



2017 BYD CSR REPORT



Build Your Dreams
成就梦想



BYD COMPANY LIMITED

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Build Your Dreams

ABOUT THIS REPORT

BYD Company Limited (“BYD” or the “Company” or “we”) actively reports to the public the Company's status in relation to social responsibility, enabling the public to understand, monitor and supervise the social responsibility performance of BYD. Since 2010, BYD has released its social responsibility report annually to disclose the social responsibility philosophy and practice of BYD, which facilitates the mutual understanding, communication and interaction between BYD and its stakeholders and the public and promotes the sustainable development of the Company.

This Report covers BYD Company Limited and its subsidiaries and the reporting period is from 1 January, 2017 to 31 December, 2017, with some information relating to prior years. The data in the Report were collected in the existing management procedures of the Company. All financial figures are in Renminbi, except otherwise indicated. As the social responsibility management system of the Company improves, BYD will constantly improve and supplement its practice of corporate social responsibility.

This Report is prepared with reference to the “Environmental, Social and Governance Reporting Guide” (ESG Reporting Guide) published by The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and the SME board information disclosure business memorandum No.2: regularly report and disclose related issues by the Shenzhen Stock

Exchange (“SZSE”), the “Guide to the Preparation of Corporate Social Responsibility Reports of China” (CASS-CSR 3.0) of the Chinese Academy of Social Sciences and the “Sustainability Reporting Guidelines 4.0” (G4) of the Global Reporting Initiative (GRI). For details of the indicators disclosed in the Report, please see the index set out at the end of this Report.

This Report is to be approved by the board of directors (the “Board”) of the Company on 27 March, 2018 with the confirmation of the management of the Company.

BYD strictly enforces green and environmental protection and therefore does not provide a hard copy of this Report. To view or download the BYD Social Responsibility Report online, please visit BYD's official website at (www.byd.com.cn) or the official websites of HKEX or SZSE.

We wish to thank our stakeholders for their opinions and suggestions relating to our social responsibility report and we will continue to improve and enhance our report.

You are welcome to express your comments and suggestions regarding this Report which can be made via the following means:

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5	Charity



As the largest vehicle production and selling country and with the fastest urbanisation, China is undergoing the troubles brought by popularisation of vehicles and fast urbanisation. The overlapping of popularisation of vehicles and fast urbanisation generates air pollution and traffic jam. Especially, traffic jam has become the stubbornest difficulty facing the cities. It has long been left unresolved, and tends to become more severe. How can the urbanisation keep moving forward if the traffic jam has always been left unresolved? How to

guarantee the wonderful life of people?

As a responsible corporation, how can mankind realise sustainable development is always on our mind. Our dream is simple - realise sustainability for humans, the environment and society and better protect our environment.

The sustainable business of BYD always centers on its stakeholders including customers, shareholders and employees, and focuses on social needs, public needs and the sustainable development of the mankind. We are dedicated to, through technological innovations and continuous industrial optimization and upgrade, thoroughly removing the dependence on fossil fuels in the near future, getting rid of the troubles brought by air pollution; and ensuring that the urban citizens are not troubled by traffic jam any more and enjoy smart, green and low-carbon life.

In addition to the obligation of providing returns and reward for our employees, shareholders and customers, BYD sincerely wishes to repay the society by catering to people's wishes for better life through technological innovations.

We have more than 220,000 employees, among which about 20,000 are engineers who work round the clock to explore technologies and solutions needed by the mankind. BYD has found a series of sustainable solutions to pollution and traffic jam. In respect of reducing air pollution, we recommend replacing traditional fuel vehicles with electric vehicles, so as to reduce emission; in respect of alleviating traffic jam, we recommend BYD SkyRail, which aims at reducing heavy traffic on the ground and creating three-dimensional green traffic network, so as to resolve the "stubborn" traffic jam in cities. What's more, BYD has put forward various integrated new energy plans in order to cater to the public needs for low-carbon life to the greatest extent.

In the reporting period, we promoted our new energy products such as new energy vehicles, solar energy products and energy storage products in more than 200 cities across over 50 countries, providing green transport solutions and services to hundreds of cities worldwide.

In the reporting period, we have achieved SkyRail cooperation agreement with about 20 cities from China, Singapore, Egypt, Morocco and Cambodia, providing good approach of alleviating urban congestion. For example, the China Flower Expo Park section of Yinchuan SkyRail was officially put into commercial operation on 1 September, 2017. It is the first SkyRail successfully put into commercial operation in the world, and remarkable results

have been gained. It has been widely praised because of its "zero safety accident, zero delay and zero complaint".

As a hi-tech enterprise with business spanning four industries including electronics, automobiles, new energy and rail transit, we constantly cater to people's wishes for a better life with smart, green and low-carbon products and plans.

The sustainable development of BYD is in the interest of its shareholders, meets the needs of national economy and people's livelihood and is in line with the development direction of the human society. In the future, BYD will adhere to its conscience, bear its original intention in mind, continue to invest and, through the sustainable development of its business, promote the sustainability of the society, so as to cater to people's wishes for better life.

Wang Chuan-fu
Chairman and President

Sustainable Corporate Social Responsibility Management

1.1 About Us

BYD is a hi-tech enterprise with business spanning four industries including electronics, automobiles, new energy and rail transit. Its shares are listed on the stock exchanges of Hong Kong and Shenzhen.

Founded in February 1995, BYD, starting from the rechargeable battery manufacturing, in January 2003 was engaged in the automotive industry while making layout for the new energy industry and in October 2016 marched into the rail transit industry.

In the electronics field, as a world-leading manufacturer of electronic products, BYD is mainly engaged in the manufacturing of components including metal and plastic components of electronic products, 3D glass, ceramic, chargers and lithium battery packs, as well as the design, testing and assembly of electronics. Capable of offering one-stop services including design, R&D, manufacturing, logistics and after-sales, its major products cover consumer electronics, automotive electronics, industrial electronics, IoT, etc. Main customers of the business include Apple, Samsung, MicroSoft, Dell, Toshiba, HP, Huawei, Lenovo, ZTE and other industry leaders.

Currently, BYD is the world's only automaker that simultaneously masters the technologies of batteries, electronic motor, electronic control, charging infrastructure, and automobile production. Under the 7+4 Full Market EV Strategy, BYD's current electric vehicle lineup comprises seven conventional fields with vehicles running on-road, and four specialized fields with vehicles running off-

road. The seven on-road vehicles include private vehicles, taxis, buses, coaches, logistics trucks, urban sanitation trucks, and construction trucks. The four off-road vehicles are special vehicles to serve ports, airports, warehousing and mining operations.

In the field of new energy, BYD has launched various products including solar power stations, energy storage stations, electric forklifts and LED, providing new energy solutions integrating the generation, storage and utilization of electricity. In addition, BYD has won another world's first: the first new energy enterprise to win a special award from UN's Powering the Future We Want project.

In October 2016, BYD launched the straddle monorail known as the BYD SkyRail, in which BYD has spent five years and invested RMB 5 billion with the aim of resolving the problem of urban traffic congestion. The BYD SkyRail falls under rail transit with small and medium capacity and has strong advantages including high safety and practicality, low cost, fast construction and beautiful design. By now it has been widely recognized and favoured by the market.

As its name - Build Your Dreams – suggests, BYD aims to fulfill its mission of “technological innovations for a better life”.

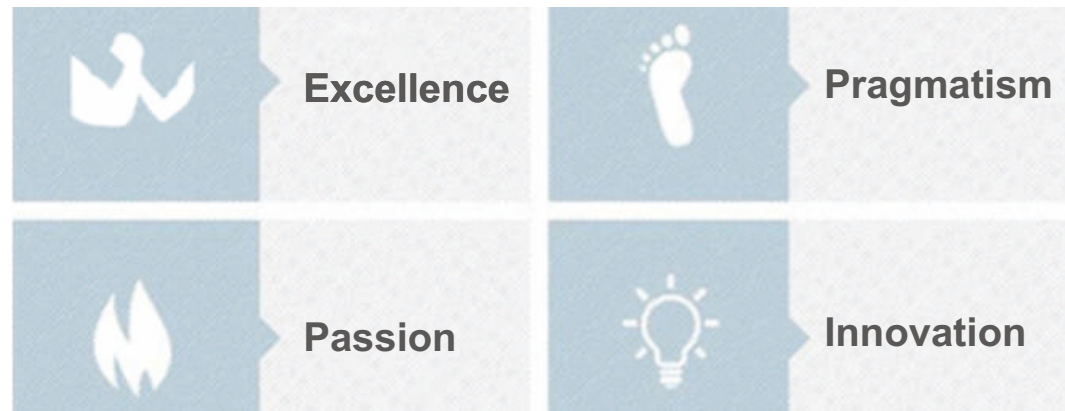
As of 31 December, 2017, BYD's worldwide production bases had a total site area of over 18 million sq.m. and its new energy vehicles have been demonstrated and commenced commercial operation in 200 cities around the world.



Core Values

In the reporting period, we changed our core values from “Equality, Factuality, Passion, Innovation” into “Excellence, Pragmatism, Passion, Innovation”. We are dedicated to creating vigorous competition culture and foster the atmosphere of striving for improvement, so as to improve the Company’s competitiveness and guarantee the long-term prosperity, activity

and vitality of the Company. Moreover, we will continue to pass on the virtue of pragmatism. We are passionate about our business, and pursue excellence, create brand value for customers and the society and create a better life for mankind with passion. We insist on innovation, always forge ahead with dreams and seek to make our dreams come true.



Mission

In the reporting period, BYD upgraded its mission: technological innovations for a better life. As an enterprise with a strong sense of social responsibility and mission, BYD insists on developing itself while resolving social problems, and has always centered on social needs, public needs and sustainable development of the mankind during industrial layout and corporate cooperation. Wang Chuan-fu, BYD’s

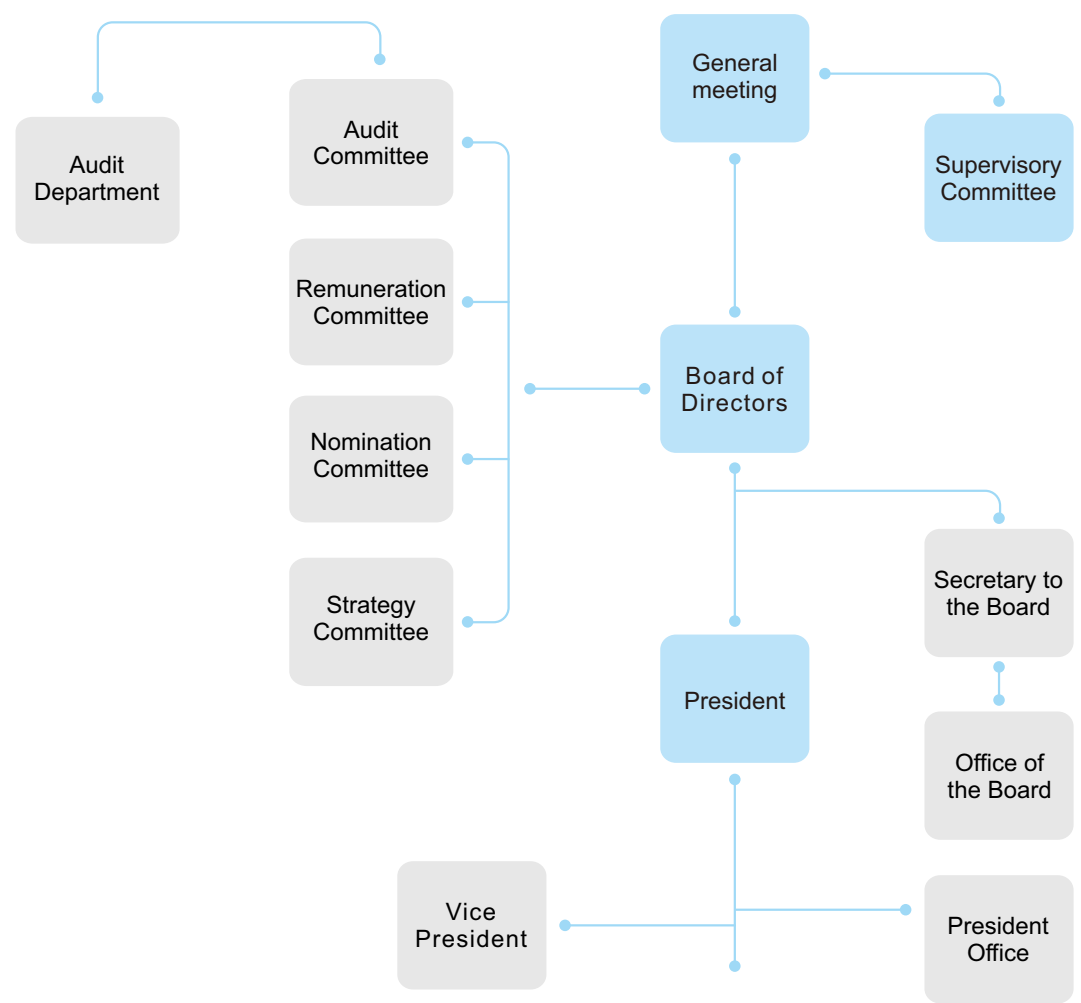
chairman and president, often says, “What we are doing now is no longer basic capital accumulation or enterprise expansion, but for social value and corporate responsibility. We need to figure out how to improve our living environment, change people’s life style and cater to people’s wishes for a better life through technological innovations. We’ve always been making efforts in this aspect.”

Corporate Governance

BYD constantly improves its corporate governance structure, seek to establish a scientific and sound modern corporate organization and increase the satisfaction of its stakeholders. BYD’s Board of Directors (the “Board”) convenes general meetings regularly and reports its recent work; implements the resolutions of the general meetings; supervises the overall operation and strategic development, and makes decision on the Company’s operation

direction and investment plans; supervises and guides the management to further improve rules, regulations and systems, improve decision-making mechanism, regulate working procedures, ensure the strictness of approval procedures, establish and complete a modern and standard organizational structure and enhance the efficiency and quality of investment decisions.

Organizational Chart of BYD Company Limited



Decision-Making Mechanism

The Company's major decisions are to be considered and decided collectively and to be reviewed and considered by leading teams and specific committees. For proposals relating to major issues, units involved shall participate in the Company's discussion of the relevant issue and be responsible for their implementation.

BYD's top manager is the president, responsible for planning the direction of BYD, setting development goals and monitoring the implementation. BYD's major decisions, organizational restructuring, important documents are reviewed and approved by the president; at

the same time, the president also bear the overall plan of BYD's new project development and future development to grasp the overall situation.

BYD has established a rigorous decision-making mechanism. Self-evaluation of the design and effectiveness of its internal control is also carried out regularly. The scope of evaluation has been expanded and fully covers the Company's production, operation and management. The goal of internal control is effectively achieved and there is no material defect in the decision-making mechanism.

1.2 Corporate Social Responsibility (“CSR”) Strategy

BYD is committed to operating in a responsible way, actively performs social responsibility and contributes to the sustainability of the world. Through such measures as strengthening responsibility management and innovating responsibility practices, BYD actively promotes the social responsibility to truly integrate into its daily production and operation.

CSR Vision

BYD is dedicated to the harmonious and sustainable development of itself and the society. It strives to enhance the interest of government, shareholders, customers, employees, suppliers, partners and other stakeholders through innovative technology, products and management and

sound commercial operation, seeking to earn the trust and respect of all stakeholders.

As the world is increasingly concerned about the sustainability of the environment and society, procuring the harmonious development of the economy, society and

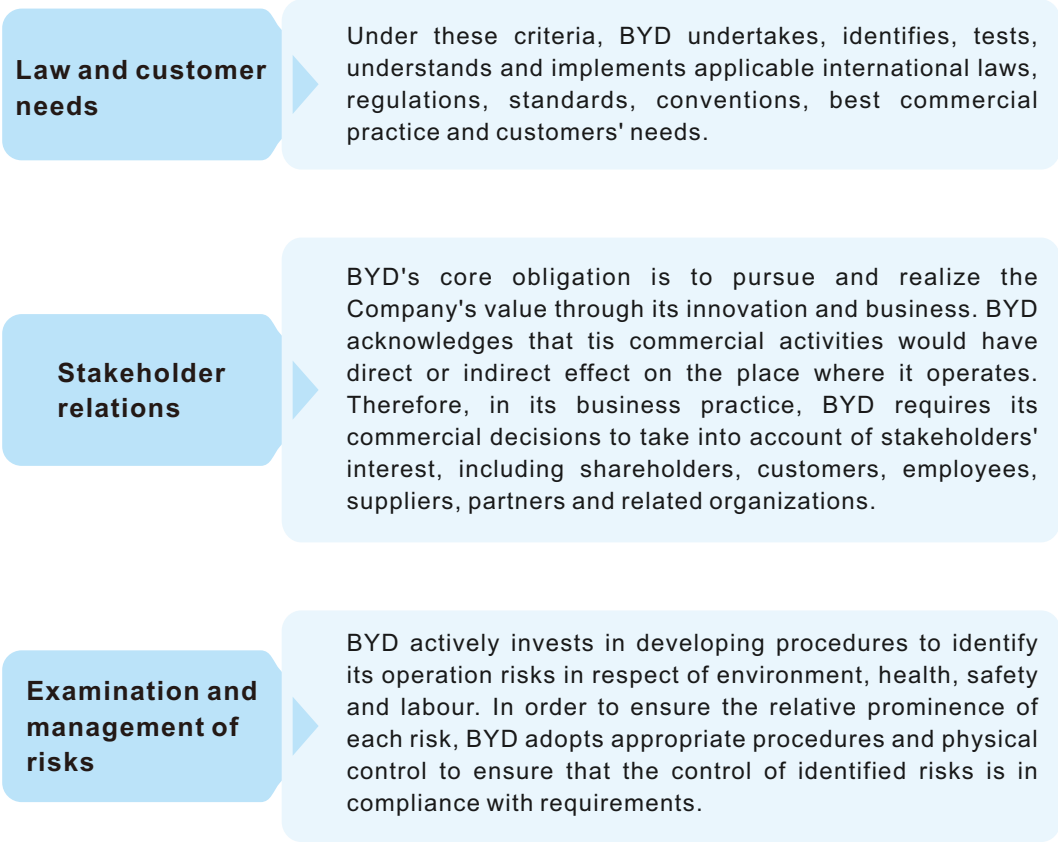
environment has become the mission and responsibility of all enterprises. In view of the new situation and mission, we hope that BYD's technology and products will be

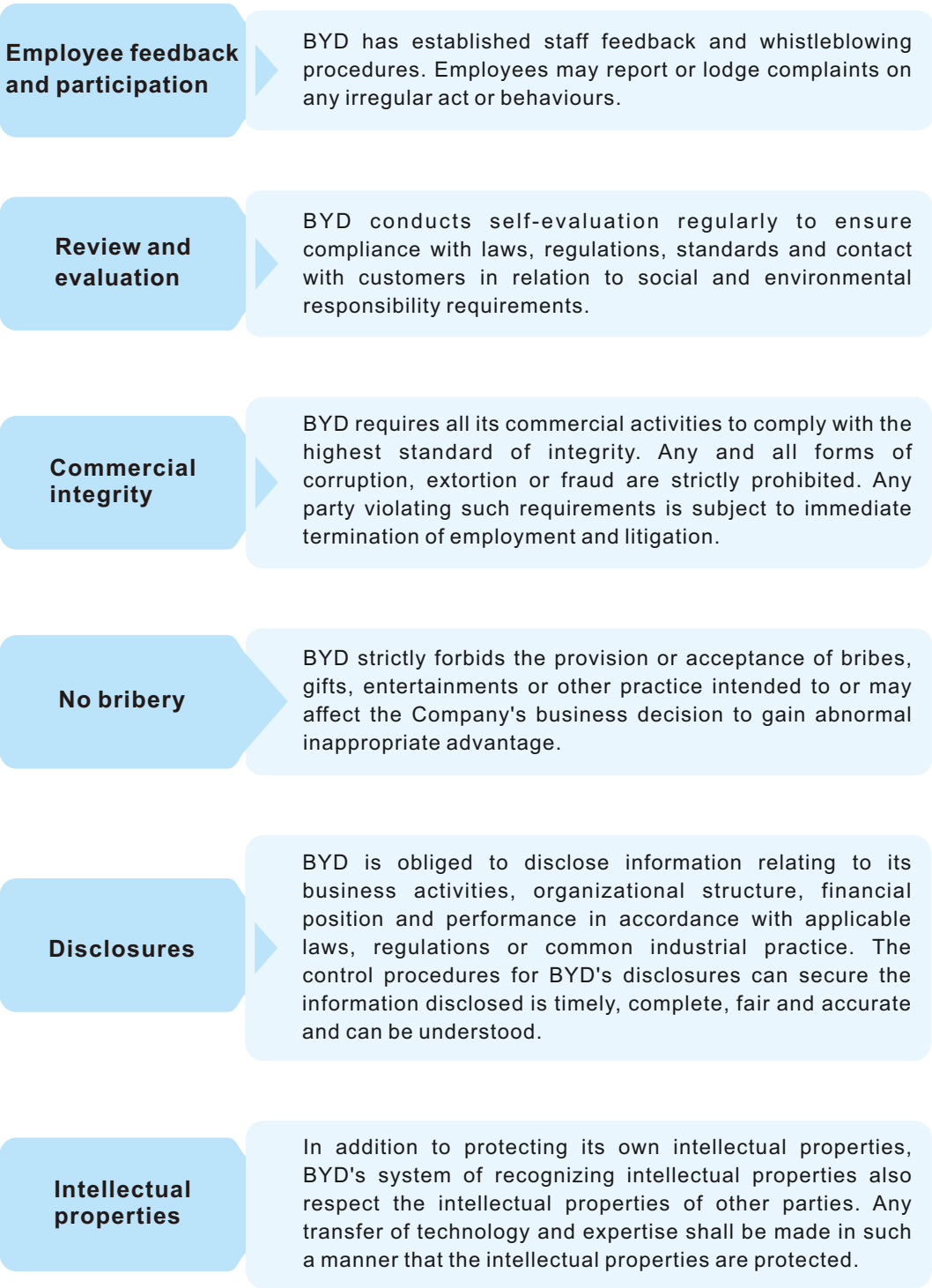
used to open a new journey and create a new future in the process of resolving social issues and creating a better life.

CSR Management

The CSR Management Committee of BYD is responsible for formulating the CSR management measures and working plan and the unified organization and management of BYD's CSR work. With its commitment to compliance and constant improvement, BYD highlights its attitude towards social and environmental responsibility. We have in place

management representatives with defined responsibility to ensure compliance of BYD's operation and product related systems with applicable laws and regulations and the needs of its customers, and to identify and mitigate operation risks. BYD's CSR management is becoming more scientific and regulated.





1.3 Social Responsibility Communication

External Communication

Since 2010, BYD has issued its Social Responsibility Report for seven consecutive years, extensively disclosing

its performance in economic, environmental and social responsibility and contribution to industrial development.

Internal Communication






During 2017, we discussed the implementation state of social responsibility many times and improved our CSR management system based on the results of the discussion. In addition,

we established a CSR work communication group to exchange opinions and discuss the execution, promotion and development of CSR work with the CSR representatives of the divisions.

1.4 Stakeholder Engagement

BYD proactively and closely cooperates with its stakeholders and listens to their demand carefully, which are important input for improving our management. We conduct various stakeholder engagement activities, including organizing meetings, participating or organizing activities, questionnaire surveys and academic seminars and participating working groups.

Stakeholders	Channels/Mean of Communication
 Customers and consumers	<ul style="list-style-type: none"> • Online promotion • Offline trade fairs and promotions • WeChat/Weibo • New products launching event • Market investigation and survey • Customer satisfaction survey • Customer meeting • Technical training • Mobile app “迪粉汇”
 Employees	<ul style="list-style-type: none"> • General Manager Day • General Manager's mail box • Factory director's reception day • Labour union activities • Inspection of complaints mailbox
 Investors	<ul style="list-style-type: none"> • Shareholders' general meeting • Results announcement conference • Investors' forum • Major reverse roadshow • Regular disclosures • Daily mail and telephone communications
 Suppliers	<ul style="list-style-type: none"> • Field investigation and survey • Quality communication • Suppliers meeting and review • Supplier contact and questionnaire • Supplier training • Suppliers' conference

利益相关方	沟通方式和活动
 Government	<ul style="list-style-type: none"> • Government's policy communication meetings • Providing input for ordinary work and discussion of the government • Government and intergovernmental meetings • Participation in government projects • Inviting visit and inspection
 Industry/standard associations	<ul style="list-style-type: none"> • Participation in the setting of electric automobile industrial standards • Attend general meetings • Industrial information exchanges and sharing • Give suggestion and advice on industrial plans • Establish school-enterprise cooperation
 Non-governmental organizations and communities	<ul style="list-style-type: none"> • Participation in community projects • Attend non-governmental organization meetings, invite non-governmental organizations to attend meetings • Discuss specific issues of common interest • Reply information requirements • Charity activities
 Media	<ul style="list-style-type: none"> • Individual meetings and interviews • Special activities targeting key market media and opinion leaders • Invite media and key opinion leaders to attend meetings held by BYD • Strengthen interaction through social media
 Research institutions/ academics	<ul style="list-style-type: none"> • Joint research and technical cooperation • Organize seminars • Participate in various activities

Evaluation of Substantive Issues

Managing substantive issues would help us identify areas that need improvement and facilitate enhancement of our CSR management standard. Firstly, we identify and define substantive issues, including issues affecting business operation and

production and issues of stakeholders' concern. Through investigating various stakeholders and making consolidated evaluation by internal experts, we determined the CSR substantive issues by BYD.

School-Enterprise Cooperation

BYD pursues cooperation and win-win results, and through cooperative innovation, expanding the value of the industry and forming a healthy and benign industrial ecosystem.

In 2017, BYD and CNOOC jointly established an "Outstanding and Sincere Personnel Cultivation Project of BYD New Energy Vehicles". The project relies on the expert resources of the Automobile Repair Professional Board of the National Professional Skill Appraisal Expert Committee to introduce advanced technologies of BYD new energy vehicles into schools through the cooperation projects between universities and enterprises, develop new energy vehicle technology courses, build a training lab for new energy vehicles, help schools promote dual-skill certification system (BYD post skills demonstration with a certificate of

new energy vehicle maintenance engineers issued by the Occupational Skill Testing Center of the Ministry of Human Resources and Social Security of the People's Republic of China) and combine them with the sophisticated BYD teaching resources (including equipment, materials, curriculum, experts, etc.), carry out training, and solve student internship and employment.

Through this project, BYD hopes to help partner universities and colleges establish a technology-leading new energy automotive specialty, improve the teaching level of Chinese vocational colleges in the field of new energy vehicles, train more highly skilled personnel suitable for the needs of the new energy automotive industry, eventually promoting the long-term and healthy development of the new energy automotive industry.

Participation in Sustainability Initiatives

By joining sustainability organizations and initiatives, BYD is able to learn the best

practices, exchange and share the best practices with peers, explore cooperation,

promote development of standards and join hands with its peers to enhance the

standard of the industry's sustainability.

Global New Partnership on Air Quality and Electric Mobility with the UNEP

On 12 September, 2017, the UNEP and BYD signed a cooperative agreement in Beijing aiming at influencing the worldwide electric mobility process, i.e., the Global New Partnership on Air Quality and Electric Mobility.

The two sides will jointly promote the electric mobility to help cities manage air pollution and promote global sustainable development. The two sides will promote the implementation of the package plan through regular dialogues and meetings:

- 1. To promote the cooperation of electric mobility at the global and national levels: To integrate international resources and

provide intellectual and technical support for electric mobility; and jointly carry out the national-level electric mobility project in the pilot countries of the UNEP.

- 2. To promote South-South cooperation: To promote electric mobility in emerging economies through South-South cooperation.

- 3. Global cooperation and expansion: To direct the global market to electric mobility.

- 4. To develop renewable energy and sustainable energy: To promote the global shift from fossil fuel to renewable and sustainable energy jointly.





Responsible Operation





2.1 Operation and Management

Fair Operation

BYD incorporates the performance of social responsibility into the entire process of its business operation and daily management, and improves, enriches and perfects existing management systems. It also incorporates the expectations and appeals from stakeholders in daily management and operations.

Compliance with Laws

BYD is in strict compliance with laws, social norms, professional ethics, internal rules and regulations of the Group throughout the world. BYD has set a Management Committee of Laws and Regulations to regularly or irregularly monitor and examine the management and implementation of laws and regulations by respective departments, and evaluate the compliance of their implementation with laws and regulations. The legal audit rate of various rules and regulations, economic contracts and important decisions of BYD has reached 100%. Meanwhile, BYD has implemented effective internal control mechanism and timely upgraded the Company's rules like BYD Rules on Management of Legal Disputes and BYD Measures on Contract Management, so as to protect the performance of economic contracts.

The "BYD Code of Conduct" in the

Furthermore, BYD constantly regulates its operation with a perspective of responsibility and sustainable development: compliance with laws and regulations, abide by business ethics, strict compliance with code of business conduct, and uphold integrity and fair competition.

Employee Handbook of BYD states that all of its activities will fully comply with all laws, systems and regulations of the countries in which it operates. The code also requires BYD to adopt higher international standards in addition to compliance with laws, in an effort to enhance its responsibilities to the society and environment. BYD undertakes that it will get to know the views of the related parties regularly so as to continue to develop and perfect its code of conduct. BYD attaches great importance to employee training. It has designed various training courses with regard to new employees and improvement of employees, so as to improve the employee's legal quality and ensure that all the employees understand laws and abide by laws. In 2017, BYD organised more than 100 times of relevant trainings.

Protection of Intellectual Properties

BYD has established the Intellectual Property and Legal Division to centralize the management and handling of intellectual properties and legal matters. Through years of practice, we have established the strategy and guidelines for intellectual properties of "Constant accumulation, reasonable layout, effective protection and flexible use" and put in place

a series of effective intellectual property system and procedures to form a collaboration of systems to protect our and our clients' intellectual properties. They mainly include these systems: BYD Intellectual Properties and Legal Management, BYD Patent Management Regulations, BYD Patent Reward and Penalty Management Regulations.



BYD secures patents over its four main businesses, i.e., IT, automobile, new energy and rail transit. The scope of technology involves automobile, electronics, chemical, electrical and mechanical, machinery and communication. We effectively protect our independent innovation achievements and avoid infringing the intellectual properties of others, and enhance the competitiveness of our products.

As of 31 December 2017, BYD has accumulatively applied for 18,018 patents in China, (of which, 8,682 are invention patents, 7,663 are utility patents, 1,490 are

design patents and 183 are patents in Hong Kong, Macau and Taiwan) and 2,883 patents overseas.

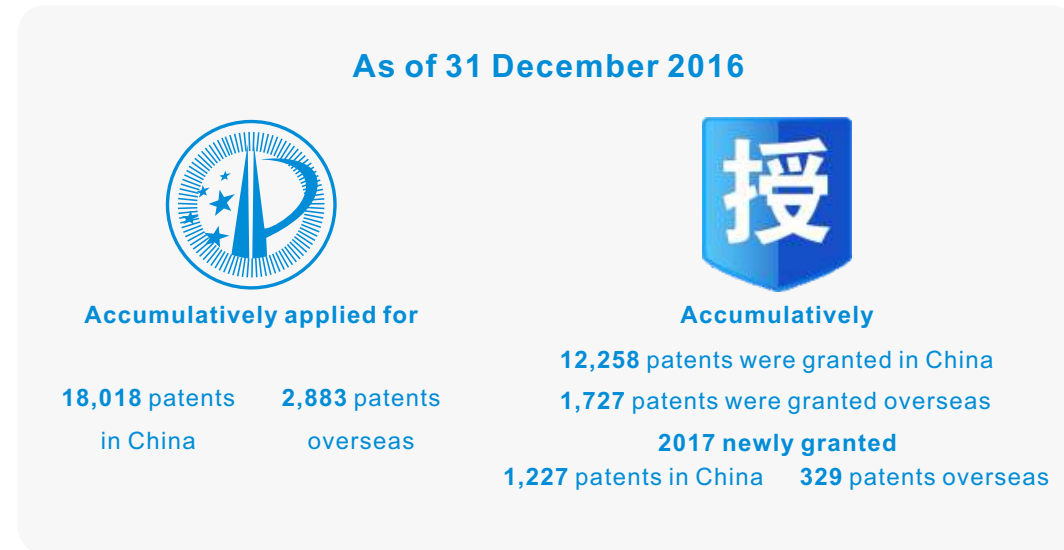
As of 31 December 2017, 12,258 patents were granted in China accumulatively, of which 1,227 patents were newly granted in China during 2017; and accumulatively 1,727 patents were granted overseas, of which 329 patents were newly granted overseas during 2017.

BYD diligently publicizes and provides training on intellectual properties, arranges site training and exchanges at different levels including new recruits, on-the-job and senior personnel, and



enhances staff's awareness of intellectual properties through electronic means and internal publications to ensure the sufficiency, compliance and effectiveness

of the Company's IPR management system. In 2017, BYD held nearly 100 internal trainings and exchange activities relating to intellectual properties.



Anti-Corruption and Anti-Commercial Bribery

BYD requires all its commercial activities to comply with the highest standard of integrity. Any forms of corruption, extortion or fraud are strictly prohibited. Any party violating such requirements is subject to immediate termination of employment and litigation. BYD strictly forbids the provision or acceptance of bribes, gifts, entertainments or other practice intended to or may affect the Company's business decision to gain abnormal or inappropriate advantage. BYD abides by anti-bribery laws overseas and prohibits providing or demanding any bribe to or from local government.

BYD attaches great importance to the establishment of a clean culture and adopts the principle of "zero tolerance" towards corruption. It considers penalizing and prevention of corruption as a key part of its corporate culture, conducts integrity and self-discipline education extensively and circulates corruption cases to raise the awareness of all staff members. For ensuring integrity within the Company, BYD has formulated "BYD Staff External Business Contact Management Requirements", "BYD Code of Economic Behaviour for Management Personnel" and "BYD Rules for Evaluation of Employee

Daily Behaviour" and requires all staff members to observe them.

In 2017, BYD strengthened its advocacy and training on clean culture and required that the relevant rules and regulations, brochures and promotional materials be sent separately to the mailbox of each relevant employee to ensure that every employee was familiar with the Company's clean rules and regulations. In addition, BYD also organized managers to visit prisons in groups, carry out warning education activities, and listen to the in-prison production and living scenes, self-examination, and painful lessons in exchange for freedom and life of the prisoners so as to let the visitors take precautions, cherish the life and work they have, restrain their own behavior, be careful with power, and never overstep the prescribed limits.

In the reporting period, BYD also amended some clauses in the "BYD Staff External Business Contact Management Requirements", expanding the definition of "gifts", defined the collective irregularities and acceptance of bribes by employees' family members on behalf of them, and clearing the penalties therefore. At the same time, BYD formally launched the "Anti-Corruption Filing Procedure" on OA on 23 June 2017, requiring employees to keep records of gratuities, entertainment requests, affiliations and investment activities within the stipulated time, and hand in the gifts received.

BYD has established complaint channels to encourage whistleblowing for moral and legal irregularities.

Means of lodging complaint/ whistleblowing:

- ✉ tousu@byd.com
- ☎ 86-(0)755-8988 8888-62407
- 💬 BYDSCC

BYD's Supervisory Division is the only department authorized to investigate corrupt practices and reports directly to the president of the Company without any interference from any other division staff, thus guaranteeing the independence and objectivity of reporting and investigation.

Moreover, all personal information of informers will be kept strictly confidential. BYD effectively protects the legal rights of informers and strictly prohibits misconducts such as discrimination, deliberately creating difficulties, suppress or retaliation, directly or indirectly, to informers.

In 2017, BYD released the "Regulations for the Protection and Reward of Reporters of BYD", which standardizes information confidentiality, scope of rewards and proportion of bonuses from the system level.

2.2 Caring for Employees

Employees are the foundation for the development of BYD and its biggest asset. The growth and success of BYD are impossible without the hard work of its employees. BYD adheres to the "people-oriented" principle in its human resources management, respects the rights of employees, attaches importance to talent development, encourages employees to achieve technical innovation and strives to build an equal, fair and open working and development environment for its employees.

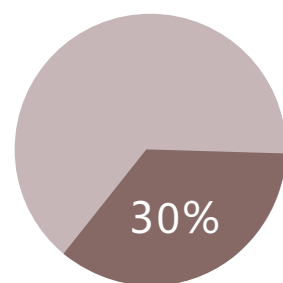
Equal Employment Opportunities and Localization of Employees

According to the "Labor Law", "Labor Contract Law" and other laws and regulations and the requirements of ISO9001, ISO14001, OHSAS18001, Social Accountability 8000 (SA8000) and other standards and systems, BYD has formulated the "BYD Human Resources Management System." BYD adheres to the principle of "employment out of opportunity equality and capability", eradicates any discrimination in employment based on such factors as age, gender, geography, ethnicity, customs, social hierarchy, religion, physical disability, political affiliation, and prohibits child labours and forced labours.

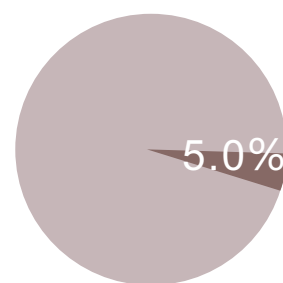
As of 31 December, 2017, BYD has over 220,000 employees around the world,

serving in various sectors. The proportion of female employees remained stable, accounting for above 30% of total employees, with female management personnel accounting for 5.0%. Among the senior management of BYD, the ratio of female members is approximately 15.4%.

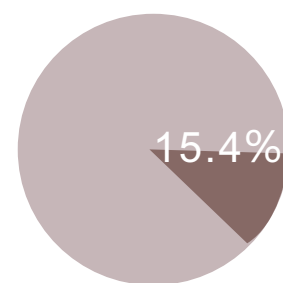
BYD holds a positive stance towards recruiting foreign staff and driving the localization of overseas staff. Localization of employees not only helps us understand different local cultures but also increases job opportunities and supports the economic development of such place. In 2017, in BYD's main overseas production bases located in the U.S., Brazil and Hungary, the localization ratio of its overseas employees reached 96%.



Ratio of female employees among all employees



Ratio of female management personnel among all employees



Ratio of female members among the senior management

Talent Development

BYD advocates "human-nurturing before goods-building" and emphasizes staff development. The quality and skills of staff are enhanced through training. Their professional quality and capability are also developed through actual experience gained in projects and missions.

BYD has established a complete training system and provides employees with adequate training and promotion opportunity, helping their development and realization of personal value. We provide training for new recruits and skill trainings and have a mentor system for fresh graduates. In 2017, BYD held over 160,000 training sessions with above 680,000 training class hours, and a total of around 6,500,000 attendees.

BYD encourages staff to develop according to their ability, interest and preference and has created a ladder of promotion for them. BYD continually improves and implements performance appraisal and management system to drive the focus of management personnel at all levels on the growth and development of employees and to improve the effectiveness of performance management, realizing development of both the employees and the corporation. Outstanding staff will be promoted timely according to requirements and needs of the Company. Level promotion is made monthly, and the average proportion of employees promoted during the year remained at approximately 40%.



Salary, Benefit and Staff Protection

BYD always observes the requirements of Labour Law and other relevant laws and regulations. We adhere to the "people-oriented" principle, practice equal employment opportunities and prohibit any career discrimination. BYD encourages employees to give full play to their personal value. At the same time, the Company uses both material and non-material incentive to motivate and heighten employees' sense of happiness and belonging.

BYD fully implements the labour contract system and normalizes it by law. In 2017, BYD continued to maintain 100% labour contract signing rate.



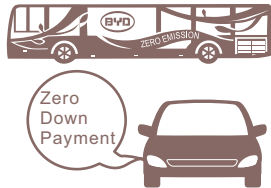

BYD strictly observes the laws and regulations on working hours, holidays, etc. where it operates. In the reporting period, the number of labour disputes involving work overtime and other related

issues was zero. In addition, BYD employees enjoy annual leave, maternity leave and other welfare leave according to law.

BYD has a complete remuneration management system. An employee's bonus is aligned with the Company's business condition, performance of the unit he belongs to and his individual performance. To maximize the protection of employees' interest and benefit, the remuneration system is reviewed and modified annually. In addition, BYD offers various awards covering the corporate level to the production unit level, which include President's Award, being the top award, the Sustaining Progress Award, Patent Award, Technical Innovation Award, etc. Since 2014, the Company has granted these awards to outstanding targets selected from hundreds of projects annually.



BYD cares for and is committed to solving the basic living issues of its employees. Efforts have been made on housing, transportation, children education, medical, etc.:

 <p>Catering</p>	Staff canteens are provided in the production bases, ensuring the nutrition of employees.
 <p>Housing</p>	Staff quarter is built in the production bases. In addition, commencing in 2000, BYD has built welfare housing for employees in Kuichong of Shenzhen, Daya Bay of Huizhou and Pingshan of Shenzhen, which are priced much lower than market prices and offered to qualified employees for their purchase.
 <p>Transportation</p>	For the convenience of its employees, BYD provides pick up buses of different routes to ferry staff to and from work. We also offer zero down payment privilege for staff to buy their own cars with allowances provided depending on the model. Furthermore, charging parking lot is provided to staff who has purchased new energy vehicles and allow them to charge their cars at the Company for free.
 <p>Medical</p>	BYD has established a comprehensive protection system for employees and constantly improves it. In addition to making social insurance contributions for its employees according to legal requirements, a BYD medical fund is also created to provide dual medical protection for employees. In 2017, the fund paid secondary medical claims for nearly 3,000 employees for a total of over RMB10.08 million, and provided medical relief amounting approximately RMB3.7 million for 26 employees with serious disease.



Children education

BYD and the Shenzhen Middle School have jointly set up the Shenzhen Yadi School, Cooperation relationship is also established with schools in the neighborhood of the production bases to resolve school admission issues of employees' children.

Special maternity protection is also provided for employees, such as pregnant mother's room and lactation leave, and not requiring pregnant and breast-feeding staff to work overtime or night shift.

Commuting Traffic Improvement

In 2017, in order to maintain the traffic order in the production base and prevent traffic accidents in the base, BYD arranged for security on duty during rush hours and guided pedestrians and vehicles to pass according to the regulations, ensuring smooth traffic in the park and the personal safety of employees.

In 2017, BYD gradually built or renovated the canopy channel on the main trunk road

of the industrial park to facilitate the employees to walk on rainy days and standardize the diversion of people and vehicles. At the same time, the middle fence was installed on the trunk roads where a large number of employees and vehicles are going and coming to divert the traffic flow. A pedestrian bridge was set between the living area and the factory area to avoid traffic accidents.



Main road fence



Main road with canopy channel



Pedestrian bridge between the living area and the factory area



Security guard on duty in rush hours

Drug-Control Knowledge Publicity

In 2017, BYD held a large-scale anti-drug publicity campaign by setting up anti-drug publicity boards, distributing publicity materials and watching anti-drug promotional videos to make everybody know the drugs first, understand the dangers of drugs, educate the staff to cherish their lives and resist the temptation of drugs.



Caring for Spiritual Health of Employees

BYD has set up a multi-channel communication system to enhance the employees' emotion management ability. Trainings are provided to reinforce employees' work-related psychological health, pressure management, response to setbacks, positive emotion, job burnout and work and life balance, the skill of consultative manager and inter-personnel

communication and psychological crisis intervention, and help employees to learn the basic method and skill of improving their psychological quality and maintaining psychological health. BYD also holds satisfaction survey and informal forum regularly for employees to air their views freely.

Internal Associations

In order to enrich employees' life, the Company has set up non-profit associations such as BYD Journalists Association, BYD Photographers Association, Qifei Literature Club, Calligraphy Association, Basketball Club, Football Club, Badminton Club, Ping-pong Club, and Dancing Club. These associations hold regular activities for the members.





Corporate Culture Activities

A variety of corporate culture activities can promote corporate culture and interpret its in-depth meaning to the employees in an entertaining and easy-to-accept way. Such activities enable a vivid and solid visualization of the “words and symbols” used to express our corporate culture, as well as provide moments for our employees to relax and enrich their spiritual world beyond the workplace.

In 2017, BYD held various types of

corporate culture activities such as speech contest, debate contest, activities for the celebration of BYD's anniversary.



2.3 Protecting Investors' Rights and Interests

Safeguarding the rights and interests of investors has been a priority for BYD since its listing. BYD proactively establishes sound system and mechanism for the protection of investors' interest. It works on maintaining a stable share price and has set plan and method of rewarding investors. All undertakings and promises are duly observed and disclosures are made fully and timely. Communication and interaction with investors are promoted through various means. Investors' legitimate rights and interests have been effectively protected.

Investor Relations Management

BYD makes disclosures based on the principle of truthfulness, accuracy and completeness in accordance with relevant laws and regulations and issuer information disclosure requirements of the Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited. Disclosures are timely and accurately made to shareholders and investors, which

enhances the openness and transparency of the Company's operation.

BYD strictly complies with requirements of the listing rules and stock markets and protects legitimate rights and interests of minority shareholders. In accordance with the requirements of protecting the equal interest of shareholders under the listing rules, we constantly improve the

Company's constitutional documents, rules of procedure for general meeting and dividend policy. Through results announcement briefing, investors survey, daily mail and telephone enquiry, we explain the Company's condition to and answer queries of shareholders and establish positive and interactive relationship with investors.

On 6 June, 2017, BYD convened its 2016 annual shareholders' meeting, with 87 shareholders and shareholder representatives in attendance, holding and representing 1,253,340,270 shares and accounting for 45.912% of its total; the first extraordinary general meeting of 2017 was held on 8 September, 2017; the shareholders and shareholder representatives at the first extraordinary

general meeting totaled 17 in number, with 1,252,650,083 shares, representing 45.9159% of the total shares of the Company. Judging from the number of participants in the shareholders' general meeting, more minority shareholders would attend the shareholders' general meeting in the reporting period and offer suggestions on corporate governance and daily operations.

In 2017, BYD received 69 field research and visits of institutional investors including funds, securities firms, insurers, private equity funds and QFII, held several results announcement conferences and domestic and overseas road shows, as well as participated over 38 meetings of domestic and foreign investment banks and brokerage firms.

Returns for Shareholders

BYD is committed to improving returns for shareholders and protecting the interest of minority shareholders.

Based on the overall operation of the Company as well as its financial condition and the interests of its shareholders and to share the results of the Company's business development with all its shareholders, the Company's 2016 Annual Equity Distribution Plan was approved at the 2016 annual general meeting held on 6 June, 2017: based on the total equity namely 2,728,142,855 (including 1,813,142,855 A shares and 915,000,000

H shares) to divide a cash dividend of RMB1.78 (tax inclusive) for every 10 shares to all shareholders other than share capital increase from accumulation fund, amounting to approximately RMB485,609,400.

The implementation of the 2016 Annual Equity Distribution Plan was completed on 4 August, 2017.

2.4 Protecting Customers' Rights and Interests

A sound system is established to protect customers' interest to ensure that customers' interest will not be jeopardized. As a result, we believe that the Company is in compliance in all material aspects with

applicable laws and regulations in relation to matters such as advertising, labelling and privacy which have a significant impact in the countries where we operate.

Protecting Customers' Right to Know

We truthfully illustrate BYD's technical capability and functions and features of its products to our customers through technical guidance documents, product manuals and knowledge animations.

BYD provides User Manual and product certification information to its customers when delivering the product.

Based on the language environment of the customer, BYD will provide, for overseas customers, the English version or local

language version of the User Manual and product certification information to ensure that the customer understand the functions, features, operating instructions and interest protection information related to the product.

BYD invites customers to visit, inspect and study its factory to allow customers to fully understand the production process and quality control procedures.

Protection of Customers' Privacy

All staff members are required to sign the Confidentiality Agreement upon joining BYD in relation to the strict protection of customers' privacy. BYD also signs NDA agreement with its clients in its business activities to ensure the security of information of both parties.

BYD has established a customer relationship management system and uses such platform as the carrier for customer management. Strict management authority is set for the access and systematic management of customer information files.

Protecting Customers' Right of Receiving Services

The customer service philosophy of BYD is "excellence from diligence, sincerity in our

heart". Taking into account the customer's category and product life cycle, we

integrate production, technical and customer service teams to join hands with research and development and quality teams to build a professional service support team to provide all-round service for our customers.

BYD adheres to the goal of achieving customer satisfaction and is creative towards the items and content of services so as to enhance service quality. For example, in terms of automobile, in addition to providing competitive warranty services, BYD also provides 7 TSCI services throughout the product's life cycle such as BYD cloud services, BYD Dream Theatre, service surprises, "after sale six pieces of covers", temporary replacing car, rescue services and 3DC return visit. Regarding photovoltaic products, BYD developed various photovoltaic product installation methods in accordance with customers' needs and provides customized installation illustrations to

assist customers.

BYD persistently handles customers' complaints rapidly and effectively to ensure constant improvement of service quality. It has in place measures for the management of customers' complaints such as "Mechanism for Sales Complaint Management", "Procedures for Accepting Customer Complaints", "BYD Customer Service and Communication Management", "BYD Auto Sales Company Limited Control Procedures for Rectification Measures", as well as customer complain channels such as service hotlines, satisfaction survey, official forums and official service emails. Complaints received will be followed up timely and until the issue is resolved. BYD also regularly analyses common and key customer complaints, tracks and verifies whether problems are rectified, and formulates corresponding plans for continual improvement.

Customer Satisfaction Management

A sound customer satisfaction management system is established, which mainly uses telephone interview to investigate feedbacks from customers across the product cycle on factors such as service attitude, flow, quality, delivery time and pricing. By analyzing the feedback information, BYD understands issues causing customer dissatisfaction and customers' major demands. Improvement is then made on such weaknesses.

Customers' major demands are also used as key appraisal items to ensure fulfilling customers' demand and enhancing their satisfaction.

2.5 Supply Chain Management

BYD persistently practice responsible, transparent and green procurement, and proactively performs social responsibility and pursues sustainability in the course of procurement. We seek to form a closed cycle for the suppliers' life cycle management and create an efficient, collaborative, win-win supply chain platform.

BYD has formulated a series of suppliers management systems, such as the "BYD Supplier Requirements", "BYD Supplier Audit Management Regulations" and "BYD Management and Operation Rules on Suppliers' Corporate Social Responsibility", to specify the requirements on the social responsibility of the supply chain partners through various aspects, including labour standards, occupational health and safety, environmental management, trade security, anti-corruption and anti-commercial bribery, so as to inform all our existing and potential suppliers about BYD's requirements on them and establish the basis for the certification and operation risk analysis of suppliers, as well as the basis for constant improvement and development of suppliers. BYD spelled out detailed standards and requirements for the suppliers in respect of quality management, environmental management, occupational health and safety, corporate social responsibility, intellectual property, material and production management, etc., and stipulated an overriding requirement under the corporate social responsibility that no supplier will be accepted if it violates relevant CSR laws or regulations.

Selection of New Suppliers

BYD will investigate and verify the qualifications and illegal conducts of suppliers when introducing new suppliers, establish the "BYD Supplier Audit Management Regulations" in accordance with the "BYD Supplier Requirements" and adopt the "BYD Supplier Review Table" to audit and determine whether they could meet the requirements of BYD. BYD set up special modules of "Corporate Social Responsibility", "Safety, Information, Intellectual Property Rights," and "Hazardous Substance Process Control" in the audit table, to carry out on-site audit

and verification of the social responsibility management of suppliers and their downstream supply chains from aspects of humanities, environment, safety, compliance with laws and regulations, hazardous substances, trade safety, etc., with a veto on multiple terms.

BYD has been using strict environmental standards, labour practices and human rights standards for screening, requiring suppliers to pass the ISO14001 environmental management system certification, promise to apply and promote the SA8000-compliant CSR management

system, comply with the provisions related to labour and human rights and environmental protection stipulated in the

BYD's "Supplier Corporate Social Responsibility Agreement" and "Toxic and Hazardous Substances Agreement".

Evaluation and Survey of Suppliers' Social Responsibility

Regular evaluation and survey of suppliers' social responsibility will be carried out by BYD. According to the reviewing terms concerning corporate social responsibility set out in the "BYD Supplier Review Table", BYD conducts the on-site review on suppliers to examine whether they comply with BYD's social responsibility policies and requirements. If the review fails, BYD will provide suppliers with interview, tutoring and training to promote the continuous improvement of suppliers. For the suppliers who cannot meet the requirements in the stipulated period, BYD will punish them by disqualify their products supplying qualification depending on the actual situations.

BYD will conduct annual review of suppliers which have active transactions.

BYD will make a list of suppliers for survey, which are selected from qualified suppliers based on the characteristics of materials such as high energy consumption or high pollution materials including PCB, FPC, and connectors. Survey will then be made on the listed suppliers and the "Annual Environmental and Humanities Key Performance Indicators Report" shall be completed, so as to promote constant improvement in energy saving and emission reduction of the suppliers.

BYD also regularly makes enquiry on government websites to check if any BYD supplier is blacklisted by the government. If so, BYD will send emails to various purchasing departments, lock the code of such supplier in the purchasing system and suspend the transaction with it.

Responsible Procurement

Based on the development strategy and environmental policy of the Company and for securing the orderly supply of production and living materials and services required, BYD builds win-win, mutual growth, equal and collaborative relationship with its suppliers to achieve the optimal cost resources and efficiency and unceasing enhancement of BYD's core

competitiveness in cost management.

In 2017, the ratio of responsible procurement of BYD maintained at 100%.



Transparent Procurement

For the supply chain management and procurement, BYD sticks to the “sunlight procurement” philosophy and ensures the supply chain management and procurement process are “fair, open and just”.

As for supply chain management, firstly we require suppliers to set clear and formal business ethics and code of business conduct according to the industrial standards such as Electronic Industry Code of Conduct (EICC). We then incorporate them into the review standard for supplier approval. We actively advocate, establish and maintain a supplier “sunlight” procurement system through means such as convening “supplier conference” and “supplier interviews”. We also treat supplier “sunlight” procurement as one of the key factors in the appraisal of suppliers and strictly supervise the establishment of “sunlight” procurement system and process of suppliers.

As for the way of procurement, BYD extensively uses various ways such as bidding, electronic confidential quotation and price comparison. Suppliers are required to sign the “Sunlight Cooperation Agreement”, to lay down the rights and obligations of both parties in the transparent cooperation in relation to procurement. Channels for complaints such as telephone, email and SMS details are also set out in the “Sunlight Cooperation Agreement” to facilitate the

lodging of complaints by the suppliers. In this way, suppliers also become “supervisors” of the “sunlight” procurement of BYD.

BYD has specially established the Purchasing Management Committee and Supervisory Division under the direct management of the president, which are responsible for internal governance of supply chain management and procurement. Complaint Bulletin Boards are erected in various locations of the Company's production bases for the declaration of a variety of complaints methods, such as by phones, emails and official WeChat accounts. Any act or activity in violation of “sunlight” procurement are subject to severe punishment once verified to ensure all members' supervision of supplier management and procurement and the effective implementation and monitoring of “sunlight” procurement.

In addition, the Purchasing Division of BYD will regularly collect information to prepare a supplier blacklist relating to those using improper means of competition or blacklisted by the government as a punishment for various causes. Suppliers in the blacklist are not allowed to trade with the Company within the stipulated time limit, and they will only be re-approved according to procedures until their rectifications meet the requirements. If the violation is severe, BYD will never work with them.

Green Procurement

BYD always insists on green procurement in the supply chain and procurement of raw materials. The green procurement system of “green suppliers and green raw materials” which guided by BYD's Purchasing Division at headquarters, with branches in different regions, business divisions and factories as the main forces, is to regulate the environmental management and ensure that all materials and parts purchased satisfy the environmental protection requirements.

BYD has formulated a series of green procurement policies and guidelines. In respect of supplier management, BYD released documents such as “BYD Supplier Requirements”, “Development, Evaluation and Management Procedures of Production Materials Suppliers”, “Operation Rules for Development and Acceptance of Production Materials Suppliers”, “BYD Supplier Audit Management Regulations”, and “Material Rules for Review of Production Materials Suppliers”, spelling out the requirements and clear operation guidelines for the environmental material management of suppliers, and intervening the management of suppliers' toxic and hazardous materials at the stage of supplier approval. Prior to commencing cooperation, suppliers are required to sign the “Toxic and Hazardous Materials Agreement” and “Corporate Social Responsibility Agreement”. BYD will also carry out a just and objective assessment on the environmental protection

performance of suppliers annually.

For the violations of green and environmental protection in the suppliers' production and operation, an environmental protection failure report will be issued to promote the rectification and improvement of them. For especially serious cases, punishment will include penalty and reducing purchasing volume. For extremely severe cases, the supplier will be disqualified for products supplying. In respect of raw material and parts procurement, BYD requires suppliers to use environmental friendly materials at the early sampling stage, conducts DFE investigation on raw materials at the interim stage and implements monitoring and inspection on materials received at the later stage of mass production to ensure the actual implementation of BYD's “green procurement” policies.

Through front-end procurement control over suppliers and raw materials, BYD ensures that pollution or waste will not extend to the later process. A full cycle management is thus established to include raw materials, work in progress and finished products, achieving organic interaction between the suppliers, customers and BYD, truly realizing green and environmental protection during the entire production and operation activities of BYD, and thus living up to its promise to the society and environment with remarkable green procurement performance.

Promoting Suppliers' Performance of Responsibility

In order to promote suppliers' performance of social responsibility, BYD has formulated the "BYD Supplier Requirements", to specify the requirements on the social responsibility of the supply chain partners through various aspects, including labor standards, occupational health and safety, environmental management and trade security, and require the suppliers to carry out corresponding management on themselves, and meanwhile convey and promote the management to the downstream supply chain. In 2017, as for the newly expanded rail transit industry, BYD added new terms and conditions for related industries into the BYD Supplier Requirements.

BYD demands that the "Supplier's Corporate Social Responsibility Agreement" should be signed with its suppliers to guide and supervise its suppliers in order to serve the society and actively assume social responsibilities. In the Agreement, BYD requires suppliers to commit themselves to applying and promoting a SA8000-compliant CSR management system, and guides and urges them to comply with social ethics and national laws and regulations, respect basic human rights, well treat employees, protect the environment, do not use conflict minerals, and ensure the occupational health and safety of the employees.

In the beginning of every year, BYD will formulate an annual supplier environmental and humanities performance appraisal plan. Pursuant to such plan, suppliers will be required to provide the Annual Environmental and Humanities Key Performance Indicators Report for the previous year. Investigation will be carried out by respects of energy consumption, "three wastes" emission, employees' benefits, body check, employees' satisfaction, and spot test will be conducted on the each assessing data of the suppliers' reports, to ensure the authenticity and effectiveness of all the data. Meanwhile, BYD requires suppliers to formulate their targets and countermeasures regarding energy conservation and emission reduction as well as employees' satisfaction for the next year, so as to promote the constant improvement in social responsibility management of suppliers.

BYD regularly identifies and confirms suppliers' environmental compliance, identifies suppliers exposed to high-risk in environmental protection, and requires the suppliers to provide emission permits. During the annual routine audit, BYD performs spot checks on its sewage discharges and increase the audit frequency of high-risk enterprises.

BYD attaches great importance to the protection of the rights and interest of child and minor labour and women. It is

expressly stipulated in the "BYD Supplier Requirements" that suppliers should ensure no child labour is used in any stage of the operation process. Suppliers should also formulate procedures for the protection of minor labour and adopt effective measures for their protection, including identifying minor labour, regular body check, restriction of overtime work,

right shift or dangerous operation. For female employees, suppliers should put in place procedures for the protection of the legitimate rights and interest of women, provide equal pay for equal work among male and female employees, and provide statutory holidays and leaves for female employees such as maternity leave and Women's Day.

Managing Conflict Minerals

BYD will investigate the conflict minerals when it conducts industry qualification surveys and certification during the development and introduction/input phases of the suppliers. Suppliers who use the conflict minerals will not be input. When signing the "CSR Agreement" with suppliers, BYD clearly demands that conflict minerals shall not be used and requests the suppliers to pass the management of conflict minerals to downstream suppliers. BYD checks the source of metals of its suppliers annually for guaranteeing their compliance with the OECD Due Diligence Guideline for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. BYD requires every supplier to certify that they understand and support the EICC-GeSI actions, and will not deliberately purchase conflict minerals from the Democratic Republic of the Congo or surrounding countries. Suppliers are also required to provide evidence that they have

completed the EICC-GeSI Conflict Minerals Reporting Template, and sign the undertaking of not using conflict minerals. BYD supports the Conflict Free Smelter (CFS) Initiative and other programs to ensure the sourcing of materials from responsible and sustainable sources. BYD will reassess a supplier if its supply chain is found to include metals from the conflict areas.

In addition, BYD has long released the "BYD Statement on Conflict Minerals Policy" at its official website to disclose and report the conditions and sources of tin, tantalum, gold and tungsten used in the products as required by the Dodd-Frank Protection Act.

In 2017, BYD surveyed the suppliers' conflict minerals, and the results showing that no conflict minerals were used in the supply chain. BYD will re-evaluate its relationship with the suppliers if it finds out that the supply chains of its suppliers include metals from conflict areas.



Responsible Operation



Green Products and Technologies



Charity

2.6 Safety Production Management

Culture of Safety Production

Protecting the health and safety of employees all the times is a core value in the safety production of BYD. BYD implements the OHSAS18001 Occupational Health and Safety Management system, establishes safety standards, and seriously fulfills the safety production accountability system.

BYD arranges various types of safety production training, and nurtures employees' rule-observing operation and safe operation practice of prior awareness of danger. For new employees, a "three-tier" safety production education at the levels of Company, workshops and groups will be carried out, and annual safety production reeducation will be held for the serving staff. Major responsible persons and safety production managers are required to hold qualification certificate for work. BYD organized and completed full-time safety management training for key responsible staff such as factory directors and production managers. Taking the opportunities of the national safety production month and fire prevention month, BYD also holds various safety promotion activities, such as organizing employees at every production base to watch safety production related films and evening parties, and hosting safety consultation day, knowledge contest, workshop safety quiz and safety notice

board appraisal.

BYD promotes the establishment of safety culture in working teams and creates an atmosphere to encourage participation in safety production management by all members of working teams, with the aim of long-term penetration and cultivating of safety concept and awareness in the employees to change their unsafe habits, facilitate their voluntary safety compliance and forming the habit of not only aware of their own safety but also helping others to observe safety rules.

BYD regulates and reinforces supervision, protection and management of high risk operation such as those involving special equipment, dangerous chemicals, hot work and working at height and in confined space. It also conducts regular and comprehensive safety hazard identification, prevention and rectification. In addition, dedicated teams are formed to develop equipment such as robotic stamping, welding arms and spraying robots to improve inherently safety and reduce the rate of accidents.

Occupational Health

BYD has specially established workshops lounges for employees, which provide hot and cold drinks and washing basin; warming signs are also installed. In the working sites, we provide effective personal protective gears (PPE) for employees. BYD maintains complete occupational health monitoring files and organizes employees to have occupational health checks prior to taking up, during and upon leaving a post.

In 2017, BYD basically completed the waterborne renovation of its original coating production line and built an automated production line. This has greatly improved the working environment and reduced the labour intensity of its

employees and the risk of occupational hazards and production. In the reporting period, BYD also completed the automatic transformation of the welding plant and used safety devices such as acousto-optic alarm, safety interlocking, safety grating and visual induction to avoid direct contact with employees, improving safe production environment and achieving totally enclosed management. In addition, BYD has also mitigated the noise of the stamping factory, effectively lowered the 2000T single-wire noise, improved the safety of the operating environment and realized automatic production and artificial and physical security isolation.



Emergency Handling

Be prepared and vigilant. BYD has formulated the "General Management Measures for Emergency Response to Major Safety and Environmental Accidents" and has established a relatively complete emergency control system from harm prevention to emergency rescue.

Each production base has a dedicated fire emergency team equipped with emergency facilities and a mini fire station. Emergency plan for accidents in production is made and emergency drills are arranged covering all areas of the factories in the factories in respect of fire, chemical

leakage control, confine space poisoning and suffocation to enable employees to be familiar with their working environment and escape routes and learn fire-fighting

techniques and safety knowledge for emergency self-rescue and accident prevention and control measures.

Natural Disaster Response

In 2017, two typhoons attacked Shenzhen namely the Severe Tropical Storm Merbok on 12 June and the Severe Typhoon Hato on 23 August. Before the arrival of the typhoon, BYD promptly warned and started contingency plans for natural disasters and implemented the responsibility system for wind protection. Meanwhile, BYD promptly conducted identification and prevention of risky areas, arranged employees in the

typhoon affected regions to leave, relocated employees in buildings near slopes, reinforced materials stacked outdoor, cleared drainage and places vulnerable to water damage, prepared for flood prevention and rescue, and strengthened security inspection. BYD did not experience any accident during the typhoon periods.

2.7 Reducing the Impacts on the Environment

BYD has been a positive respondent to environmental protection. While helping reduce energy consumption through green products, we also focus on reducing the direct impacts of our operation on the environment. By introducing an energy management system, promoting the replacement of traditional energy with renewable energy and saving energy through technical and management means, BYD continues to reduce its own energy consumption and carbon dioxide emissions.

In 2017, BYD further strengthened the implementation of energy-saving and emission-reduction targets, conducted technological transformation and equipment upgrades, and enhanced the research and development of green and environment-friendly products. BYD focuses on improving the environmental awareness of employees. It promotes environmental knowledge to employees through means such as trainings, meetings and publicity boards. BYD also actively takes part in various types of activities organized by the environmental protection authorities, carries out environmental impact assessment and is subject to regular inspections by the relevant governmental departments.

BYD's Energy Consumption in 2017

Energy	Unit of measurement	Energy consumption
Electricity	Ten thousand of kWh	332,260.4
Water	Ten thousand of cubic metres	3,336.9
Natural gas	Ten thousand of cubic metres	7,476.9
Gasoline	Ten thousand of litres	84.4
Diesel	Ten thousand of litres	22.3

Energy Management

BYD has been committed to energy-saving and emission-reduction, and carries out companywide related work. We have made our energy management system more effective through energy audits, internal reviews, and technology upgrades. This allowed us to minimize energy consumption, make the best use of energy, and meet our energy management principles and goals.

From the headquarters to every division,

BYD has set up departments responsible for energy management, supported by a professional management team. BYD sets annual targets of energy-saving and emission reduction and incorporates the achievement of the targets into the appraisal of performance of departments. BYD selects outstanding energy saving and emission-reduction projects and issues awards correspondingly.

Greenhouse Gas Management

BYD regards greenhouse gas management as part of its operation and actively takes effective energy-saving and

emission-reduction measures.

BYD has set greenhouse gas targets which are continuously improving, and conducts

regular assessment. It also continues to monitor and improve the greenhouse gas management performance. BYD promotes the concept of green and environmental protection, researches and develops environment-friendly technologies, and develops and manufactures green

Green Operation and Production

BYD adheres to green manufacturing, and continuously improves energy efficiency in order to reduce energy consumption and carbon emissions during the manufacturing process. Leveraging its unique advantages in the field of new energy, BYD applies green products including electric vehicles, energy storage stations, solar power stations, electric forklifts and LED in its own production activities.

As of 31 December, 2017, BYD has adopted a total of over 400 new energy vehicles for official travel and staff transport. For workshop logistics, BYD replaces traditional fuel-powered forklifts with electric forklifts. As of 31 December, 2017, BYD utilised a total of 1,781 BYD

products. It actively reduces energy consumption, and continues to promote clean production to lower greenhouse gas emissions within the Company.

In 2017, BYD's total carbon dioxide emissions were 3,258,513.62 tonnes.

pure electric forklifts to replace traditional fuel-powered forklifts in order to maximize the protection of the production environment and ensure product quality. In addition, in order to save electricity, BYD covered the roofs of its production facilities with solar plates to supply electricity to the plant area with photovoltaic power generation. It also adopted LED energy saving lamps and solar street lamps at its production facilities to maximize energy conservation and achieve green production. As of 31 December, 2017, BYD had built a total of 42.3 MW solar power stations at its own production facilities, which can generate power of 40.29 million kWh each year.



LED照明



太阳能电站



电动车辆



太阳路灯

Water Resources Management

BYD attaches great importance to water conservation. By sticking to its rules of “Water Conservation, Total Consumption Control, Planned Water Use, Comprehensive Utilisation and Efficiency” , it has developed a water-saving development plan and strengthened water use management. We determine the water quota based on the actual water consumption of each unit, and strictly supervise its implementation. In addition, we strive to improve water use and avoid waste of water resources by adjusting water consumption structure and

improving water consumption methods. For example, we conduct regular maintenance and management of water supply network, water facilities, equipment and appliances to reduce leakage rate; recycle equipment cooling water and condensate water for use; recycle water resources for use through wastewater treatment stations and reclaimed water facilities and use treated domestic sewage and industrial wastewater for washing rest rooms at staff quarters, industrial park greening and road cleaning.

Packaging Materials Management

BYD advocates the development of circular economy, and actively explores ways to improve the efficiency of resource utilisation. BYD gives priority to recyclable

materials in procurement and reduces the total consumption of packaging materials through reducing consumption without affecting quality.

BYD's Total Consumption of Packaging Materials in 2017

Classification of packaging materials	Unit of measurement	Weight
Plastic	Tonne	22,624.4
Paper	Tonne	23,210.0
Metals	Tonne	4,038.6
Wooden boxes	Tonne	1,807.1

Waste Management

BYD has always attached importance to waste management, and has developed strict rules for the management of various wastes and the responsibilities of the relevant departments. BYD has consistently advocated the classification of waste. Toxic and hazardous waste are disposed of by the Safety and Environment Engineering Department of the Human Resources Division and qualified external entities; domestic garbage and harmless production waste are disposed of by the Logistics Division and the Safety and Environment Engineering Department of the Human Resources Division by contacting external sanitation department

for processing; recyclable waste is recycled by the Logistics Division and the relevant consumption departments for use, part of which is processed by professional recycling units.

BYD also trains new staff, cleaners and waste managers on the laws and regulations relating to solid waste, list of hazardous waste, and safety and environment knowledge. Furthermore, BYD requires all divisions to save resources and encourages double-sided printing and printing informal documents using waste paper.

Information on Waste Emissions in 2017

Type of waste	Unit of measurement	Emission volume/output volume
Domestic garbage	Tonne	41,962.8
Harmless production waste	Tonne	182,588.3
Hazardous solid waste	Tonne	54,181.921

Waste Water and Waste Gas Management

BYD pays attention to the prevention and control of water pollution and waste gas, and has formulated the relevant management rules and continues to improve them. Its pollution prevention and control facilities are in compliance with the “three-simultaneous” system for

environmental protection projects, i.e. they shall be designed, constructed and put into use simultaneously with the relevant production project. Its pollution prevention and control facilities follow various policies and are in compliance with national laws and regulations including the

Environmental Protection Law, the Law on the Prevention and Control of Water Pollution and the Law on the Prevention and Control of Atmospheric Pollution and various regulations issued by local governments. The rain and sewage diversion is implemented for water consumption at BYD's various production bases. Monitoring is regularly conducted at waste water outfalls of its production bases in accordance with emission standards. The monitoring results show that all the emission standards have been met. The waste gas generated at workshops of BYD mainly includes dust, acid mist and volatile organic compounds (VOCs), and waste gas treatment facilities are constructed at

all of its production bases to ensure that the waste gas is discharged after meeting the required standards. Besides meeting the emission standards, in 2017 BYD purchased a batch of environment improvement equipment in order to further eliminate the peculiar smell generated by production. Currently BYD implements the strictest emission standards in the country.

In 2017, BYD finished the rebuilding of coating production lines at Pingshan production base. After rebuilding, water paint is utilized for spraying, which has generated remarkable environmental benefits.

BYD's Total Emissions in 2017

Type	Unit of measurement	Emission volume
Industrial waste water	Tonne	4,187,227
Domestic sewage	Tonne	10,891,035
Waste gas	Ten thousand of cubic metres	4,154,794.873
COD	Tonne	560.8
Ammonia nitrogen	Tonne	34.2
VOCs	Tonne	68.4



Green Products and Technologies



3.1 Technology-Based and Innovation-Oriented

BYD always adheres to the “Technology-based and Innovation-oriented” development philosophy, and firmly believes that technologies will change the life and ultimately change the world. Currently BYD has established the Central Research Institute, the Auto Engineering Research Institute, the Auto Intelligent Ecology Institute, the Truck Research Institute, the Bus and Coach Research Institute, the Auto Product Planning and New Technology Research Institute and others, and has a total of over 20,000 sophisticated technical experts in hardware, software and testing, who are engaged in the research and development in the areas of new materials, automobile, new energy and rail transit and actively promote the progress of the industry.

BYD has always attached importance to the training of scientific and technical personnel. Through incentive measures including title reporting, training and selection of outstanding research and development projects, it has stimulated the enthusiasm for innovations of technological staff and provided reserve of high-level compound talents for the development of the Company.

At the same time, BYD actively cooperates with customers, industries and universities to lead and participate in industry seminars, promoting the rapid development of related industries.

“542” Performance Standard



BYD's unique “542” Performance Standard, the first in the world, has re-defined automotive standards in three aspects including performance, safety and oil consumption. 5 means no more than 5 seconds for acceleration from 0-100 km/h; 4 means full speed electric four-wheel drive; and 2 means no more than 2 litres of fuel consumption for 100 km distance. Through the technology, users can get

better driving performance and safety performance than traditional fuel-powered vehicles with the least energy consumption. The technology has strong advantages in environmental protection, cost-effectiveness and safety.

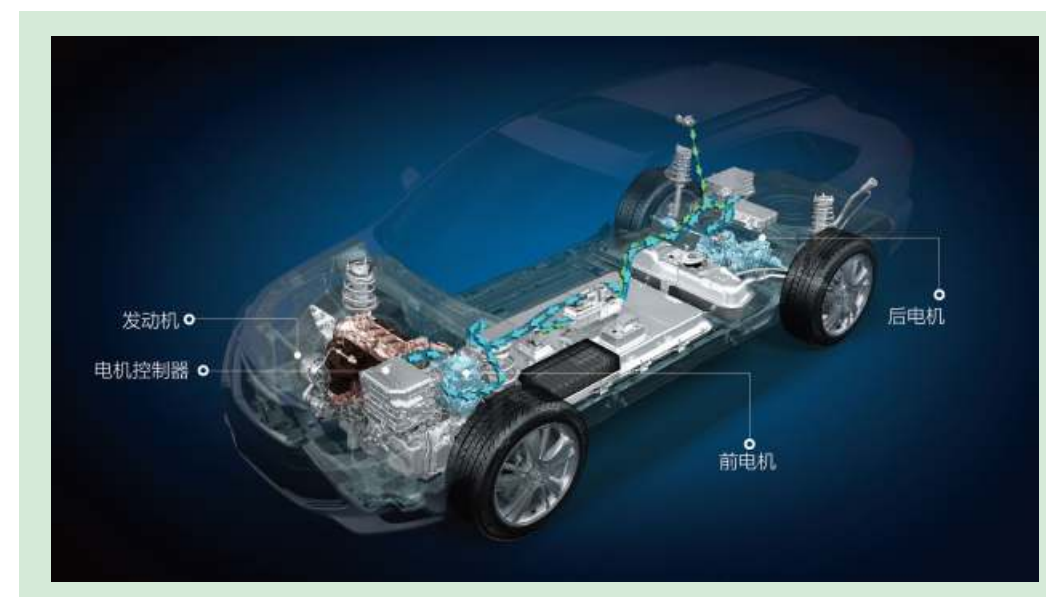
Application: The technology has been applied in a number of vehicle models of BYD since June 2015.

Full Speed Electric Four-Wheel Drive

BYD's full speed electric four-wheel drive can realize real-time adjustment to front and rear motors and reasonable allocation of front and rear axle torque based on real-time road feedback. It has a response speed of 20ms, one-tenth of that of traditional mechanical four-wheel drive. It

is safe, has extremely fast response, steady and strong power and is energy efficient.

Application: The technology has been applied in a number of vehicle models of BYD since June 2015.

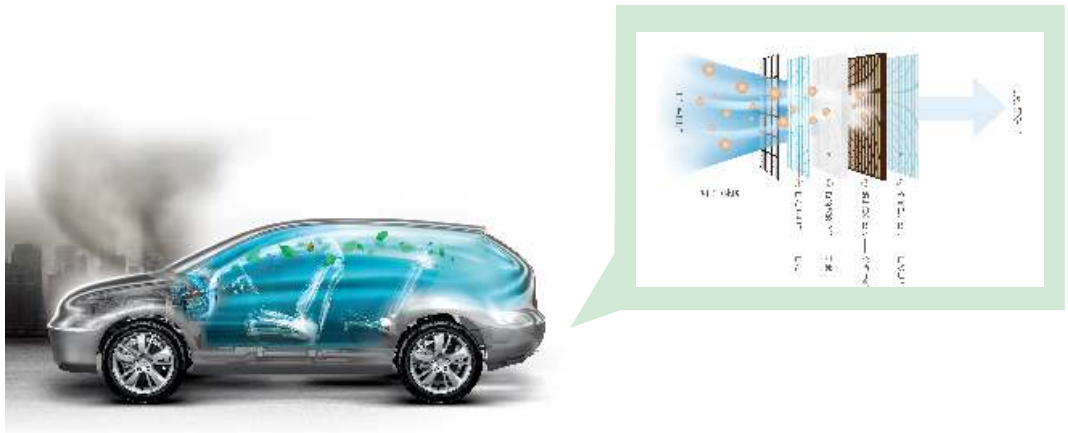




Insta-Pure Technology

Frequent smog in recent years has affected people's physical and mental health. BYD integrates PM2.5 monitoring, filtration and purification into its air conditioning system. It is a high frequency and high efficiency intelligent system and can realize real-time detection and showing of air condition. It has super

strong high-efficiency and purification ability and can quickly reduce PM2.5 level in vehicles to lower than 35 $\mu\text{g}/\text{m}^3$, so that people in the vehicles can regain fresh air and bid farewell to urban pollution. Application: The technology has been applied in a number of vehicle models of BYD since September 2014.



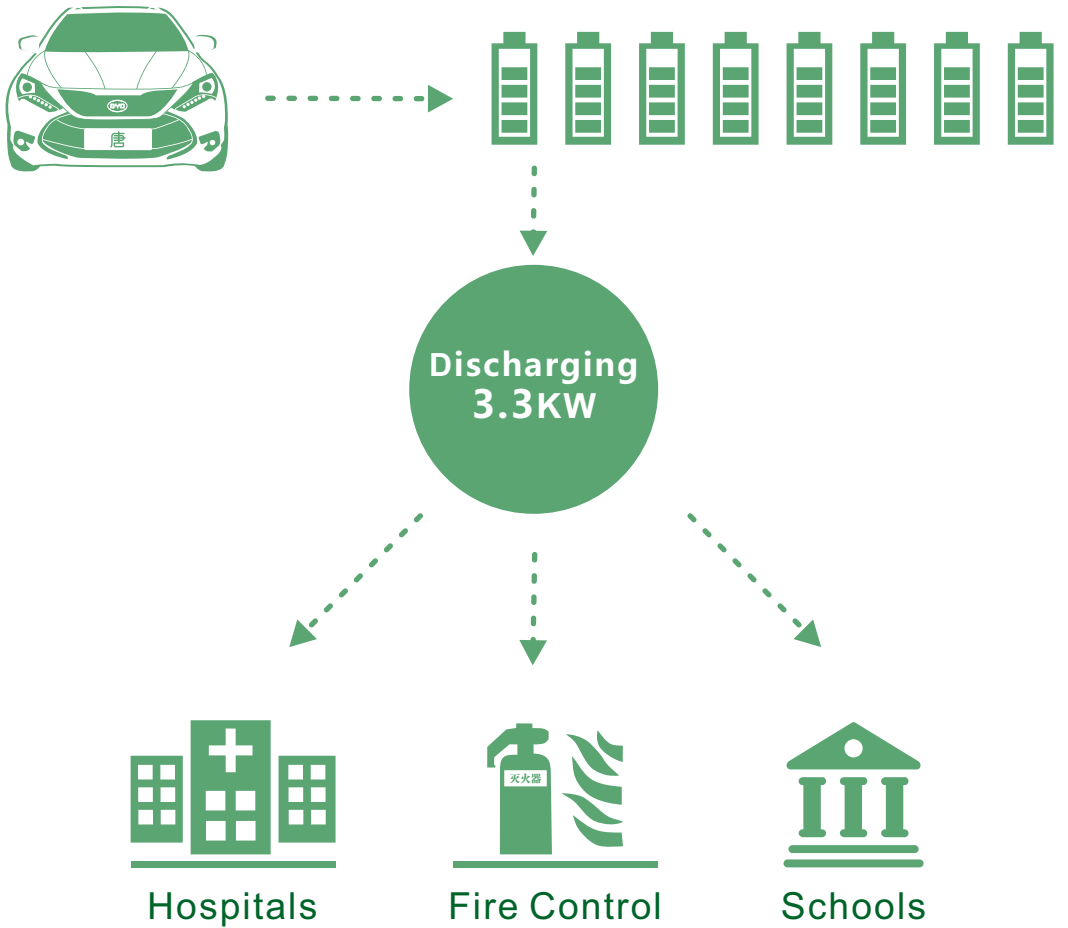
Bi-Directional Inverter Charging and Discharging Technology

BYD is the first in the world to have developed vehicles with charging and discharging functions (VTOL). With such a technology, a vehicle is a mobile intelligent power station, and can be charged using the power grid during off-peak hours, with energy saved in batteries, and supply power to the power grid during peak hours, with a maximum charging power of three-phase 25 KW. It can easily achieve charging and discharging whether in a household single-phase grid or large three-phase grid.

For example, at hours of low power consumption, vehicles can be charged using the power grid, with energy saved in batteries; at electricity peak hours, vehicles can supply 220V alternating current to single-phase/three-phase grid, operated like a mobile energy storage station. It can also supply power to hospitals and schools and for fire-fighting in case of emergency. Such vehicles have the ability to charge each other and can be used as emergency rescue vehicles to charge the vehicles which cannot operate

due to insufficient power. They can be used as temporary power supply for single-phase/three-phase electrical appliances (such as electrical appliances requiring alternating current at outdoor picnics).

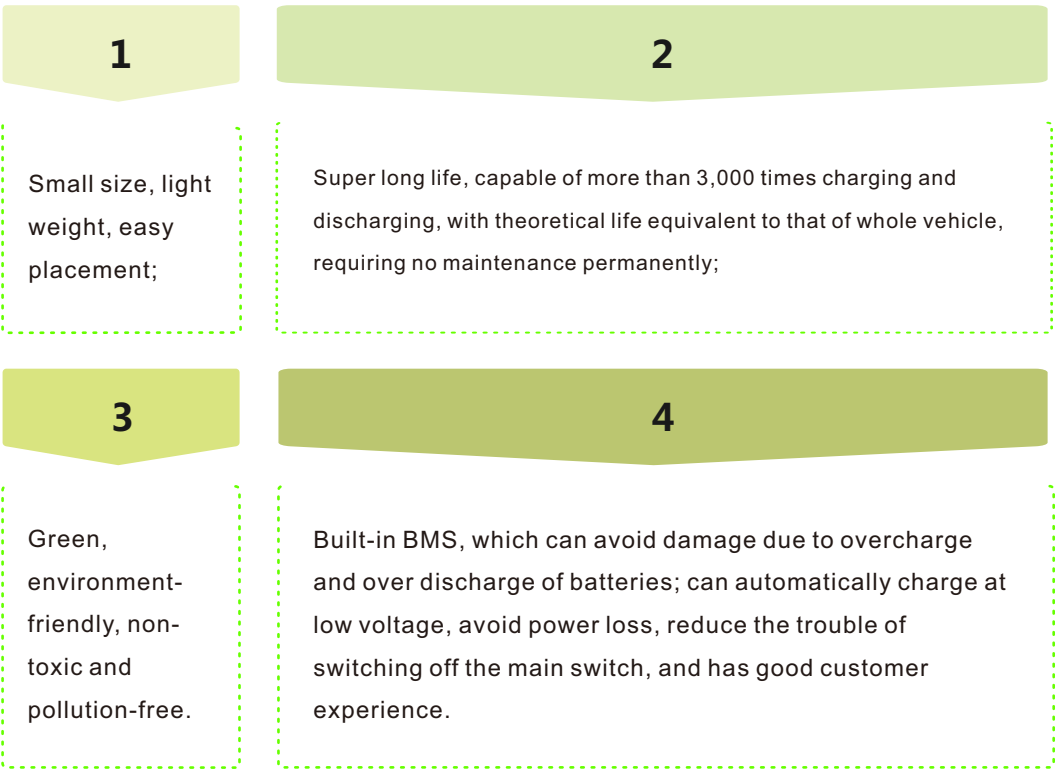
Application: The technology has been applied in a number of vehicle models of BYD since April 2015.



Starting Battery and Management System for Electric Vehicles

The lead-acid batteries used in starting traditional vehicles have low energy density, large volume and weight, short life and contain lead, which is very harmful to human body and environment.

BYD's lithium iron-phosphate battery, the first of such kind in the world, can solve these problems. The technology mainly has the following advanced natures:



Application: The technology has been applied in a number of vehicle models of BYD since November 2013.

3.2 Green Products

To provide customers with efficient, energy-saving, environmentally-friendly products and solutions to reduce carbon emissions has been BYD's mission and relentless pursuit. BYD has always adhered to the green environmental protection requirements in the whole life cycle of its products including development, production and delivery, in the hope of improving environment by using its green products to change traditional energy consumption and bringing more energy and possibilities to urban life through pollution control and traffic jam control.

Leading Solar and Energy Storage Products

Through technological innovations, BYD uses polysilicon developed through unique processes and adopts new refining methods and vertically-integrated

industrial chain, which greatly reduced the cost of solar energy application, making the cost of solar energy application become similar to the cost of coal power generation, and accelerates the popularization of solar power generation, so that clean energy can be utilized by ordinary people.

For energy storage technologies, BYD's battery energy storage stations, relying on advanced iron-phosphate battery technology, has effectively solved the worldwide problem of energy storage and has strong advantages in stabilizing the output power of wind and solar power stations, increasing the percentage of

connection to power grid and enhancing grid security. In addition, they are safe, pollution-free, have long cycle life and are not restricted by geographical conditions. Its energy storage stations are equipped with "iron-phosphate batteries" independently developed by BYD and have a conversion efficacy of over 90%, 20% higher than traditional pumped storage efficiency.

In August 2017, the 31.5MW/12.06MWh Beech Ridge FM Storage Project in West Virginia, which wholly uses BYD's energy storage equipment was granted by the German Cleantech Institute the award of 2017 Global Energy Storage "Tech Driver".



In November 2017, the B-Box high-pressure version of energy storage system developed by BYD was awarded the world's "Top Innovation Award" by the PV magazine, an authoritative international new energy industry magazine. The judges thought the system had made breakthroughs in terms of modularity, charging and discharging performance and

efficiency, and praised it as "top innovation."



New Energy Vehicles

New energy vehicle is BYD's "pollution control" solution for the society. BYD's current electric vehicle lineup comprises seven conventional fields with vehicles running on-road, and four specialized fields with vehicles running off-road. The seven on-road vehicles include private

vehicles, taxis, buses, coaches, logistics trucks, urban sanitation trucks, and construction trucks. The four off-road vehicles are special vehicles to serve ports, airports, warehousing and mining operations.



New energy vehicles have eliminated the reliance on oil and significantly reduced waste gas emission. Taking K9, BY's pure electric bus, and e6, its pure electric taxi, as an example, compared to traditional fuel-powered vehicles, a unit of e6 can save fuel consumption by 14,120 litres, and reduce carbon dioxide emissions by 32 tonnes, sulphur dioxide emissions by 0.62

tonnes and nitrogen oxide emissions by 0.18 tonnes each year; a unit of K9 can save fuel consumption by 41,666 litres, and reduce carbon dioxide emissions by 95 tonnes, sulphur dioxide emissions by 1.84 tonnes and nitrogen oxide emissions by 0.52 tonnes each year.

In 2017, BYD new energy passenger cars ranked first for three consecutive years in

global sales. The footprint of new energy vehicles has also spread to more than 200 cities in over 50 countries and regions. Among them, more than 60,000 BYD electric taxis are put into operation each day in the world, accumulating a total mileage of more than 30 million kilometers

per day, which is equivalent to 800 laps around the globe. Every day, there are 20,000 BYD electric buses put into operation globally, with a total mileage reaching 4 million kilometers per day, equivalent to 100 laps around the earth.

The BYD SkyRail

The BYD SkyRail is BYD's "traffic jam control" solution for the community. The surge in the number of motor vehicles has brought about the problem of urban traffic congestion. In the limited urban space, the growth rate of roads always cannot keep up with the growth rate of vehicles. BYD proposed the initiative of "Building a City on the Rail", which, by reducing the

number of vehicles on the ground, makes full use of underground, ground and overhead space to build a vertical transport network and alleviate the problem of urban congestion.

The BYD SkyRail falls under rail transit with small and medium capacity and has strong advantages compared with the subway:

1	2	3	4	5
Low investment. Its cost represents only 1/5 of cost of the subway	Fast construction. Elevated rails can be installed above existing greenbelt, requiring less demolition, and its simple construction period is only 1/3 of the subway.	Low noise. It uses rubber wheels running on the track beam, and has small noise impact on residents along the line.	It occupies smaller area and its bridge structures are light and beautiful.	It has flexible grouping and can meet the demand for transport systems of different capacity.

Driven by electricity, the BYD SkyRail generates no exhaust during operation, which does not cause environment pollution and is a green transport system. Furthermore, BYD SkyRail has an energy

regenerative braking system, which will convert kinetic energy into electrical energy and store in batteries when the train is braking. The excess energy is transferred to the conductive rail when





starting and accelerating, thereby saving energy.

The BYD SkyRail can be used as an urban trunk line, or as a connection line between urban centre and second centre or satellite cities, or as a connection line between large-scale transport vehicles such as subway and communities, hospitals and



schools, or as a tourist sightseeing line. It has a strong applicability.

On 1 September, 2017, BYD's world's first commercialized SkyRail was officially put into operation at Yinchuan Flower Expo Park, opening up a new mode of rail transit tourism.



3.3 Comprehensive Quality Assurance

Quality Culture

BYD promotes a quality culture of "human-nurturing before goods-building", i.e., the quality of persons determines the quality of products. As a large manufacturer, BYD's products are what it lives on and the quality is the soul of its products. Since its inception, BYD has attached great importance to the construction of quality and culture, has always built high-quality products and services with excellence and serious working attitude. The "zero defect" work standard has been rooted in the heart

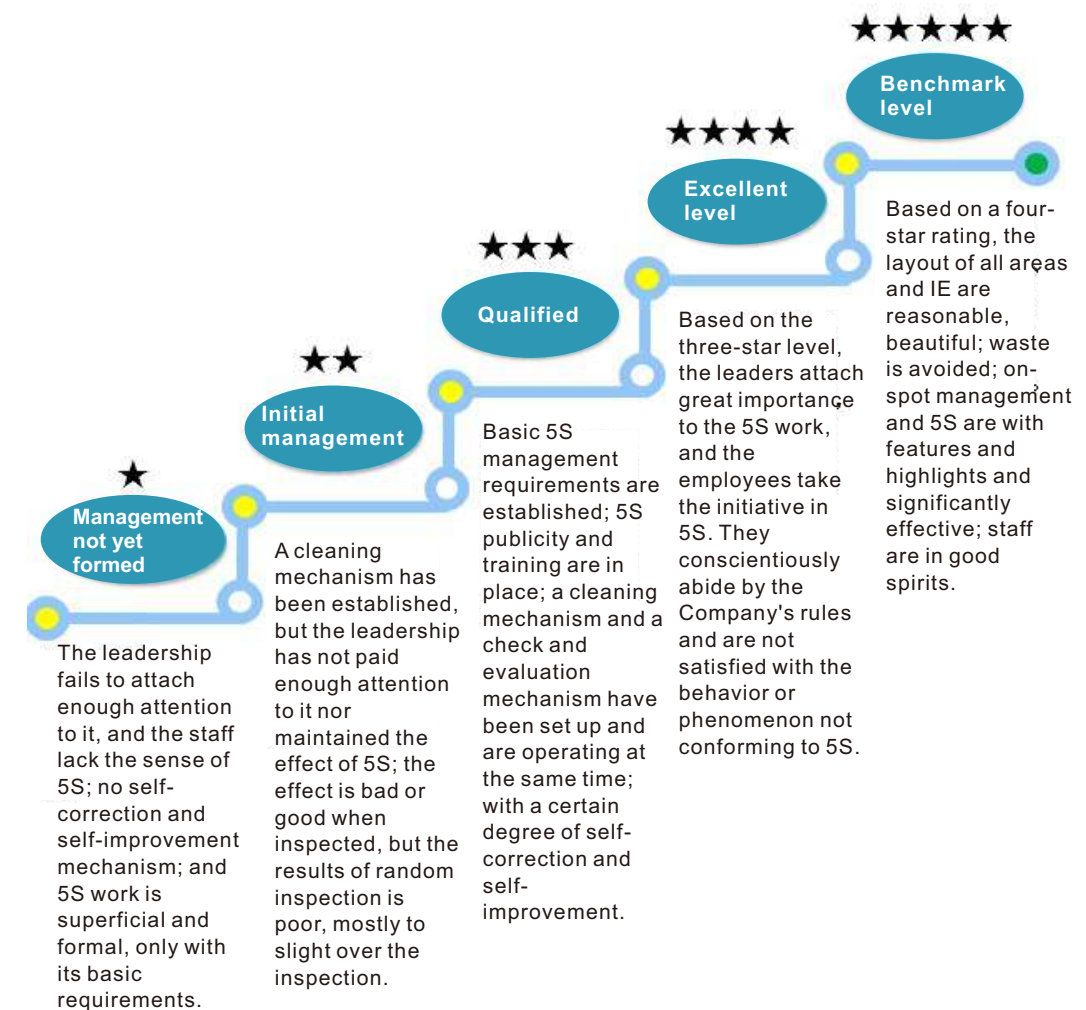
of each of its employees.

The quality culture also contains 5S, the foundation of management. While creating a clean and orderly production environment, we should improve the employees' self-requirement for quality, increase the enthusiasm and initiative of employees in detail management, and train staff good work habits to ensure the quality of work while improving product quality.

In 2017, BYD hired a 5S Japanese

consultant to promote 5S activities and set up a 5S star evaluation model driven by "comparison, help, catching up, and exceeding" to promote cost-awareness among all divisions, increase production

efficiency and quality levels, reduce the inventory, keep innovating and be committed to building a world-class factory.



In 2017, in order to further enhance the quality awareness of all the employees of the Company, BYD held a variety of activities such as Blackboard Publicity on Quality Competition, Quality Culture Quiz,

QCC Review, Quality Speech Contest, and Quality Banner Signature to create a good atmosphere where every one cares about, focuses on, pursues, and advocates quality.

Training on Quality Improvement

BYD believes that the quality awareness of employees has a significant impact on the quality of their work, which determines the quality of products to a large extent. BYD conducts regular quality training for employees and has developed rules for quality training and appraisal management.

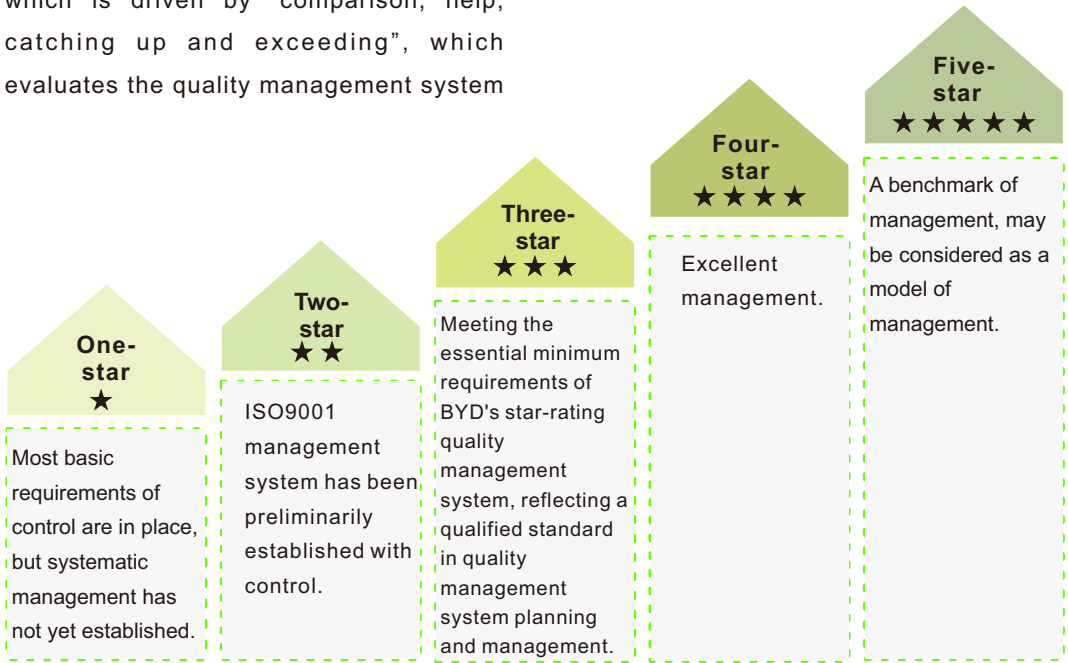
In 2017, BYD invited Yang Gang from the world famous Crosby Management Institute, Zou Liang from Zhejiang University, and Japanese Consultant Yoshimi Tanabe to give training classes on zero defect, QFD, on-site management

and 5S for BYD senior managers and factory directors, and at the same time key process management, inspection and control of nonconforming products, problem upgrading and customer service, effective problem solving/8D and other courses for the design process quality managers and key personnel, further enhancing the staff's awareness of quality in three levels ranging from management, execution, and operation and pushing the quality management of BYD another big step forward.

Star Rating

BYD has established a quality management system star-rating model which is driven by "comparison, help, catching up and exceeding", which evaluates the quality management system

of its factories from areas including system, process and products. The rating



results are classified into one-star, two-star, three-star (qualified), four-star (excellent) and five-star (benchmark), in an ascending order. The rating results incorporate the quality assessment of its factories, are linked to the appraisal and promotion and demotion of its factory directors, promoting the development of its factories' quality system and supporting the improvement of its product quality.

In the meantime, for the design and development of complete vehicles, BYD has planned and implemented the

conformity evaluation of the R&D process, assessed the design and development process and its quality capabilities, and brought the design and development process under control to improve the R&D quality of new products.

In addition, BYD planned and implemented the layered process audit (LPA) to ensure regular inspections at its factory production process, enhance the operators' awareness of self-inspection and quality, improve self-management mechanism and product quality and lower quality management cost.

IQS-Oriented Quality Target Management and Assessment

BYD has KPI indicators based on IQS quality management. It determines annual IQS targets by vehicle models and divides the targets. In order to achieve IQS targets, BYD has developed detailed quality strategy plans, and uses responsibility letter, technical improvement, process improvement, test support and quality system evaluation as the means to ensure the realization of quality targets. Through IQS forecast and

collection and analysis of IQS achievement data, it has provided basis for decision-making in relation to product quality improvement. IQS assessment, which accounts for 60% of quality management assessment, carries out monthly assessment by product based on plant performance. BYD provides project incentives for products which have consistently met IQS standards.

Special Quality Inspection

BYD established a quality inspection system with BYD's characteristics and adhered to the inspection principle of "seeking truth from facts, profession and

meticulousness, penetration in depth, and focus on the more important things" and set up 6 inspection teams in software management, SMT, power battery

protection, wiring harness, grounding and aging to provide professional and technical support for quality risk product analysis and improvement, jointly develop improvement measures, and enhance the

technical capability, process capability and management level through such means as inspection, training, standard setting, professional guidance, and process improvement.

New Project Quality Ability Assessment and PPAP Assessment and Incentives

As for the quality of new products launched, BYD has established strict quality threshold from trial production to mass production, carries out the multiple stages assessment of high risk parts since the R&D E process, trial production quality ability assessment of medium risk parts and self-check and self-rectification of low risk parts and guides plants into focusing on new product yield and pace through new project quality ability assessment, which has made good preparations for mass production of vehicles and ensured that components and parts successfully obtain PPAP approval.As for the quality of new products launched, BYD has established strict quality threshold from trial production to mass production, carries out the multiple stages assessment of high risk parts since the R&D E process, trial production quality ability assessment of medium risk parts and self-check and self-rectification of low risk parts and guides plants into focusing on new product yield and pace through new project quality ability assessment, which has made good preparations for mass production of vehicles and ensured that

components and parts successfully obtain PPAP approval. Meanwhile, based on the New Project Quality Ability Assessment, BYD also motivates and regulates the PPAP pass rate of vehicle models through PPAP assessment after they have commenced mass production; assessment is conducted by associating the PPAP pass time and components and parts price to strengthen the assessment and shorten the PPAP pass cycle until complete approval. This is to ensure the raw materials and spare parts required for the production of whole vehicles and component parts of passenger vehicles meet the requirements of product design documents and mass production. In addition, it continues to enhance the management of product and project quality at the plants and continuously promote the steadiness and liableness of spare part quality. New Project Quality Ability Assessment includes five levels:



SkyRail Quality Management System Assurance

BYD has established a perfect quality assurance system for its SkyRail, obtained ISO9001 certification in March 2017, EN 15085 welding system certification issued by TÜV Rheinland Group in November 2017 and ISO 3834-2 quality assurance certificate of fusion welding of metal materials, marking that the BYD SkyRail

has reached the most stringent safety performance standards made by the European Union countries. In December 2017 it passed the new version of ISO/TS22163 Quality Management System Certification of the rail transit industry to provide SkyRail customers with strong quality assurance capabilities.

Customers' Voice

BYD regularly collects customer complaints through the Internet, by telephone, and via research and other forms, and introduces data analysis into

the product development stage to make the designers better understand the needs of customers.

Customer Review

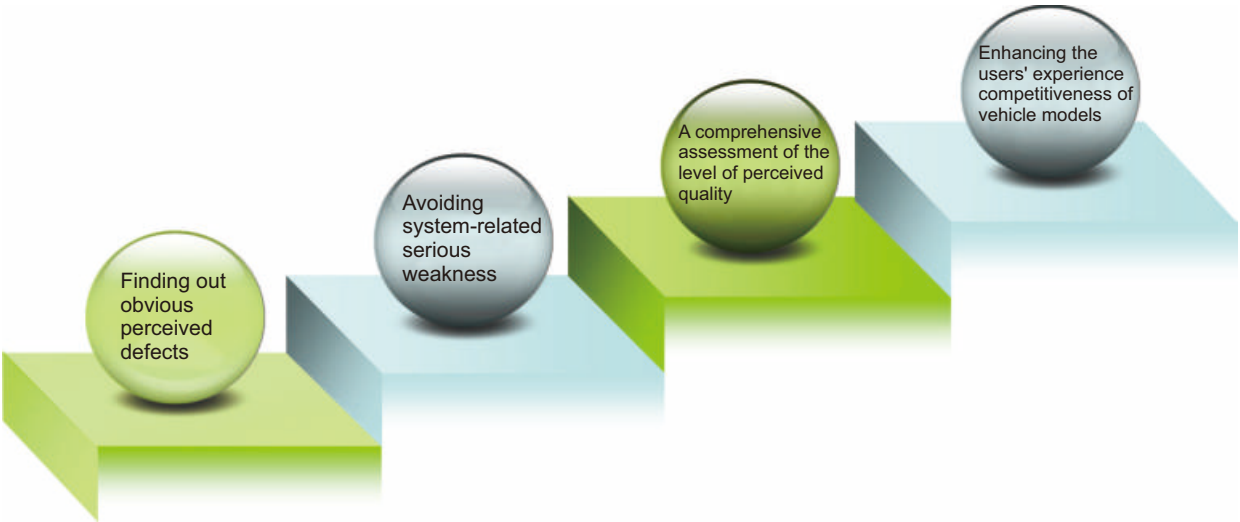
By benchmarking the industry-leading brands, BYD established objective assessment standards and methods from the customer's point of view to quantitatively evaluate the vehicle quality,

and at the same time, set up a vehicle long-distance road test and test methods to evaluate the long-term durability of the vehicles.

User Experience Assessment

BYD has set up its own user experience assessment team to evaluate the general quality of the new cars from the perspective of customers to better meet the expectations of customers for the quality of their products, carry out the car use and experience evaluation fully representing the opinions of the terminal customers based on VOC information and competitive product comparison data and

others, point out the shortcomings and opportunities for improvement in the process of products use and experience. The evaluations involve components assembly level, performance of each system (static and dynamic), ride comfort, high quality feeling, etc., with details including man-machines, operational comfort, and convenience.



Based on adequate familiarity with the VOCs complaints of the market and customers

Based on continuous understanding and learning of the industry trends

Based on the continuous accumulation of competitive advantage details and data collection

Based on a multidimensional approach to risk assessment (problem severity, customer focus, and customer concern about the problem)



Charity

比亚迪公益日启动仪式

主办方：比亚迪股份有限公司

承办方：比亚迪慈善基金会

2023年5月



BYD Charity Foundation

In July 2010, BYD donated to set up the BYD Charity Foundation (the "Foundation"). The Foundation, with "help the poor through technology, care for the weak, support education hand in hand, care dedicatedly, support and promote the progress of corporate philanthropy and social commonweal" as its principle, and "technological innovation promotes philanthropy" as its concept, actively promotes the development of social welfare undertakings, and takes practical actions to assume social responsibility and repay the society.

BYD's charity activities mainly concentrate on three areas, being disaster relief, poverty alleviation and saving the orphans and disabled.

In 2017, its major donations and public welfare projects include the followings:

Disaster relief

- Donations for people affected by the flood in Hunan
- Other donations

Helping the orphans and disabled

- Serious disease pension
- Donations to the Ocean Heaven Project of the On Foundation
- Other donations

Poverty alleviation

- One Person, One Desk
- Grant-in-aid for poor high school students
- Condolence payments to poverty-stricken households in Liuyang City of Hunan Province
- Make donations to the Red Cross's "Fraternity Health Station" and "Village Doctor Training Course"
- Donations to the poverty-stricken households in Yuexi of Anhui Province for cultivating organic ecological tea
- Aid to the construction of pension construction projects in Shanwei City of Guangdong Province
- Assistance in completing the infrastructures of old revolutionary base areas in Shaoguan of Guangdong Province
- Donation to the infrastructure construction of a school in Changsha City to update school

- Shell Scheme

In 2017, the Foundation donated a total amount of RMB 7,904,400, accumulating a total of RMB 83.56 million in donations over the years.

Shell Scheme

The Shell Scheme is jointly conducted by the Foundation and Shenzhen Lions Club with the aim of "Concern about Cervical Health, Care for Women and Passing on Love", hoping through public welfare actions to enhance the whole society's

concern about the women with cervical health.

In 2017, a total of more than 1,300 women underwent free cervical screening.



One Person, One Desk

The “One person, one desk” project is jointly initiated by the Foundation and SF Foundation, which aims to gather the caring forces at BYD and the community and improve the education environment for children in poor areas. The project mainly provides desks and chairs for free to

schools in poor areas. In 2017, it provided a total of 1,000 desks and chairs to poor areas in Changsha, Hunan, Haidong, Qinghai, Guang'an, Sichuan and Xi'an, Shaanxi. They have been put into use and are welcomed by local schools and students.



BYD Charity Day

In 2017, BYD, via the Foundation, set the first Friday of each month as a "Charity Day" and launched a series of activities. BYD hopes to establish a bridge of love with external organizations through regular public welfare activities so that BYD's public-spirited forces can contribute to the development of social charities.

On 3 March, 2017, BYD Charity Day was officially launched and in the reporting period the Foundation launched multiple activities via "Charity Day" such as charity bazaars, charity lectures, community care, parent-child charities, and charity donations.



Grant-in-Aid for Poverty-Stricken High School Students

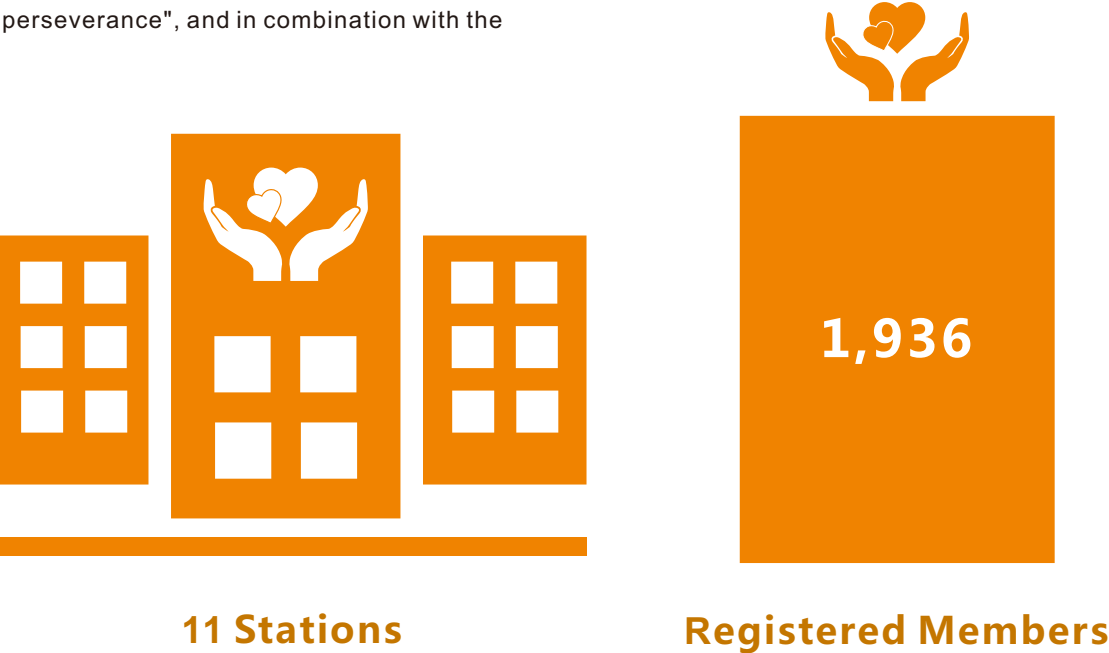
The Foundation's grant-in-aid for poverty-stricken high school students program is designed to fund three-year schooling for needy high school students and continue

funding one more year for those who have been enrolled by universities. As of 31 December, 2017, a total of 209 students were aided by the Foundation.

BYD Volunteers Association

BYD Volunteers Association (the “Association”) was established in October 2015. Its predecessor is the Volunteers Team of the Foundation, a non-profit social organization with BYD employees as its members. Observing "walking with love and warming everyone with action", the Association instructs BYD volunteers to carry out volunteer service activities based on the principle of "voluntary participation, action in accordance with our own ability, stressing practical results, and perseverance", and in combination with the

building of corporate culture to promote the construction and development of the Company's spiritual civilization and enable the volunteers to upgrade themselves in the process of serving the society and helping others. The Association has set up sub-stations in 11 production bases, with 1,936 registered volunteers. In 2017, a total of approximately 6,000 volunteers from the Association participated in the volunteer activities.





Deep Love Through Old Clothing

In 2017, the “Deep Love through Old Clothing” old clothes recycling environmental protection activities were held at 10 production bases of BYD including Shenzhen, Huizhou, Shaoguan, Xi'an, Dalian, Changsha, Shangluo, Beijing and Shanghai. Over 500 volunteers participated in the activities, popularized knowledge on recycling of old items and called for donations from everyone

present. More than 2,000 BYD employees donated above 100,000 pieces of clothes, of which some relatively new ones were cleaned, packed, and sent to Dabang Village, Yongcong Townlet, Liping County, Guizhou Province and schools in Tibetan areas, while the rest were recycled by the sorting centre and made into items such as quilts and gloves to be donated to some hospitals and impoverished areas.



I Love My Home

The Association launched the "I Love My Home" Public-Spirited Activities in Industrial Parks. Within the BYD production base, the Association focused on three "long-standing, big and difficult" problems covering sanitation, transportation and greening, and launched three main activities namely “No Trash on the Ground”, “Park and Walk by the Rules” and “Beautify Our Parks”.

In 2017, “Beautify Our Parks” continued to be carried out on a large scale and attended by more than 10 industrial parks.

At the same time, the Association also brought “No Trash on the Ground” into communities and to serve the society. In 2017, the volunteers conducted activities in the Shenzhen Pingshan Park, Shenzhen Maluanshan Park, Shaoguan National Forest Park, Banzhangling Forest Park in Huizhou, Gold Coast in Huizhou, and so on, advocating the concept of environmental protection and interiorizing the habit of environmental protection along with hundreds of volunteers participating in the activities.



Index of Indicators

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Feedback Form

Dear readers,

In order to improve the preparation of this report, we sincerely hope to hear your opinions and suggestions. Please help us complete the following questions and send the form back to us through the following ways:

Mailing address: No. 3009, BYD Road, Pingshan District, Shenzhen, Guangdong Province, 518118

Your Information					
Name		Employer		Position	
Telephone		Fax		Email	

Multiple choice questions (Please check the corresponding box)

1. This report gives a full and accurate view of the major impacts of the Company on the economy, society and environment.
☐Very good ☐Good ☐Fair ☐Bad ☐Very bad
2. This report provides response to stakeholders' concerns and disclosures.
☐Very good ☐Good ☐Fair ☐Bad ☐Very bad
3. The information, indicators and data disclosed in this report are clear, accurate and complete.
☐Very good ☐Good ☐Fair ☐Bad ☐Very bad
4. The readability of this report, i.e., the logic, content design, language and layout design of this report.
☐Very good ☐Good ☐Fair ☐Bad ☐Very bad

Open questions

1. Which part of this report are you most satisfied with?
2. What further information do you need to know?
3. Do you have suggestions for our future CSR report?