuse, photovoltaic-based emissions reduction, and the use of green and clean energy. These measures cumulatively reduced carbon emissions by 86,333 tCO₂e and achieved comprehensive energy savings of 49,653 tonnes of standard coal equivalent (tce).

- Refined Energy Management**
 - The Group has established and continuously upgraded an intelligent energy management platform. Through measures including optimised temperature control systems and intelligent lighting installations, we have achieved refined energy management.
- Energy-Efficient and Low-carbon Design**
 - The Company proactively integrates energy-saving and low-carbon principles into the design stage, improving energy efficiency and reducing carbon emissions at source to enable more efficient energy use.
- Process Optimisation**
 - Based on scientifically planned production schedules, the Company proactively identifies opportunities to optimise production processes and technologies, and strengthens energy management while ensuring that production and process quality requirements are met.
- Efficient Equipment Use**
 - The Company continues to unlock the potential of high-efficiency and energy-saving equipment. By optimising operating modes, avoiding idle running and replacing equipment with more energy-efficient alternatives, it has progressively improved equipment utilisation efficiency.
- Energy-mix Adjustment**
 - The Company actively expands the use of renewable energy and increases the share of clean energy through initiatives such as distributed photovoltaic installations and the procurement of green electricity and green certificates. In 2025, YOFC consumed a total of 159,279 MWh of green electricity.
 - The Company also explored the application of waste heat recovery and reuse in areas such as steam substitution.

Energy Management Platform

To further support refined energy management, the Company completed the upgrade of its energy management platform in 2025, ensuring real-time monitoring, precise control and in-depth analysis of energy data.

- 01 Data integration for energy media, including water, electricity, gas, steam and specialty gases
- 02 Energy consumption statistics, analysis and alerts
- 03 Analysis of balance losses at each level and early warning alerts
- 04 Energy consumption statistics, unit consumption analysis and energy efficiency benchmarking at factory, workshop and equipment levels
- 05 Statistical analysis of energy costs
- 06 Equipment energy consumption analysis, as well as equipment and metering instrument management

• Main functions of the energy management platform



• Energy management platform

Case | Low-carbon design – optimisation of the process water system at the Indonesian factories

Part of the process recirculating cooling-water systems at YOFI and YOI had originally been designed with a closed cooling tower. However, given the year-round temperatures above 30°C in Indonesia, the closed cooling tower could not deliver the intended energy-saving benefits. Through design optimisation, the Company removed the closed cooling tower and adopted a “pump – plate heat exchanger – draw tower” configuration, saving 24,537.6 kWh of electricity over the course of the year.



• Process recirculating cooling-water system at the Indonesian factories

Case | Process optimisation – retrofit of the integrated colouring – secondary coating line at the Communications Business Unit

In 2025, YOFC’s Telecom Business Unit advanced a technology retrofit project for the integrated colouring-secondary coating line across production bases in Wuhan and other locations. Focusing on pain points in the traditional discrete colouring process, such as frequent batch and colour changes, high resource consumption and long downtime, the Company added 13 integrated colouring-secondary coating machines, developed standardised SOPs for colour and fibre changeovers, and strengthened intelligent control and lean on-site management. As a result, electricity consumption per unit of product decreased by 42%, and annual electricity savings reached 864MWh.



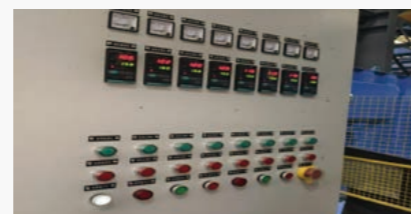
• Technology retrofit project for the integrated colouring-secondary coating line

Case | Efficient equipment use – asphalt tank retrofit for the steel-wire armouring machine

To address the long heating cycle and asphalt overheating associated with the original asphalt tank of the steel-wire armouring machine, YOFC MT carried out a dedicated technical retrofit, delivering improvements in production efficiency, energy-use control and operational safety.

It included three core measures:

- Heating method upgrade: replacing traditional bottom heating with zoned heating, and replacing heating rods with heating blocks to reduce energy loss and equipment failure rates.
- Temperature-control optimisation: setting four heating zones and two heat-preservation zones, with independent thermocouple feedback for each zone to ensure uniform asphalt heating.
- Conveyance assurance: adding a heating system to the transfer pump and pipelines to prevent asphalt from cooling and causing blockages.



• Asphalt tank of the steel-wire armouring machine

After the retrofit, asphalt heating time was reduced from six hours to four hours, while electricity consumption per start-up fell by approximately 33.3%. The retrofit also eliminated the risk of asphalt overheating, providing a replicable and scalable practice for greener and more efficient upgrading of similar equipment used in cable manufacturing.

Case | Energy-mix adjustment – YQTC waste-heat recovery project

During operation of the OVD production process in the quartz synthesis project of YQTC, substantial quantities of high-temperature dust-laden exhaust gas are generated, with discharge temperatures maintained at 90–200°C and significant recoverable heat content. To improve comprehensive energy-utilisation efficiency, the Company designed and built a flue-gas waste-heat recovery system. The residual heat from the high-temperature exhaust gas is recovered, transferred and stored through a water medium, and then delivered via a plate heat exchanger as a stable heat source for the plant’s air-conditioning system and process air-supply system. At full load, the system is expected to deliver total recovered heat capacity of 5,298 kW, with annual heat recovery equivalent to approximately 390 tce.

Case | Energy-mix adjustment – renewable electricity driving the zero-carbon transition of YOFC Brasil

By purchasing renewable electricity, YOFC Brasil obtained the 2025 *Certificado de Energia Renovável*. The certificate, issued by the Brazilian third-party institution Simple Energy, confirms that the electricity consumed at the plant was sourced from renewable energy and marks important progress in clean-energy substitution and low-carbon operations at the Company’s overseas bases. Over the year, YOFC Brasil reduced carbon dioxide emissions by 198.67 tCO_{2e}.



• Renewable electricity procurement certificate of YOFC Brasil

During the reporting period



YOFC achieved:

Total Clean Energy Consumption
232,638.55 MWh

Proportion of Clean Energy used⁷
28.22%

which includes:

Solar Energy
147,186.86 MWh

Wind Energy
7,805.00 MWh

Hydrogen Energy
77,646.69 MWh

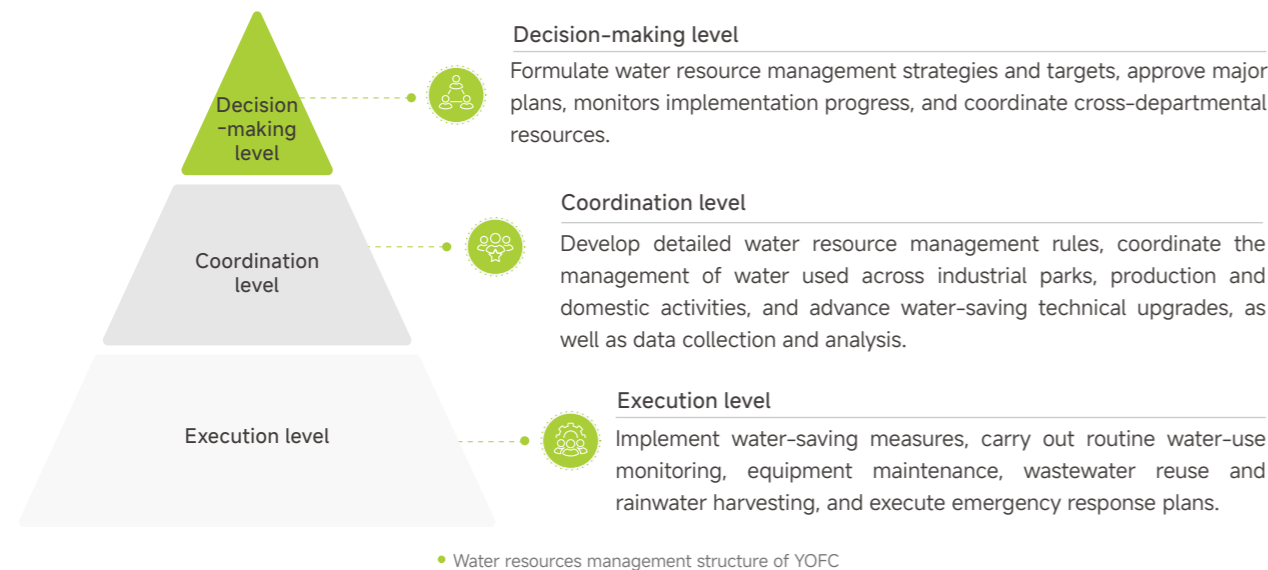
7. The proportion of clean energy utilisation = total clean energy consumption (MWh) / total energy consumption (MWh)

Water Resources and Wastewater Management

Water Resources Management

With the goals of reducing water consumption and increasing water reuse rate of water resources, YOFC continues to advance the sustainable use of water resources in its operations through integrated measures such as systematic retrofits, digital monitoring and recirculation, thereby continuously improving water-use efficiency.

The Company has established a sound water resources management system and a three-tier water resources management structure of “decision-making – coordination – execution”. Responsibilities are clearly assigned at each level, forming a collaborative management model characterised by strategic guidance, professional coordination and front-line implementation, ensuring that water management targets are cascaded layer by layer and effectively executed.



Leveraging digital tools such as online monitoring platforms, the Company conducts intelligent monitoring to promptly identify abnormal water use and leakage points, thereby minimising water wastage and avoiding water consumption in excess of planned levels.

During the reporting period



YOFC's total water consumption intensity decreased by **28.54%** year-on-year.

Water-saving retrofits

YOFC MT installed automatic sensor taps with built-in aerators. By using air-mixing technology, the taps significantly reduce actual water output per unit of time while maintaining effective rinsing force, saving more than 8 tonnes of water per month.

Rainwater reuse

YOFC Qianjiang has established a rainwater collection and reuse system to collect and process rainwater, thereby improving water-use efficiency.

Recirculating water use

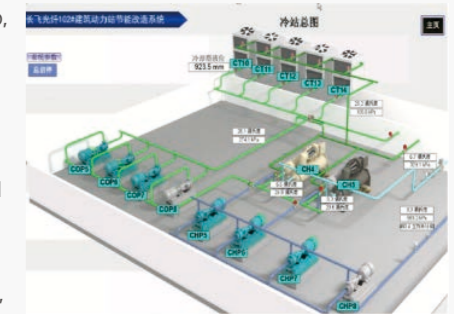
YOFC Qianjiang has built a closed-loop “treatment – reuse – linkage” system. Through the softening and reuse of cooling-tower wastewater, the retrofitting of reverse osmosis processes, and the establishment of a recirculating pipeline network for production wastewater, it has realised precise treatment and cascade reuse of wastewater.

• Water resources management measures

Case | Retrofit and upgrade of the process cooling-water recirculation system

In 2025, YOFC carried out a cooling-system retrofit in its cable workshop, upgrading the traditional “one-pass cooling and direct discharge” mode to an integrated “cooling – recovery – temperature reduction – recirculation” cooling-water system, including the following measures:

- Adding a sealed water-storage tank beneath the original cooling trough and installing high-efficiency recirculating pumps to collect and recover cooling water;
- Installing an array of blowers beneath the storage tank to rapidly lower the temperature of recovered cooling water through forced-air cooling, replacing the conventional practice of lowering temperature through fresh-water replacement;
- Installing foam-clamp sealing structures at both ends of the cooling trough, with precise cable-holding slots to reduce cooling-water evaporation and leakage;
- Installing a simple filtration device to remove cable debris and impurities from recirculating water and maintain stable water quality.



• Retrofit and upgrade of the process cooling-water recirculation system

The project also established a basic water-use monitoring mechanism. Flow meters were installed at the outlet of the recirculating pumps and on the fresh-water make-up line to track recirculating water volume and make-up water volume in real time, ensuring that the retrofit effect could be quantified.

Following the retrofit, the cable workshop cooling system achieved recirculation of more than 90% of its cooling water. Average daily fresh-water make-up fell from 145 tonnes to 45 tonnes, saving around 100 tonnes of water per day. This reduced fresh-water withdrawal and wastewater discharge while also improving economic efficiency.

Wastewater Management

YOFC has established a full-process wastewater management system featuring source segregation, process monitoring and compliant discharge. With reference to *China's Integrated Wastewater Discharge Standard (GB 8978-1996)*, *Mexico's NOM-001-SEMARNAT-2021* and other discharge management standards applicable in the jurisdictions where it operates, the Company continues to optimise wastewater discharge management methods, upgrade wastewater treatment facilities, and apply precise discharge control, continuous monitoring and effective treatment to ensure compliant and effective wastewater management.

Precise control through segregation by water type

The Company implements separate drainage for rainwater and sewage, and separate handling of clean water and polluted water. Wastewater is classified into production wastewater and domestic sewage, and flow-monitoring devices are installed at the main wastewater discharge outlet.

Routine supervision and monitoring

At YOFC's Chuangye Street plant, online monitoring equipment is installed at the outlet of wastewater treatment stations and major discharge outlets to monitor key indicators such as fluoride, pH and flow in real time, with data synchronised to the municipal environmental regulation platform. In addition, in line with requirements in Indonesia, Mexico and other operating locations, water-quality analysis is conducted at least once every six months and reports are submitted to the relevant authorities.

Upgrading of metering equipment

Obsolete metering equipment has been replaced to ensure accurate measurement data.

• Wastewater management measures

Indicator	Target	2025	2024
Wastewater discharge compliance rate	100%	100%	100%

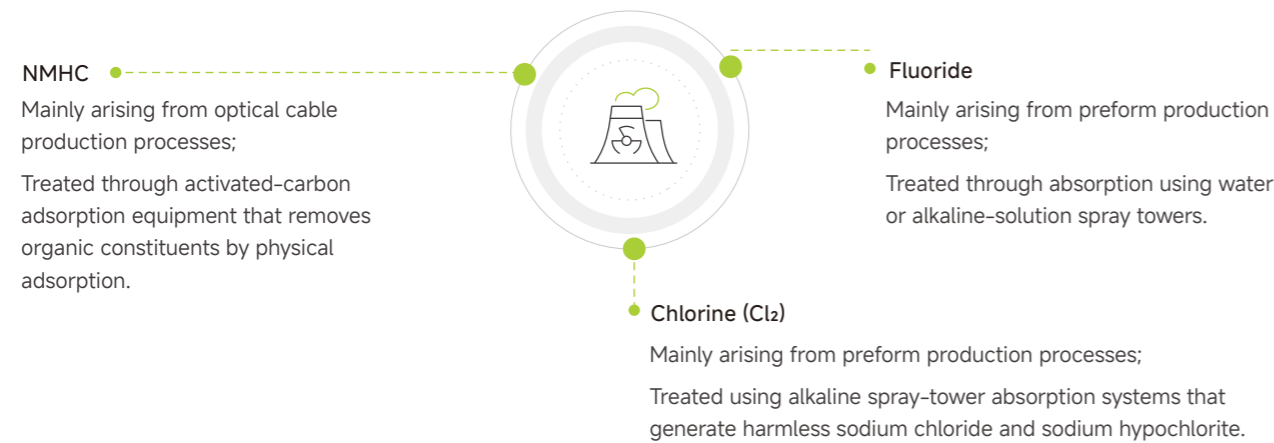
Waste Gas Emission Management

By implementing technically mature and operationally reliable pollution-control measures, YOFC ensures that all atmospheric pollutants are discharged in compliance with the *Air Pollution Prevention and Control Law of the People's Republic of China* and the applicable laws and regulations of the countries and regions where it operates. Internally, the Group has established the *Wastewater, Waste Gas and Noise Control Procedures* and assigned responsibility for compliant emissions and treatment to relevant departments. At the same time, it regularly monitors atmospheric emissions generated in its operating and production activities in accordance with standards including the *Integrated Emission Standard of Air Pollutants (GB 16297-1996)*, so as to reduce adverse impacts on the environment.

The Company incorporates waste gas emissions management into its environmental performance assessment system and has set clear emissions-control targets. In 2025, all production plants achieved 100% compliant waste gas emissions, and the emission levels of major atmospheric pollutants such as fluoride and chlorine at the Wuhan site of YOFC were below 50% of the applicable emission limits.

Risk Identification and Management

The Company proactively identifies risks and impacts related to air emissions and applies targeted control measures for major atmospheric pollutants generated during certain production process to ensure compliant discharge.



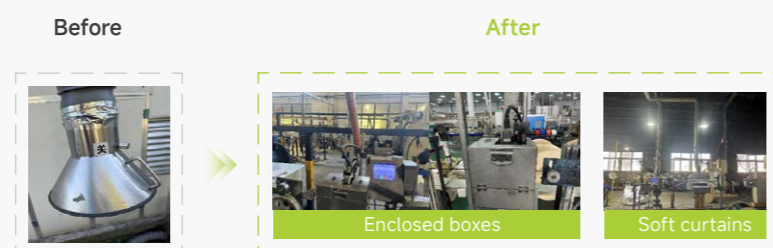
Case | Adsorption retrofit at the exhaust outlet of YEPC

In 2025, YEPC installed an activated-carbon adsorption device at the colouring-process exhaust outlet to adsorb volatilised organic-solvent gases. At the same time, the original 11 kW fan was upgraded to a 22 kW high-efficiency fan, increasing the system's maximum airflow from 18,418 m³/h before the retrofit to 29,248 m³/h, thereby ensuring more complete waste-gas collection and more stable conveyance.

Before		After	
Power	Maximum Airflow	Power	Maximum Airflow
11 kW	18,418 m ³ /h	22 kW	29,248 m ³ /h

Case | Exhaust collection retrofit at YOFC Suzhou

In 2025, YOFC Suzhou, supported by environmental management support services, changed its waste-gas collection method from open collection to collection through enclosed boxes or soft curtains. While ensuring compliant discharge, the retrofit effectively increased waste-gas collection efficiency from 60% to 90% and reduced the energy consumption of gas-collection facilities.



Case | Low-emission vessels and desulphurised fuel at YSME

In 2025, YSME used desulphurised fuel to ensure compliant operations and reduce environmental impact. The sulphur content of the fuel used by its three vessels did not exceed 0.1%, demonstrating strong environmental and safety performance:

- Environmental performance: sulphur dioxide emissions after combustion were reduced by more than 60%, significantly lowering the risks of acid rain and air pollution. Particulate matter and nitrogen oxide emissions were also reduced, helping to improve ecological conditions in ports and marine environments.
- Safety performance: desulphurised fuel is less corrosive to pipelines and marine engines, helping to extend equipment life and reduce maintenance costs.



• Vessels of YSME

Indicator	Target	2025	2024
Waste gas emission compliance rate	100%	100%	100%

Waste Disposal Management

YOFC is committed to reducing or eliminating pollution generation and discharge at source, monitoring and avoiding the use of hazardous substances in products, and reducing waste generation by improving raw-material utilisation and increasing the share of recycled materials in product inputs. In accordance with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *National Catalogue of Hazardous Wastes*, the *Brazilian Solid Waste Legislation ("PNRS"*, from the Portuguese *Política Nacional de Resíduos Sólidos*), and the relevant laws, regulations and permits applicable at global operating locations, the Company has formulated internal management documents such as the *Solid Waste Control Procedures*. These documents clarify the classification, measurement and disposal methods for all categories of solid waste, and the Company continues to strengthen the monitoring, management and harmless treatment of waste, striving to reduce waste generation at source and minimise the environmental impacts arising from waste disposal.

Waste Disposal Management Measures

The Company applies comprehensive management to both general solid waste and hazardous waste. General solid waste includes recyclable solid waste, non-recyclable solid waste and domestic waste. Recyclable and non-recyclable solid waste are sent to qualified entities for treatment or recycling and reuse, while domestic waste is handled by urban management authorities. Hazardous waste is disposed of in compliance by qualified entities.

Precise classification at source

Collect and sort solid waste at source to improve the precision of waste disposal management.

Ledger management

Establish a full-process ledger covering the entire lifecycle from waste generation to final disposal, enabling closed-loop management across the whole process and effectively improving resource utilisation efficiency and refined management.

Digital management

Introduce electronic labels for hazardous waste so that its origin can be checked and its destination can be traced from point of generation to final disposal.

• Measures for the treatment of solid waste at YOFC

Indicator	Target	2025	2024
Waste disposal compliance rate	100%	100%	100%

As of the end of the reporting period



YOFC achieved:

100% compliance rate for industrial solid waste disposal

100% compliance rate for hazardous waste disposal

0 environmental complaints or non-compliance incidents related to waste

Noise Management

YOFC regards noise management as an integral part of its environmental management system.

We strictly comply with the *Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution* and relevant laws and regulations in all local jurisdictions where we operate. While ensuring that factory boundary noise at all our plants consistently meets the Class 3 and 4 limits specified in the national *Emission Standard for Industrial Enterprises' Boundary Noise* (GB 12348-2008), we continuously improve our noise governance capabilities.

The Company attaches great importance to the environmental impact of its production and operational activities on the plants and surrounding communities, and has identified noise pollution as a key environmental impact factor for priority control. We have established a regular monitoring mechanism and commissioned qualified third-party professional institutions to conduct comprehensive noise testing on a quarterly basis. Meanwhile, we systematically implement noise reduction and protection measures across the entire operational chain, including equipment procurement and installation, technological upgrading and transformation, and engineering project construction. By preventing noise at the source and controlling emissions throughout the entire process, we steadily advance environmentally friendly production and operations.

Circular Economy

Guided by the *Environmental Policy*, the Company actively practises the principles of the circular economy by embedding resource recirculation throughout the full process of production and operations, covering raw materials, production processes, product packaging and waste disposal.

In 2025, the Company carried out a series of systematic initiatives focusing on raw-material recovery, circular green packaging and waste valorisation, achieving benefits in terms of resource conservation, cost reduction and carbon emissions reduction.

◆ Raw-material Stage

The Company has established raw-material recovery mechanisms with upstream and downstream supply-chain partners to enable the circular use of high-value raw materials.

Case | Industrial scrap recycling project at RFS Suzhou

To implement resource conservation and environmental compliance requirements, RFS Suzhou launched the LCF12&LCF78 Sheath Recycling Material Reuse Project in 2025. The project established a closed-loop "treatment - reuse - linkage" system and created a benchmark practice for the recycling of industrial scrap resources.

The project recovers discarded plastic material generated during production, processes it, and then reintroduces it as production raw material, thereby establishing a complete scrap recovery and reuse mechanism. Following implementation, 100% harmless treatment of waste was achieved with recycled materials replacing 100% of virgin raw materials, effectively improving scrap utilisation and reducing carbon emissions.

Case | Drum recycling project at RFS Hannover

RFS Germany focuses on large-scale, long-cycle and stable-supply construction projects. After project installation is completed, drums are recovered in a timely manner, helping customers clear redundant packaging materials, effectively release compact working space and improve operational efficiency. At the same time, this makes the return logistics cost effective. In 2025, the Company completed the recovery and reuse of more than 180 drums. By reducing raw-material consumption and production activities associated with the manufacture of new drums, the project reduced carbon emissions by 15 tCO_{2e} and realised circular use of packaging resources.



• Drum recycling project at RFS Hannover

Case | Deuterium recovery and recycling project at YOFC Qianjiang

At the operation of YOFC Qianjiang, the deuterium recovery and recycling project was implemented in cooperation with an environmental company. Through a "recovery - purification - reuse" mechanism, the project completed the retrofit of the deuterium treatment system and established a new gas-purification system, enabling the safe recovery and reuse of deuterium used in production.

- Deuterium recycling rate reached 45%, reducing carbon emissions by 1.3 tCO_{2e}.



• Deuterium treatment room



• Deuterium tank



Award-winning entry from the 5 June World Environment Day Photography Campaign
Photographed at RFS Germany

◆ Green Packaging and Circulation

The Company is committed to reducing packaging-material consumption through optimisation, substitution and recirculation, thereby building a green-packaging system.

Material optimisation

Replace solid-wood drums with multi-layer composite plywood drums, achieving standardised design and recirculability while maintaining compression resistance and moisture-proof performance.

Control of packaging layers

Formulate packaging technical specifications and stipulate that products should not have more than three packaging layers, thereby effectively reducing packaging waste while still meeting functional requirements for protection.

Closed-loop recovery of drums

Classify and recover used optical fibre drums and protective covers, clean them, and put them back into use. A cross-border drum repurchase mechanism has also been established, forming a global packaging recirculation system.

Reduction of packaging materials

Tailor loading and reinforcement schemes for each container to reduce solid-wood consumption effectively. Product manuals have been digitised, allowing users to view and download the latest manuals online and thereby reducing the use of paper and other materials.



During the reporting period



YOFC:

Reused Approximately

1.32 million fibre reels

Reused Approximately

2,100 preform wooden crates

Reused Approximately

39,000 fibre packaging cartons

Reused Approximately

3,000 tube filling compound drums

Reused Approximately

3,000 cable filling compound drums

Achieved a **100%** reuse rate for metal pallets replacing wooden pallets

Achieved a **100%** reuse rate for plastic turnover boxes for optical fibre

◆ Waste Valorisation

The Company actively explores pathways for the valorisation of waste, tapping the reuse value of various outflows generated during production so as to reduce waste emissions while saving production costs.

Waste metal reuse

Waste metal materials such as scrap copper generated in production are recycled and exchanged in cooperation with suppliers, enabling efficient recirculation of metal resources.

- In 2025, more than 230 tonnes of scrap copper were recycled and exchanged by YOFC Cable.

Filling compound reuse

YOFC establishes a filling compound recycle system, under which excess filling compound and residual materials generated in production are collected, filtered and reused.

- In 2025, YOFC Science and Technology Park reduced solid waste generation by approximately 9.5 tonnes by reusing the filling compound.

Biodiversity Protection

YOFC strictly complies with the laws and regulations applicable at its operating locations in relation to biodiversity protection and forest / woodland conservation, and gives priority to protecting the ecological environment. With reference to international frameworks such as the *Taskforce on Nature-related Financial Disclosures* (TNFD) and ISO 14001, it incorporates biodiversity protection throughout the full process of planning and constructing new projects, production and operating activities, and supply-chain activities. Through measures including ecological development of industrial parks, environmental protection during construction and ecological control in marine engineering, it seeks to minimise interference with local ecosystems arising from its operations.

Case | Campus ecological protection at YOFC

YOFC systematically advanced ecological enhancement across its sites in 2025. Through measures such as noise control, water purification, greening improvement and invasive-species removal, the Company worked to create eco-friendly campuses, including the following actions:

- Installing panel silencers on roofs and fitting vibrating equipment with anti-vibration bases or pads to minimise noise generation and vibration transmission at source, thereby effectively reducing disturbance to surrounding ecosystems;
- Adding integrated domestic sewage treatment equipment to reduce sludge generation and avoid secondary pollution that could damage habitats;
- Identifying invasive species within the sites and comprehensively removing Canadian goldenrod from 5,000 m² of wasteland, thereby protecting the living space of native plant communities;
- Carrying out greening upgrades, with a particular focus on transforming wasteland at the headquarters site, substantially reducing bare-soil exposure and increasing overall green coverage to 74.2%; in addition, new colourful-leaf and flowering plant varieties were introduced to enrich plant diversity and landscape value, thereby delivering both ecological protection and aesthetic enhancement.



• Award-winning entry "Back Garden of YOFC" from the 5 June World Environment Day Photography Campaign

Case | Marine biodiversity protection

YSME strictly implements its ecological-environment protection responsibilities and adopts systematic measures to protect marine biodiversity during the construction of offshore wind-power projects:

- To support the sustainable development of marine ecosystems, differentiated construction scheduling is adopted so that construction activities avoid both the special protection period of the National Aquatic Germplasm Reserve for small yellow croaker and silver pomfret in the Lüsi fishing ground and the peak fish spawning season;
- Low-noise equipment such as hydraulic hammers is used together with soft-start piling methods to minimise impacts on fishery resources;
- During night operations, lighting is reduced as far as possible other than what is strictly necessary. Lighting is generally directed at the vessel's main deck and the construction working area rather than the sea surface. Taking the cable-laying vessel Changsheng 98 as an example, its lighting system uses specialised sodium lamps with wavelengths to which marine organisms are not sensitive. Before each operation, designated personnel are assigned to observe sea conditions to ensure a sufficient safety distance is maintained between marine organisms and the work site.

Green Office Initiatives

YOFC integrates green and environmentally friendly principles throughout office workflows and campus operations, forming a green office system characterised by digital waste reduction, refined energy saving, segregation and recirculation, low-carbon travel, and multi-channel engagement. Through a combination of measures, the Company advances various energy-saving, consumption-reduction and resource-conservation initiatives, while regularly conducting training and assessments on energy-saving management measures and plans to strengthen low-carbon and environmental awareness among all employees. In 2025, the Company organised a series of activities including the Earth Hour public-interest energy-saving campaign "Lights Off - Make a Wish for the Earth", 5 June World Environment Day Photography Campaign "Reflecting Green Rhythms, Co-creating a New Ecological Landscape at YOFC", an ESG Theme Day knowledge quiz, and the Energy Conservation Publicity Week and National Low-carbon Day series themed "Carbon Pathfinders, Green Momentum for the Future". These initiatives mobilised wide participation from employees at home and abroad, fostering a company-wide low-carbon culture and actively putting sustainable development principles into practice.

Digitalisation for waste reduction

Promoting online approval processes and advocating paperless office practices, thereby reducing the consumption of paper and printing materials while improving collaboration efficiency.

Refined energy-saving measures

Lower energy use through intelligent air-conditioning temperature-control systems and energy-efficient lighting.

Segregation and recirculation

Implement waste sorting in office areas and reuse of office consumables.

Low-carbon commuting and travel

Based on annual green commuting surveys, quantify and visualise the emissions reductions associated with employee commuting relative to single-occupancy fossil-fuel vehicle use, which encourage data-driven low-carbon behaviour and broader participation in sustainable travel.

Multi-channel engagement

Promote green-culture development through a variety of activity formats, including offline outreach, online communication and interactive participation.

Green office initiatives and measures

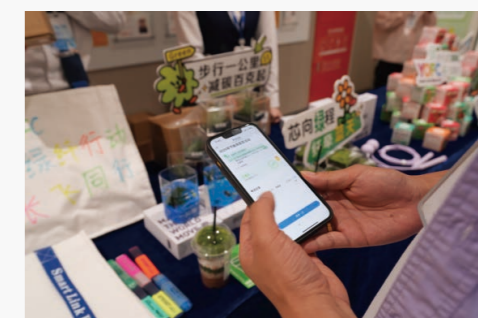
Case | "Carbon Pathfinders, Green Momentum for the Future" Energy Conservation Publicity Week and National Low-carbon Day series

During National Low-carbon Day in June 2025 and the 35th Energy Conservation Publicity Week, YOFC actively put the concept of green development into practice and continued to foster a green and low-carbon culture through a multi-dimensional approach combining online quizzes and offline interactive activities.

For offline communication, the Company set up energy-saving display boards and posters in high-traffic areas such as office lobbies and staff canteens to spread energy-saving concepts and create a strong atmosphere of company-wide participation.

At the same time, to reduce the consumption of paper and resources associated with the production of display stands, the Company made full use of its WeCom and internal community platforms to push information related to the Energy Conservation Publicity Week to all employees, effectively increasing activity coverage and making participation more convenient.

The Company also continued to explore innovative interactive formats. We organised an energy-saving knowledge quiz covering forward-looking topics such as industrial energy-efficiency improvement, green building technologies and new energy applications. Combining professionalism with interest, the activity attracted nearly 300 employees and effectively enhanced employee understanding of national energy-saving policies and practical technologies, helping to foster green and low-carbon ways of working and living with company-wide participation.



Offline activities during the Energy Conservation Publicity Week

Case | Green operation of the headquarter building selected as a national-level typical green space case

The green operation practices of the YOFC headquarters building were successfully included in the 2025 Beautiful China Case Studies of Distinguished Green Users for Space, jointly initiated and compiled by the Center for Environmental Education and Communications of the Ministry of Ecology and Environment and the China Champions for Climate Action. A total of 99 cases from multiple sectors across the country were collected for the activity, and 40 typical cases were eventually selected, fully demonstrating the effectiveness of the Company's green operation practices.

Using the headquarters building as a core carrier, the Company has established a scientific, full-process energy management system. Through measures such as dynamic load management for air-conditioning, on-demand lighting and low-cost IoT-based energy management and control, total electricity consumption at the building fell by 444.1 MWh year on year. The Company also innovatively promoted "zero-waste office" practices, with more than 67 tonnes of waste collected and recycled over the year, while diversified low-carbon themed activities engaged over 5,000 participations, embedding green concepts deeply into corporate culture and creating a model of green operation for corporate office space.



Certificate of inclusion awarded to YOFC

Case | Paperless finance transformation driving low-carbon emissions reduction

In 2025, YOFC launched an electronic accounting archives system and extended it to 38 domestic and overseas subsidiaries. Through standardised data formats and secure access control, the system enabled the efficient circulation and long-term retention of accounting records, while substantially reducing the printing of paper-based archives. This effectively lowered paper consumption and carbon emissions generated from printing, transportation and other related processes, advancing the coordinated development of financial digitalisation and green, low-carbon transformation.

Taking YOFC headquarters as an example, in 2025, the proportion of paperless reimbursement documents increased to 86%, equivalent to a reduction of 475 kgCO₂e in carbon emissions⁸, demonstrating the Company's commitment to green development through digital practices.

Green Warehousing and Logistics

YOFC attaches great importance to green management in warehousing and logistics. By continuously promoting transport optimisation, improving loading efficiency and applying new-energy equipment, it is driving the low-carbon transformation of warehousing management and logistics transportation.

Energy Saving and Consumption Reduction in Warehousing

The Company has carried out systematic upgrades and retrofits of core energy-use points in warehousing from four perspectives: equipment efficiency, intelligent control, recirculation and process optimisation. At the same time, the Company has established three port warehouses in Shanghai, Shenzhen and Wuhan. Through cargo consolidation optimisation and more refined loading designs, the volumetric loading rate of export containers reached 75% in 2025, representing an increase of 5% over 2024 and effectively reducing the number of containers used and the carbon emissions associated with logistics.

- 01 **Optimisation of the lighting system**
Use high-efficiency energy-saving lighting fixtures to reduce electricity consumption.
- 02 **Intelligent temperature-control system**
Introduce intelligent temperature-control systems to regulate ventilation and temperature, thereby reducing energy waste.
- 03 **Waste recycling**
Recycle waste and materials, including packaging and reinforcement materials, to improve resource utilisation.
- 04 **Optimisation of internal space and routes**
Optimise warehouse layout and routes to reduce unnecessary handling and waiting time, thereby lowering the energy consumed during handling operations.

⁸ Measures for energy saving and consumption reduction in warehousing

8. Calculated based on a saving of two sheets of A4 paper for each paperless reimbursement document.


Case | Smart lighting in the warehouse and packaging workshop of RFS Suzhou

To address the high energy consumption and substantial ineffective lighting associated with always-on lighting in its warehouse and packaging workshop, RFS Suzhou implemented a full-scenario smart-lighting upgrade. Conventional always-on fixtures were replaced with motion-sensing smart lighting equipment, ineffective lighting points were removed, illuminance and sensor sensitivity were configured separately by functional zone, and the area near windows was independently controlled to maximise the use of natural light, enabling lighting supply to better match operational scenarios.


Following the retrofit, the total number of lighting fixtures was reduced, while single-unit power consumption fell from 150 W to 80 W. Operating mode shifted from 12 hours of constant lighting per day to motion-triggered lighting, with illuminance set at 10%–50% of full power on demand. Measured results show that average monthly electricity consumption fell by approximately 80%, annual electricity savings reached 114,516 kWh, and annual carbon emissions were reduced by 69 tCO₂e, delivering both energy and carbon savings and lower operating costs.

Green Logistics and Intelligent Systems

YOFC makes full use of new-energy transport equipment, including electric forklifts and electric light-duty trucks, for logistics distribution in order to reduce carbon emissions. In terms of intelligent development, the Company uses automated guided vehicle (AGV) forklifts for processes involving large volumes of cargo handling in workshops and in finished optical cable warehousing, thereby improving efficiency, reliability and safety. Following the forklift upgrade, cargo handling can be completed automatically along preset routes, reducing the uncertainty of manual operations while lowering energy consumption through route optimisation and thus delivering gains in both efficiency and energy saving.



In-plant logistics
Fully upgraded to electric forklifts



Shuttle deliveries
Routine return-delivery trucks replaced with electric trucks

⁹ Low-carbon transportation practices at YOFC's Wuhan plant

Collaborative Innovation

In 2025, the Company worked with logistics partners to reduce logistics-related carbon emissions through innovative approaches such as the use of sustainable aviation fuel, low-carbon MDI moulded pallets, and pilot freight transport using hydrogen-powered vehicles on selected logistics routes within Hubei Province. By establishing green logistics partnerships, the Company has extended green development concepts from internal logistics management to external carriers and supply-chain collaboration. We have obtained the GoGreen Plus Certificate from our partner for two consecutive years.

Case | MDI moulded pallets supporting deep logistics decarbonisation

Working with an environmental-technology company, YOFC adopted MDI moulded pallets to replace part of the conventional solid-wood pallets. The life-cycle carbon footprint of the MDI pallet is only 5.967 kg CO₂e per unit, compared with 21.259 kg CO₂e per unit for conventional solid-wood pallets, representing an approximate 72% reduction in carbon emissions across the raw-material, manufacturing, use and end-of-life stages. The pallet adopts a low-carbon design, uses environmentally friendly MDI adhesive, offers the advantages of recirculability and low emissions, and has obtained product carbon-footprint certification under ISO 14067:2018, PAS 2050:2011 and GZ14-C-SC-1.0, demonstrating the Company's substantive progress in the green upgrading of logistics carriers.



GoGreen Plus Certificate 2025

Building Green Factories

YOFC regards the development of green factories as an important vehicle for advancing green manufacturing. By steadily promoting the green transformation of its production model - including cleaner production processes and smarter green operations - and delivering tangible results, YOFC and several subsidiaries have been certified as Green Factories, reflecting the continued deepening of the Company's green management practices.

National level	National level	National level
Yangtze Optical Fibre and Cable Joint Stock Limited Company	Penta Laser (Zhejiang) Company Limited	Yangtze Optical Fibre Qianjiang Company Limited
National level	Municipal level Jiaxing Green Factory	Municipal level Suzhou 3A Green Factory
Yangtze (Jiangsu) Marine Technology Company Limited	EverProX Technologies Company Limited	Radio Frequency Systems (Suzhou) Company Limited

Case | Smart green marine engineering empowering the high-end equipment value chain

Guided by the principle that "lucid waters and lush mountains are invaluable assets", YOFC MT has pursued concrete and effective measures in green development, energy conservation and emissions reduction. In 2025, it was successfully recognised as a National Green Factory, setting a benchmark for green intelligent manufacturing in the marine engineering equipment sector.

YOFC MT has built a production system that deeply integrates digitalisation and green manufacturing. With the MES system at its core, it has achieved digital energy-efficiency management across the entire production process, while full 5G coverage supports real-time collaboration among multiple pieces of equipment. Through intelligent logistics, automated conveying platforms and vision inspection equipment, it has improved production efficiency while reducing energy consumption. At the same time, it has connected to the Company's self-developed SmartCarbon platform to translate the Company's dual-carbon targets into precise action. Adhering to circular-economy principles, YOFC MT continues to optimise resource recirculation, strictly control pollutant emissions, strengthen its ISO 14001 Environmental Management System and ISO 50001 Energy Management System, and promote green, coordinated development across the supply chain, thereby supporting the low-carbon transformation of the marine engineering equipment industry.



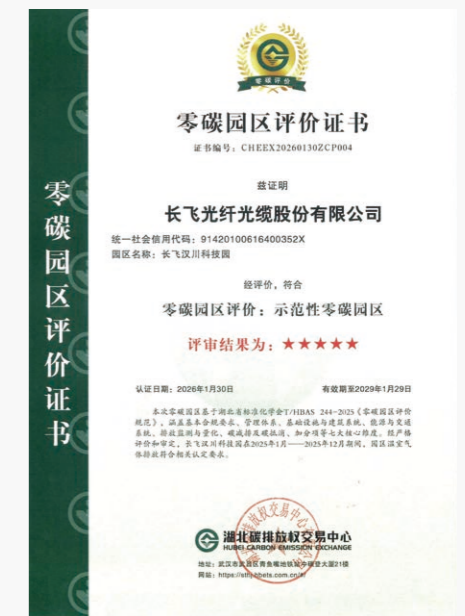
Green factory of YOFC MT

Case | YOFC Hanchuan Science and Technology Park: A "Zero-Carbon Park"

YOFC Hanchuan Science and Technology Park (including YOFC Hanchuan Branch, EverPro Hanchuan, YEPC and YOFC Hanchuan) is a comprehensive industrial park invested in and developed by YOFC. In 2025, it was successfully included in Hubei Province's first batch of Zero-Carbon Parks in recognition of its solid achievements in green and low-carbon development. Leveraging its strategic location and industrial positioning, the park has embedded low-carbon development concepts throughout the entire construction and operation process and established an all-round carbon-reduction system.

In terms of optimising the energy mix, the park has deployed 6 MW of distributed photovoltaic power-generation systems and distributed wind-power projects at scale across Phases I and II. All clean energy generated is used for self-consumption, substantially reducing carbon emissions at source.

- 100% clean-energy coverage in the park's energy-use structure;
- Building energy-efficiency retrofits and continued reduction in energy consumption per unit of output value. Annual electricity savings are expected to reach 1,055 MWh, equivalent to carbon emissions reductions of approximately 560 tCO_{2e}.



"Zero-Carbon Park" certificate

Award-winning entry from the 5 June World Environment Day Photography Campaign
Photographed at the YOFC headquarter building

Delivering Green Products

YOFC integrates green and low-carbon concepts throughout the entire process of product research, development and production. By expanding its presence in clean technologies and driving green product innovation, the Company provides customers with product solutions that deliver stronger environmental benefits and support the green transformation of the industrial chain.

Clean Technology Opportunities

YOFC actively seizes clean-technology opportunities. Leveraging its deep technological accumulation in communications, materials and energy, the Company has focused its strategic deployment on smart grids, new energy, industrial automation and advanced materials, and has carried out the research, development and application of technologies and products in areas such as alternative energy, improved energy efficiency, and recycled and reused materials. By the end of 2025, the Company had successfully developed and mass-produced a number of products in the field of clean technologies. Going forward, the Company will continue to increase investment in clean technologies and support the industry and society in moving towards a cleaner and greener future.

Clean-technology Area	Product Description	Status
Alternative Energy	Wind power-related products The Company has developed and manufactured a range of products for wind power generation, providing power transmission support for offshore wind power projects, including: <ul style="list-style-type: none"> Semi-wet environmentally friendly submarine composite cables Capacity-enhanced, cross-linked polyethylene insulated submarine composite cables 	Commercialised
	Hydropower-related products The RADIAFLEX leaky feeder cable solution was deployed in the ring tunnel of the large Presenzano hydropower plant in Italy. Through 3,100 metres of cable, it delivered stable full-band coverage to meet critical communication needs, supporting the efficient and safe operation of renewable energy with advanced clean technology.	Commercialised
Energy Efficiency	Green lighting products The Company has launched an intelligent sunlight collecting system. Through specially designed optical fibre lamps and lighting cables, the system channels outdoor natural light directly indoors for illumination, meeting needs for green lighting, environmental protection, health, energy conservation, emissions reduction and low-carbon living. The system can be widely applied in scenarios such as large public venues, villas and basements, and has already been successfully deployed at multiple sites including Hongqiao in Shanghai, Xiamen North Railway Station and private villas.	Commercialised
	Energy storage-related products The Company's industrial-control (power) connector products are suitable for detachable connections between different industrial-control optical fibres. They maximise the coupling of optical energy emitted by transmitting fibres into receiving fibres and offer strong optical performance, low insertion loss, good interchangeability, a wide service-temperature range and high mating-cycle durability. These products can be widely used in optical communication equipment, instruments, cable television networks, local area networks and optical metropolitan area networks.	Under development
	Products for AI intelligent computing centres Targeting the central wavelength of 212G vertical-cavity surface-emitting lasers (VCSELs), YOFC has precisely optimised its multimode fibre to achieve wavelength matching between the fibre and VCSELs. Through innovations in material formulations and upgrades to manufacturing processes, it has improved the bandwidth performance of its multimode fibre and enhanced its capacity to carry high-speed signals. In 2025, in cooperation with a global leading VCSEL company, YOFC successfully demonstrated a 212G high-speed link based on 212G VCSELs, high-performance DSP technology and YOFC multimode fibre. This verified the feasibility of stable high-speed communication over distances of 30-50 metres using YOFC multimode fibre products and laid a solid technical foundation for next-generation 1.6T-SR8 optical modules for AI intelligent computing centres.	Commercialised

During the reporting period



YOFC:

R&D expenditure on clean-energy technologies RMB **665** million

R&D expenditure on clean-energy technologies as a percentage of operating revenue: **4.67%**

Green Products

In 2025, the Company actively adopted life-cycle-based sustainable product design concepts. Focusing on indicators such as products' low-carbon, environmental, resource, energy and quality attributes, it sought to develop sustainable green products that combine lower-carbon performance, lightweight design, recyclability and safety.

◆ Product Decarbonisation

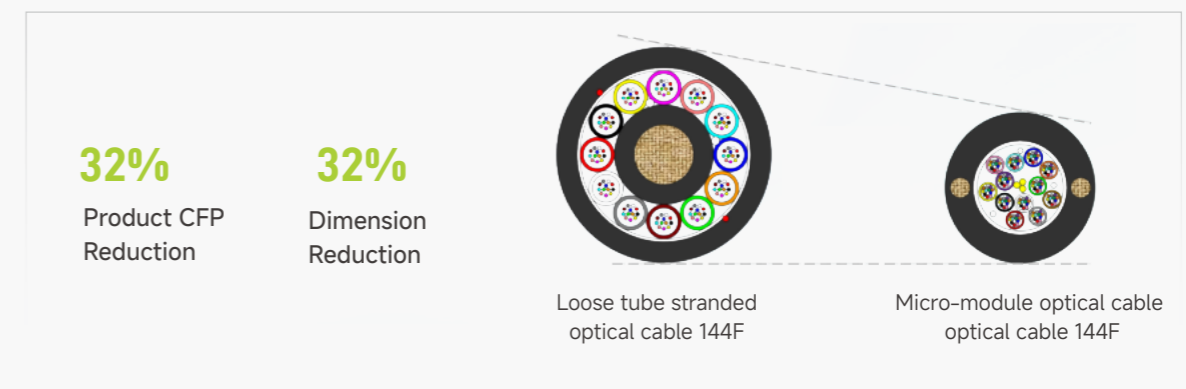
YOFC attaches great importance to product carbon footprint work and has established a life-cycle-based product carbon management system, systematically advancing product carbon footprint management from the perspectives of policies and systems, accounting methodologies, digital platforms, capability building and training.

In 2025, the Company comprehensively upgraded its carbon management policy system, formulated the *Product Carbon Footprint Management Procedure*, and revised the *Product Carbon Footprint Research Guide* with reference to ISO 14067, GB/T 24067 and the *Greenhouse Gas Protocol Product Life Cycle Accounting and Reporting Standard*, thereby establishing a standardised management architecture for product carbon footprint management. During the reporting period, YOFC accurately identified decarbonisation opportunities, empowered the green upgrading of its products through low-carbon innovation, and completed carbon footprint accounting for 105 products.

Case | Micro-module optical cable

By eliminating the central strength member and integrating two or more non-metallic strength members into the sheath, micro-module optical cables achieve a reduced cable diameter while preserving the same fibre count. Meanwhile, the product adopts a semi-dry structural design, replacing non-recyclable cable filling compound to reduce environmental pollution during installation.

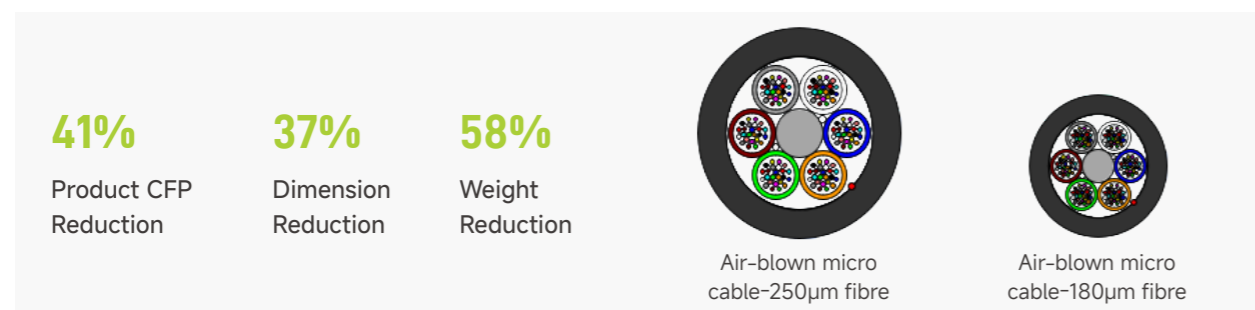
From the manufacturing-process perspective, the development of an integrated cabling-and-sheathing line process reduces the number of equipment units required and improves production efficiency, thereby delivering energy conservation and emissions reduction.



◆ Lightweight Product Design

Lightweight product design not only reduces energy consumption and carbon emissions during manufacturing and transportation, but also helps improve resource-use efficiency, making it an important contributor to green product development. YOFC continues to promote lightweight and resource-saving product design to realise both economic and environmental benefits.

- Diameter-reduced fibre**
 - Through lightweight product design, YOFC has developed Diameter-reduced fibre. By thinning the cladding and coating layers while retaining the core-layer diameter, the Company has achieved optical fibre miniaturisation, reducing the cross-sectional area to less than 50% of that of conventional fibres. Customisable sizes are also available. This not only multiplies cable density and alleviates pressure on duct resources, but also reduces raw-material consumption, demonstrating green and low-carbon development through lightweight design.
- Air-blown micro cable**
 - Based on miniaturised optical fibre technology, air-blown micro cables achieve lightweighting through the optimisation of component dimensions, effectively reducing raw-material consumption and increasing duct-laying density. While maintaining stable and reliable quality, the product aligns with green and low-carbon development requirements and supports the development of a new generation of communications infrastructure characterised by efficient resource use and sustainability.
- All-dry optical cable**
 - Compared with conventional grease-filled optical cables, all-dry optical cables with water-blocking yarn feature smaller size and lighter weight, with no grease cleaning required during installation, making construction efficient and convenient. Building on this, all-dry optical cables with water-blocking powder replace the yarn with powdered water-blocking material to further achieve cable lightweighting, eliminate the yarn separation process and further enhance installation efficiency, thus continuously reducing carbon emissions across raw material, production and installation.
- Lightweight cable connectors**
 - Through compact structural design and optimisation, cable connectors have been made smaller and lighter. This not only saves production raw materials and reduces deployment-space requirements, but also effectively lowers the product carbon footprint, with a reduction of 13.9%, demonstrating green and low-carbon principles through product-structure innovation.



• Lightweight design of the air-blown micro cable⁹



• Lightweight design of the all-dry optical cable¹⁰

9. The data represent the reductions in product carbon footprint, size and weight of the 96-core air-blown micro cable with 180 µm optical fibre, as compared with the air-blown micro cable with 250 µm optical fibre.

10. The data represent the reductions in product carbon footprint, size and weight of the 36-core all-dry optical cable with a water-blocking powder structure, as compared with the all-dry optical cable with a water-blocking yarn structure.

Case | "Carbon Pioneer" Benchmarking Initiative in the Information and Communications Sector

In 2025, YOFC actively participated in the "Carbon Pioneer" benchmarking initiative in the information and communications sector, jointly launched by the China Communications Standards Association and the China Academy of Information and Communications Technology. Following authoritative verification of product carbon footprint accounting, YOFC was awarded one of the first Standard Conformity Verification Certificates for "Dual Carbon" in the information and communications sector, becoming the only company from the optical fibre and cable industry to participate in and pass the verification in this initiative.



• YOFC "Carbon Pioneer" certificate of recognition

The initiative conducted full-chain carbon footprint accounting in strict accordance with industry "dual-carbon" group standards, and only six verification certificates were issued in the first batch. This recognition fully demonstrates YOFC's benchmark strength in the field of "Dual Carbon" in the optical communications industry.

◆ Hazardous Substance Management

The Company has established a systematic management system for hazardous substances in products. It has formulated and continuously improved the *Product Hazardous Substance Control Specification*, embedding hazardous substance management throughout the entire product life cycle, covering raw materials, semi-finished products, outsourced processed products and finished products, strengthening risk-prevention capabilities and effectively reducing quality and environmental risks arising from hazardous substances.

- Compliance basis**
 - Benchmarking against international and domestic regulations**
 - The Company strictly complies with regulations such as the EU RoHS Directive and REACH, and clearly specifies limits for various restricted substances. At the same time, in response to regulations specific to sales regions and individual customer requirements, it has established and dynamically updates the HSF External Requirements List, ensuring that control requirements are promptly communicated to research and development, procurement, production and sales.
- Process Control**
 - Covering the full product life cycle**
 - During the design and development stage, product owners conduct material selection and reviews in accordance with regulatory requirements and customer needs to ensure that products meet hazardous substance control requirements at source. On the supplier side, the Company promotes effective hazardous substance management across the supply chain through measures such as signing green and environmental protection commitment letters, collecting third-party test reports, and conducting investigations and audits. During production, the Company strictly controls substance additions, identifies and manages sources of contamination, and prevents unintended contamination. After product realisation, it combines internal testing with third-party testing and analyses results for traceability and continual improvement.
- Customer communication**
 - Timely response and transparent disclosures**
 - The Company has established a response mechanism for customer requests relating to hazardous substances. By providing customers with compliance declarations, Safety Data Sheets (SDSs) and other materials, the Company continues to improve communication efficiency and transparency.

The Company regards hazardous substances management as a cornerstone of its quality and sustainable development, continuously drives the greening and compliance of its products, and contributes to the realization of environmentally friendly manufacturing.

03

Smart Links, Best-in-Class Products

We are committed to promoting quality excellence and green production on the basis of ensuring product safety and reliability through continuous technological R&D and intelligent upgrading, so as to fulfill our long-term responsibilities to customers, the environment and society.

Topics:

- Innovation-Driven
- Product Responsibility



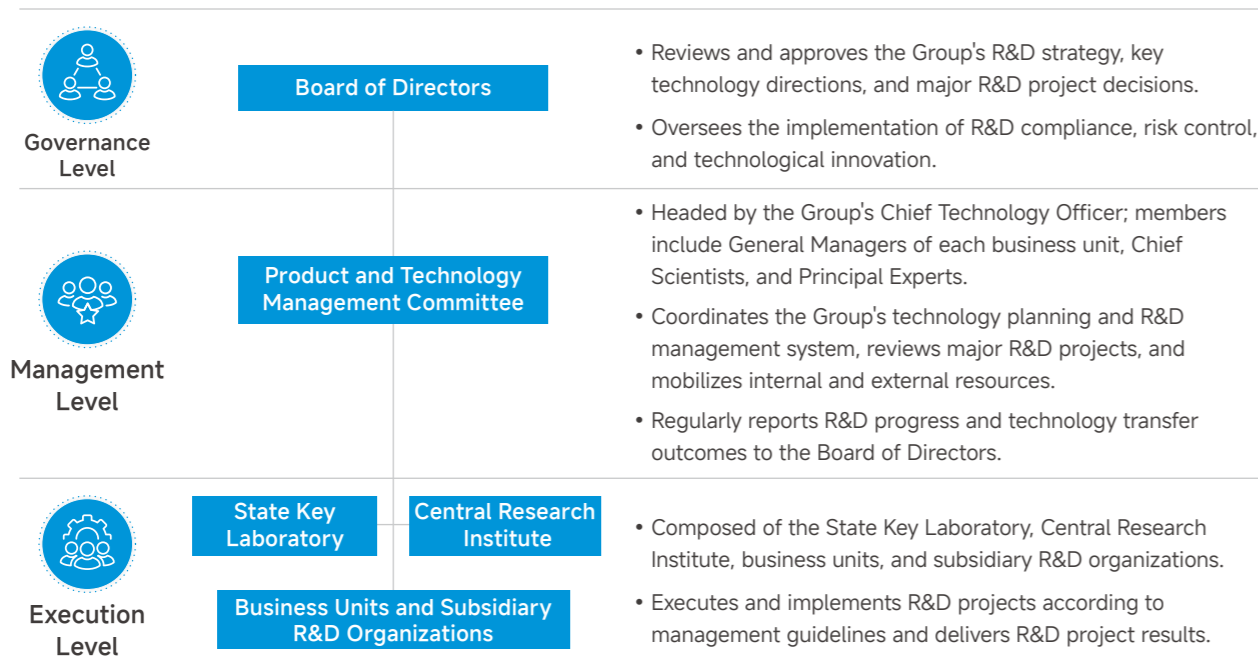
Boosting R&D and Innovation

In 2025, YOFC launched the "AI-2030" strategy, committing to becoming a global leader in AI optical connection infrastructure. Based on cutting-edge products such as hollow-core fibre, G.654.E fibre, multi-core fibre, high-end multi-mode fibre and ultra-high-speed optical transceivers, the Group builds an ultra-high-speed network with ultra-high bandwidth, ultra-low latency and ultra-low attenuation to support AI computing power. By deepening its global market layout, building industrial ecological cooperation and promoting green intelligent manufacturing, YOFC systematically provides physical layer connection and transmission solutions for the data deluge in the AI era, facilitating a new stage of global digital transformation.



Governance

YOFC continuously strengthens compliance management for R&D and innovation in strict accordance with relevant national laws and regulations. Based on external regulations and internal management requirements, we have formulated and systematically revised core regulatory documents including *Grading and Classification Standards for R&D Projects*, *PTP Formulation and Change Procedure*, *Research and Development Project Initiation Procedure*, *Research & Development Project Closure Procedure*, and *Research & Development Project Change Procedure*. In 2025, we further clarified the division of powers, control nodes and operational specifications at each R&D stage, established a closed-loop full life cycle management system covering planning, initiation, implementation, change and closure, and provided systematic and standardized institutional support for R&D activities.



• YOFC R&D governance structure

Strategy

To further stimulate innovation vitality, improve R&D efficiency and achievement transformation, we proactively address potential risks and opportunities in the innovation and R&D process.

Risk	Risk Description	Mitigation Measures	Time Dimension
IPR Protection and Infringement Risk	Inadequate protection of core technology patents and trade secrets may lead to disclosure or infringement, directly weakening the Company's competitiveness; Company may unintentionally infringe upon third-party intellectual property rights, thereby giving rise to legal disputes, compensation claims and reputational damage, which could in turn reduce the Company's operating income.	<ul style="list-style-type: none"> Establish and improve a management system covering core assets such as patents and trade secrets, and prevent technology leakage risks through strict confidentiality agreements and authority control. 	Short term
		<ul style="list-style-type: none"> Conduct investigations before R&D and launch of new products and technologies to identify and avoid potential infringement risks in advance. 	Medium term Long term
Technology Upgrade Risk	With the continuous development of the domestic and international optical fibre and cable market and product upgrading, if the Company fails to develop new technologies and products in a timely manner, or makes deviations in judging technology, product and market trends, its technological advantages and competitiveness may be weakened. Furthermore, if competitors successfully develop new technologies that can replace existing ones and rapidly apply them to the manufacturing of optical fibres and cables, this may lead to a decline in the Company's market share, loss of orders, and consequently a reduction in the Company's operating income.	<ul style="list-style-type: none"> Continuously increase R&D investment, establish and improve a technology R&D and innovation management system to ensure independent control of key technologies. 	Short term
		<ul style="list-style-type: none"> Strengthen forward-looking research on market and technology trends, optimize product and technology roadmap planning, and improve response speed to industry changes. 	Medium term
			Long term

Opportunity	Opportunity Description	Response Measures	Time Dimension
Cost Reduction and Efficiency Improvement to Consolidate Digital Foundation	Focusing on core technological breakthroughs and intelligent manufacturing upgrades, the Company continuously reduces product R&D and application costs, achieving cost reduction and efficiency enhancement, thereby increasing the Company's operating income.	<ul style="list-style-type: none"> Continuously increase R&D investment, promote innovative breakthroughs in core technologies and processes, and reduce product R&D and manufacturing costs from the source. 	Short term
		<ul style="list-style-type: none"> Deepen the construction of intelligent manufacturing system, improve production and operation efficiency and resource utilization, and achieve dual benefits of cost advantage and quality stability. Strengthen the training and introduction of innovative talents, and improve team technical literacy and innovation capabilities through continuous empowerment. 	Medium term Long term
Innovation Iteration and In-depth Cultivation of Diversified Markets	Relying on technological innovation and intelligent manufacturing capabilities, the Company accelerates product iteration and upgrading, strengthens large-scale delivery, and expands its presence in high-end and niche markets, thereby increasing the Company's operating income.	<ul style="list-style-type: none"> Deepen technical accumulation in segmented fields, develop high-end market space through differentiated innovation, and continuously enhance the profitability and market share of core businesses. 	Short term
			Medium term
			Long term

To accelerate the diversification and innovation of business, we continuously enhance our core competitiveness, focus on increasing R&D investment, gather top international talents, and build an R&D team with outstanding innovation capabilities and rich experience. Team members have profound accumulation in fields such as optical communication semiconductors, industrial lasers and quartz materials, with an average industry experience of more than 20 years. By the end of 2025, the total number of R&D personnel in the Group had reached 1,428, including 333 under 30 years old, 661 aged 30 to 40, and 434 aged 40 and above.

During the reporting period



Total R&D investment of YOFC: RMB **894** million

◆ Innovation Capacity Building

The Company attaches great importance to the construction of the innovation and R&D capability system, carries out team empowerment through systematic and forward-looking training, comprehensively consolidates professional literacy, and stimulates employees' innovation vitality through achievement rewards, steadily improving the Company's overall innovation and R&D strength.

Case | Basic R&D investment to drive development through innovation

Adhering to the idea of "commercializing one generation, reserving one generation and pre-researching one generation", innovation is taken as the core driving force for development.

The State Key Laboratory of Advanced Manufacturing and Application Technology of Optical Fibre and Cable led by YOFC cooperated with famous domestic and foreign institutions and published more than 50 high-quality papers at top industry conferences throughout the year. The paper produced based on the ultra-low attenuation tube-supported hollow-core fibre project cooperated by YOFC and Nokia Bell Labs was included as an OFC2025 (Optical Fiber Communication Conference and Exhibition) PDP paper, representing the highest technical level in the industry at that time.

YOFC actively presides over or participates in the formulation and revision of standards, jointly initiates the IPEC 400G eSR4 & 800G eSR8 international standards, promotes the high-speed multi-mode fibre interconnection technology in data centers to enter a new stage, and defines the scale of innovation through standard leadership. YOFC cooperated with the world's leading VCSEL companies, and successfully demonstrated the ultra-high-speed link transmission system test based on 212G per channel VCSEL, high-performance DSP technology and YOFC's OM4 multi-mode fibre.

Case | Special training on R&D project process

On November 18, 2025, YOFC organized a special training on R&D project processes. The purpose of this training is to unify and strengthen the R&D management requirements of the entire Group, systematically promote the newly released management system of R&D, clarify the division of powers and responsibilities, key control nodes and standardized activity specifications at each stage of the full life cycle of R&D projects. Through this training, the Group ensures the effective implementation of the new management requirements and guarantees the efficient and standardized development of innovation activities.

Case | Special 6σ training for R&D engineers

From July 26 to 27, 2025, YOFC organized a special 6σ training for R&D engineers. The purpose of this training is to improve the quality management awareness and data analysis capabilities of R&D engineers, promote the in-depth application of 6σ methods in the R&D process, thereby reducing design defects, optimizing product performance and effectively controlling costs. The training adopted an online-offline integration model, attracting about 120 participants, and all passed the course assessment, achieving good results.



• Special 6σ training for R&D engineers

Case | "YOFC Sci-Tech Innovation Day" innovation forum

On July 21, 2025, YOFC successfully held the 3rd "YOFC Sci-Tech Innovation Day" Innovation Forum. The event invited academicians in the communication field and leading industry experts to give keynote speeches, and awarded a number of R&D achievement awards to employees to commend outstanding technical talents, fully stimulating the innovation vitality within the organization.



• "YOFC Sci-Tech Innovation Day" innovation forum

◆ Innovation Achievements

Facing the higher requirements for data transmission rate, capacity and reliability in the 5G and artificial intelligence era, we continuously deepen the R&D efforts in key fields such as new optical fibres, communication materials, optoelectronic devices and terminal applications, strive to break through core technical bottlenecks, and actively expand next-generation high-speed communication solutions.

Case | Hollow-core fibre

Hollow-core fibre is a key supporting technology for future large-capacity and low-latency communication networks, a representative product with the most disruptive potential in intelligent computing center application scenarios, and a benchmark product for the low-carbon upgrading of computing power networks and digital infrastructure. YOFC's hollow-core fibre technology continues to improve, achieving the world's lowest attenuation of 0.04 dB/km. Compared with traditional solid-core fibre, the latency is reduced by 31%, the transmission speed is increased by 47%, and the nonlinear effect is almost zero. At the same time, YOFC has built a complete hollow-core fibre industrial chain from optical fibre preform preparation, drawing and coating to cable forming and testing. The drawing length of a single hollow-core fibre preform reaches 91.2 km, realizing large-scale manufacturing of long-length and ultra-low loss hollow-core fibre, providing an ultra-low loss, ultra-low latency and large-capacity "transportation" medium for the next-generation optical network, and providing key support for the upgrading of global digital infrastructure.



• Hollow-core fibre

Case | Astronomical special broadband fibre

The Large Sky Area Multi-Object Fibre Spectroscopic Telescope (LAMOST), as China's first national major scientific and technological infrastructure in the field of astronomy, one of its core components - special broadband fibre, has long faced import dependence. Through independent R&D, YOFC has successfully completed various laboratory and on-site tests of this type of special broadband fibre with LAMOST as the test platform. In 2025, this R&D project has been officially recognized by academicians and experts of the LAMOST Science and Technology Committee, marking that China is steadily moving towards a new stage of independent "Made in China" in the field of key astronomical optical devices.



• LAMOST astronomical special broadband fibre design scheme review meeting

Case | G.654.E fibre escorting UHV backbone channels

The independently developed ultra-low attenuation and large effective area G.654.E fibre by YOFC has been successfully applied in this UHV DC transmission project, building a high-speed and reliable information and communication "neural network" for this national green energy strategic project. The project has a complex construction environment and extremely high technical challenges, with strict requirements for long-distance and uninterrupted communication transmission. With the core advantages of ultra-low attenuation and large effective area, G.654.E fibre realizes hundreds of kilometers of non-relay transmission, greatly reducing the construction and maintenance investment of relay stations in remote and dangerous areas. It not only improves the reliability and economy of the power communication network, but also provides a low-latency transmission channel for key businesses such as power grid relay protection and dispatching automation, helping the power grid upgrade to a clean and intelligent direction, empowering the construction of the energy Internet, and jointly lighting up a green and efficient future.



• G.654.E fibre escorting UHV backbone channels¹¹

Case | Key technologies and applications for the preparation of core quartz fibre materials

Optical fibre preforms and synthetic quartz tubes are two core materials in the optical fibre industry, and their advanced preparation technologies have long been monopolized by foreign enterprises. Focusing on the industry challenges of "large size, ultra-high purity and intelligence", YOFC has systematically conquered key technologies such as high-efficiency deposition of large-size optical fibre preforms, deep purification and precise doping of synthetic quartz tubes, and independently developed full-process manufacturing and testing equipment, successfully promoting the leap of China's optical fibre core materials from "controlled by others" to "independent and controllable".

On this basis, the Company further developed process-equipment adaptive intelligent control technology, built the world's first intelligent factory with the largest single-unit production capacity of preforms, ultra-high purity synthetic quartz tubes and series of optical fibres, and maintained the first global market share for five consecutive years, supporting China's position as a strong optical fibre manufacturing country.

In 2025, YOFC received numerous important awards in recognition of its outstanding technological innovation capabilities, including the First Prize of the Science and Technology Progress Award of the Chinese Institute of Electronics, the First Prize of the Science and Technology Progress Award of the Chinese Society for Optical Engineering, the Top Ten Scientific and Technological Advances in Information and Communications Sector of the China Institute of Communications, the Second Prize of the Hubei Provincial Science and Technology Progress Award, and the Science and Technology Innovation Award of the Jiangsu Provincial Association for Science and Technology, continuously leading key technological breakthroughs in the industry.



• Certificate of First Prize of Science and Technology Progress Award of the Chinese Society of Optical Engineering in 2025

11. The source of the material is the State Grid WeChat public account.

Industry Cooperation

Through deepening industry collaboration, we work with universities, research institutes and industrial chain partners to focus on key technical directions such as hollow-core optical fibre, multi-core submarine cables, special leaky cables and infrared micro-nano fibres to carry out joint research and achieve a number of independent breakthrough results, realizing innovation collaboration and win-win value.

Case | Collaborative innovation to promote the commercial leadership of hollow-core fibre

In 2025, YOFC, together with China Mobile, China Telecom and China Unicom, with leading technical strength and industrialization capabilities, promoted the hollow-core fibre from prototype to commercial use, helping China maintain a leading position in the next-generation communication field.

Empowering the landing of the first commercial line: In August 2025, YOFC provided full-scale products for the first domestic hollow-core fibre commercial line opened by China Mobile in Guangdong, realizing independent control of key technologies.

Setting a new transmission record: In October 2025, YOFC assisted China Telecom in building the world's longest commercial hollow-core optical cable, spanning 100 kilometres and connecting the securities trading data centres of Dongguan and Hong Kong, achieving a two-way latency of 0.93 milliseconds between the two locations, the lowest latency in the industry.

Expanding cross-border interconnection: In October 2025, YOFC helped China Unicom open a Shenzhen-Hong Kong cross-border hollow-core fibre line, reducing latency by 31%. It is the world's first project to realize direct connection of "submarine cable center + data center + financial center" through hollow-core fibre, supporting computing power going global and interconnection in the Greater Bay Area.

Case | Joint R&D project of seven-core submarine optical cable

In September 2025, YOFC, together with Sun Yat-sen University, Southern Marine Science and Engineering Guangdong Laboratory (Zhuhai), Jinan University and China Mobile Group Guangdong Co., Ltd., jointly tackled key problems and successfully laid China's first seven-core submarine optical cable. The submarine section of the cable is over 25 kilometers, and the onshore section is 10 kilometers long. The project built a 140-kilometer transmission link by connecting 4 of the seven-core fibres, and used a self-developed multi-core fibre amplifier covering the C+L band for relay amplification, achieving a submarine cable system transmission capacity record of 410.5 Tbit/s for a single multi-core fibre. With "unchanged size and improved performance" as the core, this technology provides an innovative solution to break through the capacity bottleneck of traditional submarine cables.



• Guishan Island - Wailingding Island space division multiplexing optical fibre submarine cable line

In addition, we attach great importance to and deeply participate in the research and formulation of various technical standards to promote industry progress and responsibility consensus. In 2025, YOFC participated in the formulation and revision of a total of 42 standards, including presided over the formulation of 3 (including 2 international and 1 national) and participated in the formulation of 39 (including international, national, industry and group standards), contributing professional strength to the standardization and high-quality development of the industry.

◆ Intellectual Property Management

We attach great importance to the protection and management of intellectual property rights, strictly abide by relevant laws and regulations such as the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, and have formulated a series of targeted internal work guidelines and systems around the entire process of application, use and maintenance of intellectual property rights such as trademarks, patents and copyrights to ensure the standardized and efficient operation of intellectual property management work.

YOFC has established an intellectual property risk prevention and control mechanism, including patent risk prevention, infringement analysis and rights protection measures, and promises to fully respect and strictly avoid infringing on the intellectual property achievements of others while safeguarding its own intellectual property rights. In 2025, the Company further strengthened trademark risk management and improved the *Trademark Management Measures* to further mitigate potential legal and reputational risks arising from infringement of others' trademark rights.

Through the optimization of systems and processes and risk control, we are committed to building a sound intellectual property protection network, effectively safeguarding our own innovation achievements, respecting third-party intellectual property rights, and providing solid guarantee for the stable operation and long-term value creation of the Company.

As of the end of the reporting period



YOFC:

Total number of patents held in China more than **2,110**

Total number of patents held overseas more than **130**

Among the Chinese patents held:

Invention patents more than **960**

Utility model patents more than **1,100**

Design patents more than **50**

Impacts, Risks, and Opportunities Management

The Group integrates the risk management of innovation and R&D throughout the entire process of technological breakthroughs. By establishing a risk management mechanism and continuously strengthening the risk monitoring process, it systematically identifies and dynamically monitors potential uncertainties in each link, ensuring the coordinated advancement of risk control and technological innovation. On this basis, we continuously track the progress of industry technology and changes in market demand, actively layout growth-oriented technical directions through open innovation and cross-border collaboration, accelerate the transformation of R&D achievements, and seize opportunities to drive sustainable development.

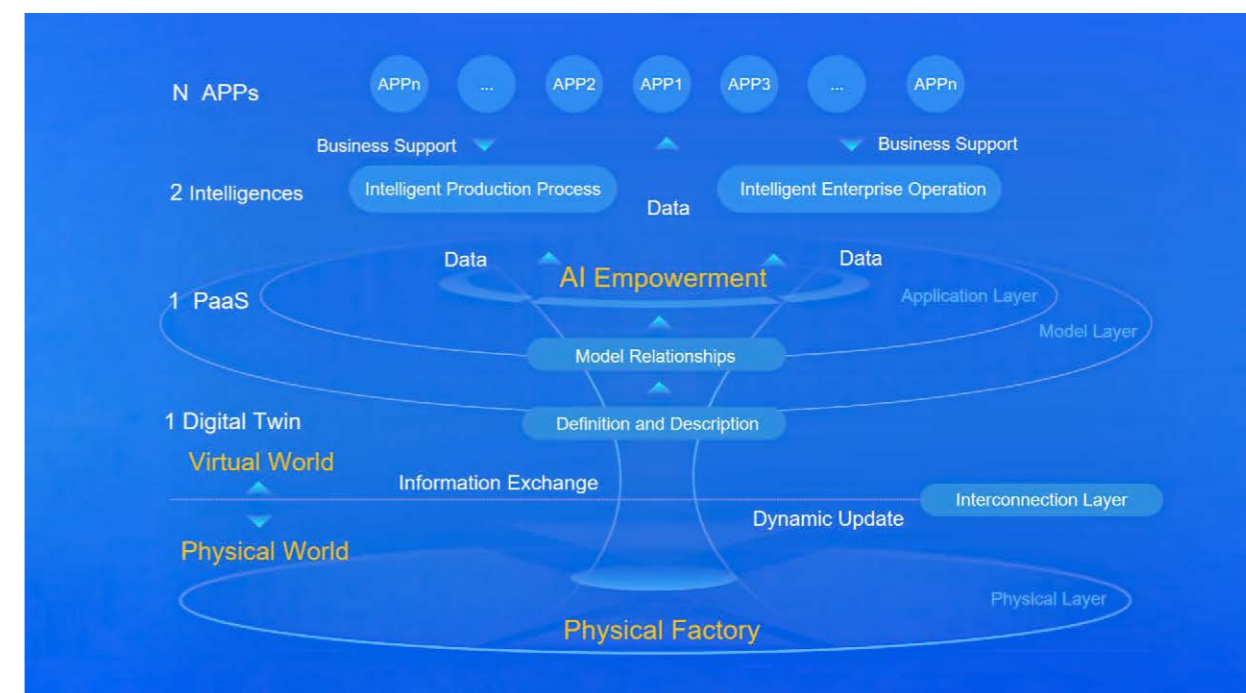
Indicators and Targets

Indicator	Target	2025	2024
Ratio of R&D investment to operating income	>5%	6.28%	6.45%

Focusing on Intelligent Manufacturing

YOFC actively adapts to the trend of industrial transformation, and in the "AI-2030" strategy, clearly defines the reconstruction of the intelligent manufacturing system by AI as an important development direction in the next five years, driving the transformation of production and operation through intelligent upgrading.

We have built a "1+1+2+N" intelligent open platform architecture, which is based on 1 digital twin system and 1 PaaS platform, relying on two supports: intelligent production process and intelligent enterprise operation, facing N types of industrial APPs, connecting the data closed loop of "physical factory - interconnection - virtual world", realizing model-driven, AI empowerment and business innovation, and promoting the digital transformation and intelligent upgrading of the communication industry.



• "1+1+2+N" intelligent open platform architecture

Intelligent Manufacturing Achievements

Focusing on the intelligent manufacturing development strategy, we continuously promote the in-depth integration of technological innovation and intelligent applications. YOFC has passed the AAAA-level certification of the Integration of Informatization and Industrialization Management System and the Digital Transformation Management System of China Classification Society, and has achieved a series of remarkable results in the intelligent upgrading of the industrial chain.



• Certificate of Integration of Informatization and Industrialization Management System Assessment



• Certificate of Digital Transformation Management System Assessment

Selected into the list of the first batch of Pioneer-level Smart Factory Cultivation

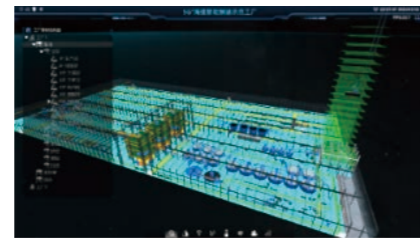
As one of the first batch of intelligent manufacturing pilot demonstration enterprises and the first batch of excellent intelligent factories of the Ministry of Industry and Information Technology, YOFC has successfully built a world-leading "integrated intelligent factory for the entire preform-fibre-cable industrial chain oriented to extreme processes" through process innovation and technological breakthroughs, realizing production and manufacturing with ultra-large size, ultra-high rate and ultra-high quality. In 2025, the Ministry of Industry and Information Technology announced the list of the first batch of 15 Pioneer-level Smart Factory project cultivation nationwide, and YOFC stood out as the only selected enterprise in the communication industry, representing the highest level of intelligent manufacturing in China.



Special activity on gradient cultivation of smart factory

Digital twin factory

By building a digital twin platform for the virtual factory, the Company has established a full-dimensional real-time mapping and simulation system covering factory layout, equipment operation monitoring, real-time production status and internal and external environments. With the help of 1:1 3D modelling, we have realized the digital restoration from the overall plant structure to the production line equipment, and then to the products and production materials. Driven by real-time data, the platform enables the dynamic operation of the virtual factory, supports users to conduct immersive roaming from the first-person VR perspective, and realizes intuitive control and collaborative management of the entire production process.



Digital twin factory model diagram

In the interactive environment of virtual-real integration, the platform realizes real-time linkage between twin data and production, provides multi-angle 3D dynamic monitoring, and continuously optimizes production decisions based on the continuously accumulated twin data, promoting the in-depth development of the manufacturing process towards digitalization and intelligence. In 2025, YOFC was selected into the list of "Digital Twin Factories" in Hubei Province.

Optical fibre color ring online detection device

To meet the higher requirements for optical fibre identification brought by the growth of power grid transmission capacity, the industry generally adopts color rings combined with colors for extended identification. The traditional manual detection method can only conduct random inspection on a very small part of color rings, resulting in low detection coverage and limited quality risk control capability.

To effectively reduce the risk of customer complaints caused by missing rings and ring loss, YEPC has introduced an optical fibre color ring online detection device. Based on high-speed industrial cameras and AI visual recognition technology, this device automatically captures high-definition images every 100 millimeters, and completes color ring quality judgment within 5 milliseconds through intelligent algorithms, with results displayed in real time. When the system continuously detects 10 frames of unqualified color rings, it will automatically trigger an acousto-optic alarm, and synchronously save the defect images and corresponding position information for subsequent traceability and analysis.

Through the comprehensive application of this system, YEPC has achieved 100% detection of optical fibre color rings, ensuring that the length of missing rings and ring loss of a single optical fibre is controlled within 1 meter, significantly improving the consistency of product factory quality and greatly reducing the risk of related customer complaints.



Optical fibre color ring online detection device

The Group has passed the National Intelligent Manufacturing Maturity Level 4 Certification and has won numerous awards in the field of intelligent manufacturing. Among them, the solution of YOFC Mexico Intelligent Factory was selected as the "Third-Class Case of ICT China (2025) Industry Solutions", and the Group's innovative case of "Green Supply Chain Full Lifecycle Management Based on 5G A Passive IoT" also won the Second Prize of Science and Technology Progress Award of China Federation of Logistics and Purchasing, which fully demonstrates the Group's comprehensive strength in this field.

Intelligent Manufacturing Maturity Level 4 Certificate

ICT China (2025) Third-Class Industry Solution Case Award



Second Prize of Science and Technology Progress Award by China Federation of Logistics & Purchasing

Ensuring Product Quality

YOFC has systematically constructed and continuously optimized the quality management system and supervision processes, actively promoted internal quality audits and external certifications, deepened the cultivation of a full-staff quality culture, provided a solid guarantee for product quality, and continuously improved customer satisfaction and global market competitiveness.

Governance

The Company adheres to the quality concept of "Strive for Excellence, Pursue Superior Quality". On the basis of strictly following the *Product Quality Law of the People's Republic of China* and relevant laws and regulations, it has formulated and continuously improved internal management systems such as the *Quality Policy*, *Quality Manual*, *Quality Risk Management Procedures*, *Customer Complaint Handling Procedure and Procedure of Customer Satisfaction Evaluation*.

We have established a three-level quality management structure covering "Group - Business Unit - Factory". At the group level, the quality management system and objectives are uniformly formulated, and the implementation of each business unit and factory is supervised; the business units and factories, as the main responsible entities for quality management, are responsible for ensuring the effective implementation and continuous operation of the system.

Strategy

YOFC actively carries out the identification of quality risks and opportunities to further ensure product quality and enhance its safety and reliability. During the reporting period, the Group's operating income was RMB 14,252.10 million, a year-on-year increase of 16.85%, effectively converting quality advantages into market competitiveness.

Risk	Risk Description	Mitigation Measures	Time Dimension
Risk of Deviation from Customer Expectation	If the actual performance of products fails to meet customers' expectations for performance, durability or safety, it will directly lead to a decline in customer satisfaction, an increase in complaint rate and even customer churn. Such expectation gaps may affect brand reputation, thereby reducing the Company's operating income.	<ul style="list-style-type: none"> Establish a rapid-response customer complaint handling mechanism, classify, analyze and trend-monitor feedback issues to ensure timely resolution and horizontal investigation. Continuously conduct customer satisfaction surveys to accurately capture customers' real expectations for product performance, durability and service experience, and carry out product improvement and quality upgrade based on survey results. 	Short term Medium term Long term
Risk of Compliance and Regulatory Penalties	Substandard product quality or potential safety hazards will directly trigger customer claims and administrative penalties from regulatory authorities. The resulting financial losses, legal disputes and rectification costs will significantly compress the Group's profit margin, thereby reducing the Company's operating income.	<ul style="list-style-type: none"> Conduct internal quality audits to proactively identify and rectify potential non-compliance points to ensure continuous compliance with regulatory requirements. Establish a product recall mechanism to ensure rapid response, precise disposal and loss reduction in emergencies. 	Short term Medium term Long term

Opportunity	Opportunity Description	Response Measures	Time Dimension
AI Reshaping Quality Control Efficiency	Actively exploring the in-depth application of artificial intelligence technology in the field of quality management, the Company restructures the quality control cost structure across the entire lifecycle through technological innovation, achieving a transition from passive detection to active prevention, thereby increasing the Company's operating income.	<ul style="list-style-type: none"> Introduce an artificial intelligence-driven defect detection system to improve detection efficiency and accuracy while building a solid product quality barrier from the production end. Build an AI-assisted virtual simulation factory to realize visual monitoring and efficient collaboration of the entire production process driven by real-time data. Continuously explore the application potential of artificial intelligence in cutting-edge scenarios such as quality inspection and design simulation, and steadily promote the in-depth integration of AI technology and quality management system. 	Short term Medium term

Quality Management

YOFC has established a multi-dimensional quality management system covering quality objective management, system certification, internal audit mechanism and cultural construction, and has obtained system certifications such as ISO 9001, TL 9000 and IATF 16949. Through continuous internal and external quality assessment and review, we actively identify quality improvement opportunities for each product line, promote the tracking and implementation of improvements, and systematically ensure product quality safety and reliability.

- ISO 9001 Management System Certificate
- TL 9000 Telecommunication Industry Quality Management System Certificate
- IATF 16949 Management System Certificate

As of the end of the reporting period



Number of YOFC companies certified with ISO 9001 Quality Management System: **41**



Quality Management Policy

- Formulate, update and maintain quality management policies and guidelines;
- Establish quality management vision, formulate quality management codes (quality red lines), and clarify quality commitments.



Quality Objective Management

- Set, track, evaluate and update quality objectives.



Quality System Certification

- Formulate external technical standards;
- Develop and maintain quality system certification and external audit response processes;
- Conduct third-party audits for peer factories.



Internal Quality Audit

- Plan, implement and evaluate special quality audits across the Group;
- Certify the qualifications of internal quality auditors;
- Analyze internal quality audit results and submit improvement recommendations.



Quality Management Tools

- Establish and maintain a quality tool repository;
- Introduce advanced quality management tools and methodologies;
- Develop quality tool training plans.



Quality Incident Management

- Formulate quality incident classification standards;
- Organize investigation, analysis, handling and review of major quality incidents at different levels.



Quality Capability Development and Culture Building

- Conduct capability assessments for quality personnel and formulate quality organization capability improvement plans;
- Build and continuously improve the quality culture resource library;
- Plan, implement, evaluate and promote best business practices;
- Plan, organize and evaluate quality culture activities, and release results.

- YOFC quality hierarchical management

Case | Quality audit of overseas factories

In 2025, based on multi-dimensional information such as the quality data monitoring system and market quality feedback, we proactively identified high-risk areas and links, and organized targeted on-site quality audits of overseas production bases. The audit took system compliance, process effectiveness, data reliability, risk control and continuous improvement capability as the core evaluation dimensions, identified management implementation deviations caused by system operation omissions and cultural differences in advance and promoted rectification, effectively preventing the escalation of potential quality risks.



• Overseas factory quality audit site

To effectively reduce product quality risks, we have formulated a series of internal quality procedure standard documents for raw materials, systematically carried out product testing, and introduced intelligent technologies such as AI to assist quality inspection. At present, the testing laboratory of YOFC has obtained testing qualifications accredited by China National Accreditation Service for Conformity Assessment (CNAS), Verband der Elektrotechnik, Elektronik und Informationstechnik e.V. (VDE).



• CNAS Accreditation Certificate



• VDE Certificate

Case | AI visual analysis quality inspection system

To further improve the detection accuracy and efficiency of optical cable surface defects and reduce quality risks, the YOFC launched the AI visual analysis quality inspection project in January 2025 and put it into trial operation in the optical cable workshop in September of the same year. The system adopts a continuous iteration mechanism of "expert annotation + neural network training", and continuously improves recognition capability and coverage by continuously learning defect samples. Compared with the traditional "optical inspection + manual assistance" mode, AI quality inspection has significant advantages in detection accuracy, consistency and defect recognition types, successfully solving the problems of high false alarm rate, reliance on manual review and insufficient judgment consistency of traditional optical inspection instruments.



• AI quality inspection training instructions

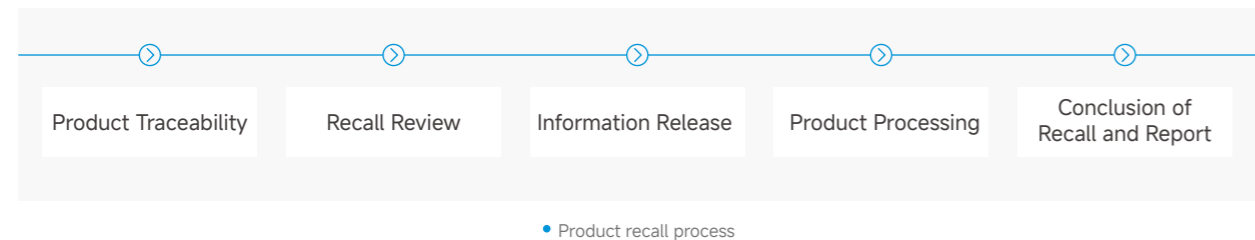
Since its application, the system has effectively reduced the workload of manual rewind inspection for defects to less than 10% of the traditional mode, greatly improved detection efficiency and reliability, and further reduced the risk of defective products flowing out.

With lean product improvement as the core, YOFC systematically promotes refined quality management, and comprehensively carries out various improvement projects around key dimensions such as OEE system construction, process and cost optimization, spare parts procurement management and appearance quality upgrade.

Case | Special optical fibre qualification rate improvement project

In March 2025, YOFC launched the special optical fibre qualification rate improvement project. Cross-departmental teams including process, production, equipment and operation conducted systematic analysis on key factors affecting the qualification rate. Through comprehensive measures such as adjusting core rod taper parameters, strengthening process control and routes, improving testing platforms, adding inspection items, optimizing curing oven temperature and tension control after drawing and coating, optimizing reel change screening process, promoting production standardization and strengthening workshop cleanliness management, the qualification rate of main special optical fibre products increased by 3.11% compared with the average level of the previous year, continuously promoting the coordinated progress of production and operation efficiency and product quality.

We have established a series of internal management systems including the *Product Recall Management Procedure* to systematically standardize the recall process of unqualified products.



During the reporting period



YOFC:

Number of major safety and quality liability accidents related to products and services: **0**

Number of product recall incidents: **0**

To deepen the quality awareness and professional literacy of global employees, YOFC fully carried out a series of quality culture construction activities at home and abroad in 2025. Through various activities such as the Group Quality Month and Quality Control Circle Achievement Presentation Conference, the Company continuously and comprehensively strengthens the quality awareness and professional ability of all employees, guides employees to deeply understand and practice the "zero defect" goal and the "do it right the first time" code of conduct, gradually builds a quality culture atmosphere of full participation and continuous improvement, and effectively improves employees' keen perception and practical level of quality.

Case | Overseas factory quality month activity

To strengthen the quality management of overseas business and enhance the quality awareness of global employees, overseas factories carried out the "Overseas Factory Quality Month" activity with the theme of "Quality in Hand, Responsibility in Heart" in October 2025. The activity adopted the form of combining theory with practice and mobilizing employees to participate, and carried out various contents including special quality training, quality visual display boards and in-depth analysis of typical cases. This activity covered six overseas factories and attracted more than 600 local employees to participate actively, forming a good atmosphere of learning quality together and sharing responsibilities in the overseas frontline.



Quality Month activity at Brazil factory



Quality Month activity at Poland factory



Quality Month activity at Mexico factory

Case | Live broadcast interaction of "Quality Theory and Tool Practice"

During the Quality Month activity, the Telecom Business Unit carefully planned and organized a series of special activities with distinct themes and practical focus.

On October 16, 2025, we carried out a special quality sharing session in the form of online live broadcast for the first time through the YOFC University learning platform. Internal quality experts were specially invited to conduct in-depth analysis and real-time communication around the actual quality problems collected in the early stage by adopting the combination of "theoretical explanation + case dismantling + interactive Q&A", attracting more than 340 participants in online learning and communication.



Live broadcast room site

Case | Quality Control Circle achievement presentation and exchange activity

To fully demonstrate the positive contributions of the Group's front-line production employees in independently promoting quality improvement and helping deepen total quality management, YOFC organized the "Quality Control Circle Achievement Presentation and Exchange Activity" on August 5, 2025, building a high-quality platform for all employees to learn from each other and improve together.

After strict review and selection, 14 Quality Control Circle from 5 business units finally participated in the achievement display. Each team comprehensively presented the practical achievements and innovative experience formed by carrying out QC activities in their respective work fields through clear and intuitive PPT demonstrations and vivid and detailed on-site explanations. At the event, judges scored fairly according to unified standards and selected "Excellence Award", "Advanced Award" and "Excellent Award" to encourage employees to continuously participate in quality improvement and enhance the quality innovation vitality of all staff.



Quality Control Circle evaluation - Excellence Award

Customer Service Management

By formulating and implementing relevant systems such as the *After-sales Service Process*, YOFC has established an after-sales work management system covering response, reporting, training and performance appraisal, standardizing after-sales service and customer complaint handling procedures. We provide customers with diversified feedback channels such as customer relationship management platform, dedicated feedback email and 7×24-hour service hotline, and continuously follow up the progress and effectiveness of complaint handling through active return visits and phased evaluations. The Company has established a global sales and technical support network, requiring sales and technical personnel to respond to customer needs within 24 hours of receiving a complaint and to facilitate problem resolution within 48 hours, thereby ensuring 100% timely complaint response and incident handling.



We implement graded management of customer complaint incidents. According to the amount involved, impact degree and scope of a single complaint, customer complaints are divided into three levels: "General, Serious, Major", and differentiated response processes and disposal mechanisms are matched to ensure orderly and efficient disposal of problems.

Complaint Level	Definition criteria and response measures
General customer complaints	<ul style="list-style-type: none"> Definition criteria: general complaint incidents involving an expected low amount per single customer complaint and with a limited scope of impact; Responsible person and countermeasures: handled by the quality department manager of the branch/subsidiary, and reported promptly to the head of the branch/subsidiary or the product line general manager.
Serious customer complaints	<ul style="list-style-type: none"> Definition criteria: Incidents where a single complaint involves a moderate estimated amount, or has already affected the customer's normal use, or involves three or more customers; Responsible person and countermeasures: led by the head of the branch/subsidiary or the product line general manager, and reported promptly to the business unit general manager.
Major customer complaints	<ul style="list-style-type: none"> Definition criteria: incidents where the estimated amount involved in a single complaint is relatively high, or those that have a significant impact on customers with strategic cooperation value and corporate reputation. Responsible person and countermeasures: oversee the progress and outcome of the handling throughout the process, and report promptly to the Company's top management.

• Customer complaint classification standards and response measures

During the reporting period

The number of domestic and overseas complaints regarding YOFC's main products and services decreased year-on-year: **29.95%**.

We deeply understand customer needs and expectations through annual customer satisfaction surveys, and incorporate customer service satisfaction into the performance appraisal system. During the reporting period, we conducted customer satisfaction surveys around key dimensions such as product development capability, service quality, brand influence, delivery timeliness and problem-solving efficiency, and promoted the implementation of multiple improvement projects based on survey results to continuously optimize customer experience.

During the reporting period

The customer satisfaction survey result for YOFC: **95.66** points (out of a maximum of 100 points).

Impacts, Risks, and Opportunities Management

YOFC has established a sound quality risk management mechanism through three links: risk identification, response and capability improvement, effectively building a solid quality risk defense line.

Risk Identification and Assessment	<p>Special Audit and Evaluation: Plan and organize company-wide special quality audits to systematically identify potential quality risks.</p> <p>Supply Chain Horizontal Evaluation: Organize third-party audits of similar factories, unify audit standards, conduct horizontal evaluation and comparison, and control quality risks in the upstream supply chain.</p>
Risk Response and Control	<p>Result Analysis and Improvement: Conduct in-depth analysis of quality internal audit results, accurately identify the root causes of problems, and submit improvement suggestions to provide a basis for management decision-making.</p> <p>Standard Leadership and Compliance: Actively participate in the formulation of external technical standards, grasp industry trends from the source, and ensure that product design and quality requirements comply with or lead market norms.</p> <p>System Certification and Audit Preparation: Establish and improve the management of quality system certification and external audit preparation processes to ensure continuous compliance with certification standards and effectively respond to external supervision and customer audits.</p>
Improvement of risk management capabilities	<p>Organizational Capability Building: Regularly conduct capability assessments for quality personnel, identify capability gaps, and develop and implement targeted improvement plans for the quality organization's capabilities;</p> <p>Knowledge Resource Sharing: Establish and continuously improve a quality culture resource repository, accumulate quality management knowledge and experience, and provide intellectual support for risk prevention;</p> <p>Best Practice Promotion: Plan, implement, evaluate and promote "best business practices" in the quality field, and standardize and popularize effective risk management methods.</p>

In addition, through channels such as internal and external stakeholder communication, policy trend research, technical benchmarking and quality data analysis, we proactively identify potential improvement opportunities in product quality-related fields, prioritize the identified key opportunities, and continuously track industry dynamics and development directions.

Indicators and Targets

Indicator	Target	2025	2024
Number of Product Recall Incidents	0	0	0
Customer Satisfaction	>90 points	95.66 points	96.29 points
Qualified Rate of Purchased Materials Quality	>95%	99.11%	99.06%
Timely Closure Rate of Customer Complaints	>95%	96.95%	98.93%

People First, Empowering Talent

We adhere to the "people-oriented" philosophy, abide by the bottom line of compliant employment, and on the basis of protecting employees' legitimate rights and interests, we are committed to building a sustainable, diverse and inclusive workplace environment. We continuously improve the employee rights and interests protection mechanism, optimize the salary and welfare and performance evaluation system, provide employees with diversified training and career development support, help every employee achieve growth and well-being in a healthy and safe workplace environment, and realize the common sustainable development of employees and the enterprise.

Topics:

- Diversity, Equity and Inclusion
- Employee Rights and Care
- Talent Attraction and Development
- Health and Safety

04



Attracting Outstanding Talents

YOFC regards diversified and international recruitment as the focus of its human resources development plan. In 2025, we established an international recruitment system of "global coordination + regional in-depth cultivation" and continued to promote the global talent strategy.

Deepen the strategy of localized employment overseas

Focusing on key overseas regions such as Indonesia and Mexico, we have actively integrated local recruitment platforms, industry organizations and university resources, effectively promoting the collaborative integration of regional businesses and talent resources. Among YOFC's more than 2,000 overseas employees, local staff account for over 99%.

Establish a special team for overseas recruitment

We have established a dedicated HR team for international business, which is specially responsible for connecting overseas recruitment demands, expanding recruitment channels, controlling recruitment processes, and providing support for cross-cultural integration.

Broaden the dimensions of diversifying talent recruitment

We take into account the recruitment suitability of talents with different professional backgrounds, career experiences and cultural backgrounds to support the development needs of the global business.

Upholding the principle of fairness and impartiality, YOFC has zero tolerance for any form of discrimination based on gender, age, religion, ethnicity, color, nationality, etc. We strictly comply with labour laws and regulations of the countries and regions where we operate, such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law*, and the *Federal Labor Law*, and formulate and continuously optimize rules and regulations including the *Recruitment Management Regulations*, *Recruitment and Employment Process*, and *Re-employment Management Regulations* to provide equal employment opportunities for all types of talents.

The Company uses diverse, open and transparent recruitment channels such as global online recruitment, portal recruitment websites, talent markets and headhunting to extensively attract all types of talents. In 2025, YOFC completed the functional upgrade of its portal recruitment website and launched an English recruitment website in September 2025, building a "bilingual, full-scenario and highly adaptable" global recruitment ecosystem.

Case | "YO Plan" campus recruitment special campaign, building a future talent echelon

To accurately target high-potential young talents, we continued to carry out the "YO Plan" campus recruitment project in 2025. Taking offline activities such as theme lectures, technical salons and double selection meetings as the starting point, we linked more than 30 key domestic universities and mainstream online employment platforms to build an integrated campus recruitment matrix of "offline immersive experience + online global communication". The project accurately covered more than 500 fresh graduates from top universities, with a total exposure of more than 100,000 times through all channels, helping the Group reserve high-quality young backbones.



"YO Plan" campus recruitment project

During the reporting period, YOFC achieved remarkable results in recruitment digital transformation and employer brand building, winning awards such as "Great Place To Work® Brasil", "Beisen Recruitment Platform AI Application Pioneer Award" and "Wuhan's Most Popular Enterprise Among College Students".

Trophy of "Beisen Recruitment Platform AI Application Pioneer Award"

YOFC Brasil was awarded the "Great Workplace" certification by Great Place To Work™ for the seventh consecutive year

Trophy of "Wuhan's Most Popular Enterprise Among College Students"



Protecting Employees' Rights and Interests

The Group always pays attention to the requirements of international standards such as the *United Nations Universal Declaration of Human Rights*. On the basis of strictly complying with labour laws and regulations and requirements of all operating locations such as the *Convention on the Rights of the Child*, *the Labor Law of the People's Republic of China*, *the Labor Contract Law of the People's Republic of China*, and *the Regulations on the Prohibition of Child Labor*, the Group has formulated and implemented a series of management systems including the *Employee Handbook*, *Collective Contract*, and *Social Responsibility Management Manual*. At the same time, we continuously improve compliance employment-related systems such as *the Recruitment Management Regulations*, *Recruitment and Employment Process*, *Re-employment Management Regulations*, and *Employee Resignation Process* to effectively protect employees' legitimate rights and interests.

Labor Risk Management Mechanism

YOFC is committed to prohibiting illegal and irregular behaviors such as child labor, forced labor, discrimination and harassment, protecting employees' reasonable working hours and salary rights and interests, and respecting employees' freedom of association and collective bargaining rights. By clearly defining its own behaviors in employment links such as employee recruitment, onboarding, management and resignation, we ensure that the legitimate rights and interests of each employee are respected and protected, and continuously build a safe, decent and sustainable workplace ecosystem.

Labor Risk Category	Management Measures
Prohibition of Child Labor	<ul style="list-style-type: none"> We firmly oppose and prohibit child labour, and will never cooperate with any supplier that intentionally uses child labour. We have formulated and strictly implemented the <i>Recruitment Management Regulations</i>, taken effective measures to verify the real age of employees during the recruitment process, and strictly prohibited the employment of minors. Once illegal employment is found, we will immediately terminate their work, report to the local labour management department at the first time, and quickly take remedial measures, including arranging health checks, escorting them back to their place of origin to be signed and received by their guardians, and funding them to return to school.
Prohibition of Forced Labor	<ul style="list-style-type: none"> We respect employees' freedom rights, including freedom of employment, freedom of resignation, freedom of overtime work and freedom of movement, and strictly prohibit any form of forced labour. We follow the principles of legality, fairness, equality and voluntariness, consensus through consultation, and good faith, sign labour contracts in accordance with the law, and prohibit collecting deposits or detaining certificates. Once a violation is found, we will immediately investigate, severely pursue responsibilities, and handle it in accordance with the law.
Anti-Discrimination	<ul style="list-style-type: none"> We adhere to the principles of fairness and equality in all links of employee recruitment and management, and prohibit all forms of discrimination, especially discrimination against female employees. We prevent and solve harassment problems through appeal mechanisms and investigation procedures.
Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> We respect and protect employees' right to freely organize or join trade unions, and provide appropriate resource support when necessary. We formulate the <i>Collective Contract</i> in accordance with national laws and regulations, whose core clauses cover 15 major aspects including labor remuneration, working hours, rest and vacation, insurance and welfare, occupational health and safety, and special protection for female employees, with a 100% signing rate of collective contracts within the coverage scope.
Anti-Harassment and Abuse	<ul style="list-style-type: none"> We prohibit any form of sexual coercion, threats, humiliation or exploitative behavior, including gestures, language and physical contact, to provide employees with a safe and healthy workplace away from harassment.
Reasonable Working Hours	<ul style="list-style-type: none"> We reasonably arrange production plans and legally protect employees' legitimate working hours and rest and vacation; if overtime work is really needed due to production and operation, we will strictly follow the principle of employee voluntariness and fully pay overtime wages or corresponding subsidies in accordance with laws and regulations.
Salary	<ul style="list-style-type: none"> We pay employees' salaries in a timely manner, provide reasonable wages and welfare, and ensure the basic living needs of employees and their families.
Healthy and Safe Working Conditions	<ul style="list-style-type: none"> We continuously optimize the healthy and safe conditions of the workplace, regularly identify occupational health and safety risks, and solve current and potential health and safety hazards through corrective and preventive measures.

• Labor risk management mechanism

Through the continuously improved internal management system and supply chain supervision mechanism, YOFC carries out systematic labor rights and interests risk screening and monitoring. In the event of labor disputes or other rights and interests infringement incidents, we will immediately investigate and take remedial measures in accordance with laws and regulations to ensure that potential risks or irregularities are rectified in a timely manner. During the reporting period, no confirmed labor rights and interests infringement incidents involving employment discrimination, infringement of freedom of association and collective bargaining rights, forced labor, illegal slavery or child labor were found in the Group's own operations and supply chain, and all eligible entities have achieved full coverage of collective contracts.

Internal Review of Labor Risks

- Through various research methods such as comprehensive questionnaire surveys, group seminars, expert consultations, and management interviews, annual routine internal audits of labor risks are conducted from the dimensions including the likelihood and impact degree of risk occurrence.
- Based on the overall assessment of employment risks, the Group has organized and carried out special assessments on employment compliance for some branches/subsidiaries.

External Review of Labor Risks

- In 2025, over ten labor rights special audits were conducted in cooperation with clients and third parties. The social moral responsibility standard (SA 8000) supervision audit was successfully passed, as well as RBA audits from multiple clients.

Diversity, Equity and Inclusion

YOFC deeply integrates the concept of "Diversity, Equity and Inclusion (DEI)" into its global strategy. By formulating a series of management systems such as the *Employee Handbook*, *Special Collective Contract on the Protection of Female Employees' Rights and Interests*, and *Social Responsibility Management Manual*, it eliminates any form of discrimination and creates an open, inclusive and harmonious humanistic environment.

Female Employees' Rights and Interests

In daily management practice, the Company strictly implements exclusive benefits for female employees. In addition to legally ensuring the "March 8th" Women's Day holiday, it regularly distributes necessary supplies such as hygiene products, and specially formulates leave and welfare plans for female employees during the "three periods" of pregnancy, childbirth and lactation. Through a systematic and regular care mechanism, it fully reflects the practical support and respect for female employees.

Case | YOFC female employee care activity

On September 22, 2025, the Women Employees Committee of the Trade Union of YOFC carefully planned and held a pizza DIY theme activity. Nearly 60 female employees personally experienced the production skills of Italian pizza under the guidance of professional instructors, feeling the warmth and care of the organization in a relaxed and pleasant atmosphere. This activity not only provided a platform for female employees to relax and interact, but also demonstrated the Company's cultural philosophy of respecting women's value and caring for women's growth through refined and humanized employee care practices, continuously creating a respectful, warm and inclusive workplace environment.



• Pizza DIY theme activity

Case | YOFC Peru Women's Day activity

On International Women's Day 2025, YOFC Peru focused on the physical and mental health and spiritual growth of female employees and carefully prepared Big Box gift cards as a holiday care measure. Female employees could use the cards to choose a professional massage to relieve fatigue, relax their body and mind, and alleviate the pressure of travel and work; they could also use them to buy favorite books to enrich their spiritual world and achieve self-improvement through reading. In a flexible and considerate form, this activity respected the personalized needs of female employees and reflected the Company's respect, care and substantive support for the female group in overseas operations.



• YOFC Peru Women's Day activity

◆ Global Cultural Integration

In 2025, with the theme of "One YOFC, Go Glocal", YOFC successfully held a global cultural month activity in the form of "online boundless linkage + offline local experience", aiming to strengthen the cultural consensus of "One YOFC" through equal communication and gather the sense of belonging and collaboration of global employees. The online platform of the activity supported Chinese, English and Spanish, covering all branches/subsidiaries and business units of the Group. Through four major activities: global map lighting, cross-cultural answering, creative work collection and global career development dialogue, it attracted more than 2,500 employees to participate in depth. Among them, 113 cross-cultural theme works created by employees triggered more than 12,000 internal votes, and the cumulative number of visits to the activity area exceeded 30,000.



• Global culture month campaign



• Award-winning entries in global creative competition

Case | Local cultural experience, respecting regional differences with inclusiveness

Under the framework of the "Global Cultural Month" activity, YOFC promoted various subsidiaries to carry out experience activities in depth combined with local cultural characteristics. YOFI and YOI Communication spread traditional Chinese culture to overseas colleagues by holding the Mid-Autumn Festival activity. YOAC and YOMC carried out National Heritage Day cultural celebrations and Independence Day cultural activities respectively combined with local cultures, organizing transnational teams to experience traditional dances, historical sharing and folk customs displays together, promoting two-way communication between local employees and foreign employees, allowing employees from different backgrounds to understand the value of cultural diversity through common experience, and forming a good atmosphere of "two-way inclusion and mutual achievement".



• YOAC Heritage Day activity



• YOMC Independence Day activity

Improving Salary and Welfare

YOFC has established a performance appraisal system and salary system covering all employees, and continuously improves the construction of the welfare system. On the basis of strictly complying with the requirements of laws and regulations such as *the Social Insurance Law of the People's Republic of China* and *the Interim Provisions on Wage Payment*, we have formulated and implemented salary and welfare management systems such as the *Wage Management System*, *Bonus Management System* and *Welfare Management System*, regularly carried out salary competitiveness evaluation and adjustment, provided employees with diversified non-salary benefits, and steadily improved employees' sense of belonging and satisfaction.

Salary Management System

The Group continuously carries out annual performance appraisal for all regular employees. The assessment content includes performance results (key result objectives, key initiative objectives, personnel management objectives), values and personal ability improvement plans. To strengthen sustainable development management, we integrate ESG-related indicators into the personal performance evaluation system of key positions related to sustainable development, and set differentiated weights according to job nature, promoting the in-depth integration of sustainable development goals and employee performance.

To attract, motivate and retain talents, YOFC adheres to the principles of internal fairness, incentives and external competitiveness, and takes performance as the orientation. On the basis of fixed salary, we provide all employees with a performance-based variable salary mechanism, and formulate equity incentive plans for employees, realizing the combination of short-term incentives and long-term value sharing, comprehensively stimulating employees' potential and supporting the sustainable development of the enterprise.

<p>Performance-based Pay</p> <ul style="list-style-type: none"> It is comprehensively calculated and issued based on the Company's overall performance and the individual performance results of employees. 	<p>Annual Performance Bonus</p> <ul style="list-style-type: none"> Bonuses shall be distributed based on the performance results of the previous year, covering various types such as achievement sharing bonuses and operation team bonuses, so as to ensure timely payment of incentives. 	<p>Special Assessment Incentives for Sales</p> <ul style="list-style-type: none"> Design differentiated process incentive mechanisms for various sales platforms, decompose business objectives to individuals layer by layer, and offer rewards on a monthly/quarterly basis to drive business growth and market breakthroughs.
<p>R&D Special Incentives</p> <ul style="list-style-type: none"> Centering on major R&D projects, the stability of the team is ensured and sustained breakthroughs are encouraged through supporting incentive measures such as exceptional promotion for team members, milestone bonuses, and additional equity. Meanwhile, achievements including patents, standards, government-funded science and technology projects, research papers and other outcomes are commended to stimulate innovation vitality. 	<p>Small Incentives</p> <ul style="list-style-type: none"> Authorize various organizations to provide instant small rewards to employees for their positive behaviors demonstrated in daily and emergency work, as well as cross-departmental collaboration. The total number of incentives exceeded 4,900 person-times in 2025. 	<p>Excellent Evaluation and Honorary Awards</p> <ul style="list-style-type: none"> Through the annual group evaluation and commendation, individuals and teams that have achieved outstanding accomplishments are honored. The awards include Gold Medal Individual, Rising Star, YOFC Artisan, Customer-First Team, Performance Breakthrough Team, President's Award, etc., establishing an exemplary culture.

• Variable compensation system

Welfare Management System

Combining its own characteristics, the Company continuously improves the welfare system, provides employees with diversified non-salary benefits, and continuously enhances employees' sense of identity and satisfaction with the Company.



Statutory benefits

- Social insurance (pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance)
- Housing provident fund
- Statutory leave (strictly implementing national regulations on maternity leave, paternity leave, childcare leave, and elder care leave)



Additional benefits

- Supplementary commercial insurance (including life insurance, accident insurance, and medical insurance)
- Supplementary paid annual leave (in addition to statutory annual leave, providing more competitive paid annual leave)
- Employee mutual medical insurance
- Regular health check-ups
- Free fitness facilities
- Festival benefits
- Family visitation benefits
- Work meals
- Commuter shuttle service
- High-temperature allowance
- Specific position allowances
- Domestic and international residency allowance

During the reporting period



The social insurance contribution rate for YOFC's employees under labour contract: **100%**.

Employee Care

YOFC is committed to improving employees' work happiness and sense of belonging, continuously promoting the construction of democratic management, actively expanding employee communication channels, and continuously creating a positive working atmosphere through various health promotion and team building activities.

Case | Empowering health with science

In 2025, with the goal of caring for employees' health and cultivating scientific exercise habits, YOFC successfully held a series of health promotion activities covering 19 subsidiaries. The activities were carried out in the form of walking and popularization of health knowledge on solar terms, with a total of 1,072 employees participating and a total of more than 80 million steps, effectively improving employees' health management awareness and self-care ability.



• Walking event poster



• Walking event prizes

Employee Communication

We have established diversified employee communication channels and continuously optimized the all-dimensional communication platform centered on "top-level direct access + independent communication + business adaptation" to promote two-way information flow and enhance organizational transparency and cohesion.

Executive Direct Access

- Iteratively upgrade the "President's Message" column, transforming it from a one-way presentation to a "Strategy Interpretation + Interactive Q&A" model, establishing a direct dialogue mechanism between senior management and global employees, and driving the implementation of strategic consensus.



• Upgraded "President's Message" column

Autonomous Communication

- Conduct regular communication through multiple channels including employee surveys, departmental meetings, team meetings, employee forums, and online employee suggestion boxes to systematically collect employee suggestions and demands;
- Leverage digital platforms and online communities to achieve efficient information transmission and real-time collaboration between domestic and overseas teams;
- Launch the new YOFC Employee Forum to build a space for employees to communicate autonomously.



• Launch of YOFC exclusive employee forum

Business-Aligned Communication

- Implement the "BOM Face-to-Face" mechanism in newly established business units, organize on-site dialogues between business leaders and frontline employees to directly address business pain points, coordinate resources and process issues, and convert communication effectiveness into business driving force.



• On-site of "BOM Face-to-Face" activity of Energy Business Unit

The Company has established a sound employee appeal mechanism. In accordance with internal systems such as the *Social Responsibility Management Manual* and the *Employee Complaint Regulations*, the trade union accepts and follows up employee opinions. On the basis of protecting employees' legitimate rights and interests through internal supervision, we encourage employees to supervise and report any illegal, disciplinary or irregular behaviors. For acts of illegally disclosing the information of informants or retaliating against them, the Company will take severe measures including terminating labor contracts and transferring them to judicial organs in accordance with the law.

Employee Satisfaction

YOFC conducts an employee satisfaction survey every two years. Based on the 2024 survey results, we focused on the key issues feedback by employees and carried out special improvement actions. During the reporting period, a total of 124 targeted improvement plans were formulate and implement and implemented by each business unit and functional centre, ensuring full coverage of the issues and creating a more comfortable and convenient working and living environment for employees.

Case | Responding to employee needs and optimizing team collaboration

To respond to employees' needs for improving cross-departmental collaboration efficiency, the Company launched a special improvement project in 2025. We promoted some departments to form cross-project joint teams and incorporated their collaboration performance and achievements into the performance appraisal system of relevant personnel; organized cross-departmental team building activities and cross-border training such as "business-function two-way workshops" to promote knowledge sharing, enhance mutual understanding, and comprehensively improve organizational collaboration efficiency.

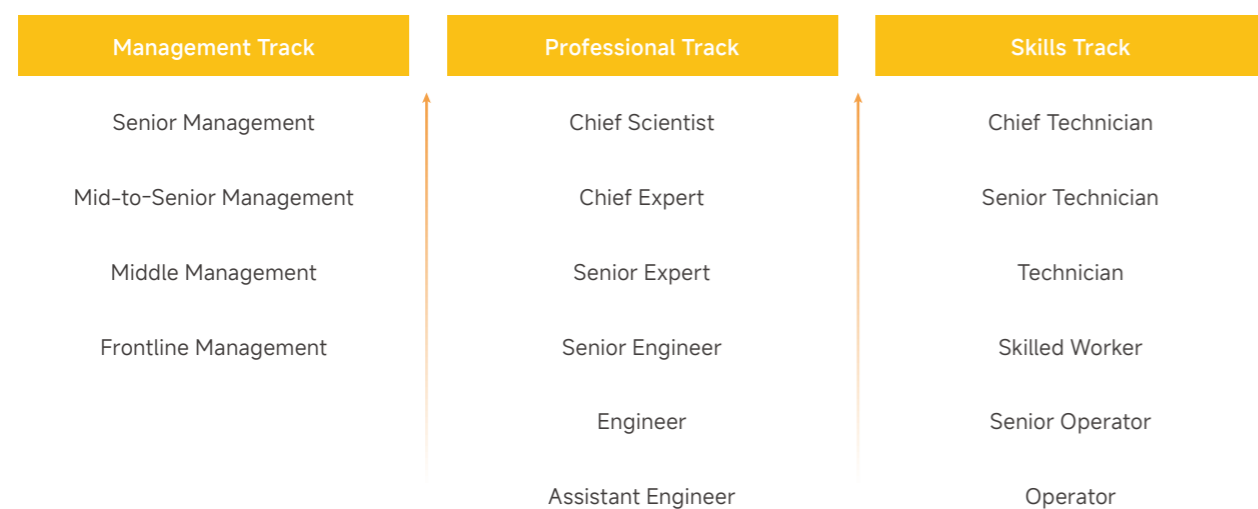


• Cross-border knowledge training - two-way workshop between legal and business departments

Empowering Development and Training

Employee Promotion

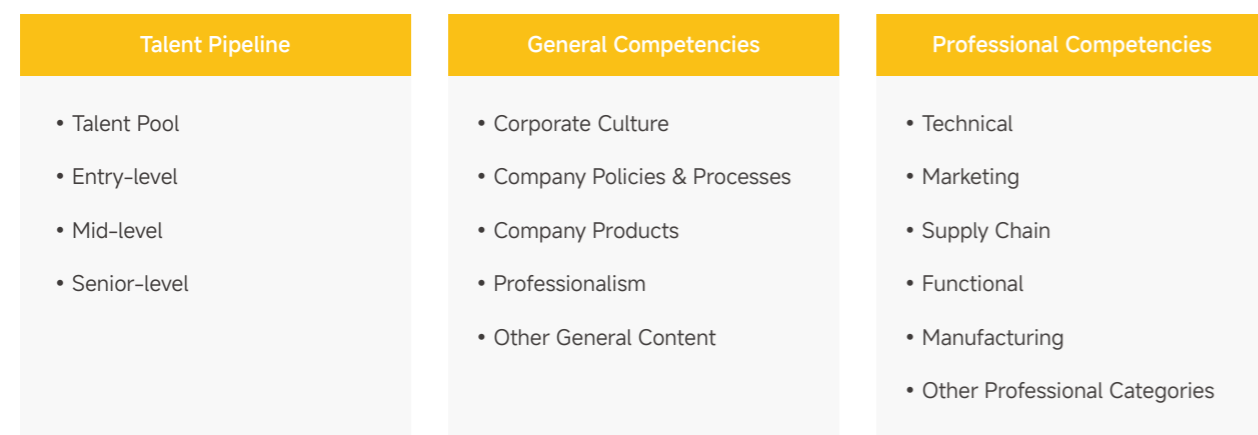
We take "business strategy needs, talent structure development, consistency with Company values, performance orientation and ability matching" as the general policy for employee promotion, and take job qualifications (including responsibility contribution, organizational feedback, key capabilities and professional knowledge) and annual performance as the core promotion standards. We provide employees with diversified career development channels including annual regular promotion and daily cross-department internal competition, promoting the rapid growth of outstanding talents. The Group has established a diversified promotion channel covering management channel, professional channel and skill channel, providing employees with a clear and multi-directional growth path.



• YOFC employee promotion channels

Employee Training

Upholding the training concepts of "comprehensiveness", "targetedness", "planning", "entirety" and "traceability", we continuously improve rules and regulations such as the *Training Management System*, *Internal Training Courses Development Management Regulation*, *Internal Trainer Management Regulations* and *Regulations on Sponsoring Employees' Further Education and Training* providing all employees with diversified skills and knowledge improvement training to help employees build core competitiveness.

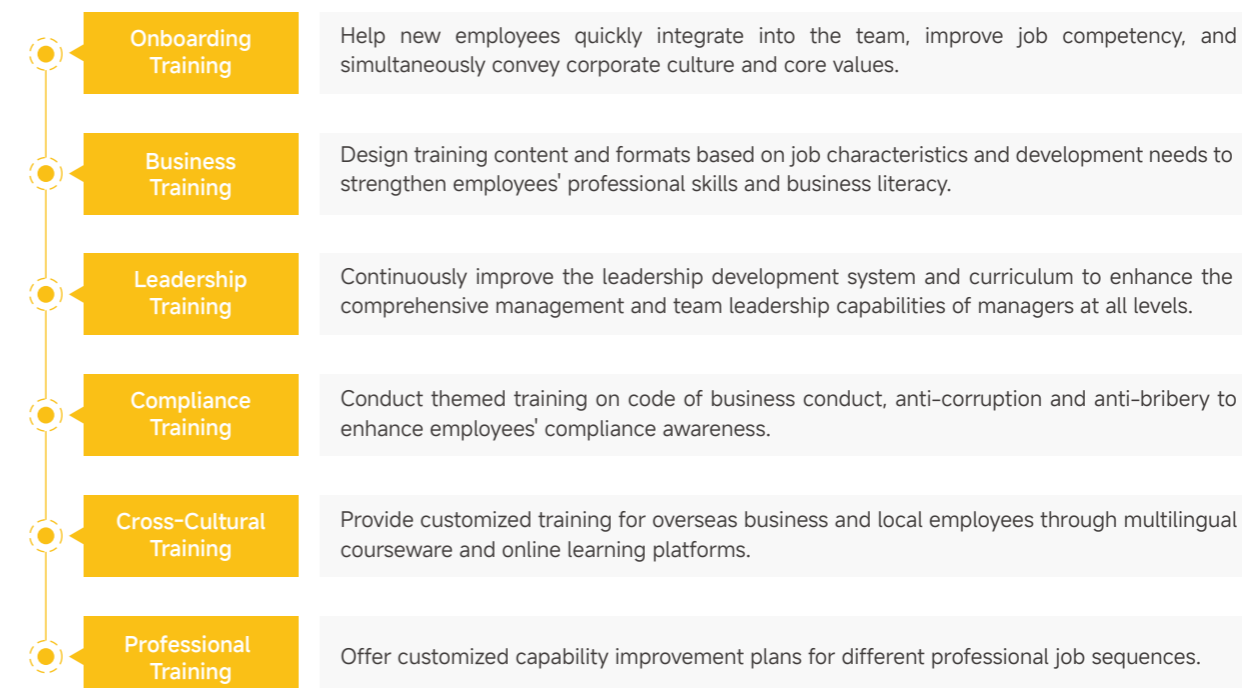


• YOFC talent training system

In 2025, YOFC officially established YOFC University. Through a hierarchical and classified talent training system, it successfully implemented a number of key talent development projects and customized training, effectively promoting the construction of a learning organization and creating a cultural atmosphere of continuous learning and knowledge sharing. According to the actual needs of training content and student groups, we formulate annual training plans, and comprehensively carry out various training activities through multiple forms such as face-to-face training, external learning, online courses, action learning and mentorship system to ensure the pertinence and effectiveness of talent training.



• On-site of the official establishment of YOFC University



• YOFC training plan

During the reporting period



YOFC:

Total employee training hours
238,261.66 hours

Employee training coverage rate
100%

Total employee training expenditure
RMB **4.05** million

◆ Global Talent Acceleration Program

To support the Group's international strategy and improve the operational capacity of overseas businesses, YOFC launched the first Global Talent Acceleration Program (GTAP) in October 2025, selecting 11 outstanding overseas employees from Indonesia, Brazil, South Africa, Mexico and other countries to participate in a two-week intensive training at the headquarters. Through sharing excellent practices of the Group headquarters and setting up cross-cultural communication workshops, the program strengthens cultural integration and helps improve the standardization and refinement of overseas operation and management, supporting the coordinated development of global businesses.



● Global talent acceleration program

◆ Cultivation of Management Cadre Training

YOFC carries out annual talent inventory based on business strategy needs. In 2025, we focused on systematic evaluation of key strategic positions and their reserve echelons across the Group, clarified the structure of the cadre team, identified high-potential talents, and formulated hierarchical reserve talent training plans, rotation arrangements and personnel structure optimization plans accordingly, continuously supporting organizational development and capacity building.

We continuously carry out skills and knowledge training for high-potential and reserve talents at all levels to improve their leadership and operation and management capabilities, and continuously build a sustainable talent echelon matching business development, with a total of more than 500 participants throughout the year.



● Leadership model

Case | LEAP¹² general manager leadership acceleration program

To further improve the comprehensive operation and management capabilities of general managers of product lines and branches/subsidiaries, we organized and carried out the first "LEAP2 General Manager Leadership Acceleration Program" from May to November 2025, with 19 relevant managers participating. The program includes various forms such as evaluation feedback, four major common theme training camps and senior management mentor guidance, focusing on improving participants' knowledge level and practical capabilities in strategic and performance management, marketing operations, compliance management and commercial operations, supporting the steady development of global businesses.



● LEAP2 general manager leadership acceleration program

12. LEAP: Leadership Excellence Acceleration Program

Case | LEAP¹ new cadre leadership acceleration program

From February to December 2025, the Company carried out the "LEAP1 New Cadre Leadership Acceleration Program", providing systematic training for 11 newly promoted managers for half a year. The program comprehensively uses various methods such as evaluation feedback, theme salons and mentor guidance to help participants consolidate leadership theoretical knowledge, share practical experience, effectively support them to successfully complete role transformation, and improve team management and business promotion capabilities.



● LEAP1 new cadre leadership acceleration program

Case | GLDP¹³ grassroots leadership development program

To systematically cultivate and reserve grassroots high-potential talents, we launched the "GLDP1 Grassroots Leadership Development Program" in December 2025 for department managers and directors of the Group's headquarters and domestic branches/subsidiaries, with 36 participants. The program adopts diversified training methods such as evaluation feedback, career dialogue, online leadership courses, offline training camps on common themes, AI simulation exercises and mentor guidance, carrying out systematic training around the core capabilities of grassroots management, comprehensively improving participants' leadership qualities and practical management capabilities, and laying a solid foundation for their future development to higher-level positions.



● GLDP1 grassroots leadership development program

13. GLDP: Global Leadership Development Program

◆ Professional Skills Training

In terms of professional skills training, YOFC continuously carries out special skills development training by building a diversified learning platform and resource library combining online and offline, helping employees improve job competence and professional quality, and broaden career development paths.

Case | ESG internal trainer programme

In March 2025, YOFC officially launched the Group ESG internal trainer programme. Focusing on the core areas of environment, society and governance, and using international standards such as ISO 14068-1, ISCC¹⁴, ISO 20400, ISO 37001 and ISO 27001 as a framework, the programme successfully trained the first cohort of 13 "ESG standard internal trainers". Through systematically promoting the internalisation of ESG concepts and capacity building, the programme effectively integrated sustainability principles into the management practices and decision-making processes of each business unit, supporting the implementation of the Group's sustainable development strategy.



• ESG internal trainer program

Case | Frontline team leader capability improvement training program

To consolidate the foundation of grassroots management, the Company carried out the "Team Leader Practical Management Skills Improvement" special training in July 2025, attracting 50 frontline team leaders to participate actively. Through 2 days of systematic course learning and practical exercises, the program effectively improved the comprehensive capabilities of participants in management awareness and tool application, further consolidating the management foundation of the production frontline.



• Frontline team leader capability improvement training program

◆ Academic Qualification Improvement

To improve employees' professional quality and comprehensive capabilities, YOFC encourages employees to master cutting-edge management and professional knowledge through independent learning. Every year, the Company selects outstanding employees to participate in degree further study such as Doctor of Engineering, Business Administration (MBA/EMBA), Finance (MF) and Engineering Management (MEM), and provides corresponding financial support; at the same time, it selects outstanding employees to independently study and obtain various professional qualification certificates, and gives cash rewards to those who pass. By the end of the reporting period, the Company had funded 25 core employees to pursue MBA and on-the-job Doctor of Engineering degrees, reserving high-level compound talents for the Group's sustainable development.

Since the Group was approved to carry out internal independent professional title evaluation in 2022, it has gradually built and improved a professional talent evaluation system covering the entire Group, and the scope of participation has been expanded to 18 branches/subsidiaries. By the end of the reporting period, more than 400 have passed the evaluation and obtained corresponding professional title certificates, effectively promoting the optimization of the Group's overall talent structure and the coordinated improvement of professional capabilities.

14. International Sustainability and Carbon Certification

Maintaining Occupational Health and Safety

In global business operations, we always uphold the core concept of "life first and people-oriented approach", and fully integrate the commitment of "Safety and Health" into corporate strategy, daily operations and cultural construction. Combined with the characteristics of production scenarios, YOFC carries out regular occupational health and safety management through technical optimization, precise protection and other measures, effectively reducing the risk of occupational disease exposure, and striving to build a safer, healthier and more controllable modern working environment.

- Compliance**
 - All levels of our organization, including every site, facility, and branch, will strictly adhere to the safety and health laws, regulations, international conventions, and industry standards of the countries and regions where we operate. We will ensure the allocation of necessary resources for safety and health. Where local regulations are less stringent than our internal standards, we will rigorously enforce our own more stringent requirements.
- Strategic Integration**
 - We will integrate safety and health objectives into the company's global development strategy. Upholding the principle of "Safety First, Prevention Foremost," we will prioritize the prevention and control of safety and health risks in new project planning, operational process optimization, and technological upgrades.
- Empowerment for All**
 - We will establish a comprehensive safety and health management framework covering all our sites, facilities, and branches worldwide. This includes clearly defining the safety and health responsibilities of managers at all levels and incorporating safety and health performance into the evaluation system.
 - We will provide employees with necessary training, equipment, and support, safeguarding their rights to participate in and oversee safety and health matters.
- Continuous Improvement**
 - We will regularly and quantitatively assess safety and health management performance, proactively conduct internal audits, obtain third-party certifications, and welcome stakeholder oversight. We commit to swift response and systematic rectification of identified issues, thereby continuously enhancing our safety and health management standards.
- Responsible Care**
 - In line with our commitments to corporate social responsibility and employee welfare, we will treat safety and health as a critical component in our cooperation with supply chain partners, engagement with stakeholders, and interactions with surrounding communities.
- Communication**
 - We will maintain transparent communication with our stakeholders, actively collaborate with communities, and promote the development and refinement of laws, regulations, and industry standards designed to protect the public interest.

• Safety and Health Commitment

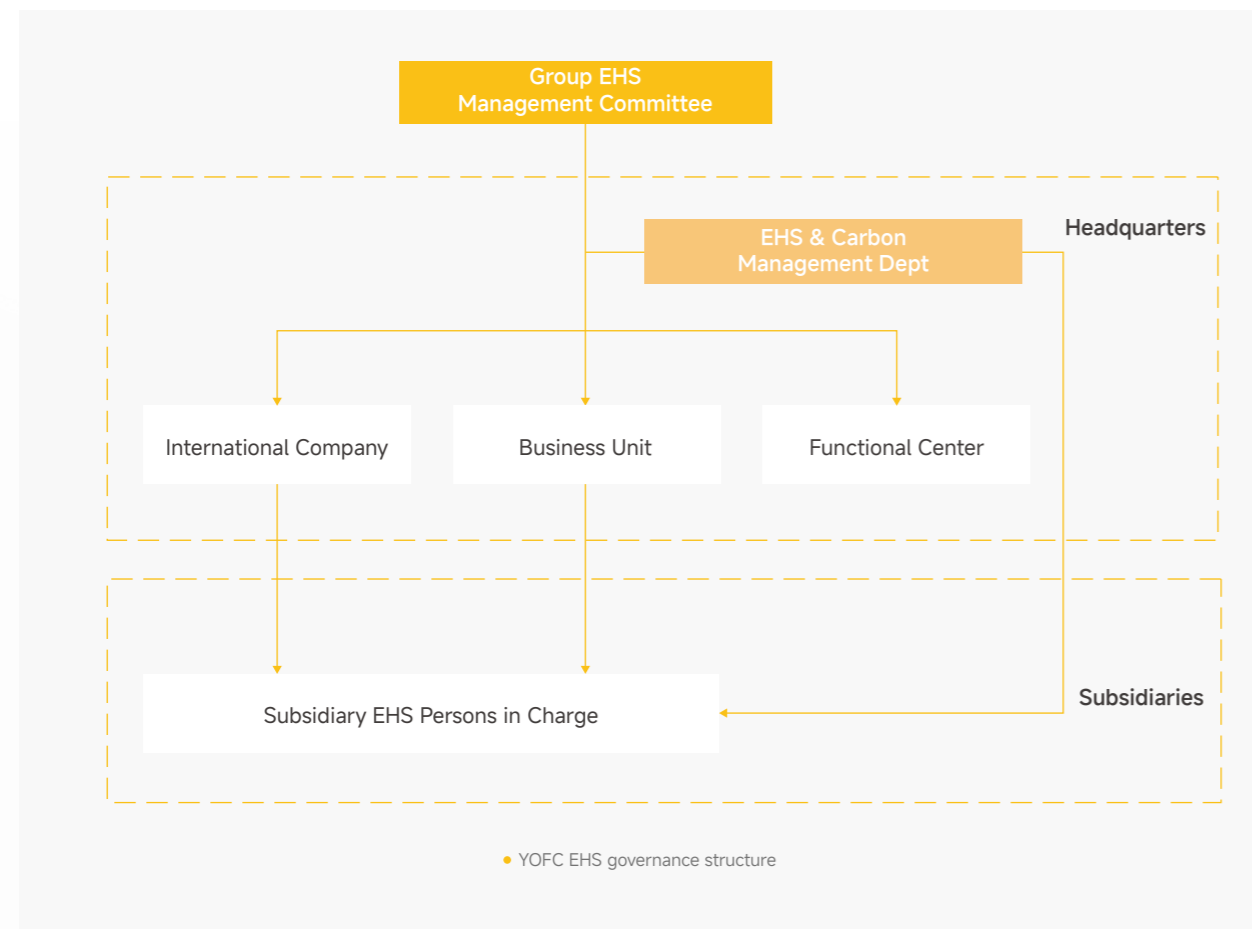
Hazardous Chemicals Management

The Company attaches great importance to the safe control of hazardous chemicals, strictly implements the requirements for full-chain compliance management, and regulates qualification management for each subordinate production entity: YOFC Gas and Hubei Flying have legally obtained the Registration Certificate and Licence for Hazardous Chemicals. Concurrently, the Company has formulated institutional documents such as the *Hazardous Chemicals Procurement & Storage Control Procedure* and the *Chemical Emergency Operation Instruction*, implementing full-process standardised control over procurement, storage, usage, disposal and other links, and has established a dedicated emergency response mechanism, organising regular emergency drills and personnel training to ensure that employees master chemical characteristics, the use of protective equipment and leakage disposal skills, thereby effectively safeguarding employees' occupational health and production operation safety.

EHS Management System

We integrate occupational health and safety management into all links of business operations, and strictly comply with laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China* and the *Occupational Disease Prevention and Control Law of the People's Republic of China*. In 2025, we added the *System for Reporting and Rewarding Hidden Dangers of Work Safety Accidents*, and updated systems related to employees' labor safety protection such as the *Safety and Health Commitment* and the *Procedure on EHS Risk Identification, Risk Assessment and Determining Controls*. We adhere to the core goal of zero occurrence of personal injury, fire, environmental protection and other accidents through improving systems.

The Company has established a Safety and Environmental Protection Committee to comprehensively coordinate environmental, health and safety affairs. The committee is co-chaired by the chairman and president & executive director, with the vice president serving as executive deputy director to promote the work. All safety management positions are equipped with personnel with professional knowledge and management capabilities to ensure clear responsibility boundaries and clear powers and responsibilities, promoting the coordinated progress of employee health, environmental protection and work safety.



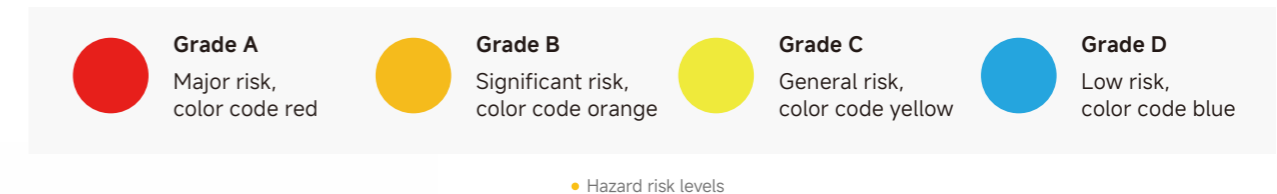
As of the end of the reporting period



Number of YOFC companies certified with ISO 45001 Occupational Health and Safety Management System: **29**

EHS Risk Identification and Response

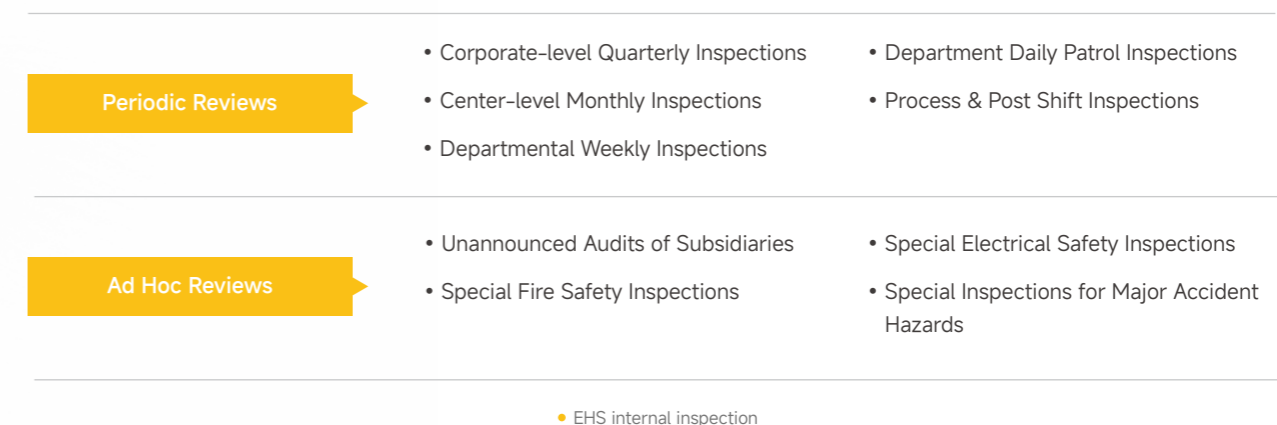
We continuously optimize the EHS risk classification and control system, and systematically updated the risk identification standards in 2025. We expanded the categories of occupational health and safety risk hazards from 20 to 29, and divided them into four clear risk levels, further clarifying the boundaries of safety management responsibilities, strengthening the distinction of direct causes of accidents, and providing more accurate and effective guidance for hazard identification, risk evaluation and accident hidden danger treatment.



Orange risk is the highest level among the identified hazard risks of the Company. To effectively control such risks, the Company has deployed a number of technical measures including AI illegal operation identification system, real-time monitoring probes and automatic linkage devices, realizing automatic data upload and immediate shutdown of dangerous operations. At present, all identified orange risks have achieved 100% online safety engineering and technical protection, effectively improving the ability to control hazards and reducing the safety hazards of high-risk operations.

In addition, we have formulated standardized control plans for other identified risks to ensure that all types of safety risks are always under control.

To ensure employees' health and safety, we carry out comprehensive, three-dimensional and professional internal audits. In 2025, the Company conducted an internal audit of the occupational health and safety management system in accordance with the ISO 45001 occupational health and safety management system standard and the *Management System Internal Audit Procedure*, timely identified and eliminated various occupational health and safety hazards, ensured the effectiveness of the management system, and effectively protected employees' health and safety.



Case | YOFC EHS unannounced audits

In 2025, YOFC organized EHS unannounced inspections on 12 of its subsidiaries, putting forward 43 safety improvement suggestions during the period. Focusing on the inspection findings and excellent practical experience, we carried out 3 special training sessions to promote the systematic improvement of the safety management level of each subsidiary.



• On-site of EHS unannounced audits

- Safety Management**

Implement standardized management systems, operating procedures and work instructions; conduct patrol inspections, equipment maintenance and operational monitoring.
- Engineering & Technology**

Install and maintain equipment and facilities including temperature and pressure detection, gas detection and alarm, inert gas protection, emergency pressure relief and shut-off, closed systems, video surveillance, safety instruments, protective dikes and safety warning signs.
- Personal Protective Equipment (PPE)**

Provide personal protective equipment including safety helmets, protective goggles, welding masks, dust and gas masks, earplugs and earmuffs, acid and alkali resistant gloves, insulating gloves, anti-static shoes, acid and alkali resistant shoes, chemical protective clothing, acid and alkali resistant clothing, and fall protection equipment.
- Emergency Response**

Formulate and implement emergency rescue plans, stockpile emergency supplies, and equip emergency facilities.
- Education and Training**

Deliver three-level safety education, special operations personnel training, special topic training, job transfer training and pre-work safety briefings, etc.
- Special Group Protection**

Conduct risk assessments on positions held by pregnant and lactating female employees, take reasonable measures to eliminate or reduce occupational health and safety risks, and prevent their exposure to high-risk environments.
- Employee Health Check-ups**

Conduct occupational health check-ups for all employees in positions exposed to occupational hazards, covering seven major categories of inspection items including silica dust, chemical factors, noise, high temperature, microwave, power frequency electric fields, and electrical work.

• EHS risk control measures

During the reporting period



YOFC achieved **100%** coverage of occupational health examinations for employees, with **0** cases of occupational diseases, thereby effectively safeguarding the occupational health rights and interests of every employee.

Indicator	Unit	2025	2024	2023
Number of Work-Related Fatality	Person	0	0	0
Work-Related Fatality Rate	%	0	0	0

EHS Culture Construction

In 2025, YOFC formulated an annual safety training and emergency drill plan, covering Company employees and third-party service personnel, continuously improving the overall occupational health and safety awareness and emergency response capabilities of all employees.

During the reporting period



YOFC:

Total number of safety training organized
94 times

Total number of emergency drills organized
78 times

Case | YOFC occupational health and safety special training

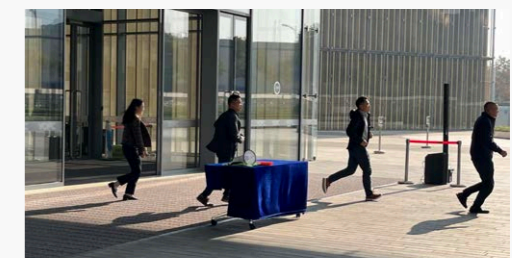
In April 2025, the Company simultaneously promoted occupational health publicity and first-aid skills training in two factories in Wuhan. The training content included key modules such as new on-site rescue concepts, safety awareness and self-protection, golden rescue time and first responder disposal, and theoretical explanation and practical exercise of cardiopulmonary resuscitation. A total of 124 employees participated, effectively improving employees' occupational health protection and on-site emergency rescue capabilities.



• On-site of occupational health publicity and first-aid skills training

Case | YOFC joint emergency drill

In July 2025, YOFC organized a large-scale joint emergency drill, with the Company president on-site to lead the command. In collaboration with the local fire department, the drill simulated a real smoke scenario, effectively testing and strengthening multi-department collaborative response and practical emergency response capabilities.



• On-site of joint emergency drill

05

Collaborative Ecosystem, Building Inclusive Communities

We are committed to building a responsible, transparent, and efficient sustainable supply chain that fosters inclusive growth. By actively engaging in social welfare and supporting rural revitalization, we extend the benefits of our development to broader communities, achieving a deep integration of commercial and social value. As an industry pioneer, we are led by innovation and collaboration, working with all stakeholders to shape a more resilient and sustainable business ecosystem.

Topics:

- Sustainable Supply Chain
- Contributions to the Society and Rural Revitalisation



Building a Sustainable Supply Chain

As a national-level green supply chain management enterprise, YOFC is committed to establishing high-quality, green and responsible supply chain partnerships, actively building a supply chain management model that balances environmental, social and economic benefits, and continuously promoting the sustainable development and value co-creation of the supply chain.

Governance

To address risks related to supply chain management, the Company has established a three-tier governance structure covering the "governance - management - execution". The governance level is the Board of Directors, responsible for reviewing supply chain risks and overall strategy. The management level consists of senior leaders, responsible for formulating policies and overseeing implementation. The execution level comprises relevant functional departments and focal points, responsible for carrying out specific tasks such as supplier evaluation, audit and capability building, and reporting progress regularly, thereby ensuring the effective implementation of supply chain sustainability.

We adhere to the principle of mutual benefit and win-win cooperation, strictly comply with laws, regulations, and industry standards worldwide, and updated our *Procurement Policy* and *Supplier Management Policy* in 2025 to fully integrate sustainability requirements into supply chain management, supporting the industry's collective advancement.

Strategy

To enhance supply chain resilience, YOFC actively identifies risks and opportunities and deepens responsibility management, comprehensively strengthening its capacity to respond to supply chain risks. During the reporting period, YOFC's total raw material procurement amounted to RMB 7,439.45 million, accounting for 75.36% of operating costs.

In 2025, YOFC has obtained the ISO 28000 certification for Supply Chain Security Management Systems.



• ISO 28000 Certificate

Risk	Risk Description	Mitigation Measures	Time Dimension
Supply Chain Sustainability Compliance Risks	As EU regulations such as the <i>Corporate Sustainability Due Diligence Directive</i> and the <i>Corporate Sustainability Reporting Directive</i> continue to tighten, non-compliant behaviour by suppliers in environmental and social responsibility may lead to supply chain disruptions or reputational damage to the Company, thereby reducing the Company's operating income.	<ul style="list-style-type: none"> Incorporate sustainability-related issues into the entire lifecycle management of suppliers, serving as key evaluation criteria for supplier onboarding, routine management, performance assessment, and exit mechanisms. Developed and issued the <i>Supplier Management Policy</i>, requiring all suppliers to sign and commit to compliance with the <i>External Supplier Code of Conduct</i>, which explicitly prohibits child labor, forced labor, and any form of employment discrimination, ensures employee health and safety, and guarantees that compensation and benefits management complies with legal requirements. 	Short-term
Supply Chain Continuity Risk	Disruptions to the supply chain and obstacles to logistics caused by unforeseen events such as natural disasters, political unrest or market volatility may thereby reduce the Company's operating income.	<ul style="list-style-type: none"> Develop and conduct drills for emergency response plans to ensure rapid activation after unexpected incidents, minimize losses to the greatest extent possible, and restore operations promptly. 	Long-term

Opportunity	Opportunity Description	Response Measures	Time Dimension
Promote Low-carbon Transformation in the Industry	By promoting green procurement, low-carbon logistics and product recycling, the Company reduces the carbon footprint of the entire chain, leads the industry's sustainable development, and thereby increases the Company's operating income.	<ul style="list-style-type: none"> Establish green supplier access standards, optimize transportation routes, promote electric delivery vehicles, and continuously increase the use of recycled materials. 	Long-term
Enhance Supply Chain Resilience	Through sustainable supply chain development, the Company enhances risk response capabilities, strengthens its brand ESG image, lays the foundation for overseas market growth, and thereby increases the Company's operating income.	<ul style="list-style-type: none"> Incorporate ESG performance into supplier evaluations. Conduct supplier sustainability risk assessments and capability training, and establish diversified procurement channels. 	Short-term Medium-term

◆ Supplier Management

We have systematically categorised suppliers based on the type of product or service, dividing them into two main categories: production and non-production. Within these, production suppliers are further subdivided into categories such as preform and fibre raw materials, cable raw materials, and ODN raw materials; non-production suppliers include subcategories such as equipment spare parts, construction services, and logistics services.

To enhance the efficiency and transparency of supply chain management, we continue to advance the digital management of the supply chain. In 2025, the Company fully upgraded its one-stop Supplier Relationship Management (SRM) system, focusing on optimising reporting functions such as the procurement order progress overview and amount statistics, and further enhancing business processing efficiency through additional functional development. Furthermore, we actively promoted system integration, fully connecting the SRM system, the e-invoice system, the expense control system and the Finance Resource Management System (FRM), thereby achieving data connectivity across various business links.

We implement supplier full lifecycle management, standardising the processes for supplier selection and admission, review and evaluation, and elimination and exit, and integrate sustainability assessments into procurement decisions and daily supplier management, thereby continuously enhancing supply chain stability.

- Selection and Admission**
 - **Qualification and system audit:** for suppliers that have completed basic information registration, a multi-dimensional qualification review is initiated to systematically assess their operating qualifications and management system certification status. Suppliers holding advanced industry certifications such as TL 9000 or IATF 16949, or those certified in environment, safety, occupational health or sustainable development, will be recognised as high-qualification suppliers and receive priority during the admission stage.
 - **On-site audit and credit evaluation:** on-site audits are conducted for key suppliers to assess their manufacturing and quality control capabilities, along with a professional evaluation of their credit rating.
 - **Product testing:** suppliers that pass the admission review enter the "qualified" status, and their product and service conformity is verified through steps such as small-scale sample trials and pilot-scale trials.
- Review and Evaluation**
 - Routine and quality reviews are conducted regularly for suppliers, assessing key indicators including Group compliance requirements and service quality, to ensure that suppliers continuously meet business and sustainability standards.
 - Based on multi-dimensional performance such as cost and delivery, outstanding suppliers are given priority for increased procurement share and expanded cooperation opportunities under comparable conditions.
- Elimination and Exit**
 - For non-conforming suppliers, procurement share is reduced and cooperation restricted based on circumstances, and they are required to rectify within a specified period, submit a problem analysis report and a letter of commitment. Follow-up monitoring is conducted to ensure rectification is implemented. Suppliers that seriously violate red lines or fail to meet rectification requirements will have their cooperation terminated.

• Supplier full lifecycle management mechanism

Supplier CSR Management

YOFC actively communicates the concept of "green procurement" to its global suppliers, deeply integrating environmental and social responsibility management into its supply chain management system to promote resource recycling and drive the industry's green transformation.

To strengthen social responsibility management across the supply chain, we have established a Supplier Corporate Social Responsibility (CSR) Management System based on the *United Nations Global Compact's Ten Principles*, the *Responsible Business Alliance (RBA) Code of Conduct*, the *Joint Audit Cooperation (JAC) Supply Chain Sustainability Guidelines*, *ISO 26000 Guidance on Social Responsibility*, *SA 8000 Social Accountability Standard*, and other internationally recognized standards.

In supplier qualification and management, we implement a principle that values both economic performance and sustainability performance equally. We have established the *Supplier Management Policy* to clarify various social responsibilities and require suppliers to sign and comply with the *External Supplier Code of Conduct*. Any violation of these regulations by a supplier will directly affect the business relationship, and in severe cases, may lead to termination of the relationship.



• Supplier CSR guideline categories

Newly Introduced Suppliers	Qualified Suppliers
<ul style="list-style-type: none"> • Before introduction, suppliers must sign agreements such as the <i>Supplier Green Environmental Protection RoHS Commitment Letter</i>, <i>Supplier Green Environmental Protection REACH Commitment Letter</i> and <i>Supplier Integrity Commitment Letter</i>, and complete the <i>External Supplier Social Responsibility Questionnaire</i> to clarify the social responsibility code of conduct to be followed; • Conduct social and environmental risk audits during supplier introduction, and require suppliers to submit relevant documents such as environmental protection commitments and conflict minerals declarations; • Implement supplier energy consumption limits at the introduction stage, requiring suppliers with higher energy consumption risks to formulate and implement effective energy-saving and consumption-reduction measures in accordance with the energy conservation and emission reduction regulations. 	<ul style="list-style-type: none"> • Carry out special sustainability audits covering all supplier types, inspecting 21 performance indicators regarding environment, safety, and social responsibility to ensure compliance with the Company's sustainability requirements; • An annual mechanism for surveying suppliers' greenhouse gas emission data was established to comprehensively assess their product carbon footprints and carbon management capabilities. For high-emission suppliers, a special empowerment plan was implemented and exchanges were organised to explore collaborative pathways for carbon reduction.

• Key initiatives in supplier CSR audit and management

The Company conducted special sustainability communication and training for suppliers, empowering supply chain partners to jointly promote sustainable development.

Case | Supplier sustainability thematic training

In 2025, we conducted sustainability-themed training as part of our supplier audit process. The training covered three key dimensions—sustainability and environment, social, and governance—effectively enhancing suppliers' awareness and practical capabilities in ESG management.



• Supplier sustainability thematic training

Case | Supplier sustainability conference

On December 26, 2025, YOFC held its annual Sustainable Supplier Conference, inviting representatives from nearly 30 key suppliers. The conference focused on building a sustainable supply chain, promoting joint improvements in sustainability management practices between suppliers and YOFC, and establishing a more resilient and responsible supply chain.



• Supplier sustainability conference

Energy Conservation and Emission Reduction in the Supply Chain

We are actively advancing energy conservation and emissions reduction initiatives across our supply chain, implementing measures in areas such as supplier management, transportation optimization, and resource efficiency improvement to achieve a green supply chain.

Supplier Packaging Optimization

- Reduce packaging material consumption by minimizing unnecessary packaging and promoting the reuse and recycling of packaging.

Transportation Distance and Mode Optimization

- Adjusted some long-distance suppliers to nearby suppliers to shorten the transportation radius;
- Promoted new energy transport vehicles, requiring logistics suppliers to gradually adopt electric trucks to reduce transportation emissions.

Improvement of Transportation Resource Utilization

- Effectively improved transportation efficiency by optimizing loading plans and reducing the empty driving rate. In 2025, for export cargo transportation, the increase in container volume load factor directly reduced container usage, significantly lowering carbon emissions in the logistics sector.

Supplier Capability Building

- Assisted suppliers in improving production processes, reducing raw material waste, and increasing product qualification rates, thereby reducing resource consumption at the source.

• Supply chain emission reduction initiatives

Case | Green optimisation project for butterfly cable patch cord packaging

In 2025, the Company implemented a near-shoring strategy for the assembly of finished butterfly cable patch cords, relocating the assembly process to the supplier base closest to the production of the butterfly cables. Concurrently, the Company vigorously promoted the replacement of traditional disposable cartons and wooden reels with recyclable turnover reels. These measures not only achieved intensive use of resources but also delivered significant environmental benefits. Using the monetary method, the cumulative annual reduction in carbon emissions was estimated at 11.79 tCO_{2e}, effectively promoting the deep integration of green manufacturing and the supply chain.

Anchoring Downstream to Jointly Build a Green Chain

YOFC actively responds to core customers' green and low-carbon initiatives, deeply integrating green and low-carbon principles into the full lifecycle management of suppliers. Through stringent standards and efficient collaboration, YOFC works with upstream and downstream partners to build a green and low-carbon industrial chain ecosystem.

Case | Leading green guidelines release to build low-carbon industrial ecosystem

In addition, as an industry representative, YOFC actively plays a leading role by joining forces with key partners across the industrial chain to jointly launch the "Green and Low-Carbon Code of Conduct for China Mobile Suppliers". This initiative deeply integrates the concept of sustainable development into the entire process of industrial chain collaborative development, actively promotes the green and low-carbon transformation of communication infrastructure, and works together to build a sustainable industrial ecosystem.



• The release event of the "Green and Low-Carbon Code of Conduct for China Mobile Suppliers"

Case | "One code" end-to-end chain collaboration, digital intelligence-enabled carbon reduction

In 2025, YOFC won Third Prize in the Third "New Green Cup" Innovation Competition for Empowering Carbon Peak and Carbon Neutrality in the Information and Communications Industry with its case "Supply Chain Collaboration Based on Identifier Resolution and End-to-End Coding". This highlights its continuous efforts in empowering low-carbon supply chains and demonstrates its practical achievements and responsibility in promoting green transformation within the information and communication sector.



• Third Prize in the Third "New Green Cup" Innovation Competition for Empowering Carbon Peak and Carbon Neutrality in the Information and Communications Industry

Responsible Mineral Procurement

YOFC does not engage in direct mineral procurement. The Company adheres to responsible practices and collaborates with third parties to combat any activities that directly or indirectly contribute to illegal armed conflict, violate human rights, pose risks to the environment, health and safety.

We have explicitly stipulated in the *Code of Business Conduct for Third Parties* that third parties shall conduct responsible mineral management and due diligence procedures to ensure that the supply chain does not involve controversial sourcing of raw materials related to tantalum, tin, tungsten, gold, cobalt and mica, as well as their derivatives. As of the end of the reporting period, the Company has not identified any involvement of conflict mineral procurement.

Impacts, Risks, and Opportunities Management

YOFC has established a comprehensive supplier risk management mechanism covering risk identification, graded early warning, and coordinated response. Through dynamic assessment, classified control, and closed-loop exit processes, it effectively implements supply chain risk management.

Risk Identification	<ul style="list-style-type: none"> We systematically identify supply chain risks through multiple channels such as the SRM system, on-site supplier audits, and the National Enterprise Credit Information Publicity System; The Company conducts annual risk assessments covering all types of suppliers from dimensions such as quality, environment, and social responsibility, and classifies them into high-risk, medium-risk, and low-risk suppliers based on their risk levels.
Risk Control	<ul style="list-style-type: none"> To address supply chain risks, YOFC Optical Fibre has established a systematic hierarchical early warning and joint response mechanism. Once a risk is identified, the Company immediately activates emergency measures and issues warning information to relevant product lines and branches/subsidiaries, coordinating actions such as suspending deliveries, terminating contracts, or transferring orders. For specific material shortage risks, we effectively control supply risks by adjusting procurement needs or reasonably stocking up.
Audit and Evaluation	<ul style="list-style-type: none"> We conduct annual audits and irregular spot checks on suppliers, with assessment standards covering key dimensions such as service quality and social responsibility; In addition, we conduct special audits based on supplier types. For example, for international logistics suppliers, an annual AEO certification special audit is implemented, focusing on their management performance in areas such as personnel safety, and handling of dangerous and abnormal incidents. Suppliers that fail the audit enter the elimination and exit process.

In addition, we identify potential opportunities related to sustainable development through stakeholder engagement and industry benchmarking, ensuring that the Company can proactively recognize and respond effectively to forward-looking opportunities in the supply chain's sustainable transformation process.

Indicators and Targets

Indicator	Target	2025	2024
Newly introduced supplier CSR audit coverage	100%	100%	100%
The signing rate of the integrity agreement by suppliers	100%	100%	100%
The signing rate of the <i>External Supplier Code of Conduct</i> by suppliers	100%	100%	100%

Leading Industry Development

As a leading company in the global optical communications industry, YOFC understands that value creation is reflected not only in resilient market performance, but also in its responsibility to advance the industry and lead technological innovation. During the reporting period, we continued to share technological achievements and industry insight through active participation in domestic and international industry exchanges and collaborative innovation across the value chain, while setting an industry benchmark through responsible market conduct.

Industry Exchange and Technology Leadership

YOFC has established a global network for industry development and exchange. Through major domestic industry platforms and top-tier international exhibitions held in the United States, Spain and other markets, the Company continued to launch innovative products and solutions.

Case | Joint R&D project with China Tower Research Institute

From January to November 2025, YOFC Cable and the China Tower Research Institute carried out a joint R&D project on 3.5G 1-5/8 broadband radiating cable technology. The project aimed to replace the existing product specification of 700-2700 MHz with a new broadband leaky coaxial cable covering 700-3700 MHz, so as to meet the higher requirements for 5G mobile communications coverage in scenarios such as high-speed rail. The project was completed successfully and passed early-stage pilot verification. During the collaboration, three patent applications were filed, demonstrating YOFC's technological leadership in collaborative innovation across the value chain.



• Broadband leaky coaxial cable product

Case | MWC Barcelona: Chinese technology on the global stage

From 3 to 6 March 2025, the Company participated in MWC Barcelona 2025. At YOFC's product launch held during the event, Zhuang Dan, Executive Director and President of YOFC, together with the management team, unveiled two innovative products for the AI era – the EasyBand® Plus-Mini 173 μm fibre and the MaxBand® OM4 Pro fibre – providing new fibre options for urban network upgrades and supercomputing data centres.



• YOFC product launch at MWC Barcelona 2025

Jan Bongaerts, Senior Vice President of YOFC, attended the MWC25 Barcelona Tower & Fibre Summit – The evolution of Tower & Fibre infrastructure and delivered a keynote speech entitled "Leading a New Future with Fibre". Focusing on the three core demands of ultra-high speed, low latency and high density, he presented next-generation optical fibre and cable solutions covering full-scenario applications, including G.654.E fibre, high-end multi-mode fibre, multi-core fibre and hollow-core fibre, and shared YOFC's mission and actions in using innovative technologies to strengthen the digital foundation.

During the event, YOFC attracted extensive attention from leading global media outlets, including China Global Television Network (CGTN), The Wall Street Journal, the Financial Times, the Associated Press and People's Daily, demonstrating the global influence of Chinese technology.

Case | **OFC: Empowering the digital future through innovation**

From 1 to 3 April 2025, YOFC participated in Optical Fibre Communication Conference and Exposition (OFC), where it showcased innovative products including hollow-core fibre, new fibres for 5G-Advanced, all-scenario optical cable solutions, FTTx solutions and communications transmission solutions, comprehensively demonstrating its latest technological achievements.

At the event, the Company announced a major breakthrough in hollow-core fibre technology: the length of a single fibre exceeded 20 kilometres, and the minimum attenuation coefficient was well below the attenuation limit of existing solid-core fibres. During the exhibition, YOFC worked with domestic and international research institutions, including China Telecom, China Mobile, Nokia Bell Labs and Huazhong University of Science and Technology, to publish 18 high-quality papers, including one post-deadline paper (PDP), highlighting the Company's investment and leadership in frontier optical communications technologies.



• YOFC booth at OFC 2025

Case | **Six solution themes unveiled at CIOE, demonstrating diversified growth**

From 10 to 12 September 2025, at the 26th China International Optoelectronic Exposition (CIOE), YOFC showcased products and solutions across six themes – AI Intelligent Computing Hub, Specialized Optical Communications, Intellisense, Industrial Laser, All-Optical Intelligent Vehicle and Sustainable Lighting – demonstrating its next-generation optical communications innovation capabilities and the strong growth of its diversified businesses.

In the AI Intelligent Computing Hub zone, the Company integrated hollow-core fibre, multi-core fibre, high-performance multimode fibre, and 400G/800G/1.6T high-speed optical transceivers to build a computing transmission network featuring ultra-large bandwidth, ultra-low latency and ultra-high density. In the Specialized Optical Communications zone, the Company presented its upgraded erbium-doped fibre portfolio, using full-band C6T+L6T coverage to extend the performance boundaries of ultra-high-speed communications systems. In the Intellisense zone, the Company debuted an integrated optical communication and sensing solution for smart urban space operations and maintenance, combining optical fibre, laser, silicon photonics sensing and AI. In the Sustainable Lighting zone, the Company showcased its intelligent sunlight collecting system, which has already been applied at multiple high-speed railway stations in Shanghai and Xiamen as well as in residential villa projects, supporting the achievement of carbon goals.



• YOFC booth at CIOE 2025

Bridging the Digital Divide

YOFC is committed to extending optical connectivity to every corner of the world. By using smart link as a driver, we help people in different countries and regions share the benefits of digital development more equitably and embrace a more inclusive digital future.

Case | **Upgrading global capacity synergies through overseas expansion**

YOFC continued to deepen its global strategy by completing a capacity expansion upgrade in South Africa, thereby providing solid production support for the development of affordable, stable and high-quality broadband networks in the local market and fulfilling its corporate responsibility to help narrow regional digital divides. By the end of the reporting period, the Company had established eight production bases across six countries – Indonesia, South Africa, Brazil, Poland, Germany and Mexico. As its international operational capabilities continued to improve, close benchmarking and coordination were achieved across the bases in areas including cost, procurement, R&D, quality and delivery, significantly enhancing overall operating efficiency. At the same time, the Company organised Global Culture Month activities to showcase local cultural characteristics from teams around the world, further energising employees, deepening cross-cultural understanding and promoting global business collaboration, thereby building a global operating system that combines efficiency with cultural cohesion.

Case | **A decade of local commitment empowering a digitally connected future**

In 2025, YOFC Indonesia Factory celebrated its tenth anniversary, marking the development of the Company's first overseas plant from an empty site into a diversified industrial park. Local fibre-network deployment targets covering one million households have now been fulfilled. This milestone not only signifies a leap in YOFC's internationalisation strategy from "going global" to "growing roots", but also stands as an exemplar of Chinese communications technology empowering the construction of overseas digital infrastructure under the framework of the Belt and Road Initiative.



• "A Decade of Glory, A Future of Smart Connectivity" – YOFC Indonesia Factory open day and 10th anniversary celebration

Responsible Marketing

YOFC has established a globally applicable communication and marketing management system to ensure that brand communication and market activities remain standardised, consistent and compliant.

The Company has formulated and implemented the *Communication Policy* and the *Brand Management Specifications*, among other internal policies, providing clear rules of conduct for all employees in activities relating to brand management and marketing, news and media engagement, and stakeholder communication. These policies apply to all of the Group's businesses worldwide. Their implementation is coordinated by the Strategy and Marketing Department, ensuring that the Company's brand, as a core intangible asset, is effectively protected and enhanced through responsible market activities. In terms of information release, the Company has established media communication procedures and a multi-level approval mechanism, with zero errors in released information as the control objective, so as to ensure the accuracy and timeliness of external disclosures.

During the reporting period

No major adverse incidents related to marketing and communications occurred in YOFC.

Community Welfare and Rural Revitalisation

While pursuing its own development, YOFC also actively fulfils its social responsibilities and regards giving back to society as an inherent requirement of good corporate citizenship. Leveraging the resources and social influence of a leading industry enterprise, we continued to invest in child care, rural revitalisation and other areas, conveying the warmth of YOFC to society through sustained public-welfare practice. In May 2025, in recognition of its outstanding performance in the promotion of civic values and fulfilment of social responsibility, YOFC was awarded the title of "7th National Civilized Unit", the highest honour in the National Civilized Unit programme, fully reflecting its high standard of governance and broad social recognition in corporate-citizenship practice.



• Plaque for the 7th National Civilized Unit

◆ Community Welfare Management System

YOFC has established a clearly structured and collaborative community-welfare management system, forming a public-welfare framework covering education support, community care and rural assistance. In terms of organisational support, the Company has set up a charitable fund and organised a volunteer service team, thereby forming a regular social-service mechanism. The Company encourages employees to participate in volunteer service and public-welfare activities, and several initiatives have continued since 2018, reflecting our steadfast commitment and institutional investment in fulfilling social responsibility.

◆ Community Welfare in Practice

In 2025, YOFC carried out a series of public-welfare activities focusing on child care, respect and care for the elderly, and public blood donation.

Case | Global Children's Day caring initiatives

Through coordinated Children's Day care initiatives in China and overseas markets, YOFC integrated social responsibility into its global operations and demonstrated the warmth of the enterprise.

In China, the Company has organised Children's Day public-welfare care activities for seven consecutive years. In May 2025, the YOFC volunteer service team carried out dedicated public-welfare activities together with Wuhan Xizang High School and Wuhan No. 2 School for the Deaf, donating books, nutritious food and other care supplies to teachers and students and supporting the study and daily lives of young people from special groups through practical action.



• YOFC volunteer service team

Overseas, YOFC Brasil held a traditional Brazilian Children's Day celebration in October 2025, inviting employees' children into the plant and office areas to tour the production process and learn about their parents' working environment. Special gifts were prepared for children of different age groups, strengthening parent-child interaction and employees' sense of belonging to the Company.



• Traditional Children's Day celebration at YOFC Brasil

Case | Multi-level education support for talent development

YOFC has long invested in education, building a multi-level talent development system spanning basic education and higher education. Since 2001, the Company has established the YOFC Scholarship and maintained long-term partnerships with a number of universities in China, supporting large numbers of outstanding students and helping cultivate high-quality talent for the communications industry. At the basic-education stage, the Company has continued to sponsor the "YOFC Class" at The First Affiliated High School of Central China Normal University (CCNU), supporting improvements in teaching quality and promoting the well-rounded development and growth of young people.



• Donation event for the education-development programme at No.1 Middle School Affiliated to CCNU

Case | Double Ninth Festival: eight consecutive years of caring for the elderly

YOFC carries forward the traditional Chinese virtue of respecting and caring for the elderly and organises public-welfare activities for senior citizens during traditional festivals such as the Double Ninth Festival.

In October 2025, the YOFC volunteer service team visited nearby communities and a welfare home to carry out Double Ninth Festival elderly-care activities. At Baoli Shidai Community, YOFC volunteers prepared rice, fruit and other daily necessities for 83 residents aged over 80 and delivered the supplies to their homes, talking with them and extending festival greetings. This marked the fifth consecutive year in which the Company had carried out charitable care activities in the community. At Fozuling Welfare Home, YOFC volunteers donated cooking oil, rice, flour, noodles and other care supplies for the elderly, marking the eighth consecutive year in which the Company had carried out charitable donation activities at the facility.



• Delivery of supplies to elderly residents at Baoli Shidai Community during the Double Ninth Festival



• Donation of care supplies to Fozuling Welfare Home

Case | Donating Blood and Passing on Care

In 2025, YOFC organised a company-level public-welfare blood-donation activity together with Hubei TV Economic Channel and Wuhan Blood Center, inviting YOFC employees to participate. The activity promoted socialist core values and conveyed social care through concrete action, and the Company received the honour of "Passionate Team for Voluntary Blood Donation".



Honour for "Passionate Team for Voluntary Blood Donation"

Case | Eid al-Fitr charity activity at YOFC Indonesia Factory

In 2025, YOFC Indonesia Factory continued to deepen local social-responsibility practice by carrying out a charitable activity ahead of Eid al-Fitr, bringing festive care and warmth to local orphans. Led by the General Manager, the team accompanied the children on a dedicated shopping trip, helping them choose new clothes, shoes and daily necessities for the festival and responding directly to their practical needs. After the activity, the local community presented the base with an honorary certificate.



Eid al-Fitr charity activity at YOFC Indonesia Factory



Honorary certificate by Karawang Peduli

Rural Revitalisation

YOFC actively responds to the national rural revitalisation strategy. Leveraging its industrial strengths and integrating social resources, the Company supports rural development through a model that combines consumption-based assistance and digital-technology empowerment, promoting urban-rural co-development and shared prosperity through concrete action.

Consumption-based Assistance

Through the purchase of agricultural products from remote areas, YOFC helps formerly impoverished regions broaden sales channels, alleviate inventory backlogs of farm produce and promote sustainable local economic development.

Case | Boosting rural incomes through consumption: YOFC's dedication recognised by government

In 2025, the YOFC Trade Union carried out two rounds of consumption-based assistance. In May, it purchased tea and other agricultural products worth RMB 304,000 from Hefeng County in Enshi and Wufeng County in Yichang, Hubei Province. In November, it purchased cured chicken, cured duck and other agricultural products worth RMB 232,000 from Hefeng County in Enshi. These actions were highly recognised by local governments, and YOFC received letters of appreciation respectively from the People's Government of Hefeng County and the Rural Revitalisation Bureau of Wufeng Tujia Autonomous County.



Letter of appreciation from Hefeng County and Letter of appreciation from Wufeng Tujia Autonomous County

Building Digital Villages

Relying on its core strengths in optical fibre and cable technologies, YOFC uses digital technologies to support the construction of rural communications infrastructure, forming a systematic pathway for digital-village development encompassing upgraded communications foundations, industrial digital enablement and ecosystem-wide collaboration.

Through 5G + gigabit all-optical network access and all-optical network solutions, the Company provides high-speed and reliable communications support for rural areas. Its innovative POL + microduct and microcable solution effectively addresses construction challenges in passive optical LANs, helping rural network coverage upgrade from basic availability to higher-quality service and laying a solid foundation for digital-village development.

On the basis of enhanced communications capabilities, the Company further extends digital production experience – including intelligent process platforms and industrial internet technologies – into agricultural scenarios, helping rural enterprises optimise production processes and improve efficiency, and thereby indirectly promoting the integration of local industries with distinctive regional characteristics with digital technologies to support industrial revitalisation.

At the same time, the Company actively responded to the carriers' calls for rural revitalisation. In 2025, the Company participated in rural revitalisation initiatives organised by China Mobile, China Telecom and China Unicom, donating or purchasing assistance materials for more than ten less-developed areas and supporting targeted assistance and rural revitalisation. Through this work, the Company received the "2025 China Mobile Partner Award for Contribution to Rural Revitalisation", recognising its practice of empowering rural development through digital technologies and highlighting its commitment to corporate social responsibility and inclusive technology.



2025 China Mobile Partner Award for Contribution to Rural Revitalisation

During the reporting period



YOFC achieved:

Number of volunteers

130

Total philanthropic contribution

RMB 6.73 million

Of which:

Rural revitalisation contribution

RMB 0.536 million

Volunteer service hours

300 hours

Donation for the Hong Kong fire disaster

HKD 1 million

Community engagement hours


436 hours

Joint university scholarship donations

RMB 3.09 million

External Assurance

Bureau Veritas Certification



BUREAU VERITAS

INDEPENDENT ASSURANCE STATEMENT

Objectives of Work
Bureau Veritas Certification (Beijing) Co., LTD ("BUREAU VERITAS") has been engaged by Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereafter referred to as "YOFC") to conduct an independent Assurance of YOFC 2025 Environmental, Social and Governance (ESG) Report & Sustainability Report (hereafter referred to as the "Report"). This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the report are the sole responsibility of the management of YOFC. Our sole responsibility was to provide independent assurance on the accuracy of information included.

Scope of work
The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard v3 Type 2 assurance. The scope of work included:

- Environmental, social, and governance-related data and information, management approaches and operational measures for material issues, and sustainability performance in the report for the period from January 1, 2025 to December 31, 2025;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Accountability Principles (2018) and AA1000 Assurance Standard v3
 - Inclusivity
 - Materiality
 - Responsiveness
 - Impact
- Evaluation of the Report against the principles of Materiality, Accuracy, Completeness, Balance, Clarity and Comparability, as defined in the GRI Sustainability Reporting Standards.


Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by YOFC) and statements of future commitment;
- Financial data and information that has been audited by a third party.

The levels of AA1000 assurance are as follows:


Report Section	Level of Assurance
Responsible Operations, Robust Governance	Moderate
Green Development, Environmental Stewardship	Moderate
Smart Links, Best-in-Class Products	Moderate
People First, Empowering Talent	Moderate
Collaborative Ecosystem, Building Inclusive Communities	Moderate

Level of assurance: Reasonable Assurance



AA1000
Licensed Report
000-514/V3-HC5M3

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




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Assurance standard

- AA1000 Accountability Principles (2018) and AA1000 Assurance Standard v3, developed by AccountAbility;
- International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised) ") and International Standard on Sustainability Assurance 5000 (ISSA 5000), developed by the International Auditing and Assurance Standards Board;
- Hong Kong Standard on Sustainability Assurance 5000 — General Requirements for Sustainability Assurance Engagements, developed by the Hong Kong Institute of Certified Public Accountants;
- GRI Sustainability Reporting Standards (2021), published by the Global Reporting Initiative;
- Environmental, Social and Governance Reporting Code, published by Hong Kong Exchanges and Clearing Limited;
- Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), published by Shanghai Stock Exchange;
- IFRS S2 Climate-related Disclosures, published by International Sustainability Standards Board.

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

- Interviews with relevant personnel of YOFC;
- Review of documentary evidence produced by YOFC;
- Audit of performance data, tracing and checking the sample data according to the sampling principle;
- On-site visit to YOFC Wuhan headquarters, and remote visits to its subsidiaries;
- Review of YOFC data and information systems and mechanisms for collection, aggregation, analysis and review;
- Review YOFC's stakeholder engagement activities to understand the process and methods of participation, and evaluate the outcomes of stakeholder communications as well as how YOFC incorporates these results.

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


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

- The information and data included in the Report are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of YOFC's activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over YOFC's performance and status during the reporting period;
- YOFC has established appropriate systems for the collection, aggregation and analysis of relevant information;
- YOFC has processes in place for consulting and engaging with its key stakeholders in a structured and systematic manner.
- The Report properly reflects the organization's alignment to and implementation of the AA1000 Assurance Standard v3's principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;



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Alignment with the principles of AA1000AS (V3)

Inclusivity
YOFC has identified and established internal and external stakeholder engagement and communication processes. It regularly interacts and communicates with shareholders and investors, government and regulatory agencies, employees, suppliers, customers, media and NGOs, communities, and other stakeholders. A series of stakeholder engagement activities have been conducted to gather their concerns, covering topics such as innovation-driven growth, sustainable supply chains, climate change response, product responsibility, talent attraction and development, and corporate governance.

Materiality
YOFC has established a process for prioritizing material issues, identifying and assessing the priority of sustainability topics highly relevant to the industry. This report covers the key environmental, social, and governance issues identified by YOFC. When determining material topics, both internal assessments of risks and opportunities and stakeholders' concerns were taken into account. YOFC discloses its governance structure, management approaches, and sustainability performance in business operations to ensure compliance with materiality principles in the report.


Responsiveness
YOFC has disclosed its management approaches and performance on key issues of stakeholder concern, including environmental compliance management, climate change response, pollution management, waste management, ecosystem and biodiversity conservation, water resource utilization, energy utilization, circular economy, diversity, equity and inclusion, talent attraction and development, employee rights and care, health and safety, product responsibility, data security and customer privacy protection, innovation-driven development, social contribution and rural revitalization, sustainable supply chain, anti-bribery and anti-corruption, anti-unfair competition, risk management and due diligence, and corporate governance. It has also established communication mechanisms to fully address the demands and expectations of stakeholders.

Impact
Based on a comprehensive and balanced understanding, YOFC has implemented a materiality assessment process to evaluate the impact on stakeholders and the organization itself. It discloses related impacts, conducts appropriate quantitative monitoring and evaluation of key issues, and takes relevant continuous improvement measures based on performance monitoring results.

Based on the work conducted, we recommend YOFC to consider the following:


A consistent approach to consultation with stakeholders, follow their changing expectations of the Company, to ensure the integrity of material topics. (Materiality)
The organization should consider further optimizing the internal procedures and information systems to manage Key Performance Indicators against risky areas and issues of concern, allowing periodic monitoring and timely tracking of key performance. (Responsiveness)

Statement of independence, impartiality and competence
Bureau Veritas is an independent professional services company that specialises in Quality, Environmental and Occupational Health and Safety, Social Responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with YOFC. We have conducted this Assurance independently and impartially. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities.




Fanny Zou
Director of Greater China Region
Bureau Veritas Certification (Beijing) Co., LTD
2026-04-03

William Cai/Max Zhang
Assurance Team Leader
Bureau Veritas Certification (Beijing) Co., LTD
2026-03-31



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Key Performance Indicators

Environmental Data¹⁵

Category	Indicator	Unit	2025	2024	
Environmental	Environmental management				
	Total environmental protection expenditure	RMB 10,000	1,621.05	1,188.73	
	Environmental penalty amount	RMB 10,000	0	21.80	
	Severe leakage incidents ¹⁶	Case	0	0	
	Greenhouse gas				
	Total greenhouse gas emissions (Scope 1 and Scope 2) (location-based)	tCO ₂ e	407,069.67	352,908.43	
	Total greenhouse gas emissions (Scope 1 and Scope 2) (market-based)	tCO ₂ e	376,597.80	347,802.47	
	Scope 1 greenhouse gas emissions	tCO ₂ e	43,936.30	36,011.59	
	Scope 2 greenhouse gas emissions (location-based)	tCO ₂ e	363,133.37	316,896.84	
	Scope 2 greenhouse gas emissions (market-based)	tCO ₂ e	332,661.50	311,790.88	
	Scope 3 greenhouse gas emissions	tCO ₂ e	2,907,138.08	2,875,561.27	
	Scope 1 and Scope 2 GHG emission intensity ¹⁷	tCO ₂ e/ RMB 10,000 output value	0.16	0.18	
	Scope 3 GHG emission intensity	tCO ₂ e/ RMB 10,000 output value	1.20	1.48	
	Energy				
	Total energy consumption	MWh	824,450.53	694,617.66	
	Energy consumption intensity	MWh/RMB 10,000 output value	0.34	0.36	
	Total energy consumption	tce	102,207.60	85,908.93	
	Energy consumption intensity	tce/RMB 10,000 output value	0.042	0.044	
	Direct energy consumption	Total direct energy consumption	tce	16,278.47	12,921.73
		Gasoline	Liter	227,192.85	126,165.41
		Diesel ¹⁸	Liter	2,462,597.11	876,418.13

15. Due to the increase in the number of factories included in the consolidated financial report, certain environmental indicators showed an upward trend in 2025.

16. Accidental releases of hazardous substances that may affect human health or the environment, consistent with the boundary applied in the consolidated financial report.

Environmental Data

Category	Indicator	Unit	2025	2024	
Environmental	Direct energy consumption	Natural gas ¹⁹	m ³	2,163,810.62	2,238,633.33
		Liquefied petroleum gas ²⁰	kg	495,662.28	343,622.66
		Hydrogen ¹⁹	m ³	28,651,916.59	25,240,729.36
	Indirect energy consumption	Total indirect energy consumption	tce	85,929.13	72,987.20
		Steam	GJ	158,433.54	128,212.75
		Purchased electricity	MWh	655,194.25	558,279.75
	Resource use²¹				
	Water resources	Total water consumption ²²	m ³	1,101,429.85	1,236,634.60
		Water consumption intensity	m ³ /RMB 10,000 output value	0.46	0.64
		Volume of water recycled and reused	m ³	415,164,092.27	151,605,175.96
Percentage of water recycled and reused		%	99	99	
Packaging materials	Total packaging materials	Tonne	27,523.00	38,045.14	
	Paper	Tonne	1,854.49	1,976.33	
	Wood	Tonne	21,783.91	33,588.97	
	Others ²³	Tonne	3,884.60	2,479.84	
	Packaging materials intensity	Tonne/RMB 10,000 output value	0.011	0.020	
Pollutant and waste discharge²¹					
Wastewater	Amount of wastewater discharged	m ³	1,004,338.42	768,181.42	
	Number of excessive COD incidents in wastewater	Case	0	0	

17. The Report uniformly adopts a market-based approach for calculation in order to reflect the emissions reduction effects of energy mix optimisation and green electricity procurement. The 2024 data have been restated accordingly to ensure a consistent basis for comparison.

18. During the reporting period, diesel consumption of self-owned vessels increased year on year due to new construction projects undertaken by YSME.

19. The Report no longer counts natural gas consumption used as feedstock for hydrogen production, and instead includes supplementary statistics on the resulting hydrogen energy consumption. The 2024 data have been restated accordingly to ensure a consistent basis for comparison.

20. Including propane consumption.

21. The statistical scope covers all factories that had been in mass production for at least one year as of the end of the reporting period.

22. Total water consumption = total water withdrawal - total water discharge.

23. Including plastic, metal and other packaging materials that cannot be separately classified.

Environmental Data

Category	Indicator	Unit	2025	2024	
Environmental	Wastewater	Ammonia nitrogen	kg	42,146.74	37,710.11
		Total nitrogen	kg	238.66	182.81
		Total phosphorus	kg	123.41	144.38
		Fluoride	kg	570.00	360.00
	Exhaust emissions	Total exhaust emissions	Tonne	48.63	40.63
		Nitrogen oxides (NOx) emissions	Tonne	1.05	0.57
		Sulfur oxides (SOx) emissions	Tonne	0.01	0.01
		Volatile organic compounds (VOCs) emissions	Tonne	17.05	13.67
		Particulate matter (PM) emissions	Tonne	30.04	26.04
		Other significant exhaust emissions	Tonne	0.48	0.34
	Waste discharge	Total waste	Tonne	9,849.01	9,585.18
		Total waste recycled ²⁴	Tonne	7,899.48	7,940.87
		Waste recycling rate	%	80.21	82.85
	Non-hazardous waste ²⁵	Total non-hazardous waste disposal	Tonne	8,966.12	8,865.92
		Domestic waste	Tonne	1,778.32	1,255.52
		Food waste	Tonne	297.70	282.63
		General industrial waste	Tonne	6,890.10	7,327.77
		Non-hazardous waste disposal intensity	Tonne/RMB 1 million output value	0.37	0.46
		Non-hazardous waste recycled	Tonne	5,057.71	5,456.37
		Non-hazardous waste landfilled	Tonne	1,222.51	919.94

23. Including waste recycled through material recovery and waste recovered for energy through incineration.

24. To align with the reporting scope and calculation methodology applied in 2025, the 2024 data for domestic waste and food waste were restated.

Environmental Data

Category	Indicator	Unit	2025	2024	
Environmental	Non-hazardous waste	Non-hazardous waste incinerated with energy recovery	Tonne	2,007.68	1,820.03
		Non-hazardous waste incinerated without energy recovery	Tonne	101.24	122.19
		Non-hazardous waste disposed by other methods	Tonne	576.98	547.38
	Hazardous waste	Total hazardous waste disposal	Tonne	882.89	719.26
		Waste organic solvents	Tonne	96.35	88.29
		Waste acid	Tonne	420.56	267.73
		Waste activated carbon	Tonne	57.33	74.21
		Waste packaging materials contaminated by chemicals	Tonne	139.38	94.84
		Other hazardous waste	Tonne	169.27	194.19
		Hazardous waste disposal intensity	Tonne/RMB 1 million output value	0.0365	0.0371
		Hazardous waste recycled	Tonne	572.92	386.80
		Hazardous waste landfilled	Tonne	1.61	6.87
		Hazardous waste incinerated with energy recovery	Tonne	261.17	277.66
		Hazardous waste incinerated without energy recovery	Tonne	27.05	8.50
		Hazardous waste disposed by other methods	Tonne	20.14	39.43

Social Data²⁶

Category	Indicator	Unit	2025	2024
	R&D			
	R&D expenditure	RMB 10,000	89,432.77	78,718.93
	R&D expenditure as % of operating revenue	%	6.28	6.45
	Number of R&D personnel	Person	1,428	1,355
	Proportion of R&D personnel	%	13.48	14.09
	Employment			
	Total number of employees	Person	10,654	9,616
	By employment type			
	Full-time employees	Person	10,596	9,616
	Part-time employees	Person	58	/
	Total full-time employees by gender			
	Female	Person	2,844	2,591
	Male	Person	7,752	7,025
	Total full-time employees by employee category			
	Senior management	Person	62	63
	Middle management	Person	663	619
	Other office staff	Person	4,103	3,910
	General workers and skilled workers	Person	5,768	5,024
	Total full-time employees by age group			
	Under 30 years old	Person	2,744	2,339
	30–50 years old	Person	7,168	6,687
	Over 50 years old	Person	684	590
	Total full-time employees by region			
	China	Person	8,449	7,688
	Overseas	Person	2,147	1,928
	New hires			

26. This report is uniformly prepared based on the scope of companies included in the consolidated financial report. Certain indicators for 2024 have been restated accordingly to ensure a consistent comparison basis. Indicators that cannot be retrospectively adjusted are indicated with "/".

Social Data

Category	Indicator	Unit	2025	2024
	Total number of new hires	Person	2,952	/
	By gender			
	Female	Person	797	/
	Male	Person	2,155	/
	By age group			
	Under 30 years old	Person	1,635	/
	30–50 years old	Person	1,291	/
	Over 50 years old	Person	26	/
	By region			
	China	Person	2,039	/
	Overseas	Person	913	/
	Employee turnover			
	Total full-time employee turnover	Person	2,314	2,432
Social	Total full-time employee turnover rate	%	21.84	25.29
	By gender			
	Female	%	21.66	26.09
	Male	%	21.90	25.00
	By age group			
	Under 30 years old	%	38.45	43.78
	30–50 years old	%	16.46	19.84
	Over 50 years old	%	11.55	13.73
	By region			
	China	%	17.04	22.58
	Overseas	%	40.71	36.10
	Labour rights			
	Discrimination and harassment incidents	Case	0	0
	Social insurance coverage rate	%	100	100

Social Data

Category	Indicator	Unit	2025	2024
	Employee coverage rate entitled to parental leave ²⁷	%	100	100
By gender	Female	%	100	100
	Male	%	100	100
	Total number of employees taking parental leave	Person	366	336
By gender	Female	Person	83	87
	Male	Person	283	249
	Average starting pay ratio (male to female)	Ratio	1:1	1:1
	Ratio of female employees' starting pay to local minimum wage	Ratio	1.45:1	1.57:1
	Ratio of male employees' starting pay to local minimum wage	Ratio	1.45:1	1.57:1
Health and safety				
Social	Total employee working hours	Hour	21,370,459.02	18,607,477.43
	Number of employee fatalities due to work-related accidents	Person	0	0
	Number of recordable employee work-related injuries	Case	51	31
	Work-related fatality rate	%	0	0
	Number of work days lost due to employee work-related injuries	Day	1,146	612
	Number of contractor fatalities due to work-related accidents	Person	0	0
	Number of recordable contractor work-related injuries	Case	2	0
	Occupational health and safety training hours	Hour	77,627.60	45,180.90
	Work-related injury insurance expenditure	RMB 10,000	430.41	276.29
	Work safety liability insurance expenditure	RMB 10,000	63.08	64.59
	Work-related injury insurance coverage rate for employees	%	100	100

27. Parental leave includes maternity leave and paternity leave.

Social Data

Category	Indicator	Unit	2025	2024	
	Company safety liability insurance coverage rate for industry-required operations	%	100	100	
Percentage of employees trained					
	Full-time employee training coverage rate	%	100.00	100.00	
By gender	Female	%	100.00	100.00	
	Male	%	100.00	100.00	
By employee category	Senior management	%	100.00	100.00	
	Middle management	%	100.00	100.00	
	Other office staff	%	100.00	100.00	
	General workers and skilled workers	%	100.00	100.00	
Social	Training expenditure for full-time employees	RMB 10,000	405	579	
	Total training hours for full-time employees	Hour	238,261.66	272,517.44	
	Average training hours per full-time employee	Hour	22.49	28.34	
	By gender	Female	Hour	18.99	26.54
		Male	Hour	23.77	29.01
	By employee category	Senior management	Hour	16.29	21.65
		Middle management	Hour	15.97	24.36
		Other office staff	Hour	17.69	25.55
		General workers and skilled workers	Hour	26.63	31.09
	Employee performance assessment				
		Performance assessment coverage rate for full-time employees	%	100	100

Social Data

Category	Indicator	Unit	2025	2024	
Social	By gender	Female	%	100	100
		Male	%	100	100
	By employee category	Senior management	%	100	100
		Middle management	%	100	100
		Other office staff	%	100	100
		General workers and skilled workers	%	100	100
	Product responsibility				
		Number of complaints regarding main products and services	Case	131	187 ²⁸
		The number of complaints resolved within the time limit	Case	131	187
		Number of product recall incidents	Case	0	0
	Number of major safety and quality liability incidents related to products and services	Case	0	0	
Supplier²⁹distribution and quantity					
By region	China	Entity	483	538	
	Asia-Pacific (excluding China)	Entity	143	119	
	Europe	Entity	131	143	
	North America	Entity	22	3	
	Total	Entity	779	803	
		Newly introduced supplier CSR audit coverage	%	100	100
	The signing rate of the integrity agreement by suppliers	%	100	100	
	The signing rate of the <i>External Supplier Code of Conduct</i> by suppliers	%	100	100	
	Number of supplier CSR red line (including child labour, forced labour, etc.) violation incidents	Case	0	0	

28. Compared with 2024, the statistical scope is expanded to cover product and service complaints by overseas business locations.

29. The scope of supplier count statistics covers production-related suppliers of the YOFC's core business.

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Indicators	Related section(s)
Mandatory Disclosure Requirements	
Governance structure: a statement from the board containing the following information: the board's oversight of ESG issues; the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and how the board reviews progress made against ESG-related goals and targets, and explains how they relate to the issuer's businesses.	Board Statement
A description of, or an explanation on, the application of the reporting principles (materiality, quantitative and consistency) in the preparation of the ESG report.	About This Report
Information on the scope of the ESG report and a description of the process used to identify which entities or operations are included in the ESG report. If there is any change in the scope, the issuer should explain the differences and reasons for the change.	About This Report
"Comply or Explain" Provisions	
A. Environmental	
A1 Emissions	
General Disclosure Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Sustaining Green Operations
KPI A1.1 The types of emissions and respective emissions data.	Addressing Climate Change Sustaining Green Operations
KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustaining Green Operations
KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustaining Green Operations
KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	Addressing Climate Change Sustaining Green Operations
KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Sustaining Green Operations
A2 Use of Resources	
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	Sustaining Green Operations
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).	Sustaining Green Operations

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Indicators	Related section(s)
KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Sustaining Green Operations
KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Sustaining Green Operations
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, and water efficiency target(s) set and steps taken to achieve them.	Sustaining Green Operations
KPI A2.5 Total packaging material used for finished products (in tonnes) and, where appropriate, with reference to per unit produced.	Sustaining Green Operations
A3 The Environment and Natural Resources	
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Sustaining Green Operations
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustaining Green Operations
B. Social	
B1 Employment	
General Disclosure Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Attracting Outstanding Talents Protecting Employees' Rights and Interests Improving Salary and Welfare
KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Attracting Outstanding Talents
KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Attracting Outstanding Talents
B2 Health and Safety	
General Disclosure Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Maintaining Occupational Health and Safety
KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Maintaining Occupational Health and Safety
KPI B2.2 Lost days due to work injury.	Maintaining Occupational Health and Safety
KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Maintaining Occupational Health and Safety
B3 Development and Training	
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: training refers to vocational training and may include internal and external courses paid for by the employer.	Empowering Development and Training
KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Empowering Development and Training
KPI B3.2 The average training hours completed per employee by gender and employee category.	Empowering Development and Training
B4 Labour Standards	
General Disclosure Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Protecting Employees' Rights and Interests

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Indicators	Related section(s)
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Protecting Employees' Rights and Interests
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Protecting Employees' Rights and Interests
B5 Supply Chain Management	
General Disclosure Policies on managing environmental and social risks of the supply chain.	Building a Sustainable Supply Chain
KPI B5.1 Number of suppliers by geographical region.	Building a Sustainable Supply Chain
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.	Building a Sustainable Supply Chain
KPI B5.3 Description of practices used to identify environmental and social risks along each stage of the supply chain, and how they are implemented and monitored.	Building a Sustainable Supply Chain
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Building a Sustainable Supply Chain
B6 Product Responsibility	
General Disclosure Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided, and methods of redress.	Ensuring Product Quality Ensuring Information Security Leading Industry Development
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Ensuring Product Quality
KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Ensuring Product Quality
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Boosting R&D and Innovation
KPI B6.4 Description of quality assurance process and recall procedures.	Ensuring Product Quality
KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ensuring Information Security
B7 Anti-corruption	
General Disclosure Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Upholding Integrity in Corporate Operations
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Upholding Integrity in Corporate Operations
KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Upholding Integrity in Corporate Operations
KPI B7.3 Description of anti-corruption training provided to directors and staff.	Upholding Integrity in Corporate Operations
B8 Community Investment	
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the interests of the communities.	Community Welfare and Rural Revitalisation

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Indicators	Related section(s)
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Welfare and Rural Revitalisation
KPI B8.2 Resources contributed (e.g. money or time) to the focus areas.	Community Welfare and Rural Revitalisation
Part D Climate-related Disclosures	
Governance	
Skills and Competencies	Addressing Climate Change
Methods and Frequency	Addressing Climate Change
Roles and Responsibilities of the Board	Addressing Climate Change
Monitoring Progress	Addressing Climate Change
Roles and Responsibilities of Management	Addressing Climate Change
Strategy	
Climate-related Risks and Opportunities	Addressing Climate Change
Business Model and Value Chain	Addressing Climate Change
Climate Resilience	Addressing Climate Change
Financial Position, Financial Performance and Cash Flows	Addressing Climate Change
Strategy and Decision-making	Addressing Climate Change
Risk Management	
Risk Identification	Addressing Climate Change
Risk Assessment	Addressing Climate Change
Risk Prioritisation	Addressing Climate Change
Risk Monitoring	Addressing Climate Change
Integration into Overall Risk Management	Addressing Climate Change
Metrics and Targets	
Greenhouse Gas Emissions	Addressing Climate Change
Cross-industry Metrics	Addressing Climate Change
Internal Carbon Pricing	Addressing Climate Change
Remuneration	Addressing Climate Change
Industry-based Metrics	Addressing Climate Change
Climate-related Targets	Addressing Climate Change

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Disclosure requirement / Topic	Corresponding section in this report
Climate change tackling	Addressing Climate Change
Pollutant discharge	Sustaining Green Operations
Waste disposal	Sustaining Green Operations
Ecosystem and biodiversity protection	Sustaining Green Operations
Environmental compliance management	Sustaining Green Operations
Energy usage	Sustaining Green Operations
Usage of water resources	Sustaining Green Operations
Circular economy	Sustaining Green Operations
Rural revitalization	Community Welfare and Rural Revitalisation
Contributions to the society	Community Welfare and Rural Revitalisation
Innovation-driven	Boosting R&D and Innovation
Ethics of science and technology	Not applicable. The Company's principal business does not involve scientific research or technology development activities in ethically sensitive fields of science and technology.
Supply chain security	Building a Sustainable Supply Chain
Equal treatment to small and medium-sized enterprises	Not applicable. The Company always treats SMEs equally, and there were no material overdue payments during the reporting period.
Safety and quality of products and services	Ensuring Product Quality
Data security and customer privacy protection	Ensuring Information Security
Employees	Attracting Outstanding Talents
	Protecting Employees' Rights and Interests
	Maintaining Occupational Health and Safety
	Empowering Development and Training
Due diligence	Stabilizing Corporate Operations
Communications with stakeholders	Stakeholder Engagement
Anti-commercial bribery and anti-corruption	Upholding Integrity in Corporate Operations
Anti-unfair competition	Upholding Integrity in Corporate Operations
Corporate governance (voluntarily disclosed topic)	Stabilizing Corporate Operations

GRI Standard Index

- Statement of use: Yangtze Optical Fibre and Cable Joint Stock Limited Company (YOFC) has reported with reference to the GRI Standards for the period from January 1, 2025 to December 31, 2025.
- Standard used: GRI 1 Foundation 2021

GRI standard	Disclosure topic	Related section(s)
GRI 2 The organization and its reporting practices 2021		
2-1	Organizational details	About YOFC
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency, and contact point	About This Report
2-4	Restatements of information	About This Report
2-5	External assurance	External Assurance
GRI 2 Activities and workers 2021		
2-6	Activities, value chain and other business relationships	About YOFC
2-7	Employees	Attracting Outstanding Talents
GRI 2 Governance 2021		
2-9	Governance structure and composition	Sustainability Management
2-10	Nomination and selection of the highest governance body	Sustainability Management
2-11	Chair of the highest governance body	Sustainability Management
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Management
2-13	Delegation of responsibility for managing impacts	Sustainability Management
2-14	Role of the highest governance body in sustainability reporting	Board Statement
2-15	Conflicts of interest	Sustainability Management
2-16	Communication of critical concerns	Sustainability Management
2-17	Collective knowledge of the highest governance body	Sustainability Management
2-18	Evaluation of the performance of the highest governance body	Sustainability Management
2-19	Remuneration policies	Sustainability Management
2-20	Process to determine remuneration	Sustainability Management
GRI 2 Strategy, policies and practices 2021		
2-22	Statement on sustainable development strategy	Sustainability Management

GRI standard	Disclosure topic	Related section(s)
2-23	Policy commitments	Sustainability Management
2-24	Embedding policy commitments	Sustainability Management
2-25	Processes to remediate negative impacts	Sustainability Management
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Management
2-27	Compliance with laws and regulations	Sustainability Management
2-28	Membership associations	Sustainability Management
GRI 2 Stakeholder engagement 2021		
2-29	Approach to stakeholder engagement	Sustainability Management
GRI 3 Disclosures on material topics 2021		
3-1	Process to determine material topics	Sustainability Management
3-2	List of material topics	Sustainability Management
GRI 101 Biodiversity 2024		
101-1	Policies to halt and reverse biodiversity loss	Sustaining Green Operations
101-2	Management of biodiversity impacts	Sustaining Green Operations
101-4	Identification of biodiversity impacts	Sustaining Green Operations
101-5	Locations with biodiversity impacts	Sustaining Green Operations
101-7	Changes to the state of biodiversity	Sustaining Green Operations
101-8	Ecosystem services	Sustaining Green Operations
GRI 201 Economic Performance 2016		
3-3	Management of material topics	Stabilizing Corporate Operations
201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
GRI 204 Procurement Practices 2016		
3-3	Management of material topics	Building a Sustainable Supply Chain
GRI 205 Anti-corruption 2016		
3-3	Management of material topics	Upholding Integrity in Corporate Operations
205-2	Communication and training about anti-corruption policies and procedures	Upholding Integrity in Corporate Operations
205-3	Confirmed incidents of corruption and actions taken	Upholding Integrity in Corporate Operations

GRI standard	Disclosure topic	Related section(s)
GRI 206 Anti-competitive Behavior 2016		
3-3	Management of material topics	Upholding Integrity in Corporate Operations
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Stabilizing Corporate Operations
GRI 301 Materials 2016		
3-3	Management of material topics	Delivering Green Products
301-1	Materials used by weight or volume	Delivering Green Products
301-2	Recycled input materials used	Delivering Green Products
301-3	Reclaimed products and their packaging materials	Delivering Green Products
GRI 302 Energy 2016		
3-3	Management of material topics	Sustaining Green Operations
302-1	Energy consumption within the organization	Sustaining Green Operations
302-3	Energy intensity	Sustaining Green Operations
302-4	Reduction of energy consumption	Sustaining Green Operations
GRI 303 Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Sustaining Green Operations
303-2	Management of water discharge-related impacts	Sustaining Green Operations
303-3	Water withdrawal	Sustaining Green Operations
303-4	Water discharge	Sustaining Green Operations
303-5	Water consumption	Sustaining Green Operations
GRI 305 Emissions 2016		
3-3	Management of material topics	Addressing Climate Change
305-1	Direct (Scope 1) GHG emissions	Sustaining Green Operations
305-2	Energy indirect (Scope 2) GHG emissions	Sustaining Green Operations
305-3	Other indirect (Scope 3) GHG emissions	Sustaining Green Operations
305-4	GHG emissions intensity	Sustaining Green Operations
305-5	Reduction of GHG emissions	Sustaining Green Operations
305-6	Emissions of ozone-depleting substances (ODS)	Sustaining Green Operations

GRI standard	Disclosure topic	Related section(s)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Sustaining Green Operations
GRI 306 Waste 2020		
3-3	Management of material topics	Sustaining Green Operations
306-1	Waste generation and significant waste-related impacts	Sustaining Green Operations
306-2	Management of significant waste-related impacts	Sustaining Green Operations
306-3	Waste generated	Sustaining Green Operations
306-4	Waste diverted from disposal	Sustaining Green Operations
306-5	Waste directed to disposal	Sustaining Green Operations
GRI 308 Supplier Environmental Assessment 2016		
3-3	Management of material topics	Building a Sustainable Supply Chain
308-1	New suppliers that were screened using environmental criteria	Building a Sustainable Supply Chain
308-2	Negative environmental impacts in the supply chain and actions taken	Building a Sustainable Supply Chain
GRI 401 Employment 2016		
3-3	Management of material topics	Attracting Outstanding Talents
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Improving Salary and Welfare
GRI 403 Occupational Health and Safety 2018		
3-3	Management of material topics	Maintaining Occupational Health and Safety
403-1	Occupational health and safety management system	Maintaining Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Maintaining Occupational Health and Safety
403-3	Occupational health services	Maintaining Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Maintaining Occupational Health and Safety
403-5	Worker training on occupational health and safety	Maintaining Occupational Health and Safety
403-6	Promotion of worker health	Maintaining Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Maintaining Occupational Health and Safety
403-8	Workers covered by an occupational health and safety management system	Maintaining Occupational Health and Safety
403-9	Work-related injuries	Maintaining Occupational Health and Safety
403-10	Work-related ill health	Maintaining Occupational Health and Safety

GRI standard	Disclosure topic	Related section(s)
GRI 404 Training and Education 2016		
3-3	Management of material topics	Empowering Development and Training
404-1	Average hours of training per year per employee	Empowering Development and Training
404-2	Programs for upgrading employee skills and transition assistance programs	Empowering Development and Training
GRI 405 Diversity and Equal Opportunity 2016		
3-3	Management of material topics	Protecting Employees' Rights and Interests; Improving Salary and Welfare
405-1	Diversity of governance bodies and employees	Protecting Employees' Rights and Interests; Improving Salary and Welfare
GRI 406 Non-discrimination 2016		
3-3	Management of material topics	Protecting Employees' Rights and Interests
406-1	Incidents of discrimination and corrective actions taken	Protecting Employees' Rights and Interests
GRI 408 Child Labor 2016		
3-3	Management of material topics	Protecting Employees' Rights and Interests
408-1	Operations and suppliers at significant risk for incidents of child labor	Building a Sustainable Supply Chain
GRI 409 Forced or Compulsory Labor 2016		
3-3	Management of material topics	Protecting Employees' Rights and Interests
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Building a Sustainable Supply Chain
GRI 413 Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Community Welfare and Rural Revitalisation
413-2	Operations with significant actual and potential negative impacts on local communities	Community Welfare and Rural Revitalisation
GRI 414 Supplier Social Assessment 2016		
3-3	Management of material topics	Building a Sustainable Supply Chain
414-1	New suppliers that were screened using social criteria	Building a Sustainable Supply Chain
414-2	Negative social impacts in the supply chain and actions taken	Building a Sustainable Supply Chain
GRI 416 Customer Health and Safety 2016		
3-3	Management of material topics	Ensuring Product Quality
416-1	Assessment of the health and safety impacts of product and service categories	Ensuring Product Quality

GRI standard	Disclosure topic	Related section(s)
GRI 417 Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Leading Industry Development
417-2	Incidents of non-compliance concerning product and service information and labeling	Leading Industry Development
417-3	Incidents of non-compliance concerning marketing communications	Leading Industry Development
GRI 418 Customer Privacy 2016		
3-3	Management of material topics	Ensuring Information Security
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ensuring Information Security

Glossary

List of Company Abbreviations

Full name	Abbreviation
PT YANGTZE OPTICAL FIBRE INDONESIA	YOFI
Yangtze Optical Fibre Qianjiang Company Limited	YOFC Qianjiang
Hubei Flying Optical Fibre Material Company Limited	Hubei Flying
Wuhan YOFC Cable Company Limited	YOFC Cable
YANGTZE OPTICS AFRICA CABLE PROPRIETARY LIMITED	YOAC
PT YANGTZE OPTICS INDONESIA	YOI
Yangtze Gas Qianjiang Company Limited	YOFC Gas
YOFC Baosheng Marine Engineering Company Limited	YSME
YOFC PERÚ S.A.C.	YOFC Peru
Polytech Qianjiang Company Limited	Polytech Qianjiang
Yangtze (Hubei) Electrical Power Cable Company Limited	YEPC
Everfoton Technologies Corporation Limited	Everfoton
Yangtze Optical Fibre and Cable (Poland) sp. z o.o.	YOFC Poland
YOFC BRASIL CABOS E SOLUCOES LTDA	YOFC Brasil
Yangtze Optical Fibre and Cable Hanchuan Company Limited	YOFC Hanchuan
EverPro (Hanchuan) Technologies Company Limited	EverPro Hanchuan
Yangtze Optical Cable (Suzhou) Company Limited	YOFC Suzhou
EverProX Technologies Company Limited	EverProX
YOFC Quartz Technology (Wuhan) Company Limited	YQTC
YANGTZE OPTICS MÉXICO CABLE, SOCIEDAD ANÓNIMA DE CAPITAL VARIABLE	YOMC
Everfoton (Xiangyang) Technologies Corporation Limited	Everfoton Xiangyang
Radio Frequency Systems GmbH	RFS Hannover
Radio Frequency Systems (Suzhou) Company Limited	RFS Suzhou
Yangtze (Jiangsu) Marine Technology Company Limited	YOFC MT
Penta Laser (Zhejiang) Company Limited	Penta Zhejiang
Yangtze Optical Fibre and Cable Joint Stock Limited Company Hanchuan Branch	YOFC Hanchuan Branch

List of Terms

Term/Abbreviation	Full Name	Definition and description
HKFRS S1/S2	HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and HKFRS S2 Climate-related Disclosures (HKFRS Sustainability Disclosure Standards or HKFRS SDS)	Sustainability disclosure standards issued by the Hong Kong Institute of Certified Public Accountants (HKICPA).
TCFD	Task Force on Climate-Related Financial Disclosures	Established by the Financial Stability Board (FSB), the TCFD developed a framework for climate-related financial disclosures to help investors, lenders and insurers understand the climate-related risks and opportunities faced by companies.
NGFS	Network for Greening the Financial System	A network of central banks and supervisors dedicated to green finance.
IEA	International Energy Agency	An intergovernmental organisation that provides energy policy advice to governments.
APS	Announced Pledges Scenario	A scenario that assumes all national energy and climate targets announced by governments are achieved in full and on time.
NZE	Net Zero Emissions	A scenario that limits global temperature rise to within 1.5°C.
IPCC	Intergovernmental Panel on Climate Change	A scientific body established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) to assess the scientific, technical and socio-economic information relevant to climate change.
SSP	Shared Socioeconomic Pathways	A scenario framework used by the IPCC to describe alternative future socioeconomic development pathways. SSP1 represents the Sustainability pathway, SSP3 the Regional rivalry pathway, and SSP5 the Fossil-fuelled development pathway. The suffix number indicates the representative concentration pathway (RCP), where a lower number denotes lower radiative forcing and stronger emissions reduction efforts. For example, SSP1-2.6 represents a sustainable, low-emissions future.
CBAM	Carbon Border Adjustment Mechanism	CBAM imposes a carbon price on certain carbon-intensive products imported into the EU, such as cement, steel, aluminium, fertilisers, electricity and hydrogen, so that their price reflects the carbon costs borne under the EU Emissions Trading System (EU ETS), thereby helping to prevent carbon leakage.
NDC	Nationally Determined Contributions	Under the Paris Agreement, each country is required to formulate and communicate its post-2020 climate actions and commitments, including emissions reduction targets, adaptation plans and financial support. NDCs are updated every five years, with ambition expected to increase progressively.
IFRS S1/S2	International Financial Reporting Standards S1: General Requirements for Disclosure of Sustainability-related Financial Information International Financial Reporting Standards S2: Climate-related Disclosures	Issued by the International Sustainability Standards Board (ISSB), these standards are intended to establish a global baseline for high-quality sustainability-related financial disclosures.

List of Terms

Term/Abbreviation	Full Name	Definition and description
VCSEL	Vertical-Cavity Surface-Emitting Laser	-
PDP	Post-Deadline Paper	A paper accepted for presentation after the submission deadline of an academic conference. Such papers usually contain the latest research findings or technological advances and often represent highly timely and innovative cutting-edge research.
IPEC	The International Photonics & Electronics Committee	An international standards organisation committed to developing open optoelectronic standards and delivering strategic roadmap reports.
6σ	6 Sigma	A management strategy that seeks to reduce defects in products and services by setting exceptionally high targets, collecting data and analysing results.
GTAP	Global Talent Acceleration Program	A global talent acceleration programme.
LEAP1	Leadership Excellence Acceleration Program 1	A leadership acceleration programme for newly appointed managers.
LEAP2	Leadership Excellence Acceleration Program 2	A leadership acceleration programme for general managers.
GLDP1	Global Leadership Development Program 1	A leadership development programme for frontline managers.

List of Climate Physical Risk Indicator Parameters

Physical risk	Physical risk category	Indicator	Definition and description
Extreme high temperature	Acute	Days with TX above 35°C	Number of hot days: Annual count of days with TX (daily maximum temperature) > 35°C
Extreme low temperature	Acute	Days with TN below 0°C	Number of frost days: Annual count of days with TN (daily minimum temperature) < 0°C
Extreme precipitation	Acute	Standardized Precipitation Index(SPI)-6	Standardised Precipitation Index on a six-month timescale.
Typhoon	Acute	Surface wind	Maximum annual value of daily maximum near-surface wind speed in the relevant region (m/s).
Water stress & drought	Chronic	Water Stress	Water stress level assessed on the basis of the water stress index provided by the World Resources Institute (WRI), which represents the ratio of regional water withdrawal to available water resources.
Sea level rise	Chronic	Sea level rise (SLR)	Maximum sea level rise relative to the baseline period (m).

Reader Feedback

Dear Reader,

Thank you for reading our 2025 Environmental, Social and Governance (ESG) Report and Sustainability Report. To strengthen communication and engagement with you and other stakeholders, and to continuously improve our ESG performance and the preparation of future reports, we sincerely hope to hear your valuable comments and suggestions, and look forward to your feedback in this survey.

1. How would you rate this report?

Excellent Good Average Inadequate

2. How would you rate the clarity, accuracy and completeness of the information and data disclosed in this report?

Excellent Good Average Inadequate

3. How comprehensive do you think this report is in reflecting the corporate economic responsibilities?

Excellent Good Average Inadequate

4. How comprehensive do you think this report is in reflecting the corporate environmental responsibilities?

Excellent Good Average Inadequate

5. How comprehensive do you think this report is in reflecting the corporate social responsibilities?

Excellent Good Average Inadequate

6. How would you rate the design and layout of this report in terms of readability?

Excellent Good Average Inadequate

7. Which aspects of this report do you think have the biggest room for improvement?

Governance Safety Products and Services Employee Environmental Social

8. What information would you like to know but is not disclosed in this report?

9. Do you have any comments or suggestions regarding our ESG efforts and the preparation of this report?
