



2018 BYD CSR REPORT



Build Your Dreams

ABOUT THIS REPORT

In this report, BYD Company Limited presents its social responsibility status, so that stakeholders and the general public can understand, monitor and supervise the company's social responsibility performance. Since 2010, BYD has released annual social responsibility reports to disclose its social responsibility philosophy and practices; in order to facilitate mutual understanding, communicate and interact with its stakeholders and the public; as well as promote the company's sustainable development.

Scope of the Report

This report covers results of BYD Company Limited and its subsidiaries obtained in the period from 1 January to 31 December 2018, with some information referring to prior years. The data in the report were collected within the company's current management procedures. All financial figures are in Chinese Renminbi, unless indicated otherwise. BYD's social responsibility management system has improved markedly over the last few years, and the company will continually strive to attain improved Corporate Social Responsibility practices.

Reporting Guidelines

This report has been prepared in accordance with the "Environmental, Social and Governance Reporting Guide" (ESG Reporting Guide) published by The Hong Kong Stock Exchange ("Stock Exchange"), the SME board information disclosure business memorandum No.2, regularly reported and disclosed related issues by the Shenzhen Stock Exchange ("SZSE"), and the "Sustainability Reporting Guidelines 4.0" (G4) of the Global Reporting Initiative (GRI). For details on the indicators disclosed in the Report, please refer to the index at the end of this Report.

Reporting Procedures

- October 2018 - Establishment of a reporting group
- ↓
- November 2018 - Interviews with stakeholders
- ↓
- December 2018 - Confirmation of reporting structure and thematic content
- ↓
- January 2019 - Data gathering
- ↓
- February 2019 to March 2019 - Report compilation and verification of compliance by internal experts
- ↓
- March 2019 - Approval by the CSR Management Committee

Acknowledgement and Approval

This Report is to be approved by the BYD's CSR Management Committee on 27 March 2019, with the confirmation of the company's management.

Report Access and Response

BYD strictly follows sustainability guidelines; therefore it will not provide a hard copy of this Report. In order to view or download the BYD Social Responsibility Report online, please visit the BYD official website at www.byd.com.cn, or the official websites of HKEX or SZSE.

Contact

You are welcome to contribute with your suggestions and comments on this Report through the following:
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Message from the President



As the country with the largest vehicle production and sales in the world, China is now deeply affected by troubling issues caused by a sharp increase in car ownership and an extremely fast urbanization process, resulting in serious pollution and urban congestion problems. Urban traffic congestion has become an especially persistent difficulty facing all cities, which tend to leave the problem unresolved, thus increasingly more severe. How can cities continue to grow without tackling the congestion conundrum? How to make sure city dwellers have good living standards?

BYD's primary focus and responsibility lie in making sure our technological innovations are applied to materialize sustainable development. Our dream is simple – to achieve sustainability for the sake of mankind, societies and the environment. We see technological innovation as a means to optimize and upgrade the industry and eliminate our dependence on fossil fuels in the near future, along with the nuisances brought about by air pollution and traffic congestion.

BYD also places great importance on its stakeholders including customers, shareholders and employees, as well as on their needs. In addition to the obligation of providing them with returns, BYD sincerely wishes to repay society by

catering to people's wishes for a better quality of life.

Spanning four industries including automobiles, rail transit, new energy and electronics, our goal is to create wider industrial development with smart, sustainable low-carbon products and solutions.

BYD ended the year of 2018 with more than 220,000 employees, among which over 20,000 are engineers who work around the clock to explore technologies and solutions needed to boost sustainability. We have developed a series of solutions to air pollution and traffic congestion with a broad range of electric vehicles that are increasingly replacing conventional internal combustion vehicles and making a significant impact on urban emissions; and to tackle the burden of traffic congestion, our rail transit solutions – the BYD SkyRail and SkyShuttle – remove traffic from ground level by creating overhead transportation, so as to create multi-level systems that integrate overhead, on-ground and underground urban transportation. As for energy supply, BYD has implemented a series of new energy projects around the world involving solar power and energy storage technologies to cater for an increasing need for renewables as part of the energy mix to meet low-carbon demands.

Our commercial new energy vehicles are currently providing sustainable transportation to over 300 cities in more than 50 countries worldwide. In the 2019 Spring Festival Gala, celebrating the Chinese New Year, the BYD SkyRail and SkyShuttle solutions made a stunning appearance, showing the world the "Chinese solution" for future urban development. BYD's green transportation dream can be summarized by the use of electric vehicles to curb air pollution, and the SkyRail and SkyShuttle solutions to eliminate traffic congestion, in what should be the ideal future for the smart city.

BYD's innovations for sustainable development are aligned with the interests of its shareholders, as well as perfectly suitable to meet the needs of national economies and people's livelihoods: these are the pillars of our social development. We vow to adhere to our core principles and stay the course of promoting sustainability as a means to cater for people's wishes for better and more fulfilling lives.

Wang Chuanfu
Chairman & President

A handwritten signature in black ink, consisting of stylized, fluid characters that appear to be 'Wang Chuanfu'.

1.1 About Us

Founded in February 1995, BYD is a high-tech company devoted to technological innovations for a better life.

BYD has established over 30 industrial parks worldwide to pursue its corporate strategies. The company plays a significant role in the automobile, rail transit, new energy and electronics industries. From energy generation and storage to its applications, BYD is dedicated to providing cutting-edge technologies in zero-emission energy solutions.

In the automobile sector, BYD has mastered the core technologies of new-energy vehicles such as batteries, IGBT, electric motors and electronic controls. BYD makes both electric commercial and passenger vehicles, attaining full coverage of ground transportation solutions with a broad range of products that form the company's 7+4 Full Market EV Strategy, in which there are 7 types of vehicle for conventional on- road use, being passenger car, taxi, bus, coach, as well as urban logistics, sanitation and construction trucks; and 4 types of vehicle for specialized off-road use, comprising vehicles for warehousing, ports, airports and mining.

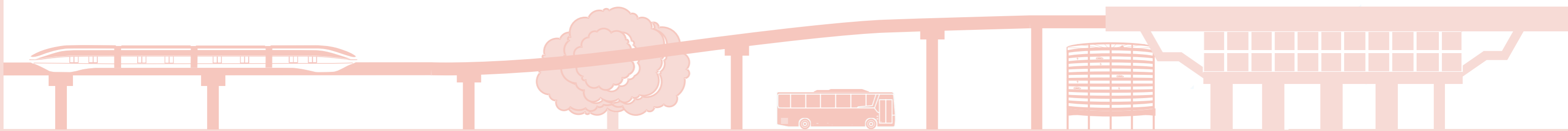
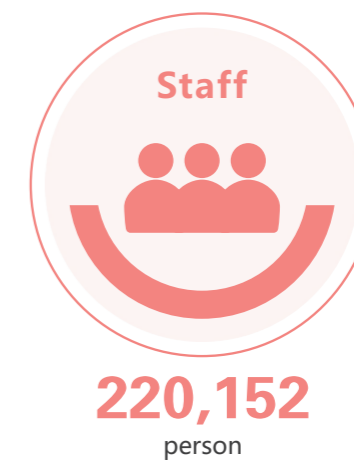
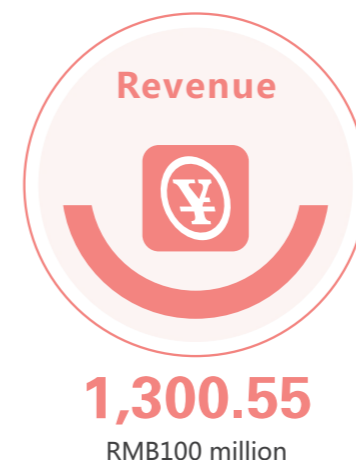
BYD entered the rail transit sector in October 2016 with the BYD SkyRail and subsequently the BYD SkyShuttle, after five and seven years' R&D respectively. The SkyRail is a medium capacity straddle-beam monorail system, and the SkyShuttle is a small capacity rubber-wheeled tram system. Both systems aim at providing a solution to fast increasing urban traffic congestion. In August 2017, the world's first BYD SkyRail system started operation in the northwestern Chinese city of Yinchuan, and the company has established strategic cooperation in both SkyRail and SkyShuttle solutions with several cities domestically and abroad, reflecting the two systems' huge development potential.

In the new energy sector, BYD has launched a series of products for energy production and storage, including solar modules, batteries and energy storage stations. BYD is currently the world's largest lithium iron-phosphate battery manufacturer. In addition to new energy vehicles and rail transit, BYD's battery products are widely used in solar power farms, energy storage power stations and other new energy solutions.

As for electronics, BYD is the world's leading provider of intelligent product solutions, with its electronics business covering consumer electronics hardware like smart phones, notebooks and tablets; as well as automotive intelligent systems and intelligent IT and communications products.

By adhering to its "Technological innovation for a better life" brand mission, creating a solid market foundation and moving strategically to promote global sustainable development, BYD has received worldwide recognition, such as featuring amongst Fortune Magazine's "51 Companies Changing the World", being awarded in two categories of the "Zayed Future Energy Prize", and receiving special recognition from the United Nation's "Powering the Future We Want" initiative.

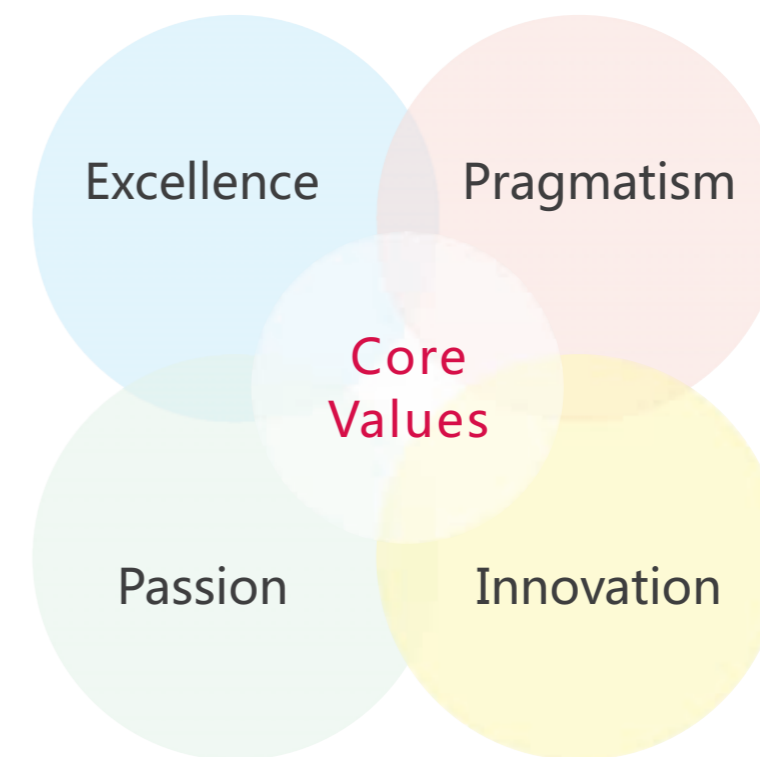
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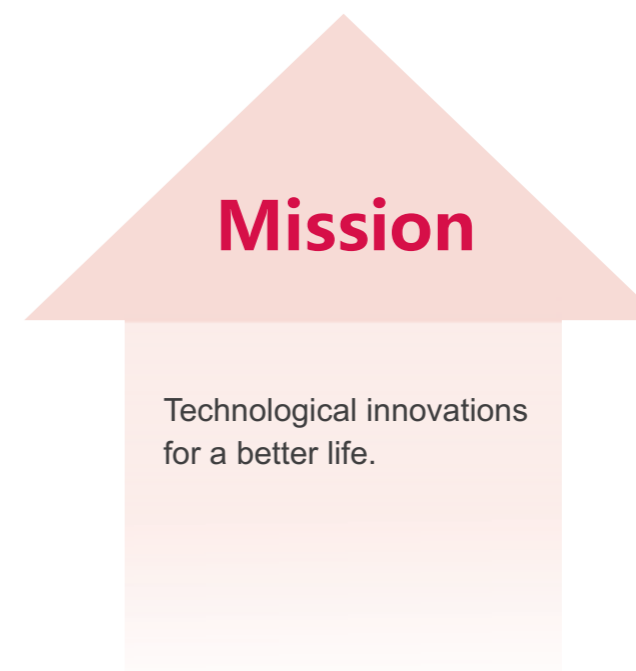
2018 Honors & Awards

Time Awarded	Awards	Awarding agency
1 January	2017 Shenzhen Quality City Contribution Award	Shenzhen Quality City Promotion Association
1 February	First Prize of Science and Technology Progress Award	Ministry of Education
28 February	12th (2017) China's Semiconductor Innovative Products and Technology	China Semiconductor Industry Association, China Electronics Materials Industry Association, China Electronic Production Equipment Industry Association and China Electronics News
30 March	2018 China IC Design Award: Best Power Device of the Year	AspenCore, the largest media group in electronics technology
11 April	"Invest in Holland" Certificate of Recognition	Netherlands Foreign Investment Agency
3 May	FCC Accredited Laboratory	A2LA (American Association for Laboratory Accreditation)
14 May	LED lights under BYD Lighting was awarded "Guangdong Province Top Brand Product"	Guangdong Top Brand Promotion Committee
30 May	Photovoltaic Energy Integration Solution won the SNEC Terawatt Diamond Award	SNEC Selection Committee
1 June	2017 Guangdong Enterprise with Outstanding Performance in Contract Compliance and Credit Establishment	Market Supervisory Authority of Shenzhen City
28 June	EN15085 Certificate	TUV Certificate Authority
25 July	BYD (Ningbo) Semi-conductor Company Limited was awarded as "Chief Craftsman"	Federation of Trade Unions of Ningbo Bonded Area
1 August	Top 500 Private Enterprises in China (No.37)	All-China Federation of Industry and Commerce
1 August	Top 500 Private Manufacturing Enterprises in China (No.500)	All-China Federation of Industry and Commerce
3 August	The 32rd of Top 100 Electronic Information Enterprises in China (No.4)	China Information Technology Industry Federation
21 November	2018 Private Enterprises in Guangdong Province (No.9)	Guangdong Federation of Industry & Commerce
1 December	The First "Shenzhen Top 100 Enterprise Brand"	Shenzhen Quality City Promotion Association
12 December	National Scientific and Technological Progress Award	State Council
2018-2022	The 10th Council Member	Shenzhen Association for Quality

Core Values



Brand Mission

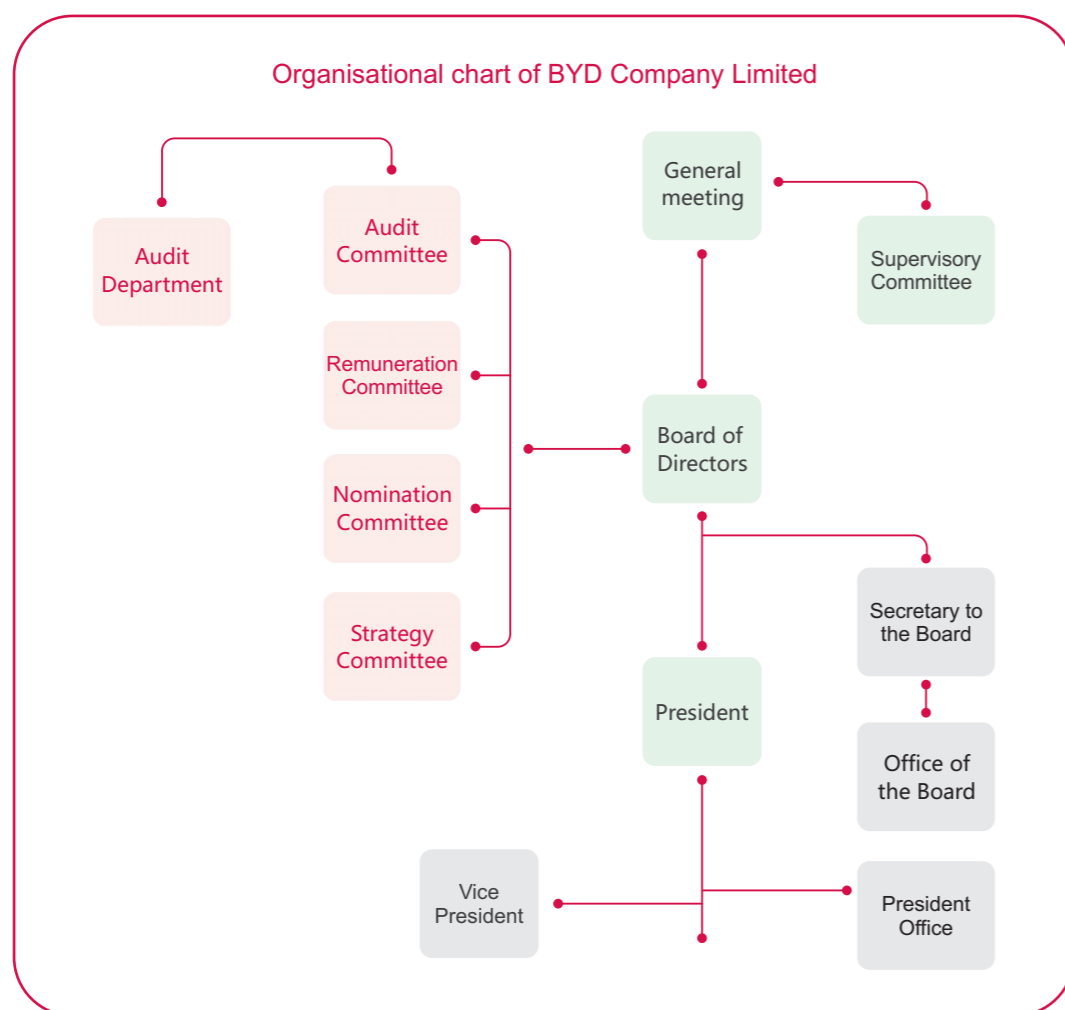


Corporate Governance

BYD keeps continual improvement of its corporate governance structure, and strives to solidify its standing as a modern organization with a focus on science and technology.

In order to regulate working procedures, ensure meticulous approval procedures as a means to establish and attain standards for a modern organizational structure, and enhance the efficiency and quality of all investment decisions, BYD's Board of Directors regularly

convenes general meetings to report on its recent progress; implement general meeting resolutions; supervise the company's overall operations and strategic development; decide on the company's operation directions and investment plans; supervise management guidelines to further improve norms, regulations and systems, and fine-tune decision-making mechanisms.



Decision-Making Mechanism

Major decisions are first considered and analyzed collectively, then reviewed and considered by leading teams and specific

committees. For proposals on major issues, the units involved participate in relevant discussions and are made responsible for their

implementation.

BYD's top position is that of the President, who is responsible for planning the company's directions, setting development goals and monitoring their implementation; reviewing and approving BYD's major decisions, organizational restructuring and important documents. The President also oversees the launch and execution of the company's new projects and future developments.

BYD has established a rigorous decision-making mechanism. Self-evaluations on the design and effectiveness of its internal controls are 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 no material flaws are found in the decision-making mechanism.

1.2 Corporate Social Responsibility (CSR) Strategy

BYD is committed to operating responsibly, and actively carries out social responsibility initiatives to contribute to widespread sustainability worldwide. Through measures to strengthen management responsibility and innovation practices, the company actively promotes the integration of robust social responsibility into its daily operations.

CSR Vision

BYD is dedicated to society's harmonious and sustainable development, as well as its own. The company aspires to spark the interest of all its stakeholders including government, shareholders, customers, employees, suppliers and partners; as well as earn their trust and respect through innovative and well-devised commercial practices.

As sustainability is fast becoming a major global

concern, striving for harmonious economic, social and technological development becomes both a mission and a responsibility for the whole private sector. In view of the current environmental conditions, and with our focus on this mission, we believe that BYD's technologies and solutions are vital to shaping a better future for mankind, when individuals can improve their living conditions.

CSR Management

BYD's CSR Management Committee is becoming increasingly more scientific and regulated, as it is responsible for formulating measures and working plans to achieve unified organization and management of the company's CSR tasks. With its commitment to compliance and constant improvement, BYD reflects its firm attitude towards social and

environmental responsibility. We have assigned management representatives with the strict responsibility to ensure that BYD's operation and product related systems are in compliance with applicable laws, regulations, and its customers' needs; as well as to identify and mitigate operation risks.



1.3 Social Responsibility Communication

External Communication

Since 2010, BYD has issued its Social Responsibility Report and extensively disclosed its performance in economic,

environmental and social responsibility, as well as its contribution to industrial development.


Internal Communication




Throughout 2018, we held several sessions to overview the implementation status of the company's social responsibility commitments; and improved our CSR management system based on the results of these sessions. In addition, we




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

1.4 Stakeholder Engagement

BYD cooperates proactively and closely with its stakeholders and listens to their demands carefully, which constitutes an important source of input for management improvement. We also host different stakeholder engagement activities including meetings, activities, questionnaire surveys, academic seminars and workshops.

Stakeholder	Issues Concerned	Channels/Mean of Communication	Frequency of Communication
 Customers and consumers	<ul style="list-style-type: none"> Product Responsibility Customer Privacy 	<ul style="list-style-type: none"> Online promotion Trade shows and promotions WeChat/Weibo/Telephone New product launch events Market investigation and surveys Customer satisfaction surveys Customer meetings Technical training Mobile app 	<ul style="list-style-type: none"> Irregular

Stakeholder	Issues Concerned	Channels/Mean of Communication	Frequency of Communication
 Employees	<ul style="list-style-type: none"> Employment Compensation Benefits Staff Protection 	<ul style="list-style-type: none"> General Manager Day General Managers' mail box Factory director reception day Labor union activities Inspection of complaints mailbox Staff Training 	<ul style="list-style-type: none"> Unscheduled employee training and employee promotion assessment training, etc. Unscheduled trade union activities and club activities Unscheduled collection of employee opinions
 Investors	<ul style="list-style-type: none"> Business Performance 	<ul style="list-style-type: none"> Shareholders' general meeting Results announcement conference Investors' forum Major reverse roadshow Regular disclosures Daily mail and telephone communications 	<ul style="list-style-type: none"> Unscheduled investors' forum Unscheduled roadshows Unscheduled performance briefing
 Suppliers	<ul style="list-style-type: none"> Supply Chain Management Product Responsibility 	<ul style="list-style-type: none"> Field investigation and survey Quality communication Suppliers meeting and review Supplier contact and questionnaire Supplier training Suppliers' conference 	<ul style="list-style-type: none"> Unscheduled supplier meeting Unscheduled training Supplier satisfaction survey on a quarterly basis
 Government	<ul style="list-style-type: none"> Green Production Business Performance 	<ul style="list-style-type: none"> Government policy communication meetings Input for ordinary work and government discussion Government and intergovernmental meetings Participation in government projects Invitation for visit and inspection 	<ul style="list-style-type: none"> Irregular
 Industry/standard associations	<ul style="list-style-type: none"> Product Responsibility Green Production 	<ul style="list-style-type: none"> Participation in the development of industrial standards for electric automobiles Attending general meetings Industrial information exchanges and sharing Providing feedback on industrial plans Establishing school-enterprise cooperation 	<ul style="list-style-type: none"> Irregular

Stakeholder	Issues Concerned	Channels/Mean of Communication	Frequency of Communication
 Non-governmental organizations and communities	<ul style="list-style-type: none"> Community Investment Green Production 	<ul style="list-style-type: none"> Participation in community projects Attending non-governmental organization meetings, and inviting non-governmental organizations to attend meetings Discussion of specific issues of mutual concern Reply information requirements Charitable activities 	<ul style="list-style-type: none"> Irregular Carrying out "public welfare day" activities every month
 Media	<ul style="list-style-type: none"> Community Investment Business Performance 	<ul style="list-style-type: none"> Individual meetings and interviews Special activities targeting key market media and key opinion leaders Invitation of media and key opinion leaders to attend meetings held by BYD Strengthening of interaction through social media 	<ul style="list-style-type: none"> Irregular
 Research/ educational institutions	<ul style="list-style-type: none"> Green Production R&D Innovation 	<ul style="list-style-type: none"> Joint research and technical cooperation Seminar organization Participation in various activities 	<ul style="list-style-type: none"> Irregular

Evaluation of Substantive Issues

Management of substantive issues help us identify areas that need improvement and facilitate enhancement of our CSR management standards. First, we identify and define substantive issues, including issues affecting business operations and production,

and issues of stakeholder concern. Through investigation of different stakeholders with consolidated evaluations conducted by internal experts, we determine BYD's substantive CSR issues.

Corporate governance issues	Environment related issues	Staff related issues	Community related issues
R&D and intellectual property	Waste management (water, gas, solid waste)	Compensation benefits	Community contribution
Compliance management	Greenhouse gas emissions	Staff safety	Charity
Corruption and bribery	Energy conservation	Staff development and training	Targeted poverty alleviation
Supply chain management	Use of packaging materials	Staff communication and participation	/
Supplier evaluation and selection	Environmental protection	Diversity and equal opportunities	/
Customer complaints	/	/	/
Consumer rights and interests	/	/	/

School-Enterprise Cooperation

BYD constantly seeks to foster entrepreneurship and absorb and cultivate outstanding talents. Through proactively developing new channels, expanding talent training paths and building a variety of cooperation models, BYD works along with governments, schools and institutions to inject new blood into talent training.

communication channels with forty different schools. BYD also established a cooperation with the Shenzhen Polytechnic School to jointly build the "BYD Institute of Applied Technology", aiming at creating a "Shenzhen Model" to promote a fast growth of the new energy automobile industry.

In 2018, BYD established school-enterprise partnerships with top-tier tertiary institutions such as Southwest Jiaotong University and China Europe International Business School, with a consensus on the directions of talent training. As for vocational college cooperation, BYD and Inwinc held the 2018 National Skill Competition of Machinery Industry Vocational College Schools, and announced a BYD school-enterprise cooperation program at the closing ceremony, resulting in the building of



Operation and Management



2.1 Legal Compliance

Fairness in Operation

BYD incorporates its social responsibility performance into its business operation flow and its daily management to improve, enrich and perfect existing management systems. The company also incorporates stakeholder expectations and appeals in daily management practices and operations.

Furthermore, BYD constantly regulates its operation and seeks to achieve responsibility and sustainable development in compliance with respective laws and regulations, abiding by business ethics as well as business codes of conduct, upholding integrity and fair competition.

Law Compliance

BYD strictly abides by laws, social norms, professional ethics, and the group's internal rules and regulations in force globally. The group has set up a special department to handle its intellectual property and legal affairs; and other legal departments in its business divisions to regularly monitor and examine their management and implementation of laws and regulations; and evaluate their compliance. BYD has also established an effective internal control mechanism, and timely updated

company-level systems such as the BYD Company Legal Dispute Management Regulations, the BYD Company Contract Management Regulations, and the BYD Company Legal Risk Management Regulations; with supporting procedures in place to ensure all tasks are carried out in accordance with the law. BYD's rules and regulations, important decisions and economic contracts are 100% subjected to legal oversight.

Intellectual Property Protection

BYD has established an Intellectual Property Legal Division to centralize the management and handling of intellectual property and legal matters. The company secures patents in its four main businesses: automobile, rail transit, new energy and electronics. The technologies cover areas including chemical, electrical and mechanical, machinery and communication. Through these mechanisms, the company has achieved effective protection of its proprietary innovations and prevented other parties' infringement of our intellectual property, enhancing the competitiveness of our products.

Intellectual Property Protection System

BYD continually improves its intellectual property system with its policy of "Independent innovation, effective use, respect for others, and protection according to law". The company advocates the concept of respecting intellectual property rights and stimulating technological innovation in line with its strategy of

"Continuous accumulation, rational distribution, effective defense, and flexible use."

In 2018, BYD updated its management system by releasing the "Annual Fee Patent Management System" and the "Time Limit Regulations for Processing Patent Documents

and Registration", aiming at supporting business development through continuous management system improvement. By focusing on the company's three-year "quality improvement plan", BYD has consistently exceeded its patent layout target.

The improvement of working mechanisms and management systems has enabled BYD to successfully implement a "Patent Doubling Plan" and a "Quality Improvement Plan", and

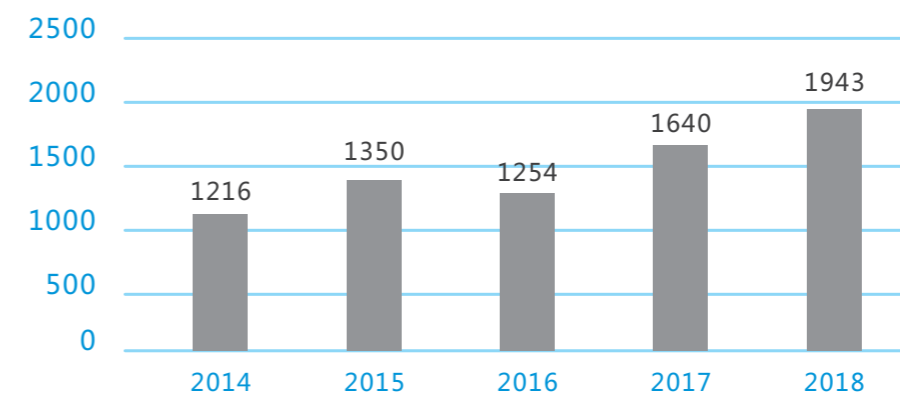
meet its objectives of expanding the ability to secure intellectual property and the rationally deploy key technologies and projects. In recent years, BYD has shifted its focus to the organization of intellectual property operations and intellectual property protection in order to drive innovation, and further promote the development of its intellectual property undertakings, taking the company's intellectual property strength to an entirely new level.

Number of Patents

By 31 December 2018, BYD had accumulated a total of 20,670 patent applications in China (of which, 10,161 for invention, 8,532 for utility, 1,739 for design; and 238 are patents in Hong Kong, Macau and Taiwan), and 3,450 patents

overseas. An accumulated total of 13,657 patents were granted in China, of which 1,482 were granted in 2018; and an accumulated total of 2,273 patents were granted overseas, of which 452 were granted in 2018.

Number of newly granted patents in the past five years (patents per year)



(The above data represents the patents granted in each year at home and abroad)

Intellectual Property Training

BYD diligently publicizes and provides training on intellectual property, and arranges site training and exchanges at different levels including newly recruited staff, on-the-job and senior personnel, along with electronic means and internal publications to enhance staff

awareness of intellectual property, in order to ensure the sufficiency, compliance and effectiveness of the company's IPR management system. In 2018, BYD held over 100 internal training programs and exchange activities related to intellectual property.

Corruption and Graft Prevention

Corruption and Graft Prevention System Framework

BYD demands that all its commercial activities comply with the highest standards of integrity. Any forms of corruption, extortion or fraud are rigorously banned. Any party violating such requirements is subject to summary dismissal and litigation. BYD strictly forbids the provision or acceptance of graft, gifts, entertainment or other practices intending to influence the company's business decisions towards undue and inappropriate advantage. The company will not blame employees for their missing business opportunities due to their refusal to engage in such practices.

In order to prevent corruption and fraud of any form, BYD has formulated the "BYD Code of

Conduct", the "Code of Ethics for BYD Employees", the "BYD Staff External Business Contact Management Requirements", the "BYD Code of Economic Behavior for Management Personnel", the "BYD Sanction System", the "BYD Procurement Activities Supervision and Management Measures", and the "BYD Reporting Protection and Awards Regulations". These codes serve to provide comprehensive institutional support to prevent corruption within the company and from its partners. BYD has also launched an electronic process for anti-corruption recording in its OA platform and its mobile office platform for filing records of gifts submission, entertainment, association and investment activities.



Membership of the China Enterprise Anti-fraud Alliance

Reporting, Supervision and Accountability Mechanisms

BYD professes "zero tolerance" for corruption. The Company has also established a smooth channel for complaints and case reporting. The company encourages both internal and external staff and any other insider to play their parts in its supervision system and proactively report corruption and fraudulent activities; as well as all acts violating its strict rules and

regulations or detrimental to its interests. In addition, BYD vows to investigate every complaint, prosecute the parties responsible for any violations, harshly punish any corruption; and after proper verification, confer due rewards to whistle-blowers, while enforcing strict confidentiality of their identities and ensuring their proper protection.

In June 2018, BYD joined the China Enterprise Anti-fraud Alliance to share information on employees who violated professional ethics. Any employee involved in violations such as corruption will be added to an industry blacklist. BYD will resolutely press charges against employees involved in illegal activities. Three staff members were charged with corruption in 2018.

An accord between BYD and each of the

company's cooperating partners called "Sunshine Cooperation Agreement" is signed to stipulate the liability for contract breaches in violation of the sunshine principles. Measures on pursuing liability for contract breaches include warning sessions, issuing of a letter of integrity, deduction of liquidated damages and blacklisting. In 2018, BYD blacklisted 6 cooperating units in violation of the accord.

BYD honest supervision channel

Email: tousu@byd.com
 Tel: 86-(0)755-8988 8888-62407
 WeChat Official Account: BYD Supervisory Division
 Other forms that whistle-blowers consider appropriate

Integrity Education

BYD publicizes the company's integrity regulations and reports violations through its OA news, notifications, emails, WeChat tweets, newspapers and magazines. In 2018, the company launched the BYD integrity website to publish news on corruption prevention, case reports, integrity systems and laws and regulations to promote a culture of corruption aversion. A delisting inquiry system has also been set up on the BYD integrity website and BYD official website denouncing personnel involved in serious violations. The Company has also developed a self-discipline course as one of the training programs that are now mandatory for the new employees, and organized key personnel visits to a Shenzhen prison; as well as warning education activities. BYD has also established a series of integrity



2018 Fresh graduates training fair - integrity and self-discipline course

supervision systems to create an atmosphere of integrity and honesty, so as to foster a culture under the principles of "dedication to your duty, maintenance of integrity and self-discipline, elimination of vice and extolling of virtue", as its foundations.



BYD senior management integrity and self-discipline swearing-in



Integrity website

Participation in the Creation of an Anti-corruption Management System

BYD has been actively involved in the creation of anti-corruption management systems in Shenzhen and nationwide, including participation in the formulation and promotion of the anti-bribery management systems under

Shenzhen standards, and the revision of "Industrial Accreditation Standards of the People's Republic of China - Requirements and Guidelines of Anti-Bribery Management System".

2.2 Protecting Investors' Rights and Interests

Safeguarding the rights and interests of investors is BYD's topmost priority since its listing. BYD proactively establishes appropriate systems and mechanisms for the protection of investors' interests. The Company shall try its best to maintain the stability of its share value. Suitable plans and mechanisms are developed for rewarding investors, and the Company pledges that its undertakings are completed and promises kept with disclosures to be fully and timely delivered. Official Communications and interactions with investors are forwarded through various channels. These channels serve to protect investors' legitimate rights and interests effectively.

Investor Relations Management

BYD presents disclosures based on the principle of truthfulness, accuracy and

completeness in accordance with enforced 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 serves to enhance the openness and transparency of the company's operations.

BYD strictly complies with listing rules and stock market requirements, and protects legitimate rights and interests of minority shareholders. In order to achieve better protection of equal shareholders interest under the listing rules, we constantly improve the company's constitutional documents, rules of procedure for general meetings and dividend policy. In order to establish a positive and interactive relationship with investors, BYD seeks to outline the company's status and respond to shareholders' inquiries through result briefings, investors' surveys, daily mail and telephone enquiries.

On 9 May, BYD convened the first extraordinary general meeting of 2018, attended by 15 shareholders and representatives, who held a total of 1,230,394,018 shares, accounting for 45.1001% of the Company's total stock. On 20

June 2018, BYD convened the annual general meeting of 2017, attended by 99 shareholders and representatives, who held 1,230,603,337 shares, accounting for 45.1077% of the Company's total stock. On 30 October 2018, BYD convened the second extraordinary general meeting of 2018, attended by 32 shareholders and representatives, who held 1,121,023,864 shares, accounting for 41.0911% of the Company's total stock. The number of participants in the shareholders' general meeting reflects that a growing number of minority shareholders had attended the meeting in the year, offering suggestions on corporate governance and daily operations.

In 2018, BYD received 43 field research missions and visits from institutional investors including funds, securities firms, insurers, private equity funds and QFII; and held a number of results announcement conferences and domestic and overseas road shows, as well as taking part in over 36 meetings of domestic and foreign investment banks and brokerage firms.

Shareholder Returns

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

Based on the company's overall operations, its financial situation, and its shareholders' interests; and with the purpose of sharing the fruits of the company's business development with all of its shareholders, the company's 2017 Annual Equity Distribution Plan was approved at the 2017 annual general meeting held on 20 June, 2018, in which the total equity was

2,728,142,855 (being 1,813,142,855 A shares and 915,000,000 H shares), with a cash dividend of RMB 1.41 (tax inclusive) being paid over every 10 shares to all shareholders; the share capital net increase from fund accumulation amounted to approximately RMB 384,668,100.

The implementation of the 2017 Annual Equity Distribution Plan was completed on 17 August, 2018.

2.3 Protecting Customers' Rights and Interests

BYD has established a comprehensive system to protect customers' rights and interests. Under a unified group management system, all departments and subordinate companies have established relevant regulations and management approaches tailored to different customer groups according to different business scopes. We hereby present BYD Auto Sales Company Limited as an example, to introduce BYD's efforts to protect customer rights. Under the concept of "sincere service", BYD Auto Sales Company Limited adheres to the goal of customer satisfaction and innovates in service projects and content to improve service quality.

Customer Relation Management

BYD has established a CRM platform to provide information such as customer (potential customers and formal customers), project, product platform, financial and general management, to perform integrated customer management. Because of the different lifecycle

stages of particular customers, the company shall adopt corresponding customer relation management approaches that caters to customer requirements and exceed their expectations, thereby enhancing customer engagement.

Customer relation management approach	Applicable customer lifecycle
High-level leadership visits, industry associations, expert training, etc.	Development stage
Unified store standard, 24-hour hotline service, regional management visit, customer satisfaction survey, dealer complaint acceptance, KPI assessment, Siebel system, DMS system, smart customer service system, etc.	Maintenance stage
24-hour hotline service (400), marketing activities, test drive, exhibit introduction, purchase support services, customer care, etc.	Potential customer
24-hour hotline service, car tracking, maintenance service, rescue service, member/ VIP service, dating/outdoor activities, BYD Fan Club, service marketing activities, satisfaction survey, long-term warranty period, etc.	Customer base
24-hour hotline service, value-added service, conversion service, BYD Fan Club, satisfaction survey, long-term warranty period, etc.	Valued customer

Protecting Customers' Right to Information

BYD demonstrates its technical strength and product features to customers through technical guidance documents, product manuals and tutorial animations. User manuals and product certification materials are provided upon product delivery. English or local language versions of user manuals and product certification materials are provided to

overseas customers so that they can understand the product's performance and features, usage methods and rights protection. In addition, BYD invites customers to conduct on-site visits, inspections and studies to ensure that they have a comprehensive understanding of the production process and quality control procedures.

Customer Privacy Protection

In order to ensure strict protection of customer privacy, all BYD staff members are required to sign a confidentiality agreement upon joining the company. BYD also signs NDA agreements with its clients in their respective business activities to ensure information security for both parties. In order to manage

customer information in a technically appropriate manner, customer information is mainly stored in the CRM and DMS systems, and restricted to strict administrative privileges. The information center is responsible for the information security system.

Customer Satisfaction Management

A sound customer satisfaction management system has been established to investigate customer feedback across the product cycles on items like service attitude, flow, quality, delivery time and price leveraging telephone interviews. By analyzing the feedback data, BYD is able to understand issues causing

customer dissatisfaction and major customer demands, based on which improvements can be made to remedy service shortcomings. Major customer demands will also be adopted as key items of appraisal to ensure the fulfillment of customer demands so as to raise their degree of satisfaction.

Customer Complaint Management

Customer Complaint Channels

In order to assert that all customer complaints are handled quickly and effectively, and ensure continuous improvement of service quality, BYD formulated the "Customer Complaint Acceptance Process", the "BYD Customer

Service and Communication Management", the "Sales Complaint Management Mechanism", the "Corrective Action Control Procedures of BYD Auto Sales Co., Ltd." and other management methods.

Complaint channels	Contract	Department in charge	Processing demands
Customer service hotline	4008303666	Customer service department	Fast, timely, accurate
Satisfaction survey	4001666016	Quality office	Fast, timely, accurate
Website BBS	http://club.bydauto.com.cn/	Communication strategy department	Fast, timely, accurate
Official service mailbox	shouhoufufw@byd.com xiaoshoufufwu@byd.com	Customer service department	Fast, timely, accurate

Government platform	SAMR Defective Product Administrative Center, ACSIQ Product Appeal Center, SHEVDC Platform, Beijing New Energy Vehicle Data Platform, http://www.qiche365.org.cn/ , Shenzhen Market Supervision Bureau Consumer Rights Service Station, Shenzhen Municipal Market Supervision Bureau Consumer Council 315 Consumer Communications, China Consumer Complaints Assistance, Public Opinion Monitoring Platform.	Customer service department	Rapid, timely, accuracy
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Customer Complaint Resolution Rate

Type \ Year	2014	2015	2016	2017	2018
Pre-sale complaints	69%	79%	89%	93%	85%
After-service complaints	97%	96%	95%	93.5%	94.8%

2.4 Consumer Rights and Interests

Customer Benefit Principle

On 15 October 2018, BYD added a "Customer Benefit Principle" to the original auto spare parts quality assurance policy. According to such adjustment, if the warranty period of the

spare part is shorter than the remaining warranty of the vehicle, the quality assurance service will be provided based on the remaining warranty period the vehicle.

The "Return to Factory Repair" + "Turnover Parts" Service Models

High technical standards are applied to maintenance operations, environment, testing and safety protection of batteries and electronic control core parts on new energy vehicles. To ensure safety and quality of after-sales maintenance, servicing is mainly conducted either under assembly or sub-assembly replacement in the factory. Due to the high manufacturing cost of parts and components, maintenance is costly for customers beyond the period under the "three guarantees". BYD proactively assumes its social responsibility and adopts the "Return to Factory Repair" and the "Turnover Parts" service models to reduce customer maintenance costs.

parts are returned to the BYD parts production base. Professional technicians will repair the faulty parts and carry out comprehensive inspection according to production quality standards. No profit is derived from maintenance, thereby greatly reducing customers' maintenance expenses. In order to ensure that customers will not be deprived of using their vehicles during the parts return period, BYD subsidizes authorized stores to provide them with new spare parts as turnover. In 2018, customer maintenance costs were reduced by about 80% under the "Return to Factory Repair" and the "Turnover Parts" service models.

Defined as "returning to the factory", all faulty

2.5 Dealer Management

In order to provide customers with a full range of quality services, BYD carries out comprehensive evaluations of the capabilities and contributions of each dealer in customer services nationwide, with monthly SSI assessments. For dealers required to undergo rectification conditions, weakness rectification is carried out, in which dealers concerned must submit their weakness rectification reports within three working days after receiving the rectification notice, and set a target value to be achieved after the rectification. They are also required to submit regular weakness rectification control tables. The cycle for rectification is one month.

In 2018, the completion rate of SSI weakness rectification reached 98.61%, compliance rate was 80.95%, and the result was obviously improved by 65.24% after rectification.

Year	SSI Annual Average Score
2016	89.61
2017	90.63
2018	90.03

SSI (Sales Satisfaction Index, is obtained after customer comparing the perceived effect of a product or service with its expected value.)

Dealer Training

BYD reexamines and redirects dealer sales service processes and ideas, and analyzes and summarizes issues frequently encountered in the sales service process.

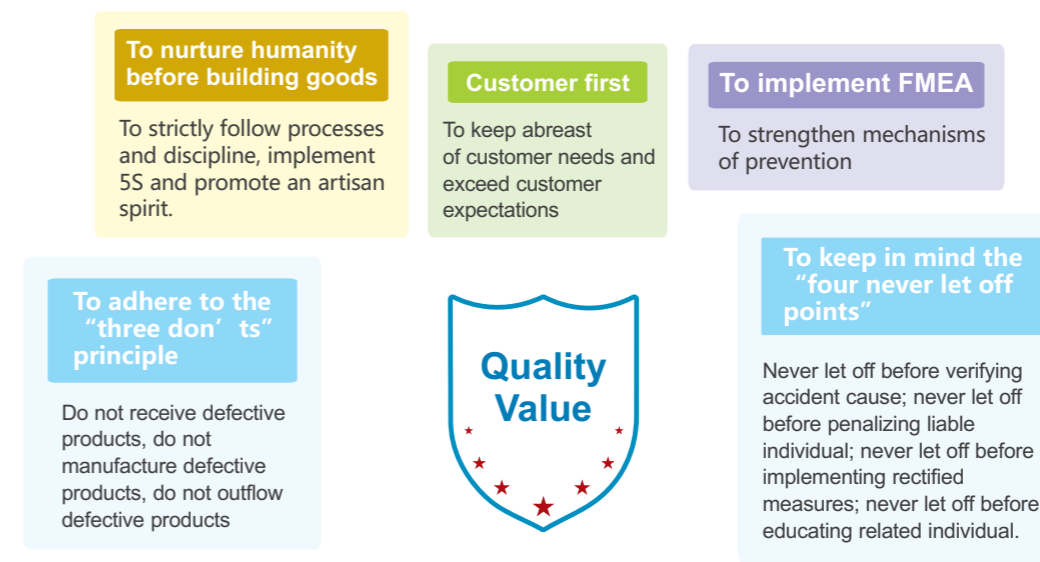
Through these processes new thinking and new methods can be continuously explored in services to help dealers improve sales satisfaction.

2.6 Product Liability

Quality Value

In BYD's announcement of its 2018 quality value, all business divisions and departments at factory level established their respective quality values according to the characteristics of their postings, and their practical circumstances with reference to the corporate

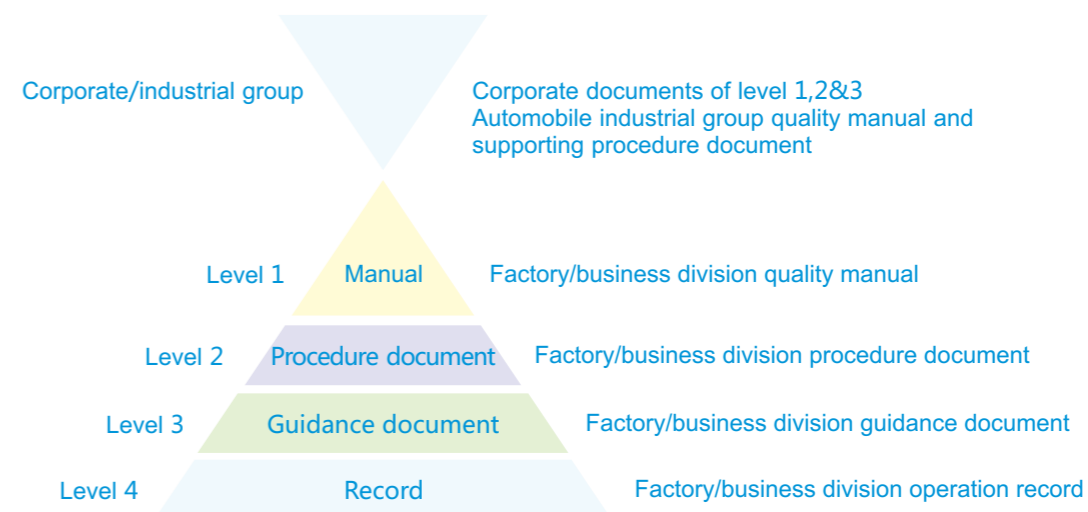
quality value. Quality value can then be deeply rooted in people's minds and transformed into quality behaviors, which may in turn contribute to correct decision making in technology, production, management and service, thus further improving product, work and service.

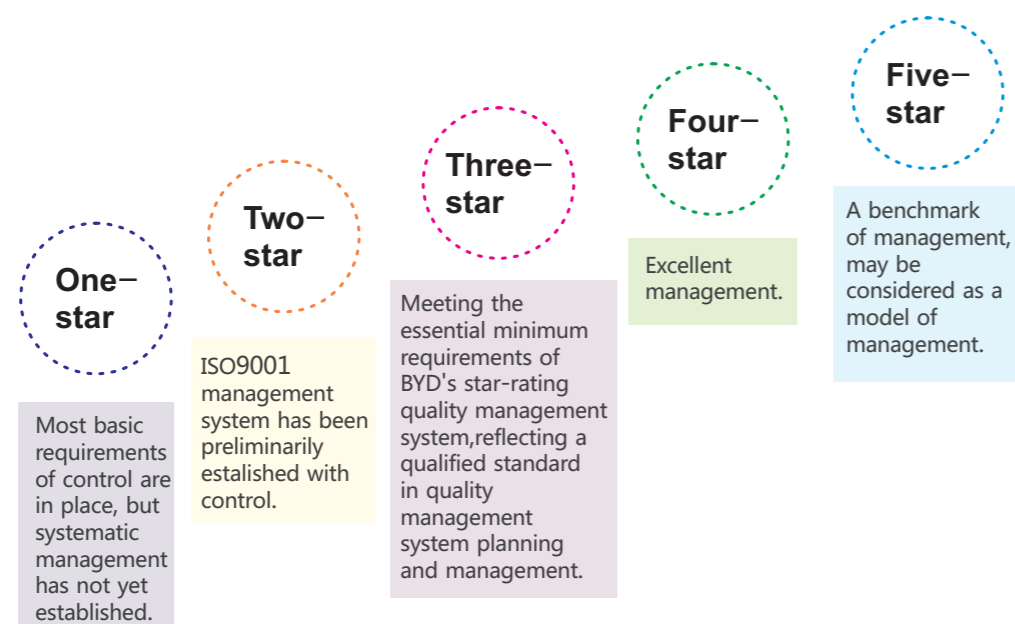


Product Quality Management System

BYD has formulated a complete management system document set for the automobile industry cluster, which is applicable to industrial clusters and divisions/factories based on four levels (classes 1, 2, 3 and 4) according to their nature. BYD has also stipulated a star-rating quality management model to be driven by "comparison, help, catching up, and exceeding", so as to evaluate the quality management system of its factories in three dimensions including system, manufacturing process and product.

BYD has also established the "Automobile Industry Group Defective Vehicle Recall Control Procedure" that provides clear provisions on information filing, establishment and maintenance of an information database at various stages, conditions for recalling, recall process in China (recall information confirmation, voluntary recall, and order recall), and overseas automotive product recalls, to reduce adverse effects by ensuring that defective vehicles are handled effectively and normally.





Quality Target Management and Assessment

BYD has formulated a set of KPI indicators based on IQS quality management. The set serves to determine annual IQS targets by vehicle models and further divide these targets. BYD uses technical and process improvement, test support and quality system evaluation as a means to ensure that quality targets can be achieved. Through forecast, collection and analysis of IQS achievement data, a basis for decision making in relation to product quality improvement can then be established. The IQS assessment process as the focus of quality assessment will be conducted by way of product-based monthly

assessment and considered along plant performance. BYD will provide project incentives for products which have consistently met IQS standards.

For other business segments, the BYD quality assessment targets focus on customers and market performance, whose results are linked to the performance and salary raises considerations for all units. BYD personnel support the topmost goal of exceeding customer expectations by always adhering to the "100% customer satisfaction" target.

Special Quality Inspection

BYD has established a quality inspection system with its own characteristics, adhering to the inspection principle of "seeking truth from facts, striving for professionalism and meticulousness, in-depth assessment, and focusing on what's really important". The goals of the inspection teams include providing professional and technical support for quality

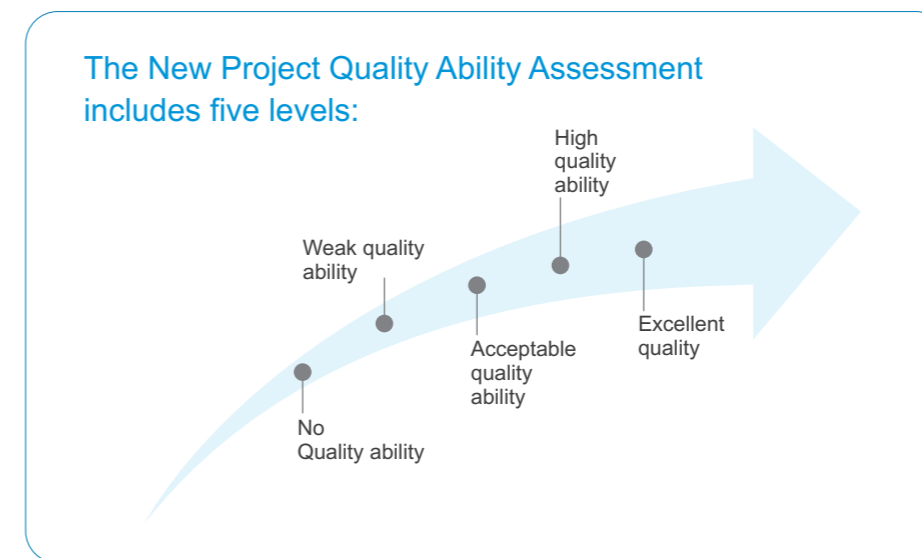
risk product analysis and improvement, developing improvement measures in a joint effort, and enhancing BYD management level's technical and processing capabilities through means like inspection, training, standard setting, professional guidance and process improvement.

New Project Quality Ability Assessment and PPAP Assessment and Incentives

For the quality of new products launched, BYD has established a strict quality threshold from trial to mass production, and assessed high-risk parts in multiple stages as early as R&D. In addition, there is a trial production quality assessment of medium risk parts and a self-check and self-rectification process for low risk parts. Through new project quality ability assessment, all plants can be directed to focus on the yield and pace of new products, after thoroughly preparing for mass production of vehicles and ensuring that components and parts successfully obtain PPAP approval.

Assessment, BYD also improves and regulates the PPAP pass rate of vehicle models after mass production has started. The assessment is conducted by associating time with components and their price under PPAP to enforce assessment and shorten the PPAP pass cycle until complete approval. This is to ensure that raw materials and spare parts required for vehicle production and component parts of passenger vehicles will meet the requirements of product design and mass production. These moves enhance the management of product and project quality at the plants and promote the steadiness and reliability of spare part quality.

With its New Project Quality Ability



SkyRail Quality Management System Assurance

BYD has devised a flawless quality assurance system for its SkyRail, being granted the ISO9001 certification, and passing the new version of ISO/TS22163 Quality Management System Certification for the rail transit industry, to provide SkyRail customers with strong

quality assurance capabilities. In December 2018, SkyRail passed the supervision and verification of ISO/TS22163 Quality Management System Certification, proving that the quality system is stable and reliable.

2.7 Supply Chain Management

BYD persistently carries out localized, responsible, transparent and sustainable procurement, proactively fulfilling its social responsibility and pursuing sustainability in the course of the procurement process. We seek to form a tight loop in managing suppliers' life cycle and creating an efficient, collaborative, win-win supply chain platform.

BYD has formulated a series of annually updated supplier management systems, such as the "BYD Supplier Requirements", the "BYD Supplier Audit Management Regulations" and the "BYD Management and Operation Rules on Suppliers' Corporate Social Responsibility". In 2018, requirements for supplier environmental compliance, trade safety, automotive and light rail environmental requirements were added to the "BYD Supplier Requirements". Supplier environmental compliance and trade safety auditing clauses were added to the "BYD Supplier Audit Management Regulations". Requirements concerning conflict minerals were added to the "Suppliers' Corporate Social Responsibility". The "BYD Management and Operation Rules on Suppliers' Corporate Social Responsibility" clearly stipulates that in addition to requiring suppliers not to purchase conflict minerals, all suppliers must extend their requirements to their downstream counterparts.

BYD's supplier management systems specify the requirements for its supply chain partners' social responsibility through several areas, including labor standards, occupational health and safety, environmental management, trade security, and corruption and graft prevention. The company has established a procurement evaluation team under the Risk Management Committee. Its mission is to collect risk management information along the supply chain and conduct risk assessments to determine the risk warning line and the corresponding countermeasures, as well as regularly summarize and analyze the effectiveness and rationality of the established risk management strategy; as well as continuously revise and improve its procedures in light of practical circumstances. In line with the overall risk management strategy, the Procurement Team develops risk management solutions for various types of risks, supervise and evaluate risk management and its results every year.

Number of Suppliers

By the end of 2018, BYD had more than 11,000 suppliers. Suppliers in southern and eastern China and other regions accounted for 49%, 29% and 22% of total suppliers respectively. Due to the development of its rail

projects, there was a rise in the proportion of suppliers in other regions (such as Yinchuan, Guang'an, Guilin, etc.), contributing to local employment and development through the value chains created.

Supplier Selection

Supplier Engagement Practices

BYD conducts CSR management for cooperative suppliers. When inspecting materials with HSF requirements, BYD will

verify the HSF materials compliance, and conduct annual reviews of the supplier's CSR. Conflict mineral investigations are conducted

on suppliers according to the attributes of the materials. The Company also carries out investigation on environmental and humanity

Selection of New Suppliers

BYD will investigate and verify qualifications and illegal conduct when inducting new suppliers. The "Management Rules on Review of Suppliers of BYD" was developed in accordance with the "BYD Supplier Requirements", with the adoption of the "BYD Supplier Review Form" to audit and determine whether they meet the company's requirements. To address such needs, BYD set up special items such as "Corporate Social Responsibility", "Safety, Information, Intellectual Property Rights," and " Process Control of Hazardous Substance" in the audit form for carrying out on-site auditing and verification of suppliers' social responsibility management and their downstream supply chains from dimensions such as humanity,

key performance indicators for high-risk materials. Suppliers are also obliged to re-submit HSF data once amended or expired.

environment, safety, compliance with laws and regulations, hazardous substances, trade safety, and others.

BYD always enforces strict environmental labor practices and human rights standards in its screening, and requires suppliers to establish management systems meeting ISO14001 requirements. The Company also agrees to apply and promote the SA8000-compliant CSR management systems, and to comply with the provisions related to labor, human rights and environmental protection stipulated in the "Corporate Social Responsibility Agreement of BYD with Suppliers" and the "Toxic and Hazardous Substances Control Agreement".

Evaluation and Survey of Suppliers' Social Responsibility

BYD carries out regular evaluation and survey of suppliers' social responsibility. According to the reviewing terms concerning corporate social responsibility set out in the "Supplier Review Form of BYD", the company conducts on-site reviews of suppliers to determine whether they comply with its social responsibility policies and requirements. If the review finds fault, BYD will meet the supplier and provide tutoring and training to motivate their continuous improvement. Suppliers who fail to meet the requirements in the stipulated period, BYD will penalize them by disqualifying their product status according to the situation.

BYD conducts annual reviews of suppliers with which it has active transactions. The company will shortlist qualified suppliers for survey based on certain material characteristics such

as high energy consumption or highly polluting materials including PCB, FPC, and connectors. All shortlisted suppliers for survey are obliged to complete an "Annual Environmental and Humanities Key Performance Indicators Report". 60% of suppliers are usually included in the survey. Suppliers who fail to meet the requirements or whose energy consumption is on the rise are subjected to follow-up verification with their progress closely monitored.

BYD also regularly monitors government websites to verify if any of its suppliers is blacklisted by the government. If so, the company will contact its various purchasing departments, lock the code of the supplier in question in the purchasing system and suspend further transactions.

Localized Procurement

BYD favors localized procurement and searches for nearby suppliers. The order of

priority is: local, provincial, domestic (including foreign-invested companies), foreign.

Responsible Procurement

Based on its development strategy and environmental policy, and in order to secure the orderly supply and daily use of materials and services required, BYD has developed win-win, mutual growth, equal and

collaborative relationships with its suppliers to acquire the needed resources at optimal cost and efficiency, through which BYD can enhance its competitiveness in cost management.

Sunshine Procurement

BYD sticks to its "sunshine procurement" philosophy in supply chain management and procurement to ensure that these processes are "fair, open and just". It 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 set up in different locations around the Company's production bases to provide information on complaint channels by phone, email and official WeChat accounts. Any act or activity in violation of the "sunlight procurement" policy is subject to severe penalties once verified, so as to ensure all-round supervision of supplier

management and procurement by any participating staff member, thus guaranteeing effective implementation and monitoring of the policy.

In addition, the BYD Purchasing Division will regularly collect information to prepare a supplier blacklist of those using improper means of competition or blacklisted by the government as a punishment for various causes. Blacklisted suppliers are not allowed to do business with BYD within a stipulated time limit, and they will only be readmitted through official procedures once their rectifications meet the requirements. If the violation is severe in nature, BYD will sever all future ties.

Sustainable Procurement

BYD always insists on sustainable procurement of raw materials in its supply chain. The sustainable procurement system of "sustainable suppliers and sustainable raw materials" is mainly enforced by BYD's Purchasing Division at headquarters, and within branches in different regions, business divisions and factories. It serves to regulate

environmental management and ensure that all materials and parts purchased satisfy environmental protection requirements.

In 2018, the ratio of the group's suppliers (including productive materials and non-productive materials) passing the quality system certification was 51.2%, among which

all productive materials suppliers passed the quality system certification. The ratio of productive materials suppliers that passed the environmental and occupational health and safety management certification was 70%. We

have conducted environmental compliance surveys on environmentally-friendly high-risk material suppliers (PCB, FPC, batteries, etc.), with a survey rate of approximately 80%.

Promoting Supplier Responsibility

In order to promote supplier social responsibility, BYD has formulated the BYD Supplier Requirements" to specify social responsibility requirements for its supply chain partners through various aspects, including labor standards, occupational health and safety, environmental management and trade security. All partners are obliged to apply corresponding management standards to their own operations, and at the same time convey the message and manage their own downstream supply chains accordingly. In 2018, BYD added new terms and conditions for related industries to the BYD Supplier Requirements to cover its newly expanded rail transit business.

BYD demands that all of its suppliers sign the "Supplier's Corporate Social Responsibility Agreement" in order to ensure that its suppliers better serve society and proactively assume social responsibilities. Through the agreement, BYD requires suppliers to commit to applying and promoting an SA 8000 - compliant CSR management system, to motivate as well as prompt them to comply with social ethics and national laws and regulations, to respect basic human rights, to treat employees with dignity, to protect the environment, to avoid using conflict minerals, and to ensure employees' occupational health and safety.

Managing Conflict Minerals

BYD will investigate the use of conflict minerals when conducting industry qualification surveys and certification of suppliers during the development and induction phases. Suppliers who use conflict minerals will not be inducted. When signing the "CSR Agreement" with suppliers, BYD clearly demands that conflict minerals shall not be used and requires suppliers to pass on the management of conflict minerals to

downstream suppliers. In 2018, BYD conducted a conflict minerals survey of suppliers using tantalum, tin, tungsten and gold. The results showed that the 3TG used in the supply chain came from a conflict-free mineral smelter approved by CFSI, if metals from the suppliers' chain are found to come from conflict areas in the long run, BYD will reassess its relationship with that supplier.

Supplier Satisfaction Survey

The BYD Supplier Satisfaction Survey is open to all suppliers who cooperate with the company. The survey is conducted quarterly, and all survey reports and summaries of problematic issues are based on the survey results. The reports are used as a reference

for management improvement and for targeting specific issues, and in case the report results show low scores of satisfaction with a given supplier, recommendations will be made to the procurement department for improvements to be sought.

Employee Caring and Protection



3.1 Employee Responsibility

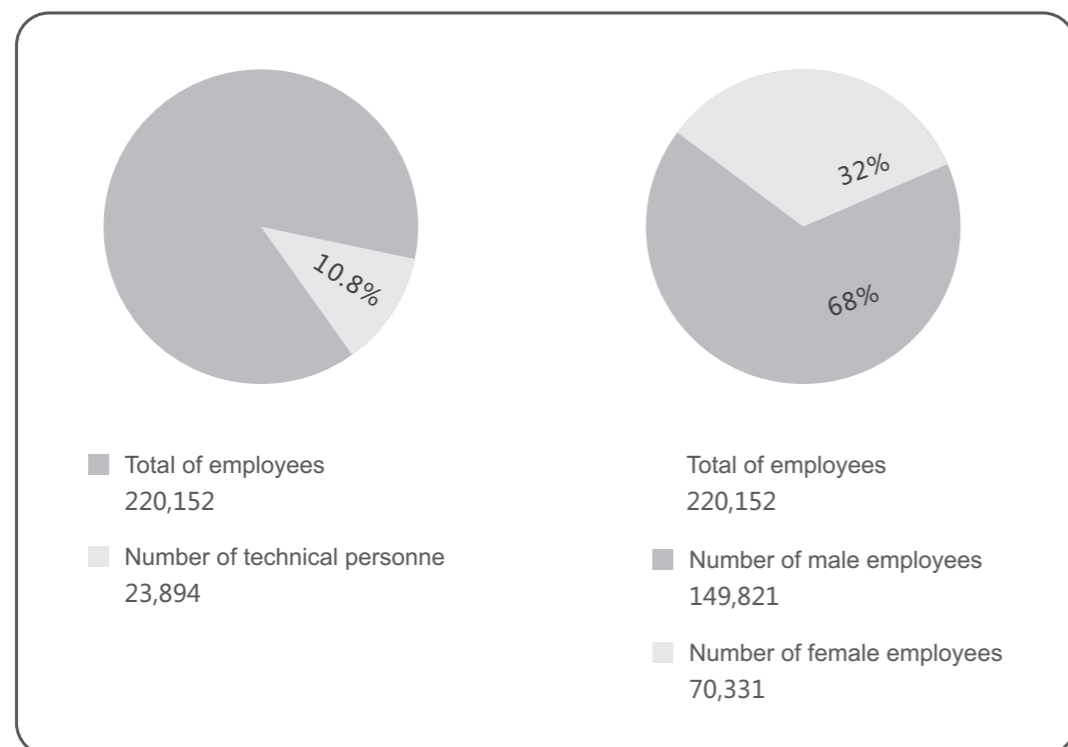
BYD adheres to its "people-oriented" principle, respect for employees' rights and the importance of talent development as a basis for its human resources management. The company also encourages employees to engage in technical innovations. Through these efforts, the company strives to build an equal, fair and open working and development environment for its employees.

Equal Employment Opportunities and Employee Localization

According to the labor code, labor contract and other laws, and ISO9001, ISO14001, OHSAS18001, SA8000 regulations and requirements, as well as other standards and systems, BYD has formulated the "BYD Human Resources Management System". Adhering to its principle of "employment out of opportunity equality and capability", it commits to eliminate employment discrimination based on factors like age, gender, geography, ethnicity, customs, social status, religion, physical disability, and political affiliation. BYD also bans child and forced labor, and actively

promotes localized employment as a means to promote progress and economic development.

By 31 December 2018, BYD had 220,152 employees worldwide serving in various sectors. The number of female management personnel accounts for 5.3% of total staff. Among BYD senior management, the ratio of female members is approximately 15.7%. In BYD's main overseas production bases located in the U.S., Brazil and Hungary, the localized staff ratio reached 96%.



Talent Training and Development

BYD advocates "nurturing people before making goods" and emphasizes the importance of employee development. The employee qualities and skills are enhanced through training. Their professional qualities and capabilities are also developed through actual experience gained in projects and missions. BYD continually improves and implements performance appraisal methods and management systems to focus personnel

management at all levels on staff growth and development and improvement of the effectiveness of their management performance, thus promoting the development of both staff and organization. Outstanding staff is promoted timely according to the company's regulations and requirements. Promotions take place monthly, and the average rate of employees promoted during the year remains at approximately 23%.

DRAGON PROJECT

In 2018, BYD released the talent management scheme "DRAGON PROJECT" to create channels for management and professional development for employees, according to the development needs of the organization and personal career development goals. The plan formulates targeted training strategies for

talents in different positions and at different development channels. The scheme also seeks to improve personnel training curriculums and create an online learning platform, to establish a diversified training model so as to cultivate all-round high-quality compound talents.



Training System

In conjunction with the Tenglong Plan, BYD has established a complete training system that includes on-the-job training, job skills training, position talent training to one-year growth plan for fresh graduates. They provide employees with adequate training and promotion opportunities and help employees

grow and realize their self-worth. In addition, we also carry out training on different topics such as quality culture training, security personnel training, management personnel training and employee mental health training, establishing a multi-dimensional training system.



2018 Fresh graduates training

During the reporting period, BYD carried out 59 job training programs for 2,329 trainees; 220 quality training sessions for 8600 trainees; 58 senior management training for 3,155 trainees; and a total of 102 security guards were granted qualification as security personnel. By 31 December 2018, BYD had conducted more than 300,000 training sessions with over 1.17 million training hours provided to approximately 8.8 million trainees

in total.

In 2018, BYD invited reliability experts from the China Aviation Integrated Technology Research Institute and technical experts from the Rheinland in Greater China region to provide technical and management training on product reliability and safety, and quality management improvement to BYD senior management and R&D supervisors.



Senior management in training

Salary, Benefits and Staff Protection

BYD strictly observes labor law stipulations and other relevant laws and regulations. We believe in “people first” and uphold the principle of equal opportunities in employment and ban any career discrimination. The company encourages employees to fully achieve their individual potential. The company provides both material and nonmaterial incentives to motivate and heighten its staff’s happiness and sense of belonging.

Remuneration System

BYD has a comprehensive remuneration management system, in which employees, regardless of gender, ethnicity, religion and other non-labor capability factors, are compensated according to their labor worth. The Company provides and signs labor contracts in accordance with the Labor Contract Law, to guarantee proper compensation and implement the principle of equal pay for equal work for men and women. The level of employee bonus is aligned with

the company’s business condition, the performance of the unit he/she belongs to and his/her individual performance. To maximize the protection of employees’ interests and benefits, the remuneration system is reviewed and amended annually. In addition, BYD offers several awards from management to production unit level, including the President’s Award – the top corporate award, Sustained Progress Award, Patent Award, Technical Innovation Award, and others. BYD has set up

a one-time tax return for executives' bonuses, rewards for innovative talents, and other special incentives to stimulate corporate vitality.

BYD fully implements the labor contract system and honors its terms and legal boundaries. In 2018, the company continued to maintain a 100% labor contract signing rate and 100% social security participation rate.

Staff Protection

BYD cares for and is committed to assisting in the basic living issues of its employees. Efforts have been made in areas that include housing, transportation, children education, medical and others.

All production bases are equipped with facilities that include staff canteens, staff quarters and shuttle routes to provide transportation to and from work. In addition, BYD provides welfare housing at sub-market level cost for employees in Kuichong and Pingshan in Shenzhen, and Daya Bay in Huizhou. BYD and the Shenzhen middle school authorities have jointly set up the Shenzhen Yadi School to provide education to employees' children. Employees also enjoy benefits such as home purchase discounts,

BYD strictly observes the laws and regulations on working hours, holidays, and others, in all its operating locations. In the period of this report, there were no labor disputes involving work overtime and other related issues. In addition, BYD employees are entitled to annual leave, maternity leave and other welfare leaves according to the law.

zero down payment car purchases, and free charging of new energy vehicle in the production bases.

BYD has established a comprehensive staff protection system that is regularly revised. A BYD medical fund has been created to provide financing of medical support to sick staff. In 2018, the fund covered nearly RMB 10.5 million in medical expenses for nearly 2,900 sick employees, and provided a total medical value relief amounting to approximately RMB2.7 million for 13 employees with serious diseases. Special maternity protection is also provided, such as pregnant staff room and lactation leave. Pregnant and breast-feeding employees are also exempted from overtime or night shift.



BYD Dining hall



BYD School staff children care

Mental Health Staff Training

BYD has set up a multi-channel communication mechanism to enhance its staff's emotional management ability. Training sessions are provided to support work-related mental health issues and cope with other issues such as management pressure, response to setbacks, positive emotions, burnout, work and life balance, consultative management, inter-

personal communication and psychological crisis intervention. Furthermore, this mechanism also helps employees to learn the basic approach and the skills needed to improve their psychological state and maintain mental health. BYD also conducts satisfaction surveys and informal forums regularly for employees to air their views and emotions freely.

Employee Grievance

The "BYD Sanction System" stipulates that employee appeal and grievance periods are three working days, and penalties are not imposed during this period. If the employee is dissatisfied with the penalty, he has the right to appeal to the supervising department ranked immediately above the department handing down the penalty. If there is no higher-ranked

supervising department or the employee is still not satisfied with the decision made by the higher-ranked supervising department, he may appeal to the Supervisory Division. The decision of the Supervisory Division or the President's is final and no further action is allowed.

Corporate Culture Activities

Quality Culture

In 2018, BYD held a series of activities to further enhance the quality awareness of its staff. These activities include Blackboard Publicity on Quality Competition, Craftsmanship Essay Competition, QCC

Review and Quality Banner Signature to create an atmosphere where everyone cares for, focuses on, pursues, and advocates quality.



Quality culture activity – Skills Contest



Quality culture activity – QCC training

Club Activities

BYD associations organized regular activities in 2018: outdoor photographing by the BYD Photographers Association; literary exchanges by the Qifei Literature Club; calligraphy exchange studies by the Calligraphy Association; internal matches and technical

exchanges and guidance by the basketball, football, badminton, and table tennis clubs. Each association plays an important role in enriching employees' spare time and cultivating their interests and hobbies.



Outdoor photographing by the BYD Photographers Association

Staff Caring Activities

From September to December 2018, the BYD Labor Union Confederation and the Human Resources Department jointly hosted the "Happy Family Month" event. All employees were invited to bring along their friends and relatives to visit the company. The event aimed at creating a relaxed and pleasant environment to make employees, their relatives and friends feel that the company

cares about them. The activity also aimed at winning the families' support and understanding of the employees so as to enhance harmony among staff and their close circles within the company. The event was held simultaneously in Shenzhen, Xi'an and Changsha, with more than 5,000 employees and family members participating.



Happy family monthly activity

Running Youth

On 10 June, the BYD 2018 Running Youth was held simultaneously in Shenhui, Changsha, Xi'an, Shanghai and Shaoguan with about 6,000 participants. The event aimed at

promoting understanding of the meaning of unity and persistence among BYD's young staff.



Picture of the live activity

Mobile KTV Competition

On the month of BYD's celebration of its 24th anniversary, a mobile karaoke activity was held from 12 to 16 November 2018, in which employees sang in BYD vehicles, so that they could better experience the products and have

a better understanding of their features. The event added a little fun to the employees' spare time and received excellent response from high-level to front-line staff.

Pingshan

Huizhou

Shanghai

Xi'an

3.2 Production Safety Management

Safety Culture

BYD highly values its safety development concept of "Safety and prevention first". By insisting on the "people-oriented and pragmatic" principle, BYD regards the protection of employees' health and safety as the company's top priority.

For this purpose, the company specially formulated the "Employee Safety Handbook" and "Accident Warning Record", which further improved the staff's safety awareness, thus effectively reducing the rate of accidents in its facilities. BYD also developed visual material for safety standards, and fixed posters, bulletin boards, risk notification cards, and color maps throughout its sites.

In order to further promote a well-rounded safety culture, BYD posted safety notice posters and played safety videos in staff lounges to insidiously reiterate safety awareness. In addition, it organized a series of safety promotion activities, so as to instill the safety concept into every staff member, improve their behavior at work, and cultivate their habit of consciously abide by safety regulations.

In 2018, BYD Company Limited passed the acceptance inspection of the Dapeng Safety Supervision and Production Culture Demonstration Enterprise.

Occupational Health

Employees are BYD's most valuable asset. The core purpose of the company's occupational health management is to protect its staff's health and safety. BYD therefore implemented the OHSAS18001 occupational health and safety management system and earnestly enforced occupational health and safety responsibility.

Safety Promotion

BYD comprehensively identifies occupational hazards in its facilities. By setting up occupational hazard notices, notification cards and warning signs, BYD has implemented an effective system of occupational hazard

notifications, so that employees may easily get acquainted with and become aware of the occupational and health hazards, emergency treatment measures and safety protection requirements of their positions.

Transformation of Safety in Production Facilities

BYD makes use of advanced technologies and water-based instead of oil paint to curtail occupational hazards and production risks from the source. The company has also

effectively reduced the severity of occupational hazards on employees' health by improving workplace environment with better machinery and cleaning operations.

Monitoring of Workplace Safety

BYD keeps constant monitoring of dust

checkpoints in its production areas, and

continuously improves their construction and maintenance to make sure that occupational hazards in all of its workplaces meet the standards of the national occupational health authorities.

Safe Production Admittance Mechanism

BYD has implemented a consistent access control and reviewing mechanism for new internal construction, renovation and expansion projects. It has implemented the "three simultaneous" system to ensure that safety, fire prevention, and health protection

The company meets the requirements of the "Technical Specifications for Occupational Health Surveillance" and systematically has employees engaging in toxic and hazardous positions undergo pre-job, on-job and post-job occupational health checks.

features of new construction, renovation and expansion projects are designed, built and applied simultaneously with their principal parts, laying a solid foundation for the optimal operation of its projects.

Emergency Management

Staff is told to always be prepared and vigilant. BYD has upgraded its emergency rescue assurance system, and improved the installation and maintenance of its gas concentration monitoring, emergency ventilation interlocking system, emergency spraying and other devices in all its facilities where there is a risk of fire or explosion. It also installed fire-fighting equipment at key locations along with mini fire stations in many of its parks. Such initiatives serve to significantly improve the ability to respond to emergencies and keep the rate of accidents below average.

BYD has trained and placed fully equipped professional fire emergency teams at all of its industrial parks. Each production area has also established part-time emergency teams ready to deal with emergency situations during daily production, and organized targeted emergency rescue and fire drills for all employees to familiarize with their working environment and escape routes, and to grasp the necessary fire-fighting techniques and safety knowledge for emergency escape, accident prevention and control measures.

Facility Upgrading

In order to create "safe, civilized and harmonious" road traffic within its industrial bases, BYD continually improves road conditions by adding pedestrian overpasses, updating road markings and setting up guard rails, and deploying dedicated staff during peak hours to enforce separation of pedestrian and vehicle flows. These initiatives serve to effectively improve traffic safety and order

within the company's parks.

BYD also introduced automation to all of its existing stamping production equipment, and achieved closed-loop management of stamping production through feeding materials by robots, thereby reducing direct human contact and staff labor intensity.

Environmental Protection and Sustainable Operation



4.1 Energy Saving and Environmental Protection

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

In 2018, in addition to enhancing research and development of sustainable and environment-friendly products, BYD further strengthened the implementation of energy-saving and emission reduction targets, implementing further environmental protection with technological and equipment upgrades in a total investment of RMB 647.0758 million.

BYD focuses on improving its staff's environmental awareness. It promotes environmental knowledge through training, meetings and bulletin boards. The company BYD also actively takes part in various types of activities organized by environmental protection authorities; carries out environmental impact assessment and is subject to regular inspections by the relevant governmental departments. There were no significant environmental incidents in 2018.

Energy Management

Being committed to energy-saving and emission-reduction, BYD carries out companywide related work. We have made our energy management system more effective through energy audits, internal reviews and technology upgrades. These initiatives resulted in a drastic reduction in energy consumption, enabled improved efficiency in energy use, and met our energy management principles and goals.

energy management with the support a professional management team in every single one of its facilities. The company has also set up annual energy-saving and emission reduction targets and incorporated these target achievements into the performance appraisal guidelines, through which BYD nominates outstanding energy saving and emission-reduction projects and rewards them accordingly.

BYD has set up departments responsible for

BYD's Energy Consumption in the past two years:

Energy	Unit of measurement	2017	2018	Year-on-year rate
Electricity	Ten thousand kWh	332,260	393,927.9	18.6%
Water	Ten thousand cubic meters	3,337	3,184.8	-4.6%
Natural gas	Ten thousand cubic meters	7,477	9,662	29.2%
Gasoline	Ten thousand liters	84.4	204.9	142.7%
Diesel	Ten thousand liters	22.3	31.8	42%

Greenhouse Gas Management

BYD regards greenhouse gas management as an important part of its operation. A "Greenhouse Gas Quantification and Reporting Management Procedures" is being implemented, and the

company also proactively puts into practice energy-saving and emission-reduction initiatives.■

The company constantly updates its greenhouse gas targets with regular assessments that include engaging third parties to conduct annual carbon emission verification on 6 Shenzhen legal entities. The Company also keeps constant monitoring and improvement of its greenhouse gas management performance. BYD is a keen promoter of environmental protection, researching and developing environmentally-

friendly technologies in addition to manufacturing products for sustainable development. The company also strives to actively reduce energy consumption through innovation in its production methods.

In 2018, BYD's total carbon dioxide emission was 2,864,901.05 tons.

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 Use and Efficiency", it has developed a plan for saving water and strengthening management of water use. Water quotas are determined based on each unit's actual consumption volume, and their implementation is strictly supervised. The company strives to reduce water usage and avoid wasting by adjusting consumption structures and improving its water consumption patterns. For instance, BYD conducts regular

maintenance and management to reduce leakages in its water supply network, facilities, equipment and appliances. It also recycles water used in cooling equipment and water from condensation for further use. Reclaimed water facilities have also been deployed in the Pingshan, Huizhou and Xian plants. BYD also seeks to recycle water resources through waste water treatment stations and reclaimed water facilities, redirecting treated domestic sewage and industrial wastewater for washing restrooms at staff quarters, industrial park greenery and road cleaning.

Packaging Materials Management

BYD promotes the development of recycle economy, and actively explores ways to improve the efficiency of resource usage. It gives priority to recyclable materials in its

procurement processes, and looks to reduce total consumption of packaging materials without compromising quality.

Consumption of packaging materials in the period of this report:

Classification of packaging materials	Unit	2018
Packaging box	Ton	473,524
Packing plate	Ton	311,856
Protective material for packaging	Ton	80,709
Tape rope for packaging	Ton	8,690
Packing bag	Ton	163,014
Signs and carbon belts	Ton	8,281
Tape	Ton	2,467
Turnover products	Ton	1,180
Total	Ton	1,049,720

Waste Management

Waste management is another important issue for BYD, so the company has developed strict rules for waste management, and defined the relevant responsibilities of all departments concerned. Waste is to be treated according to its different categories: toxic and hazardous waste is handled by the Safety and Environment Engineering Department of the

Human Resources Division in conjunction with qualified external entities; domestic and harmless production waste is disposed of by external sanitation departments for processing; and recyclable waste processed for reuse, with some of it being processed by professional recycling units.

Information on Waste Emissions for the Past Two Years

Type of waste	Emission volume/output volume			Year-on-year growth
	Unit	2017	2018	
Domestic garbage	Ton	41,962.8	38,827.5	-7.5%
Harmless production waste	Ton	182,588.3	334,463.2	83.2%
Hazardous solid waste	Ton	54,181.921	58,542.222	7.4%

Waste Water and Gas Management

In order to keep strict prevention and control of water pollution and waste gas, BYD has formulated specific management rules to aid in its continuous effort to improve such practices. The company's pollution prevention and control facilities are in compliance with the "three simultaneous" system for environmental protection projects, being designed, built and put into use simultaneously along with relevant production projects. Its pollution prevention and control facilities are close compliance with relevant policies as well as with national laws and regulations, including Environmental Protection Laws, Laws on Prevention and Control of Water Pollution and Laws on Prevention and Control of Atmospheric Pollution, and any other local government regulations in force.

For this purpose, a diversified system of rain

and sewage treatment was implemented to supply extra water at several BYD production bases. Waste water outfalls in its production bases are constantly monitored in accordance with emission standards, whose results show full compliance with such standards. The waste gas generated at BYD workshops mainly includes dust, acid mist and volatile organic compounds (VOCs), and treatment facilities have been built to ensure that this waste is discharged according to the corresponding standards. The BYD emission index is currently the most stringent standard in the country. The company discloses environmental information on discharge of key pollutants in its official website every month. Sewage outlets are regularly tested to ensure regulatory standards are met. BYD Auto Co., Ltd., Huizhou BYD Battery Co., Ltd. and BYD

Company Limited have implemented clean production audits; and the boilers in Xi'an, Beijing, Pingshan and Kengzi industrial parks

have implemented low-nitrogen improvements to effectively reduce nitrogen exhaust emissions.

Type	Emission volume for the last two years			Year-on-year growth rate
	Unit of measurement	2017	2018	
Industrial waste water	Ton	4,187,227	4,933,653	17.8%
Domestic sewage	Ton	10,891,035	11,310,254	3.8%
Waste gas	Ten thousand cubic meters	4,154,794.873	6,271,386	50.9%
COD	Ton	560.8	596.6	6.3%
Ammonia nitrogen	Ton	34.2	39.2	14.6%
VOCs	Ton	68.4	109.3	59.7%

Environmental Impact Assessment

The BYD "three simultaneous" management document for construction projects requires that procedures of environmental impact assessment must be carried out in accordance with national regulations before construction, to assess the project's impact on natural

resources and the environment. Construction of new projects cannot be started before obtaining national approvals. In 2018, the environmental impact assessment rate of new BYD projects was 100%.

4.2 Sustainable Operation and Production

BYD obtains great results in energy efficiency and carbon emissions through its sustainable manufacturing methods and continuous efforts to reduce energy consumption. By leveraging its unique advantages in the area of renewable energy, BYD optimizes its use of sustainability products including electric vehicles, solar power and energy storage stations, electric forklifts and LED lighting in its own production activities.

By 31 December 2018, BYD had introduced a total of 649 new energy vehicles for official travel and staff transportation. The company also replaced all of its fuel-powered forklifts with its own electric forklifts, a total of 640 units, in order to further contribute to environmental protection and product quality through sustainable industrial operations. In addition, it installed solar modules covering the rooftops of its buildings to supply extra electricity for its operations. The company also installed energy saving LED lamps and solar street lamps at its parks to maximize energy conservation.

4.3 Green Technology

Technology is BYD's weapon to conquer the industry. The company's robust R&D expertise is the foundation of its accelerated development.

BYD's "Technology-based and Innovation-oriented" development philosophy is based on the firm belief that technology can transform lives and ultimately change the world. Currently, the company relies on a solid R&D base, with several research institutes like the Central Research Institute, Auto Engineering Research Institute, Auto Intelligent Ecology Institute, Truck Research Institute, Bus and Coach Research Institute, Auto Product Planning and New Technology Research Institute, Division 21, Division 23 and others, with a total of over 20,000 highly trained technical experts in engineering, hardware, software and testing, engaged in research and development in the areas of new materials, automobiles, renewable energy and rail transit; and who actively promote the progress of the industry.

"542" Performance Standard

BYD's unique "542" Performance Standard is the first of its kind in the world, and has redefined automotive standards in three aspects that include performance, safety and fuel efficiency, in which 5 stands for an acceleration from 0-100 km/h in less than 5 seconds; 4 meaning a permanent, four-wheel electric drive; and 2 standing for a fuel efficiency of 100 km with less than 2 liters of

fuel. With these technologies, users can expect excellent driving and safety performance with the least energy consumption. The technology also offers outstanding advantages in sustainability, cost-effectiveness and safety. The "542" standard started featuring in BYD DM SUVs in June 2015.



Four-wheel Electric Drive

BYD's full speed electric four-wheel drive makes real-time adjustments to front and rear motors and reasonable allocation of front and rear axle torque based on road feedback, with a response speed of 20ms, or one-tenth that of

conventional mechanical four-wheel drive. Safety derives from this extremely fast response, steady performance and outstanding power. This technology started featuring in BYD DM SUVs in June 2015.



Bi-Directional Inverter Charging and Discharging Technology (V2G, V2L, V2V)

BYD is the first EV maker in the world to develop vehicles with charging and discharging functions (VTOL). This technology enables vehicles to serve as mobile intelligent power stations, where they can be charged with grid power during off-peak hours, and return power to the grid during peak hours with a maximum charging power of three-phase 25 KW. It can easily charge and discharge whether it is a household single-phase grid or a large three-phase grid.

For instance, at low power consumption hours, vehicles can be charged using grid power, and at peak hours, they can supply 220V alternating current to single-phase/three-phase grid, and operate like a mobile energy storage station. It can also supply power to hospitals and schools as well as fire-fighting in case of emergency. These vehicles have the ability to recharge one another and can be used as emergency rescue vehicles to charge the vehicles with insufficient power. They can be

used as a temporary power supply for single-phase/three-phase electrical appliances (such as those requiring alternating current) to be

used outdoors. This technology started featuring in a series of BYD models in April 2015.



Electric Vehicle Starting Battery and Management System

The lead-acid batteries used for starting conventional vehicles have a low energy density, large volume and heavy weight, and a short life, apart from the lead content that is very harmful to human health and the environment.

BYD's lithium iron-phosphate battery is the first of its kind in the world, and it can solve these problems. The technology mainly features the following:

1. Small size, light weight, easy placement;
2. Extended lifetime, capable of more than 3,000 charging and discharging cycles, with a

theoretical life equivalent to that of vehicle itself, requiring no maintenance throughout its use;

3. A Built-in BMS, apart from providing improved customer experience, prevents damage from overcharging and over discharge. It can be automatically recharged at low voltage to avoid power loss, eliminating the trouble of switching the battery off.

4. Sustainable, environmentally friendly, nontoxic and pollution-free.

This technology started featuring in a series of BYD models in November 2013.



DM3

The BYD DM3 power system solution, based on the DM2 hybrid architecture, is an overlaid system designed to decouple vehicle driving and power generation functions, enabling on-demand intelligent power generation, and greatly improving the vehicle's electrical balance capability. Through research on the new hybrid architecture the DM3 greatly improves the vehicle's durability, NVH performance, power economy and driving experience; with optimized engine, hybrid transmission, motor, electronic controls and other features, as well as optimized vehicle operation (with the addition of different driving modes, intelligent power generation, and

auxiliary shifting, start-stop and back braking strategies).

1. Dynamic economy has been improved: achieving an acceleration of 0-100 km in less than 4.3s, and an overall fuel consumption of less than 1.6l/100Km.
2. Substantially improved NVH performance: formulating general NVH standards for the industry counterparts, and optimizing nearly 150 items.

This technology started featuring in a series of BYD models in June 2018.



4.4 Sustainability Products

To provide customers with efficient, energy-saving and environmentally-friendly products and solutions to reduce carbon emissions has been BYD's mission and relentless pursuit. BYD has always adhered to environmental protection requirements throughout the life-cycle of its products, from development to production and delivery. The company strives to improve environment conditions by introducing its sustainable products to revolutionize traditional energy consumption, and bring more vitality and possibilities to urban life through pollution control and traffic congestion control.

Energy Storage Products

In the field of energy storage technologies, BYD's battery energy storage stations rely on the advanced iron-phosphate battery technology, and have greatly contributed to solving the global problem of energy storage with strong advantages in stabilizing the output power of wind and solar power stations, raising the percentage of connection to power grids

and enhancing their security. In addition, they are safe, pollution-free, long lasting and not restricted by geographical conditions. Energy storage stations equipped with BYD proprietary iron-phosphate batteries have a conversion efficacy of over 90%, 20% higher than traditional pumped storage efficiency.

Focusing on the International Energy Storage Innovation Competition, BYD Energy Storage Solutions Have Won A Series of Awards

On 3 April 2018, Zhang Zifeng, chief engineer of the BYD Electric Power Research Institute, won the "2018 Energy Storage Person of the Year" award.

The 31.5MW/12.06MWh Beech Ridge energy storage frequency regulation project in West

Virginia, implemented by BYD, won two awards: "Judges Award" and "TOP 10 Energy Storage Application 2018". The "Judges Award" is the highest accolade in for the Energy Storage Innovation Competition.

Focusing on Sustainable Development, BYD Energy Storage Presented at CIBF2018

On 22 May 2018, the biennial battery industry event "China International Battery Fair (CIBF2018)" was held at the Shenzhen Convention and Exhibition Center. BYD unveiled its energy storage system solutions with the home energy storage system MINI ES, charging cabinets and other products.

BYD's cutting-edge technology and product application of its energy storage solutions were introduced through a combination of on-site demonstrations and videos. The features of the three-dimensional sandbox fully demonstrated the BYD energy storage system potential.



108MW solarfarm in America



Energy Storage International Innovation Conference award

Solar Products

Solar power not only fundamentally solves global energy problems, but it can also remedy the deteriorating environment conditions and improve human health through sustainable development.

BYD's polysilicon solar cell was developed through very unique work processes under new refining methods and a vertically-integrated industrial chain. It greatly reduced the cost of solar power, bringing it much closer

to the cost of coal power generation, thus accelerating a widespread use of solar power generation, so that clean energy can be accessed by ordinary people. BYD's solar cell products have been applied to solar street lights, electric car roofs, phone chargers, photovoltaic power stations and other uses, and are favored by consumers in the United States, Britain, France, Germany, Japan, India and others.



Solar farm in Japan



Largest rooftop solar farm in Belgium

New Energy Vehicles

New energy vehicles are BYD's "pollution control" solution for the city. BYD's current electric vehicle lineup comprises seven conventional types of vehicles running on-road, and four specialized vehicles running off-

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

warehousing and mining operations.

New energy vehicles have drastically reduced reliance on oil waste gas emissions. The BYD e6 pure electric taxi can save fuel consumption by 14,120 liters, and reduce carbon dioxide emissions by 32 tons, sulphur dioxide emissions by 0.62 tons and nitrogen oxide emissions by 0.18 tons each year; a unit of the BYD K9 pure electric bus can save fuel consumption by 41,666 liters, and reduce carbon dioxide emissions by 95 tons, sulphur dioxide emissions by 1.84 tons and nitrogen oxide emissions by 0.52 tons each year.



Pictures of new energy vehicle models

The BYD SkyRail

The BYD SkyRail is its traffic congestion solution for urban mobility. The fast surge in the number of motor vehicles in cities has led unmanageable urban traffic congestion. Increasingly limited urban space cannot keep pace with the growth rate of vehicle ownership. To this end BYD proposes the initiative of "Building a City on Rails" through making full use of underground and overhead space to create a vertical transport network and alleviate the problem of urban congestion by reducing the reliance of vehicles on the ground.

The BYD SkyRail is a straddle-beam monorail system with medium capacity and strong advantages:

1. Low investment and cost.
2. Fast construction. Elevated rails can be installed above existing greenbelts, requiring less demolition.
3. Low noise. Rubber wheels running on the

In 2018, the total sales volume of BYD new energy passenger vehicles amounted to 247,811 units, representing an increase of over 90% as compared with 2017. BYD new energy passenger vehicle sales ranked first worldwide for four consecutive years (2015 to 2018). The BYD new energy vehicle footprint was also extended to more than 300 cities in over 50 countries and regions. Representative models of BYD new energy passenger vehicles include brand new versions of the Tang DM, Tang EV600, Song DM, Qin Pro DM, Qin Pro EV500 and Yuan Ev535.

track beam reduce noise pollution along the line.

4. Less space is required and bridge structures are light and good looking.
5. Flexible capacity meets comprehensive transport demands.
6. Increased climbing ability and a small turning radius allow for optimum topographic adaptability

Powered by electricity, the BYD SkyRail is emissions and pollution free, therefore a fully sustainable transport system. The SkyRail is also equipped with an energy regenerative braking system, which will convert kinetic into electric energy to be stored in its batteries. The excess energy is transferred to the conductive rail when starting and accelerating, thereby saving energy.

The SkyRail is flexible in its assembly. It has a one-way capacity of 10,000 to 30,000 passengers/hour, so it can be used as a backbone line for small and medium-sized cities or as an ancillary line to connect large capacity

lines or business districts or tourist sightseeing in large cities.

In January 2018, the BYD SkyRail system

The BYD SkyShuttle

The BYD SkyShuttle is a three-dimensional intelligent transportation system that took 7 years' development with an investment of nearly RMB10 billion. BYD owns 100% independent intellectual property rights of this invention. The SkyShuttle doesn't require roads, and is another creative solution provided by BYD to further control urban congestion and pollution. It fills the blank of China's self-developed urban rail transit system, which is conducive to the integration and development of China's multi-level, multi-mode, multi-standard rail transit system, so as to alleviate urban traffic congestion and other issues, and provide passengers with a smarter, more comfortable and convenient travel experience and help urban transport upgrades.

The BYD SkyShuttle is a modern small capacity rubber-wheeled tram system with the following characteristics and advantages:

1. High safety design, driving control and overall features.
2. High intelligence. It has a comprehensive scheduling system integrated with unmanned and multi-functional features, installed with high-tech configurations such as face recognition.
3. High adaptability. It has a small turning radius and strong climbing ability. It adapts to various

operating in the city of Yinchuan became a fully automated, driverless system.

climates and topographies and can be perfectly integrated into the surrounding environment.

4. High-standard Design. The SkyShuttle is jointly designed by Wolfgang Egger, a top global designer among the world's top 10. It features a top-notch high-tech visual style, with a novel, stylish appearance with simple and smooth lines.
5. Low energy consumption. It features an all-aluminum body with lightweight design, photovoltaic solar station, 100% electric braking, and vehicle power battery.
6. Fast construction with short building cycle
7. Low construction, operating and travel cost.

The SkyShuttle is highly adaptable. It can be deployed as a traffic branch line and supporting line for any megacity, a trunk line for any large and medium-sized city, a connection line between vehicles, a tourist sightseeing line, an internal loop for major activity centers, or as a traffic line intended for old city reconstruction projects.

At present, BYD has received leaders from municipal government, land experts and scholars from relevant cities to investigate and research the SkyShuttle, and the cooperation projects are under negotiation and promotion.



Picture of the SkyShuttle

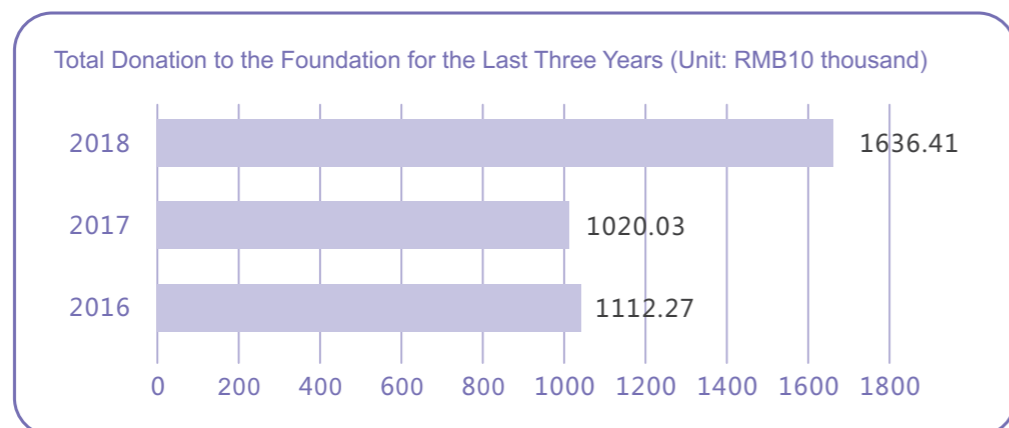
Charity



5.1 BYD Charity Foundation

In July 2010, BYD made a donation to set up the BYD Charity Foundation in Pingshan District, Shenzhen, Guangdong Province. The Foundation is a national non-public charity organization registered under the Ministry of Civil Affairs of China with the objective of “Commitment to charity and carrying out social charity activities to help the poor, care for the weak, and support education hand in hand, forwarding the traditional virtues of poverty alleviation, promotion of corporate citizenship and contributing to building a harmonious society.” The foundation actively promotes the development of social welfare undertakings, and takes practical actions to assume social responsibility and repay society.

In 2018, the total donation of the Foundation was RMB1,636,412, a 60.4% increase as compared with the previous year.

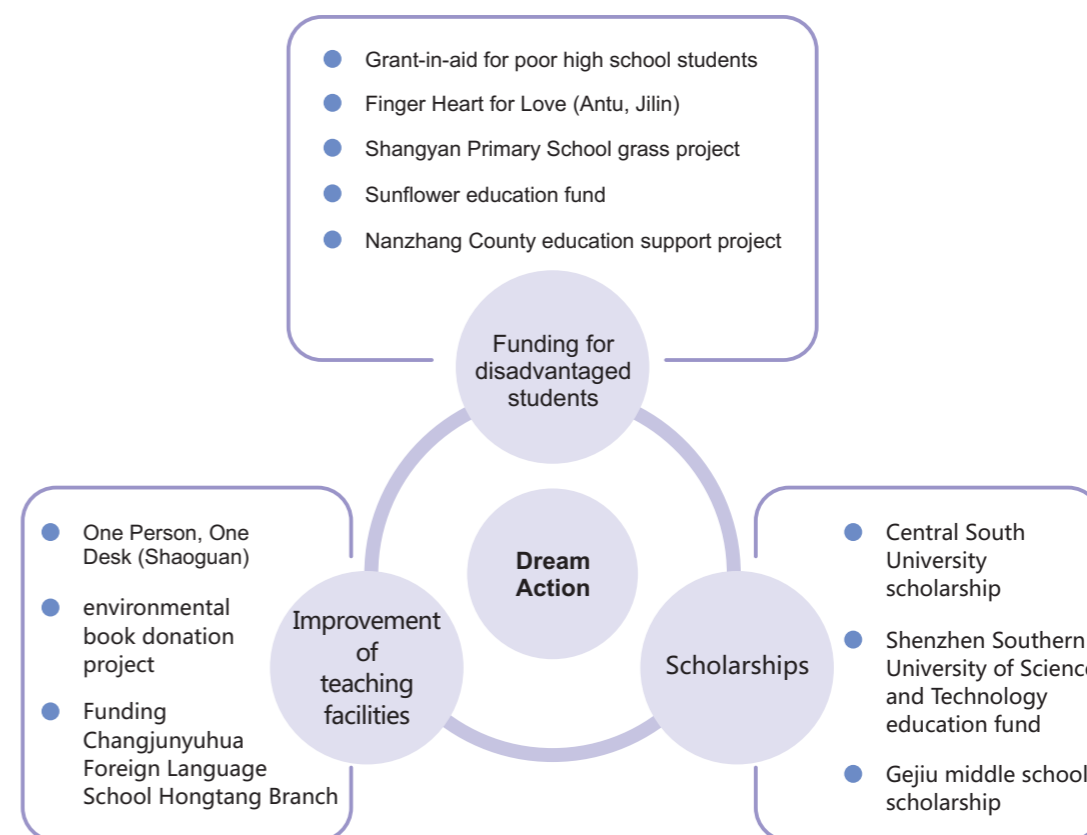


Foundation Projects

Poverty alleviation	Educational support	Other
<ul style="list-style-type: none"> Serious disease pension Chenggu county raspberry production and poverty alleviation project Police hero assistance project Hardening project of Guxing Road, Fenglin Lake Poverty alleviation day of Guangdong Province Pension in Wuwei county 	<ul style="list-style-type: none"> Central South University scholarship Shenzhen Southern University of Science and Technology education fund Grant-in-aid for disadvantaged high school students Shangyan Primary School grass project Sunflower education fund Nanzhang County education support project Shaanxi Province environmental book donation project Gejiu middle school scholarship One Person, One Desk (Shaoguan) 	<ul style="list-style-type: none"> Pension in Shatian, Kengzi, Shenzhen

Dream Action

The Dream Action initiative, launched in 2011, is dedicated to assisting disadvantaged students to achieve their academic goals. It started with two sub-projects named “Grant-in-aid” for disadvantaged high school students and “One person, One desk”. In 2018, the scheme was revamped to form three major sectors: funding for disadvantaged students, improvement of teaching facilities, and scholarships.



One Person, One Desk

In 2018, the Foundation went to Shaoguan once again and donated 300 sets of desks and chairs to the Changshi Primary School in Hukou Town, Nanxiang City and Central Primary School in Sanxi Town, Lechang City, to renew the desks in both schools.

Changshi Primary School is a village-run school with a relatively degraded surrounding. The students are all children of the surrounding mountain areas. The only plastic

track and sports ground in the school was built by the special support project of Guangdong Province three years ago. The Central Primary School in Sanxi Town is a town-run school. The desks and chairs the school used were donated by the Charity Federation three years ago. The chairs' backrests could not be adjusted up and down, which posed potential safety hazards to first and second-grade students.



Brand new customized desk

Students get new desks



Finger Heart for Love

Antu County is located in the eastern part of Jilin Province and the southwest of Yanbian Korean Autonomous Prefecture. It was listed as a national poverty-stricken county in 2012. It is also one of the main battlefields for the new decade of poverty alleviation in the eastern part of Jilin Province. There are 21,048 rural low-income people in Antu County, of which 276 of them are in poverty caused by education. In 2018, the BYD Charity

Foundation launched the "Finger Heart for Love" project, and cooperated with Ningbo BYD Auto Co., Ltd. and Ningbo Fenghua Volunteer Association to enter Antu, Jilin to fund the tuition of 50 poor students for one year, and helped 100 poor students to realize their tiny wishes and send winter clothes, quilts, stationery and sporting goods to the children in the cold winter of minus 20 degrees.



Finger Heart for Love ceremony



Students receive new winter clothes, stationery

Targeted Poverty Alleviation

In 2018, BYD actively responded to the Guideline on Winning the Battle against Poverty in the Next Three Years issued by the State Council, and strengthened the efforts on reducing poverty through industrial development and education through combining the approaches of development-oriented poverty alleviation and supportive poverty alleviation, and adopted strategies such as improving infrastructure in poor areas and helping every village, household and person, thereby enhancing the accuracy of supportive poverty alleviation and contributing to the battle against poverty. During the reporting period, the Foundation donated a total of RMB12.422 million in targeted poverty alleviation.

Living Environment Improvement

In order to support the development of the tourism industry in Fenglin Lake by the government of Qikou Town, Liuyang City, Hunan Province, the Foundation responded to

the donation call of Fenglinhu Village and donated RMB50,000 for the hardening project of Guxing Road, Fenglin Lake.

Reducing Poverty through Industrial Development

The Foundation initiated the raspberry deep processing industrial poverty alleviation project in Shuangjing Village, Laozhuang Town, Chenggu County, Shaanxi Province, and donated RMB1 million to support the production of 100 acres of raspberries there to inject new vitality into the county's industrial development. The project is looking at generating an income of RMB15,000, RMB15,000 and RMB20,000 respectively in

the first, second and third year from the date of planting, with a continuous income stream for the next 20 years. The proceeds are earmarked for the collective office business of Shuangjing Village in Laozhuang Town, Chenggu County, support of the development of the raspberry industry by the poor (with a special account), and the dividends of the poor.



Raspberry plant in Chenggu County



Project donation

Reducing Poverty through Education

In 2018, the total donation for reducing poverty through education was RMB10.372 million. In addition to subsidizing students from poor areas to complete their studies and improving the school infrastructure, various aid projects were carried out in different circumstances in different regions (i.e. grant-in-aid for poor high school students, "grass project", "sunflower education fund", "Finger Heart for Love"

project and "One Person, One Desk" project, etc.). At the same time, the Foundation built platforms for students from remote areas to explore high-tech enterprises. In 2018, in conjunction with SF Lotus Education's Aid and Gesanghua Education's Aid, 150 students from the western region visited BYD to experience industrial high technology.



Forty-eight teachers and students from Qinghai Province explore BYD

5.2 BYD Volunteers Association

The BYD Volunteers 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 the motto of "walking with love and warming everyone with action", the Association directs BYD volunteers to carry out volunteer services based on the principle of "voluntary participation, action in accordance with our own ability, stressing practical results, and perseverance", and in conjunction with the building of corporate culture to promote the construction and development of the Company's spiritual civilization and enable the volunteers to improve themselves in the process of serving the society and helping others.

As of 2018, The Association has set up sub-stations in 11 production bases, with 2,776 registered volunteers, and provided 26,896.24 hours of volunteer activities. The Association is increasingly diversified in its development through time. Under the advocacy of the Association, there are ongoing traditional volunteer services such as "No Trash on the Ground", "Beautify Our Parks", "Traffic Order Maintenance", and "Deep Love Through Old Clothing". All 11 sub-stations focus on serving vulnerable groups in the surrounding communities and spontaneously carry out a variety of volunteer services.

Focus on the Remote Poor

In 2018, the "Deep Love through Old Clothing" old clothes recycling environmental protection campaigns were held at industrial parks of BYD including Shenzhen, Huizhou, Shaoguan, Xi'an, Changsha, Beijing and Shanghai. The campaign aimed at proliferating knowledge on recycling of old items and called for donations

from everyone present. More than 2,000 BYD employees donated nearly 8.54 tons of clothes. All clothes recycled were donated to impoverished areas after sorted, disinfected and tidied by professional sorting organizations.



BYD volunteers pack recycled clothes

Focus on Surrounding Communities

BYD volunteers are paying more attention to the development of surrounding communities, and occasionally hold many volunteer activities such as respecting the elderly, helping students, ensuring the safety of the community for the disabled.

the Hope Foster Home of Changsha City came to the Changsha BYD with wheelchairs and mopeds, under the organization and coordination of the BYD Volunteers Association in Changsha, and visited the production line and experienced the high technology of new energy vehicles.

On the International Day of Disabled Persons in 2018, 26 people with spinal cord injuries in



BYD volunteers visit Cao Town in Hengyang



BYD volunteers visit nursing home

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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)

- This report has provided 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
- This report provides response to stakeholders' concerns and disclosures.
Very good Good Fair Bad Very bad
- The information, indicators and data disclosed in this report are clear, accurate and complete.
Very good Good Fair Bad Very bad
- The readability of this report, i.e., the logic, content design, language and layout design is:
Very good Good Fair Bad Very bad

Open questions

- Which part of this report are you most satisfied with?
- What further information would you like to have?
- Do you have any suggestion for our future CSR report?





Build Your Dreams

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