



2019 | BYD CSR REPORT

Build Your Dreams

ABOUT THIS REPORT

BYD Company Limited(hereinafter “BYD” or “we”) have been actively releasing corporate social responsibility (CSR) reports, so that the general public will be informed of what we are doing and supervise our execution. Our annual CSR reports date back to as early as 2010, in the hope of showcasing BYD’s CSR philosophy as well as practice, facilitating understanding, communication, and interaction between BYD and its stakeholders as well as the general public, and ultimately achieve the goal of sustainable development.

Scope of report

This report covers BYD Company Limited. And its subsidiaries, with a time range from January 1 through December 31, 2019. Certain content may involve earlier dates. Data as the basis of this report has been collected following our current management procedures. The unit for financial records featured in this report is Renminbi (RMB), unless otherwise specified.

Basis of report

This report is primarily based on the ESG Reporting Guide and FAQs (Main Board Appendix 27) by the Stock Exchange of Hong Kong Limited, and Memorandum No. 2 on the SME Board Information Disclosure Business: Periodic Report Disclosure by the Shenzhen Stock Exchange. In the process, we also referenced G4 Sustainability Reporting Guidelines by the Global Reporting Initiative (GRI) and CASS-CSR guidelines. Please refer to the indicator index at the end of this report for how disclosure for each specific indicator is covered in the report.

Reporting timeline

- October 2019: Report panel established, commencing training sessions for the CSR report.
- November 2019: Commencing key interviews and stakeholder researches.
- December 2019- February 2020: Finalizing report structure and content for each section, starting to collect material.
- February 2020 – March 2020: Compiling report, as well as compliance review by internal expert panel.
- April 2020: Approval by the CSR management committee and board of directors

Confirmation and approval

This report has been confirmed by the CSR management committee and approved by the board of directors on April 21, 2020.

Access to the report

BYD advocates environment protection, therefore this report is not provided in physical prints. Please view or download BYD’s CSR report online, either at BYD’s official website (www.byd.com), or the official website of HKSE or SZSE. We hereby express gratitude to all stakeholders who provided us with advice and suggestions in the compiling of this report and promise to keep improving the quality of our reporting.

Contact

For any advice and suggestion, please contact BYD by:

Phone: 86-(0)755-8988 8888 ext. 62649

Email: bydcharity@byd.com

Address: 3009 BYD Rd, Pingshan District, Shenzhen

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Letter from the President

Active Performance of Corporate Social Responsibility Means Competitiveness and Sustainability



2019 was a year of global economic downturn, making the market significantly more complicated. BYD's answer to the challenge has been to focus on technological innovation, optimize corporate operation, and achieve the steady growth of four major industries, namely automobiles, rail transit, renewable energy, and electronics. BYD has always upheld a heightened sense of social responsibility and purpose. We have a dream of clean environment and clean cities, of building multi-level green transportation systems in urban areas, which is "reducing pollution with electric automobiles, and mitigating traffic congestion with SkyRail and SkyShuttle".

As a global leader of holistic renewable energy solutions, BYD's eco-friendly technologies and products cover the entire cycle of energy generation, storage, and consumption. We have solar panels, energy storage systems, LED lighting, electric automobiles, SkyRail, and SkyShuttle. Our strategy is to comprehensively address all links in the industry chain and all corners of the market, constituting a one-stop solution for green cities. In terms of electric automobiles, we, as well as the entire global automobile industry, are facing a revolution never seen before in the past century. From batteries to electric motor, electronic controls, and insulated-gate bipolar transistor (IGBT), we own core technologies throughout the entire industry chain. Our pervasive presence can be found in 7 Conventional transportation areas (bus, taxis, passenger vehicle, coach, sanitation vehicle, logistics vehicle, and construction vehicle) and 4 specialized areas (warehouse, port, airport, and mining)

of the market. SkyRail and SkyShuttle are the extension of BYD's electric automobile business in the rail transit domain. With a comprehensive coverage of core technologies, we are capable of manufacturing whole vehicles, rail systems, stations, and communication/signal systems independently. SkyRail is intended for middle capacity transportation, while SkyShuttle addresses small capacity transportation. Together, they complement existing subway systems by consolidating and dispersing the flow of passengers. Our mission is to deliver "technological innovations for a better life". We hope to empower more cities all around the world with our green solutions and find an answer to pressing issues such as oil crisis, air pollution, traffic congestion, and industry transformation.

On top of fulfilling our responsibilities to the sustainable development of the economy, environment, and society, BYD is also an active contributor to charity. In 2019, BYD has applied its business advantages to 13 regions in 7 provinces of China and invested over RMB11.72 million in targeted poverty alleviation. We have participated in many charity programs, including supporting children with cerebral palsy, education fund for disadvantaged children and high school students, BYD Scholarship at Central South University (Hunan Province) and Gejiu Middle School (Yunnan Province), raspberry down-stream processing for poverty alleviation (Shaanxi Province), and poverty alleviation in Tiandong County (Guangxi Zhuang Autonomous Region). We have won a myriad of recognition and awards in 2019, such as Shenzhen Top 10 Charity Enterprise, Poverty Alleviation Enterprise of 2019 (People's Daily), Kapok Cup Award, and Shanghai Chedun Charity Star.

BYD's objectives have transcended the simple growth and expansion of an enterprise. We embody a sense of social value and responsibility. We will continue to enhance our market strategy, to advance world sustainability, to further develop new energy vehicles and medium and small capacity of rail transit, and to accelerate the building of the multi-level green transportation system. Meanwhile, we will maintain our dedication to education, poverty alleviation, charity, and corporation-wide contribution to public interest. Active Performance of Corporate Social Responsibility Means Competitiveness and Sustainability.

Wang Chuanfu
Chairman & President

1.1 The company

BYD Company Limited (hereinafter “BYD”) was founded in February 1995, headquartered in Shenzhen City, Guangdong Province. The company, publicly listed in Hong Kong and Shenzhen, with revenue and market capitalization over RMB100 billion, and a business scope spanning four major industries, namely automobile rail transit, renewable energy, and electronics.

Automobile. BYD believes in independence and innovation. We have developed core technologies covering the entire industry chain, including batteries, electric motors, electronic controls, and insulated-gate bipolar transistor (IGBT). We are leading the development of industry with the world’s first mass-produced plug-in hybrid electric vehicle in 2008 and the world’s first electrified public transportation solution in 2010. As of now, BYD new energy vehicles have taken hold in over 300 cities in over 50 countries and regions, providing a “Chinese solution” to the issue of city air pollution worldwide.

Rail transit. With integrated innovation, we have extended our industry chain from new energy vehicles to rail transit with the release of “SkyRail” monorail trains and “SkyShuttle” tram on rubber wheels with completely owned intellectual property rights and core technologies covering the entire industry chain. BYD’s solutions are groundbreaking in China’s medium and small capacity of rail transit and offers “Chinese wisdom” to the mitigation of traffic congestion in cities worldwide.

Renewable energy. BYD has an array of new energy products, including batteries, solar panels, and energy storage. They constitute a comprehensive industry chain with 3C batteries, power batteries, and energy storage batteries. We are a global leader in power batteries, with solar and energy storage solutions exported to the United States, Germany, Japan, Switzerland, Canada, Australia, and South Africa.

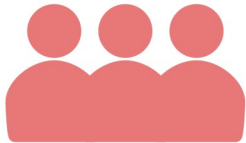
Electronics. BYD Electronics (International) Company Limited was independently listed on Hong Kong Stock Exchange in 2007. The company is a global leader in smart solutions, with products in key sectors such as smartphones, laptops, smart vehicle systems, and new smart electronics. BYD Electronics is the one and only company in the world capable of providing a one-stop solution from design and manufacturing of precision metal, glass, ceramic, rubber components to whole machines. The company has been providing esteemed global clients with comprehensive research, development, design, manufacturing, and logistic chain services.

For 25 years, BYD has been advocating a sustainable strategy on a global scale with powerful market planning. Our efforts have been widely recognized by the Zayed Sustainability Prize, the Special recognition of UN Powering the Future We Want Energy Grant, and featured on Fortune magazine’s “Change the World” list. Our objective is to deliver “technological innovations for a

Performance of year 2019



Annual revenue
1,277.39 RMB billion



Number of employees
229,154 person



Charity expense
1,172.3 RMB'000

Ranking in Chinese private enterprises top 500

3rd

Ranking in Chinese private manufacturing enterprises top 500

15th

Ranking on the “Change the World” list by Fortune magazine

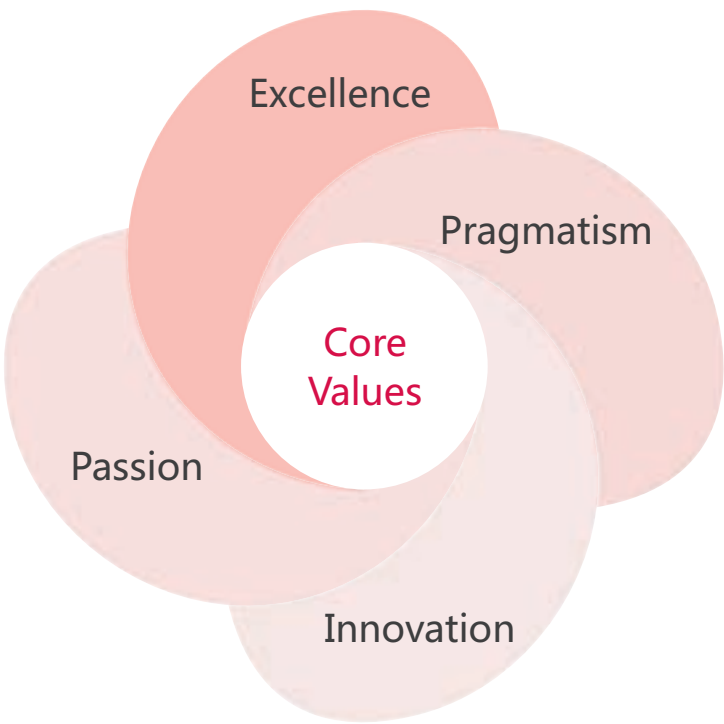
32rd



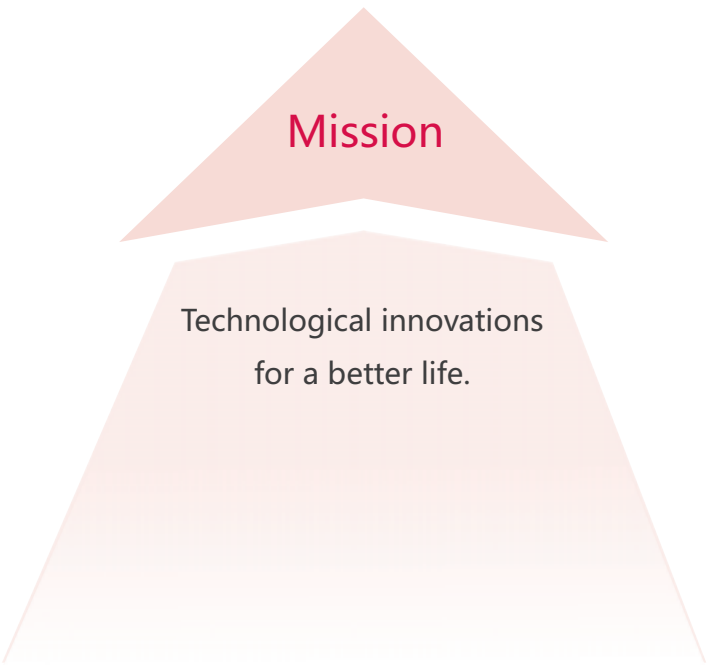
Accolades and awards

Date	Award	Issued by
Feb 26, 2019	Prestigious Energy Storage Award	EuPD Research
May 6, 2019	Business of Integrity, Xi'an	Shaanxi Provincial Propaganda Department
May 20, 2019	Top 10 Caring Enterprises, 2019 the 16th Shenzhen Project Care	Shenzhen municipal government
May 29, 2019	Outstanding private enterprise, Hunan Province "10K Enterprises for 10K Villages" targeted poverty alleviation initiative	Hunan Provincial United Front Work Department, Hunan Provincial Federation of Commerce and Industry, Hunan Province Poverty Alleviation Office, Hunan Provincial Society for Promotion of the Guangcai Program
Aug 1, 2019	2019 Chinese private enterprises top 500 (32 nd place)	All-China Federation of Industry and Commerce
Aug 1, 2019	Chinese private manufacturing enterprises top 500 (15 th place)	All-China Federation of Industry and Commerce
Aug 20, 2019	"Change the World" list (3 rd place)	Fortune magazine
Oct 12, 2019	Gold medal for design patent, the 21st China Patent Award	China Patent Award Review Office
Oct 24, 2019	First prize, China Society of Automotive Engineers Technological Advancement Award	China Society of Automotive Engineers
Oct 31, 2019	Top 70 innovative enterprises in Shenzhen (3 rd place)	Shenzhen Top 70 Innovative Enterprises Review Panel
Nov 5, 2019	2015-2018 Enterprise with outstanding anti-fraud achievement	Enterprise Anti-Fraud Committee
Nov 12, 2019	2019 Annual Enterprise Poverty Alleviation Award	People's Daily & International Financial News
Nov 15, 2019	Guangdong top 100 private enterprises (8 th place)	Guangdong Provincial Federation of Industry and Commerce
Dec 10, 2019	2019 Shenzhen top 500 enterprises (8 th place)	Shenzhen Municipal Federation of Enterprises, Shenzhen Entrepreneur Association
Dec 19, 2019	Shenzhen Best Employer Award	Zhaopin.com, together with the Institute of Social Science Survey (Peking University)
Dec 12, 2019	Chinese brands with outstanding post-sale services	12365auto.com
Dec 23, 2019	Corporate council membership, China Association of Quality Inspection	China Association of Quality Inspection

Core Values



Brand Mission





02

Operation and Management

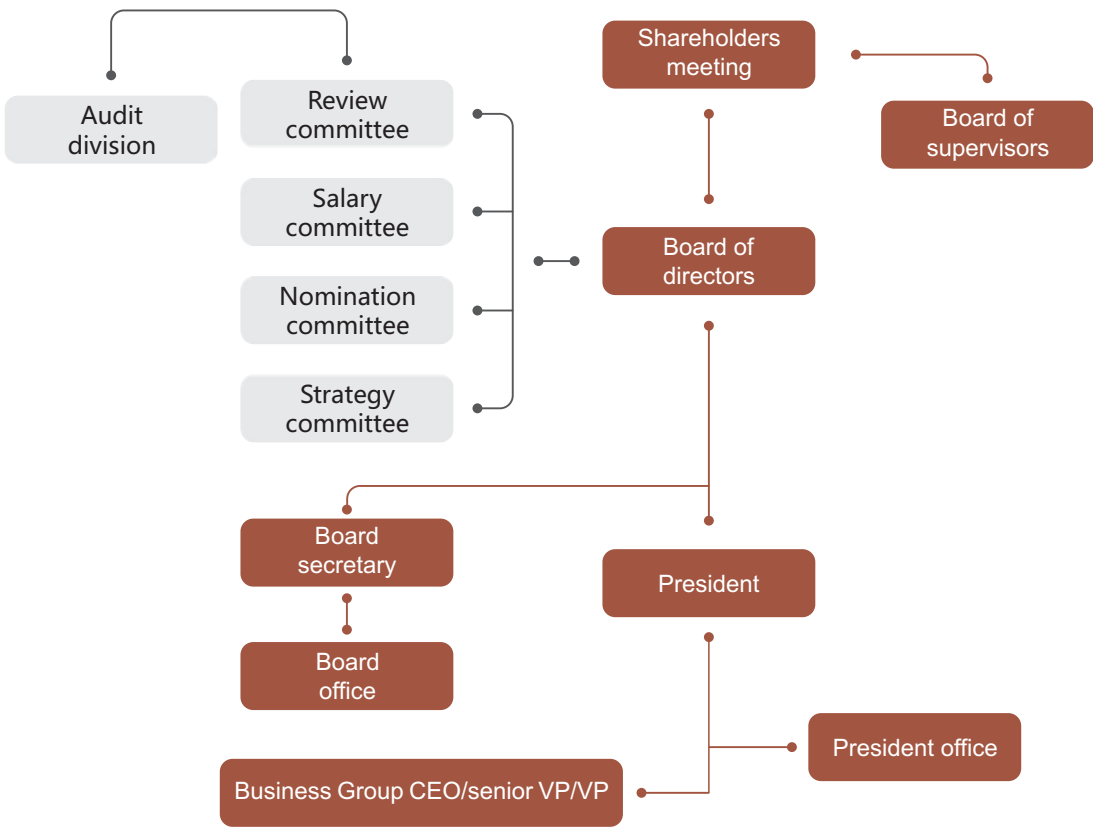


2.1 Corporate Governance

BYD is constantly optimizing its corporate governance structure, better serving stakeholders with more scientific and mature modern management.

The board of directors regularly hosts shareholder meetings to report recent work progress and formulate/execute shareholder decisions, to supervise the overall operation and strategic development of the company, and to make decisions on operation and investment plans. Governance-wise, such meetings also provide guidance to the executive team to further improve corporate regulations, decision-making mechanisms, and approval procedures. The objective is to establish and maintain a modern, well-regulated corporate structure, to facilitate investment decisions of better efficiency and quality.

Organisational chart of BYD Company Limited



Decision-making mechanism

At BYD, critical decisions are made through collective negotiation, and reviewed by approved by the president. The president is also responsible for the big picture, planning new

projects and future developments for BYD.

BYD has a strict decision-making mechanism, with regular self-evaluation processes for the effectiveness of internal control design and operation. The current evaluation system

comprehensively covers the production, operation, and management of BYD, effectively achieving goals for internal control. There is no significant flaw in the decision-making mechanism.

2.2 Legal and compliance

Fair business

The requirement for social responsibility is imbued into the entire operation and daily management of BYD. The improvement of existing management systems is an ongoing process, as we constantly seek to meet the expectation and demand of corporate stakeholders. The BYD Code of Conduct explicitly demands compliance to anti-trust,

competition, and fair-trading laws in countries of operation, and prohibits activities of unfair competition. Moreover, we regulate our operations with a philosophy of responsibility and sustainability: abide by laws, adhere to business integrity, strictly follow business code of conduct, maintain honest operation, and compete on fair grounds.

Abide by laws

On a global scale, BYD strictly abides by laws, social norms, professional ethics, and corporate internal regulations. We have dedicated intellectual property rights and legal departments to encompass relevant affairs throughout the entire organization. Business divisions have their own legal units or specialists to inspect and review legal management and execution within the division on a regular or irregular basis. An effective internal control mechanism has been established, with corporate-scale policies such as the BYD Legal Dispute Management Policy and the BYD Contract Management Policy updated in a timely manner, complete with supporting procedures, to ensure that all operations are abide by laws

and regulations. In order to timely and effectively support business development, to curtail legal risks from the source, and to ensure secure operations, we have provided business divisions and groups with innovative legal services in 2019, such as resident legal representatives and appointed attorney account managers.

In 2019, we created and launched a full-scale contract management platform, with a fulfillment control module for the contract fulfillment stage to comprehensively prevent contractual risks through dynamic fulfillment monitoring. 100% legal auditing has been applied to all regulations, policies, critical decisions, and business contracts of BYD.

Protection of intellectual property rights

BYD has established a strategic patent plan centering around four pillar sectors, namely electronics, automobiles, renewable energy and rail transit. Out patents are constantly improving in quality, tapping into specific technological domains such as automobiles, electronics,

chemistry, mechanics, and telecommunication. While protecting our own innovations, we are also carefully avoiding infringement of intellectual property rights of other entities, for better competitiveness of our products.

Intellectual property rights protection policies

Based on the philosophy of “institutional policies, procedural institution, and electric procedures”, BYD manages intellectual property rights with a holistic approach encompassing the creation, protection, and application of intellectual properties. The system of policies is constantly optimized to facilitate a healthy development of intellectual properties.

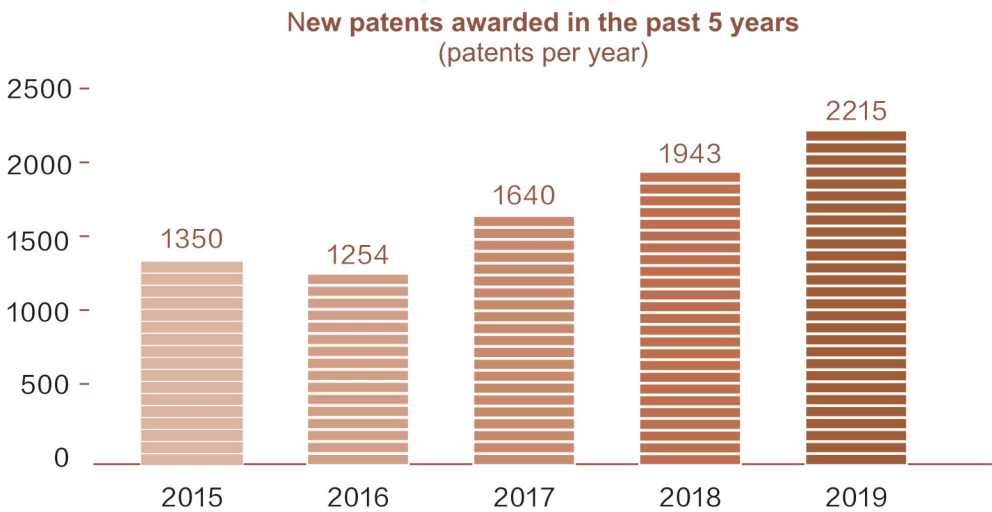
A series of policies were released in 2019,

including the Patent Planning Management Policy and the Intellectual Property Projects Management Policy in order support business development with optimized management. We also formulated plans for key patents based on the company’s three-year “quality improvement plan”, enhancing the competitiveness of our products through patents of improved quality.

Quantity of patents

By December 31, 2019, BYD has accumulatively filed for 23,182 patents in China (11,574 inventions, 9,387 utility models, 1,912 appearance designs, and 309 patents in Hong Kong/Macau/Taiwan), 4,016 patents overseas.

A total of 15,503 patents have been awarded in China. 1,774 patents were awarded in China in 2019. A total of 2,734 patents have been awarded in China, with 441 awarded in 2019.



Intellectual property rights training

BYD is rigorously engaged in the communication

and training regarding intellectual property

rights, with training and exchange sessions targeting new and old employees, as well as executives of various seniority. Communications are released through online sources, internal publications, and WeChat accounts to raise

employee awareness and ensure the internal IPR management system works sufficiently,

Anti-corruption and anti-commercial bribery

Anti-corruption and bribery policies

BYD regulates all commercial activities with the highest integrity standard, strictly prohibiting corruption, extortion, and fraud in all forms. Offending personnel will be terminated of employment and prosecuted. We strictly prohibit offering or accepting bribery, gifts, hospitality, and any other form of activity intended to affect BYD’s relevant business decision in order to acquire abnormal or inappropriate advantages. Employees losing business opportunities due to refusal of bribery will not be negatively reviewed by the company.

A plethora of policies have been enacted to prevent embezzlement, corruption, malpractice, and fraud in all forms, such as the BYD Code of Conduct, the BYD Employee Professional Ethic

Guidelines, the BYD Guidelines for Employee Business Activities with External Entities, the BYD Executive Economic Activity Guidelines, the BYD Corporate Punitive Measures, the BYD Corporate Procurement Supervision and Management Measures, and the BYD Whistleblower Protection and Incentive Measures. Institutional anti-corruption measures also extend to partners of the company. Electric anti-corruption reporting procedures are available on BYD’s OA and mobile office platforms, providing functions such as turning in gifts, as well as reporting for hospitality, personal connections, and investment activities.

Reporting, supervision, and accountability

BYD has zero tolerance for corruption. Reporting and complaint mechanisms have been put in place to encourage participation from BYD employees, external personnel, and any other knowing party to actively report embezzlement, corruption, fraud, and any other activities against laws, regulations, and BYD policies, and damaging BYD’s interests. We offer protection and incentives to whistleblowers. All reported activities will be investigated. All offending activities will be accounted for. All corruption will be cracked down. All whistleblowers will be protected. All confirmed reports will be abundantly rewarded.

There is a database of expelled personnel on BYD’s official website, for the ease of external personnel to search for information of those

engaged in corrupted or unethical activities. BYD is a member of the China Enterprise Anti-Fraud Alliance. Information on unethical employees is shared within the organization, and those with corruption or embezzlement records will be placed on an industry-wide blacklist. Employees engaging in illegal activities will be prosecuted by BYD. In 2019, 8 employees were prosecuted.

BYD executes a Transparent Cooperation Agreement with every partner. The agreement stipulates liabilities for the breach of contract, which will be accounted for in form of verbal warning, notice of anti-corruption, deduction of deposits, and blacklisting. 41 enterprises were added to BYD’s blacklist in 2019.

Contact BYD to report corrupt activities



tousu@byd.com



86-(0)755-8988 8888-62407



WeChat account 廉洁比亚迪

And any other method deemed appropriated by the reporting person.

Anti-corruption communications

BYD constantly announces anti-corruption policies, news, case notices, and relevant laws/regulations through OA notifications, public notices, email communications, WeChat accounts, and its official website. Various anti-corruption campaigns are held in the form of taking pledges, signing letters of commitment, quiz contests, training courses, blackboard

news, and “anti-corruption month”. Employees in key positions may participate in prison tours, as a warning of potential consequence. The company utilizes all tools at disposal to create a culture, a supervision system, an environment against corruption, and to distill a sense of self-discipline. “Vigilance, discipline, justice, integrity” makes the anti-corruption culture at BYD.



▲ A warning education session

In 2019, we produced a promotional video titled “A Clean BYD”, to be shown to employees and visitors. Warning signs are deployed in meeting rooms, reception rooms, and negotiation rooms across all BYD campuses in China to remind employees of business interaction guidelines,

also showing external partners of BYD’s stance on honesty and transparency. Our work has been reported by Shenzhen TV and Shenzhen Economic Daily. We are recognized by the Enterprise Anti-Fraud Alliance as a “2015-2018 Outstanding Anti-Fraud Enterprise”.



▲ Award ceremony of 2015-2018 Outstanding Anti-Fraud Enterprise

An anti-bribery management system

BYD is an active contributor to the Shenzhen municipal and even national anti-bribery management systems. We are involved in the formulation of Shenzhen’s local anti-bribery management standards, and the review process

of the Industry Certification Standard of the People’s Republic of China: Anti-Bribery Management System Requirements and Guidelines.

2.3 Social responsibility management

BYD has formed a dedicated committee to formulate CSR management regulations and work plans. The objective is to create a unified CSR organizing and management system within the company. For promises of compliance and sustained improvement, BYD has declared a steadfast stance on social and environmental responsibilities and appointed specific executive representatives to ensure that all operations and product families of BYD are abide by applicable laws, regulations, and client demands, while recognizing and reducing operational risks. The CSR management of BYD is progressing on a scientific and standardized path.

Vision for social responsibility

BYD is dedicated to the harmonic, sustainable development of the company and society. We are working hard to advance the interest of governments, shareholders, clients, employees,

suppliers, partners, and other stakeholders through innovations in technology, product, and management. The goal is to be trustworthy, respectable enterprise to all stakeholders.

Communications of social responsibility

Internal communications

BYD has always been actively optimizing its internal communications of social responsibility. In 2019, the CSR committee hosted multiple meetings, training sessions, and interviews to facilitate the execution of corporate social

responsibility programs. We have internal CSR community groups to share relevant information, enhance internal exchange, and push social responsibilities forward as a company.

External communications

Since 2010, BYD has been releasing CSR reports for 9 successive years, fully disclosing the company's efforts in its economic, environmental, social responsibilities and in improving the industries it occupies. 2019 has seen a heightened emphasis on external communications, with the company actively






participating in industry CSR events. We have won multiple CSR awards, including the 16th Top 10 Caring Enterprises Award (2019) by Shenzhen Project Care, and the 2019 Annual Enterprise Poverty Alleviation Award by People's Daily.

Participation of stakeholders

BYD works closely with stakeholders to hear their demands and optimize corporate management accordingly. We have organized many activities with stakeholder participation,

including meetings, events, questionnaire surveys, academic workshops, and various work groups.

Stakeholder	Primary Topics	Method/Channel of Communication	Frequency
 Clients and consumers	<ul style="list-style-type: none">Product responsibilityClient privacyGreen product and technology	<ul style="list-style-type: none">Online promotionOffline exhibition and promotionWeibo/WeChat/phoneNew product releaseMarket researchClient satisfaction surveyClient meetingBYD fans club	<ul style="list-style-type: none">Irregular
 Employees	<ul style="list-style-type: none">EmploymentSalary and benefitOccupational health and safetyEmployee training and growth	<ul style="list-style-type: none">General Manager DayGeneral Manager InboxFactory Manager Reception DayWorkers' union eventReview and complaint mailboxEmployee training	<ul style="list-style-type: none">Random training for new employee onboarding and promotion reviewIrregular workers' union and group activitiesIrregular employee surveys
 Shareholder/investors	<ul style="list-style-type: none">Business performanceOperation compliance	<ul style="list-style-type: none">Shareholder meetingsPerformance announcementInvestors forumMajor reverse roadshowRegular disclosureFrequent email and phone communication	<ul style="list-style-type: none">Irregular investor forumsIrregular roadshowsIrregular performance announcementsIrregular surveysIrregular phone and email interviews
 Suppliers	<ul style="list-style-type: none">Supply chain managementProduct responsibility	<ul style="list-style-type: none">Field researchQuality communicationSupplier meeting and reviewSupplier contract and questionnaire surveySupplier trainingSupplier conference	<ul style="list-style-type: none">Irregular supplier conferencesIrregular training sessionsQuarterly supplier satisfaction surveys

Stakeholder	Primary Topics	Method/Channel of Communication	Frequency
 Government bodies	<ul style="list-style-type: none">Green productionGreen operationBusiness performanceCompliance	<ul style="list-style-type: none">Government policy discussionInput for government standard and negotiationGovernment and cross-government meetingParticipation in government projectsInviting government representative to field guidance	<ul style="list-style-type: none">Irregular
 Industry / standard associations	<ul style="list-style-type: none">Product responsibilityGreen production	<ul style="list-style-type: none">Participation in the making of electric automobile industry standardsParticipation in member conferencesIndustry exchange and communicationContribution to industry planningCooperating with academic institutions	<ul style="list-style-type: none">Irregular
 NGO and community	<ul style="list-style-type: none">Green productionPublic welfareVolunteer services	<ul style="list-style-type: none">Participation in community programsParticipation in NGO meetings, and inviting NGO to corporate meetingsDiscussion of each party's specific concernsResponding to requirement of informationPublic welfare activities	<ul style="list-style-type: none">Irregular volunteer servicesMonthly "Public Welfare Day" events
 Media	<ul style="list-style-type: none">Business performance	<ul style="list-style-type: none">Separate meetings and interviewsSpecific activities for key industry media outlets and opinion leadersInviting media and opinion leaders to BYD conferencesInteraction over social media	<ul style="list-style-type: none">Irregular
 Research / academic institutions	<ul style="list-style-type: none">Green productionResearch, development, innovation	<ul style="list-style-type: none">Joint technological research and cooperationOrganizing workshops	<ul style="list-style-type: none">Irregular

Analysis of substantial topics

Identifying topics

Substantial topics for this year are preliminarily identified by BYD's CSR committee based on the list of 20 substantial topics identified for the year of 2018, while referencing national policies,

industry trends, and company development plans in 2019 and taking into consideration interests of relevant stakeholders.

Reviewing and finalizing topics

We conduct dedicated researches involving multiple stakeholders. The preliminary review of substantial topics is based on two factors, namely "how important it is to the stakeholder(s)", and "how relevant it is to BYD".

Expert panels formed by the CSR committee will perform comprehensive reviews, finally settling on substantial topics in four categories, to serve as the basis of disclosure.

Substantial topics identified for 2019

Company Management Topics	Environment Topics	Employee Topics	Community Topics
Business performance	Waste (water, gas, solid) management	Salary and benefits	Contribution to community
Research, development, and intellectual property	Greenhouse gas emission management	Occupational health and safety	Charity
Operation compliance	Energy consumption management	Career development and training	Targeted poverty alleviation
Anti-corruption and bribery	Packaging material usage	Employee rights	/
Supply chain management	Water resource management	Multiculturalism and equal opportunity	/
Supplier review and selection	Impact and protection of community environment	/	/
Customer service and satisfaction	/	/	/
Consumer rights	/	/	/
Distributor management	/	/	/
Product safety and quality	/	/	/



03

Partner Cooperation and Management





3.1 Protecting shareholders' interests

Since becoming a listed company, BYD has always paid close attention to the protection of investors' rights, by establishing and constantly improving a system for this very purpose. We are working hard to maintain a stable stock price and to provide plans and mechanisms for the return of investments. We honor our promises and disclose relevant information timely and sufficiently. Our objective is to communicate and interact with investors through diverse channels, and substantially protect the legal interests of our investors.

Investor relationship management

Following relevant laws and regulations, as well as rules regarding the disclosure of listed companies stipulated by SZSE and HKSE, BYD discloses information to shareholders and investors timely, truthfully, accurately, and completely, in order to improve its transparency of operation.

Strictly adhering to rules and regulations of stock exchanges, BYD protects legal interests of medium and small shareholders. We are constantly perfecting company regulations,

rules of procedure for shareholder meetings, and dividends distribution policies as required by stock exchanges for equal protection of shareholder interests. Company information is furnished to medium and small shareholders through performance presentations, investor surveys, and regular email/phone contacts, where shareholders' questions will be answered. In doing so, we hope to achieve positive interaction with medium and small shareholders.

The shareholders meeting for the year of 2018

was held on June 6, 2019, attended by 110 shareholders and representatives, collectively owning and representing 1,233,834,164 shares, or 45.2262% of the company's total equity. Based on the attendance, more medium and small shareholders participated in our meeting for the duration of the report, contributing inputs to company

governance and business operation.

In 2019, 44 groups visited BYD for field research, including investors from trust funds, brokerages, insurers, private equity, and QFII. We attended over 57 investment bank and broker conferences both domestically and overseas and organized multiple performance presentations and domestic/overseas roadshows.

Return to shareholders

Improving return to shareholders and protecting the interests of medium and small shareholders has always been a focus at BYD.

To share the benefit of business growth with all shareholders, we have taken factors such as overall operations, financial conditions, and shareholder interests. As reviewed and approved on the 2018 shareholders meeting on June 6, 2019, the dividends plan for the

year of 2018 is: taking the total capital stock of the company, 2,728,142,855 shares (1,813,142,855 A-shares, 915,000,000 H-shares) as the base, dividends will be paid to all shareholders at a cash rate of RMB2.04 (tax included) per 10 shares. With no bonus shares, no reserve fund converted into share capital, total cash of RMB556.5411million was to be paid to shareholders as dividends.

The 2018 dividends plan was executed on July 26, 2019.

3.2 Distributor management

BYD’s automobile distributor network covers major cities and key business regions all over China. To ensure that our distributors are able to present quality service to customers, we have created a “Smart Experience” initiative to encourage the building of “Smart and Fun 6S Experience Spaces”. A renovated purchasing experience has been tailored based on characteristics of BYD customers and products.

The traditional “4S” (sale, spare part, service, survey) service model has been upgraded and integrated into “6S”, namely surprised, special, smart, soft, supported, and seamless. With elevated sales scenario, BYD distributors are now able to provide more considering services with even better intelligence and flexibility.



Sales satisfaction management

Sales satisfaction is the prerequisite of good brand image, word-of-mouth, and customer loyalty. It requires comprehensive sales service, inspired distributors, a clean definition of “satisfaction”, a direction for improvement, and specific benchmarks.

BYD rates all distributors nationwide for capability and contribution, in order to provide customers with all-around quality service. SSI (sales satisfaction index, the palpable effect of a product or service compared against expectation) reviews are conducted on a monthly basis. Distributors with shortage identified in the process will receive notice for rectification and must submit a report for rectifying insufficient metrics within 3 days

since receiving the notice. The duration for rectification is one month, during which the distributor must regularly submit reports of improvement progress.

We are enhancing training and managing performance review through empowering frontline distributors. Review scores of January – December 2019 have seen a 1.38% improvement (1.24 points) YoY, at 91.27 points. The deployment of sales satisfaction commissioners has reached 100% penetration. In 2019, SSI shortage rectification rate was 98.68%, with 81.68% reaching the standard. Rectifications have seen visible results, with a 43% improvement in SSI scores.

Year	Annual Average SSI Score
2016	89.61
2017	90.63
2018	90.03
2019	91.27



Distributor sales satisfaction commissioner training in Huhhot



Distributor sales satisfaction commissioner training in Hangzhou



Distributor sales satisfaction commissioner training in Mianyang

Distributor training

BYD analyzes distributor service principles and procedures and guides them through frequently seen issues in the sales process. We constantly develop new ideas and methods of service to help distributors improve sales satisfaction rate. To better implement sales complaint and review policies, our customer service center has deployed resident representatives, and

remotely train distributors through video calls. Monthly sales complaint rate is employed as a warning measure, prodding distributors to actively maintain positive relationships with customers. Response and resolution rate for customer complaints have been effectively improved.

3.3 Supplier management

In 2019, we optimized and updated the BYD Supplier Requirements, Specific Measures for BYD Suppliers Review, Specific Measures for Supplier Corporate Social Responsibility Management and other supplier management policies with new international, national, local, and industry laws and regulations, as well as requirements regarding customer complaints. Now these documents explicitly prohibit suppliers from purchasing conflict minerals. The same prohibition extends to downstream suppliers, whom will be investigated by BYD.

Our supplier management policy clear laid out social responsibility requirement for our supply chain partners in terms of labor standard, occupational health and safety, environment protection, trade safety, anti-corruption and bribery. BYD's risk management committee has a procurement taskforce to collect and review risk information from the supply chain, set risk thresholds, and devise corresponding countermeasures. We regularly review and analyze our existing risk management

strategies for effectiveness and reasonability, and constantly amend or optimize according to actual situations. Based on such strategies, we have tailored solutions for various risks, and perform annual reviews for the execution and outcome of risk control. By the end of 2019, offline manual risk control procedures have been migrated to online platforms, to be monitored by computer systems to close the loop.

Number of suppliers

BYD currently has over 14,000 suppliers, 48% of which are located in Southern China, 28% in Eastern China, and 24 in other regions. Due to the rollout of rail transit and other businesses, BYD has been building factories in more

domestic and overseas locations, such as India, North America, Changzhou, Yinchuan, Guang'an, and Guilin. The expansion of our supplier network has increased local economy and employment through industry chains.

Selection of suppliers

Convention of contracting suppliers

BYD has established CSR regulations for suppliers. The incoming quality control process examines HSF compliance for materials with such requirements. Suppliers will undergo annual CSR review. Depending on the nature of materials, suppliers might also be inspected

for conflict minerals. Materials of high risk will be inspected for key environment and humanity metrics. Those with modified or expired HSF documentation will have to re-submit HSF documentations.

Selection of new suppliers

New suppliers will be investigated by BYD for necessary credentials, and record of activities offending laws or regulations. The BYD Supplier Review Sheet is the basis of such investigation. The Sheet features dedicated sections such as "corporate social responsibility", "safety, information, and intellectual property rights", "hazardous substance control", comprehensively rating suppliers and their downstream supply chains in terms of humanity, environment, safety, compliance, hazardous substance control, and trade safety. All information will be verified on site, with multiple provisions of veto power.

We have always been selecting our suppliers to the highest environment, labor practice, and human rights standards. All suppliers must have ISO 14001 certified management systems in place, and promise to apply and further develop corporate social responsibility management systems according to the SA 8000 standard, and to be abide by BYD's Supplier Corporate Social Responsibility Agreement and provisions regarding labor, human rights, and environment in the Toxic and Harmful Substance Control Agreement.

Review and evaluation of suppliers

We regularly investigate and review our suppliers' corporate social responsibility performance and compare against CSR

provisions of the BYD Suppliers Review Sheet on site. Those failing the review will be provided with interviews, tutoring, and training

from BYD to facilitate improvement. Suppliers failing to rectify to the standard within given time may be severed from BYD's supplier network, depending on the actual situation.

BYD reviews suppliers with ongoing transactions every year at an appropriate time. Subjects of the annual review are selected from qualified suppliers. BYD drafts a list based on the nature of source materials, such as those with high pollution and energy consumption, like PCB, FPC, and connectors. Suppliers of listed materials will be reviewed. If

failing to meet the standard, or showing signs of increased energy consumption, the supplier will be asked to implement rectifications, a process that will be followed up by BYD.

We regularly check government websites to find out whether any BYD supplier appears on any government blacklist. If so, procurement departments will be noticed of such finding via email, and timely terminate transactions with the supplier in question by suspending its vendor code in the procurement system.

Supply chain platform

In recent years, BYD has undergone a pivot in the procurement of production materials, from price-oriented to value-oriented, and from local to international. Certain key components and parts are provided entirely by industry-leading suppliers. Risk and strategy management is

now under the spotlight. We are emphasizing transparent and green procurements with an efficient and mutually beneficial supply chain platform that manages supplier life cycles in a closed loop.

Transparent procurement

As we push forward the "transparent procurement" initiative, new suppliers onboard now must sign a "Transparent Procurement Agreement". As a member of the Anti-Fraud Alliance, BYD puts suppliers violating its "transparent procurement" policy on a blacklist, which will be publicized to other members of the Alliance. Employees violating the policy will be removed, and even prosecuted in severe cases. The company prioritizes public tendering, which is to be supplemented by other forms of competitive procurement. A new SRM platform was launched to avoid human intervention in key stages of the procurement process, improving efficiency and transparency.

The procurement committee and audit office report directly to the president, in charge of internal supply chain and procurement control. Notices have been deployed at multiple BYD facilities to remind employees to report violating activities through hotline, email, WeChat, and other means. All procurement activities in violation of the transparency policy, if verified, will face harsh punishment. We want everyone in the company to take part in the supervision of supply chain management and procurement, so that "transparent procurement" will be effectively implemented and monitored.

Green procurement

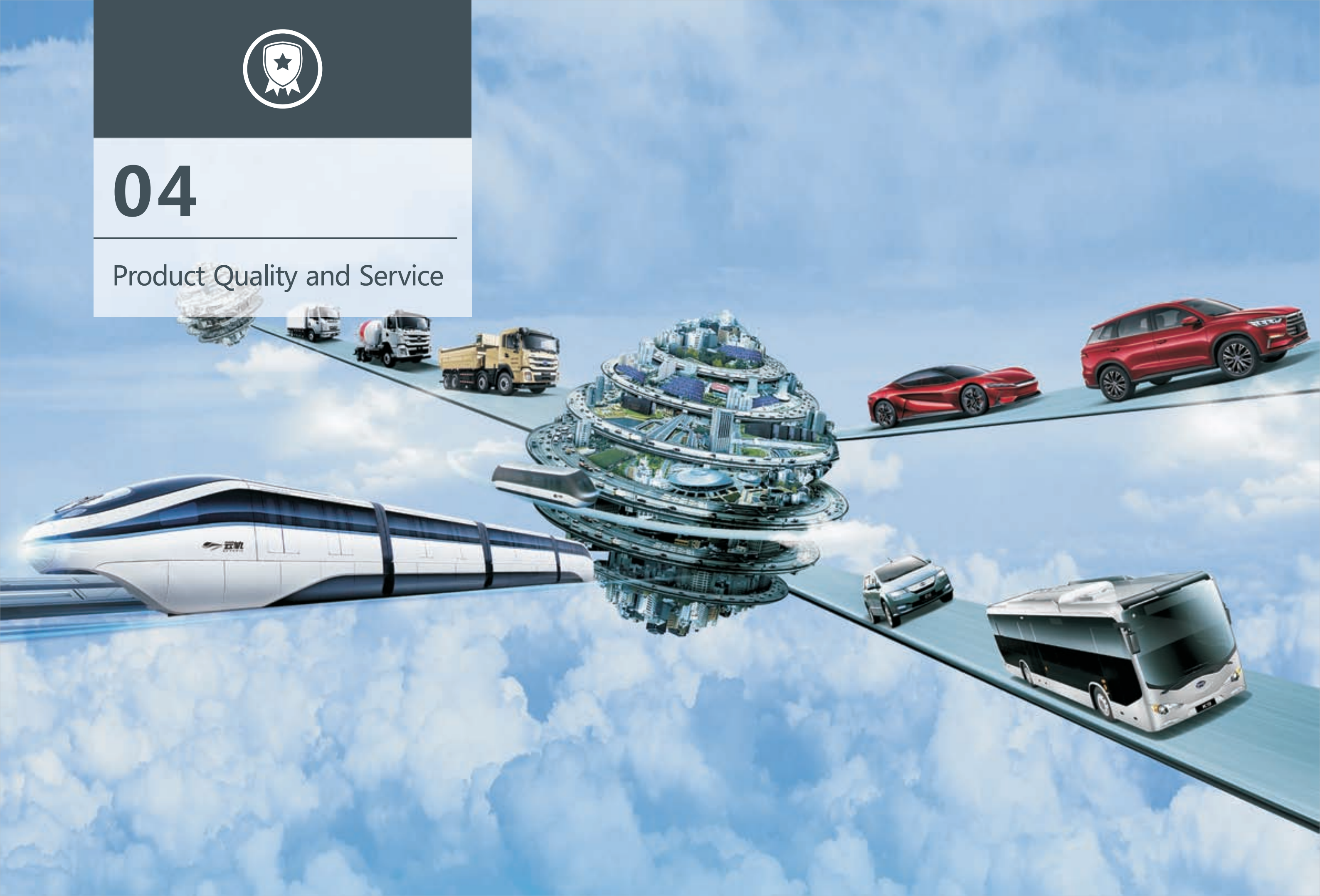
For supply chain and raw materials, BYD upholds the principle of "green procurement". Under the guidance of the headquarter procurement division, regional divisions, business units, and factories have formed a

"green supplier, green material" system. Environmental protection is ensured in every link of the procurement process. Each component from external source meets our environmental standards.



04

Product Quality and Service



4.1 Product responsibilities

Quality values

Under the company's quality-oriented value, each business unit and factory must devise its own value system to ensure that every single employee is quality-minded and act accordingly. Quality should encompass the development of technology, production, management, and service decisions. Product, work, and service quality must be further elevated. The company's values are:

★ ★ Quality Value ★ ★

Customer first	People before products	FMEA	Principle of refusal	Leave nothing on the loose
Constantly finding out customer's needs and exceeding their expectation.	Respect processes and disciplines. Implement the 5S standard. Cultivate a spirit of craftsmanship.	Thoroughly grasps mechanisms and pay close attention to prevention.	Refuse to accept, produce, and issue any defective product.	Pursue every accident under investigation, every unpunished person of liability, any unimplemented rectification plan, and every undisciplined party of liability to the last step.

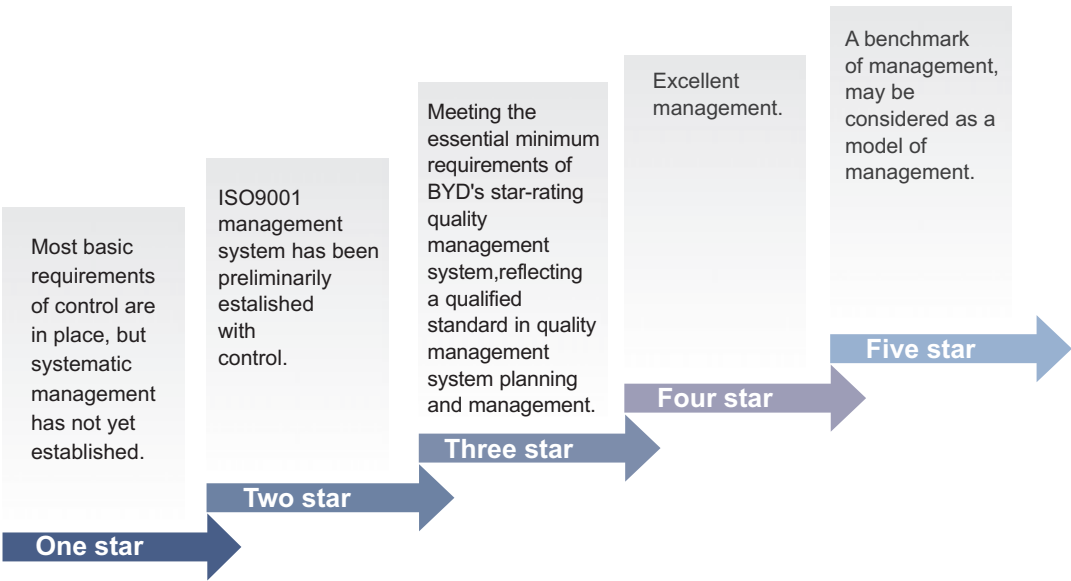
Product quality management system

Based on IATF 16949, ISO/TS 22163, China Compulsory Certification (CCC) rules and specifications, and environmental labelling guidelines, BYD has established a reliable document management system, and a quality star rating system model driven by the philosophy of “compare, support, compete, exceed”, rating the quality control of factories on system, processing, and product dimensions.

2.13% of all factories have achieved 5-star

rating (ideal). 26.59% have received 4-star rating (excellence), with the rest deemed acceptable. All BYD vehicle and component production plants have been certified for ISO 9001:2015. 30 factories have passed the IATF 16949:2016 certification.

Passenger vehicles, buses, and safety-related components (trimming, lights, seat belts, rearview mirrors, etc.) have passed the China Compulsory Certification (CCC).



Our quality control measures include special quality inspections, in-depth analysis of product failure, and prioritized risk identification. Find the root cause of issues, then improve the system accordingly. Preventive measures are also highlighted. Our systematic planning incorporates IQS vehicle evaluation, with WDI, PDI, and VDS supporting IQS new vehicle quality inspection, in order to further improve design precision and development quality.

The quality control process of BYD starts from actual products. The philosophy of CAPD review is further implemented through systematic star rating and special quality inspections. First find the root cause of issues, then optimize the process accordingly. We are one of the first vehicle manufacturers to implement “quality system competitiveness index”.

Research and development quality control

For the quality of new products, we have strict benchmarks from design to prototyping and mass production. Risks are identified through FMEA. Components of high risk must undergo multi-staged evaluation from the research and development process. Those with medium risk will be evaluated in prototyping. Components with low risk are inspected and rectified by the factory. The quality capability evaluation for new products is intended inspire factories to focus on yield and pacing, so that they will be better prepared for mass production and ensure components will pass PPAP approval.

On top of new product quality capacity evaluation, we are also motivating and regulating the quality control after mass production through PPAP rating to ensure that raw materials and components for vehicles and parts continue to meet the requirement of design and mass production. The measure also helps to improve the consistency of manufacturing and product suitability. For the development of new products, we have created the role of development quality engineers (DQE), who is responsible for accountability, the monitoring of quality throughout the development process, and maintaining stable and reliable component quality.

Processing quality control

Process-oriented, multi-staged control

The principle of quality control is in-depth understanding of mechanisms, systematic planning, thorough execution, full accountability, company-wide participation, fast response, closed loop management, and positive cycle. Employees are encouraged to report potential issues, replay failure, and

counter unknown risks through trial and error. The company is pushing forward automated manufacturing with the utilization of SPC and MSA tools, with the objective of delicate manufacturing facility management, intelligence quality control, legal compliance, and meeting customer demands.

Strict and effective inspection

BYD's Automobile Industry Cluster Product Inspection Procedure ensures that all products conform to regulatory requirements through standardized inspections, particularly in terms of inspection preparation (inspector credential, equipment, environment, basis, procedure),

product inspection requirements, shipping inspection requirements, handling of anomaly during inspection, analysis of inspection data, and archiving of inspection records. All vehicles are sufficiently inspected before they leave the factory.

Zero defect

BYD rigorously inspects all manufactured vehicles, with zero tolerance to defects. The inspection process is empowered by state-of-the-art equipment and intelligence systems, such as headlight examination machine, dynamic rotating hub test platform, braking test

platform, sideslip test platform, exhaust analyzer, four-wheel aligner, malfunction diagnosis tester, panoramic chamber, four-pillar test rig, and enhanced road performance tester. Vehicles are tested in a comprehensive manner for quality.



▲ Vehicle EMC test

Aftersales service

BYD has a comprehensive product tracing and rapid complaint system to avoid product responsibility risks throughout the whole process from raw material to manufacturing, shipping, and delivery. For product safety, we follow the Automobile Industry Cluster Product

and Responsibility Control Procedure, identifying safety requirement from the research stage, for enhanced management of product safety and responsibility related to design, procurement, approval, manufacturing, sales, and aftersales service processes.

Sound recall system

Our Automobile Industry Cluster Defective Product Recall Procedure clearly defined requirements for information filing, creation and maintenance of databases for every stage, conditions of recall, domestic recall

(verification of information, voluntary recall, ordered recall), and international recall, so that defective vehicles will be effectively properly disposed, in order to contain damages. In 2019, no BYD vehicle was subject to recall.

Quality culture development

Quality is the foundation for BYD's growth. To enhance a quality culture and create working attitude that always seeks to excel, we are inspiring employee awareness and passion through a series of measures, such as quality

conferences, skill competitions, QCC rating, 5S exchange and rating. We want our employees to pay closer attention to product quality and possess necessary skills.



▲ QCC exchange



▲ First forklift driver contest



▲ Xi'an QCC award ceremony



▲ Shenzhen QCC award ceremony



▲ Xi'an 1st coating factory, a 5S factory

In March 2019, BYD organized 7 events covering 4 subjects, which are prevention, improvement, craftsmanship, and professionalism. These events include FMEA training at various levels, forums to avoid incorrect application, QCC experience exchange, forklift driver contest, quality care, and 5S capability training. The objective is to make our employees pay further attention to product quality and enhance a quality culture. In 2019, BYD collectively won 8 first prizes, 12 second prizes, and 1 third prize in external QCC contests. Our product quality has reached IQS5 level, as recognized by the industry.

4.2 Customer interests and services

BYD is dedicated to the protection of customer interests through a holistic system. Under the broad canopy of the company's management system, divisions and subsidiaries have tailor-made customer management policies and measures based on characteristics of their business scopes and target customer groups. Our efforts in advocating customer interests is showcased in the case of BYD Auto Sales Co., Ltd. BYD Auto Sales conducts business under the philosophy of "service with absolute sincerity", optimizing its service lineup and scope to achieve maximum customer satisfaction.

Customer relationship management

BYD's customer relationship management (CRM) platform manages customers with a holistic system covering key components such as information management, customer (potential and existing) management, project

management, product platform management, and financial management. Customers are treated with appropriate strategies tailored to their life cycles to meet and exceed their demands and elevate customer engagement.

Customers' right to be informed

BYD customers are informed of the company's technological capability and product features through technical guidelines, product brochures, and informative animations. Customers are provided with a User Manual and certifications upon product delivery. Depending on the native language of customers, those in overseas markets may

receive said documents in English or the local language. We ensure that all customers will be sufficiently informed of product features, operating instructions, and their rights. Meanwhile, we invite customers to visit our factories, so that they will have in-depth knowledge about our production and quality control.

Customers' privacy

All employees are required to sign our Non-Disclosure Agreement when they join BYD. Customers' private information are under strict protection. Customers participating in business activities also have to sign an NDA, in order to protect both parties. Private information of

customers is stored in our CRM and DMS systems, which are augmented with strict access control. A dedicated information security center keeps such data safe and manages customer profiles properly.

Customer satisfaction

Our comprehensive customer satisfaction management system tracks customers through the entire life cycle primarily in the form of phone interviews, checking their satisfaction about our service attitude, process, quality, delivery, and price. Interview results are reviewed to find out the cause of dissatisfaction

and key needs. Insufficient services will be rectified accordingly, and key customer needs will be added to the list of critical metrics of internal performance reviews. We want to serve our customers to the maximum extent and make them happy.

Customer complaints

Channels of complaint

BYD constantly improves its service quality by handling customer complaints timely and sufficiently. Policies such as the Customer Complaint Processing Procedure, BYD Customer Service and Communication Management, BYD Distributor Complaint Management Mechanism, and BYD Auto Sales Co., Ltd. Rectification Measures and Control have been introduced to regulate how the company handles customer complaints.

In 2019, BYD clarified the process and guidelines for handling sales complaints to facilitate factory engagement. The new BYD

Automobile Sales Complaint Internal Review Mechanism is intended to effectively resolve issues and improve customer satisfaction by highlighting complaints received online or posted on mass media, with warnings and punitive measures stipulated on a per-case basis. Throughout January – December of 2019, the total number of complaints received has dropped 47.9% YoY. The complaint occurrence rate for 2018 was 1.24%, which was significantly reduced to 0.75% in 2019. The response rate for January – December of 2019 was improved by 42% YoY.

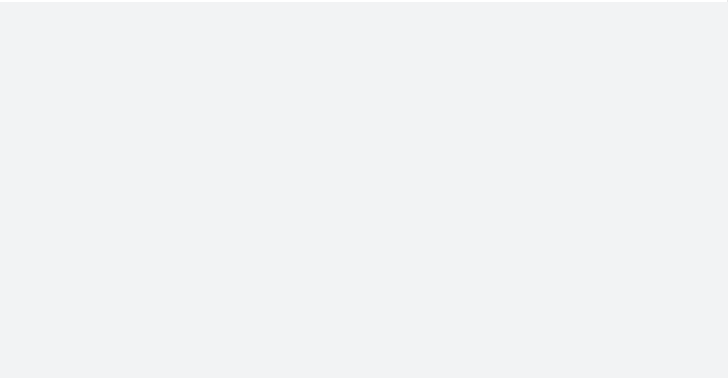
Resolution rate of customer complaints

Type \ Year	2015	2016	2017	2018	2019
Presales	79%	89%	93%	85%	86%
Aftersales	96%	95%	93.5%	94.8%	95.03%

Care for customers

BYD’s customer retention activities are conducted on an occasional basis throughout the entire life cycle of customers. Online activities are centered on the BYD Fans Club, featuring owner’s club recruitment, exclusive benefits, and information sharing. For owners of BYD vehicles, reward points are offered for purchasing new vehicle, recommending vehicles to others, posting positive contents on social media platforms, and voluntarily participating in brand events. Offline activities are primarily organized by local BYD owner clubs, especially official ones. The brand

organizes multiple owner events per year, with an end-of-year owner conference. Distributors have their own store-based clubs, regularly inviting owners to monthly activities, such as driver training or handicraft sessions, family tours, and road trips. Each activity or event is benchmarked for participant satisfaction in the form of survey questionnaires. Other customer care measures include birthday greetings, new product notices, policy reminders, and aftersales reminders, to be conveyed to retained customers through SMS.





05

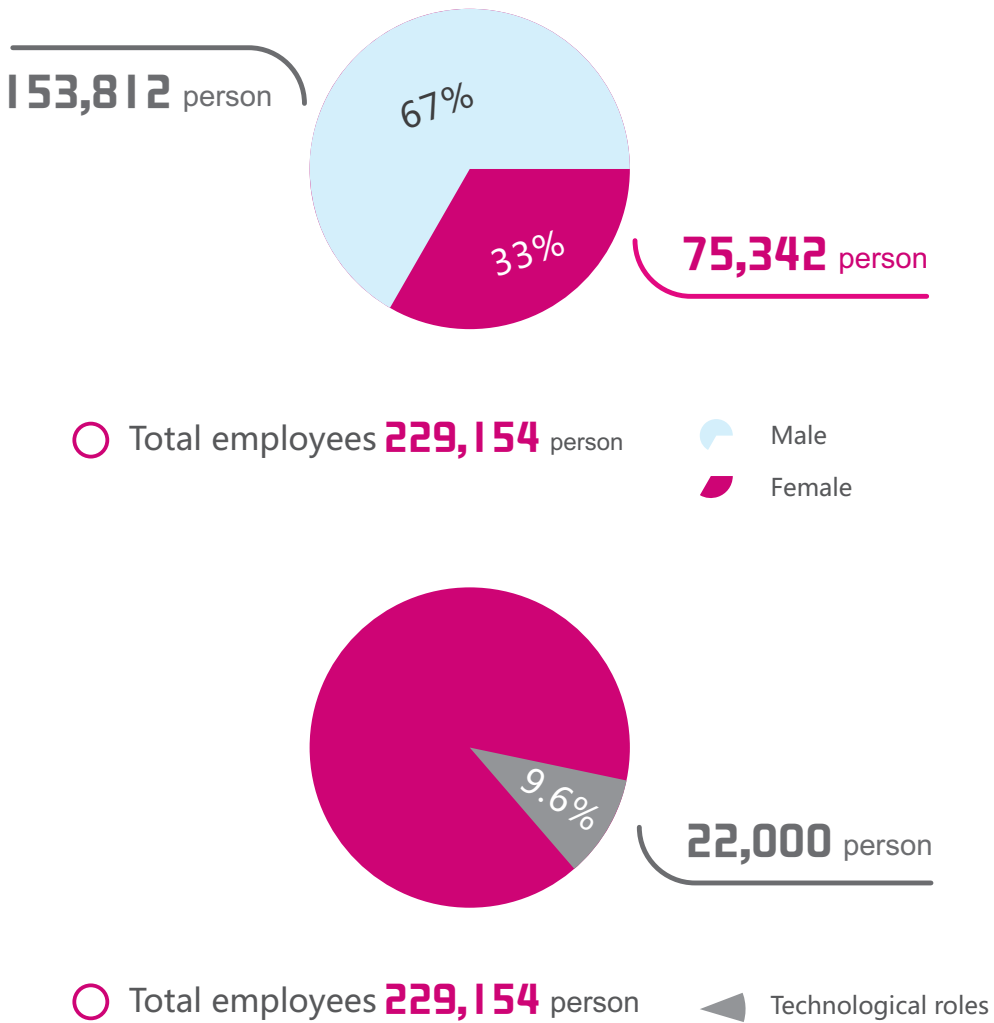
Caring and Providing for Employees



5.1 Responsibility to employees

BYD's human resources approaches are guided by the principle of "employees first". We respect every employee's rights, help them to grow, and encourage technological innovation. We are trying our best to create an environment that is fair, just, and open, for our employees to work in an develop career.

As of December 31, 2019, BYD has over 230,000 employees worldwide, with 3,496 graduates, 115 interns, and 880 disabled recruited though the year to work in BYD's various units. Female managers constitute 6.1% of the entire employee population. About 16.6% of senior executives are female. At key overseas production plants in the United States, Brazil, and Hungary, 96% workers are hired from local.



Equal employment and local hiring

Based on the Labor Law, the Labor Contract Law, and standards such as ISO 9001, ISO 14001, OHSAS 18001, and SA 8000, we have developed the BYD Human Resource Management policy following the guideline of "equal opportunity, based on capability". Discrimination based on age, gender,

geographic location, ethnic group, tradition, social caste, religion, physical disability, and political tendency are strictly prohibited in the recruitment process. Child and forced labor are prohibited. We are actively advocating local recruitment, to create jobs and economic growth.

Talent development

Talent a critical source that propels a company to its goals. At BYD, we believe "People before products", and we are dedicated to the fostering, training, and competing for talents. Our "Rising Dragon Program" is a strategic talent management system that opens up career path to both management and professional positions. Individuals with outstanding capability are promoted through competition based on annual performance

review. We are creating a scientific evaluation system to identify the best of the best and demote the incompetent, fairly and equally. We have measures such as online and offline training sessions, and rotation of roles to further improve employee capabilities. Training and incentive policies are constantly updated, to ensure the talent management system works at optimum efficiency.

Cultivation of talents

To build a team of officers with global vision and up to challenges, BYD opened a BMBA program for intermediate and senior executives. With 467 elite employees, 63 lectures, and 27 weekend closed training

sessions, the programs helped to resolve multiple real-world challenges. Its "7+2+1" intermediate and senior executive training model have well met the objective of integrated training and production.



▲ 2019 BYD intermediate and senior executive BMBA program

The growth of new recruitments is also a focus of our effort. In 2019, BYD launched a training program dubbed “Star of Tomorrow, Transforming in 100 Days” for over 3,000 new graduates. The objective is to transform green hands into excellent BYD workers. Due to the

strategy of our rail transit business, we have been working with renowned academic institutions in China on a BMEM program to foster versatile talents adaptable to the entire industry chain of rail transit with 1 year of training.



▲ Star of Tomorrow, Transforming in 100 Days. 2019 training camp

Within the duration of this report, BYD has administered 40,000 hours of job-specific skill training sessions to over 5,000 employees, and over 10,000 hours of quality assurance training sessions to over 8,000 employees.

Over 20,000 have been certified for special operation duties. As of December 31, 2019, BYD has accumulatively administered over 370,000 training classes, with over 1.35 million session hours to over 8.71 million employees.

Salary, benefit, and providing for employees

Abiding by relevant laws and regulations such as the Labor Law, we encourage employees exercise their talents and pursue their dreams.

Incentives, monetary and otherwise, are provided to elevate employee happiness.

Salary

Under BYD’s salary regulations, the bonus an employee receives is closely tied to the company’s operation condition, the performance of the employee’s business unit, and the contribution of the very employee. To

maximize each employee’s interests and benefits, we review and revise our salary regulations on a yearly basis. We have management and production awards such as the President Award (the top award of BYD),


Contribution Award, Patent Award, and Technological Innovation Award, to be granted annually to winners from hundreds of projects. In every region we operate in, we strictly adhere to local laws and regulations regarding work hours and holidays. Employees are

entitled to annual paid leave, maternity leave, and other leaves as part of our benefit package. As required by laws, we thoroughly advocate contracted labor. Throughout the year of 2019, as ever, BYD has signed labor contracts with 100% of our employees.

Providing for employees


We care about the life quality of our employees; therefore, we have invested substantially to

provide for them in terms housing, transportation, child education, and healthcare.




Nutrition

○ BYD production plants are equipped with cafeterias to keep our employees well nourished.




Housing

○ Dormitories are built within BYD plants. Since 2000, BYD has constructed employee housing in Kwai Chung (Shenzhen), Daya Bay (Huizhou), and Pingshan (Shenzhen), offered at prices much lower than the market level to those eligible.




Transportation

○ BYD has made arrangements for daily shuttle services with multiple shifts and routes so that employees can get to and from work easily. Employees purchasing BYD vehicles are entitled to zero down payment, and additional subsidies depending on the model. Those with new energy vehicles are assigned recharging spots with free electricity within BYD plants.




Healthcare

○ As BYD constantly supplements employee benefits, we pay various social security funds for our employees according to the Labor Law, with a dedicated healthcare fund for those with medical needs. In 2019, BYD’s healthcare fund paid almost RMB9 million for the medical treatment of 2,966 employees and provided a total of nearly RMB1 million in medical aid to 25 employees with serious illness.



Child education

○ BYD incorporated the Shenzhen Yadi School in joint force with Shenzhen Middle School. The company is also forging partnership with schools in the vicinity of production plants, to secure education for our employees’ next generation.



Protection of special population

○ At BYD, special care is provided to pregnant or breastfeeding females in the form of pregnancy rooms and breastfeeding leaves. They are not allowed to work extra hours of night shifts.



▲ Family month



▲ Singles hangout

5.2 Caring for employees

Entertainment and sports

A series of entertainment and sport events were organized by regional divisions and groups in 2019, such as basketball, soccer, badminton, table tennis, factory ceremonies, New Year's celebration, and Chinese New Year gala. Such activities, as well as participating in government events as company representatives, have enriched the lives of our employees outside work, and helped to develop hobbies, showcase the BYD culture, with a positive effect on the growth of the company.



Caring activities

Based on actual employee needs and corporate value, BYD organized a series of caring activities in 2019 on multiple levels, in multiple forms and channels, to remind employees that happy, passionate life is the basis of hard work.

Five major events in 2019 were the mobile game challenge, singles hangout, basketball match, family month, and movie day.



5.3 Occupational health and safety

BYD adheres to the principle of “sustained improvement” in safety and development. Based on the need of various business modules, we are constantly making our occupational health, emergency, and safety management systems better by complying to laws, regulating business activities, achieving standard and regulated management, enhance production safety, and implementing long-term measures for the occupational health and safety of our employees.

Building an occupational health management system

We are always dedicated to providing a better environment for our employees to work in, where their well-being is protected. We have an occupational health and safety management system that actively examines workspaces and deploys occupational hazard protection, providing employees with three-staged occupational health examinations.

Besides maintaining a “three-synchronization” approach to occupational health, we are also reducing human workload with optimized automation. All raw materials are carefully selected and replaced. All production procedures are optimized and strictly controlled. We are making China a healthier country through solid action.

Improved safety management

BYD aims to reduce safety management “blind spots” in campuses through systemic enhancement and effectiveness audits. The approval and monitoring for high risk tasks are constantly honed toward perfection, in order to contain the safety risk of risky/temporary/scattered tasks and to prevent accidents.

We have established resident taskforces to guide and support new plants and those with vulnerable risk management, rapidly

optimizing safety management from the bottom up. Key projects must review their safety management work and exchange insights, which will be distilled into a methodology and compiled into safety management guidelines and plans. We commend projects and individuals with outstanding safety record every quarter to inspire the rest with the power of role models, ultimately facilitating a platform for the exchange of experience and insights.

Innovative safety education

Essential safety knowledge and skills are the foundation of accident prevention. We educate our employees through the analysis of typical accidents and raise safety awareness through “safety education room” and regional “five 1-minute reflections before shift” activities. Our “Morningstar” training curriculum and “certified safety engineer” tutoring program were put in place to educate new recruitments on

occupational health and safety management. To avoid the old school passive education administered primarily through lectures, we have created innovative safety education and field training bases, where 24 interactive and virtual reality experiences were deployed in 4 chambers modelled after the BYD SkyRail, effectively making education a smooth experience.

Emergency management

BYD has its own part-time and full-time firefighters and emergency/micro fire stations to deploy fire emergency resources down to production sites. Firefighters are well-trained in skill and stamina, able to identify risks and types of potential incidents. A comprehensive

contingency plan is no enough. We have created a whole emergency management system of “quick reporting, immediate response, and effective treatment”, with emergency stations deployed at risky sites.

Building a safety-oriented culture

To enhance production safety, BYD has been cultivating a safety-oriented culture from the bottom up, guided by the principle of “safety officer on each shift”. In 2019, BYD designated every August as the “safety month” with awareness campaigns such as the “100 days accident-free contest”, “prevention, practice, competence, safeguard” activities, and

firefighter contests. Campaigns and activities are designed to the preference of our employees and are promoted on social networks for maximum participation. Our efforts distilled a strong safety-oriented culture within the company, and much praised by the safety management division.



▲ Safety month pledge



▲ Emergency exercise



06

Green Operation
and Production



6.1 Green management

As an active advocate for environmental protection, BYD is dedicated to lowering global energy consumption with green products and reducing our own direct impact to the environment. Our energy consumption and carbon emissions are continuously reduced through innovative energy management systems, renewable energy sources, and eco-friendly technology and management approaches. The consumption/emissions objective of BYD was even more stringent in 2019 as we increased investment in the development of eco-friendly products. Over RMB 600 million was channeled into projects related to environmental protection and technology/equipment upgrade. All new projects have undergone environmental impact assessment.

Energy management

BYD has remained dedicated to reducing energy consumption and carbon emissions throughout the entire company. The efficiency of our energy management system is under constant optimization through energy audit, internal review, and technology upgrade. Consume less energy and do more things with the same amount of power. Dedicated energy management departments are established on every level from the headquarters down to each business unit, manned by professional teams.

The consumption/emissions objective of BYD was even more stringent in 2019 as our energy consumption and carbon emissions were continuously reduced through innovative energy management systems, renewable energy sources, and eco-friendly technology and management approaches. For the duration of this report, our campuses in Kwai Chung, Baolong, Huizhou, Pingshan, Shanghai, Shangluo, and Changsha collectively generated 50.582 million kwh of electricity with solar panels.

BYD consumption for the past 2 years

Resources	Unit	2018	2019	YoY Growth
Electricity	Billion kwh	393,927.9	400,686.21	1.72%
Water	Million cubic meters	3,184.8	2,819.11	-11.48%
Natural gas	Million cubic meters	9,662	9,042.09	-6.42%
Gasoline	Million liters	204.9	90.03	-56.06%
Diesel	Million liters	31.8	26.49	-16.56%

Greenhouse gas management

Greenhouse gas management is an integral link in BYD's operation. Emissions have been effectively reduced by our Greenhouse Gas Quantification and Reporting Management Procedures.

We set objectives to continuously reduce greenhouse gas emission. Our performance is regularly reviewed. Particularly, 5 subsidiary legal entities in Shenzhen are audited by third

party organizations for carbon emission. It's a constant process of monitoring and improvement. Our technologies and products are developed with environmental protection in mind. Meanwhile, we work hard to reduce our

own carbon footprint through energy conservation and clean production. The total carbon emissions of BYD in 2019 was 4,003,768.66 tons.

Water management

We care immensely about water conservation and regulate our water consumption with a conservation plan following the principle of "planned and reduced usage plus total volume control for better efficiency". Each business unit has a strictly monitored water quota based on its actual need, and the overall water consumption structure has been adjusted to avoid waste. Water supply pipelines, facilities,

equipment, and tools are regularly maintained to reduce leakage. Water for cooling and condensate water is recycled and reused. Campuses in Pingshan, Huizhou and Xi'an are equipped with water reclaim facilities that process sewage and industrial discharge, to be reused on dormitory bathrooms, campus landscaping, and roadways cleaning.

Packaging material management

BYD advocates for a "recycled economy" by exploring ways to utilize resources to the maximum efficiency. Our procurement

departments prioritize reusable or recyclable materials and try to reduce product packaging without impacting quality.

BYD's packaging material consumption for the past 2 years

Packaging Category	Unit	2018	2019
Boxes	Tons	473,524	419,687
Packing plate	Tons	311,856	276,399
Protective wrapping	Tons	80,709	71,532
Ropes & strings	Tons	8,690	7,702
Bags	Tons	163,014	144,480
Labels and thermal transfer ribbons	Tons	8,281	7,339
Adhesive tapes	Tons	2,467	2,187
Logistics supplies	Tons	1,180	1,046
Total	Tons	1,049,720	930,372

“Three wastes” management

Waste management has always been a focus at BYD. We have strict regulations regarding the management of various wastes, with business units held accountable. We sort wastes and dispose accordingly: toxic or harmful substances handled by accredited external partners contracted by the safety & environment office of the quality division; domestic garbage and non-harmful industrial waste are disposed by external environment & health organizations; recyclable wastes are mostly reused, with a portion handled by professional firms.

BYD proactively manages wastewater and gas with constantly adjusted regulations. All pollution prevention facilities must be managed with the “three synchronization” mechanism, i.e. environmental protection facilities must be designed, constructed, and operated in synchronization with production. The design of pollution prevention and treatment facilities must be designed following applicable laws and policies, such as the Environmental Protection Law, Water Pollution Prevention and Control Law, and Air Pollution Prevention and Control Law, as well as regulations enacted by local governments.

Rainwater and industrial discharge are

handled with separate pipelines across all BYD campuses, with the latter sampled and monitored at discharge outlets according to relevant standards. Our monitoring record shows that all water discharge is up to the standard. Primary air pollutants in BYD factories are fine dust, acid mist, and volatile organic compounds (VOCs). Campuses are equipped with air treatment facilities remove pollutants (standard-based) before emission. BYD’s emission standards are the strictest in China. We disclose on our website environmental information of units with significant waste discharge on a monthly basis and perform regular tests on discharge outlets according to standards. All outlets are found meeting relevant standards. BYD Automobile Co., Ltd., Huizhou BYD Battery Co., Ltd., and BYD Co., Ltd. have instated clean production audits. Boilers in Xi’an, Beijing, Pingshan, Kengzi campuses are upgraded to reduce nitrogen emission. Boiler upgrade in the Changsha campus was completed in 2019. Campuses in Huizhou, Pingshan, Xi’an and Baolong have undergone water and gas waste treatment upgrades, effectively reducing pollutant discharge.

Waste Type	Quantity			YoY Growth
	Unit	2018	2019	
Domestic garbage	Tons	38,827.50	36,592.13	−5.76%
Non-harmful industrial waste	Tons	334,463.24	270,138.12	−19.23%
Hazardous solid waste	Tons	58,542.222	39,242.617	−32.97%

Type	Water and Gas Waste Discharge in the Past 2 Years			YoY Growth
	Unit	2018	2019	
Industrial wastewater	Tons	4,933,653	4,573,653	−7.9%
Sewage	Tons	11,310,254	11,368,980	0.52%
Waste Gas	Standard billion cubic meters	6,271,386	4,938,659	−26.98%
COD	Tons	596.6	468.7	−27.29%
Ammonia nitrogen	Tons	39.2	38.5	−1.81%
VOCs	Tons	109.3	90.0	−21.44%

6.2 Green operation

BYD embodies green manufacturing by constantly improving its energy efficiency and reducing energy consumption and carbon emissions in production. As a leader in the renewable energy sector, we are making manufacturing more eco-friendly with our own green products, such as electric automobiles, energy storage stations, solar arrays, electric forklifts, and LED lighting.

By December 31, 2019, BYD has accumulatively deployed 737 new energy vehicles for business trips and employee commuting. Traditional gas-powered forklifts in our factories are being replaced with electric counterparts. Solar roofs are added to BYD plants to generate clean power. LED lights and solar streetlamps are deployed throughout campuses to further reduce energy consumption.

Meanwhile, we are raising environmental awareness among our employees through regular training and conference sessions, bulletin boards, and contests. A green office starts with education.

6.3 Green technology and products



Green technology

Technology is our weapon, honed by our powerful research and development capability.

We have adhered to the “technology-based, innovation-oriented” development philosophy. Technology will change our lives, and ultimately make the world a better place. We now have more than 8 research institutes, namely the Central Research Institute, Auto Engineering Research Institute, Auto Intelligent

Ecology Institute, Commercial vehicle Research Institute, Auto Product Planning and New Technology Research Institute, Division 21 and Division 23. Together they command over 20,000 elite engineers in hardware, software, and testing sectors to advance innovation in new material, automobile, and rail transit domains, striving to push the entire industry forward.

“542” Performance Standard

BYD’s ground-breaking “542” standard redefines automobile manufacturing in performance, safety, and fuel efficiency. “5” means accelerating to stationary to 100 kmph within 5 seconds; “4” stands for permanent 4-wheel electric drive; “2” claims a fuel efficiency of 2 liters per 100 kilometers. With minimum fuel, our customers are served with an eco-friendly, economic, and safe package with vehicle performance and safety far better than traditional gas-powered vehicles’.

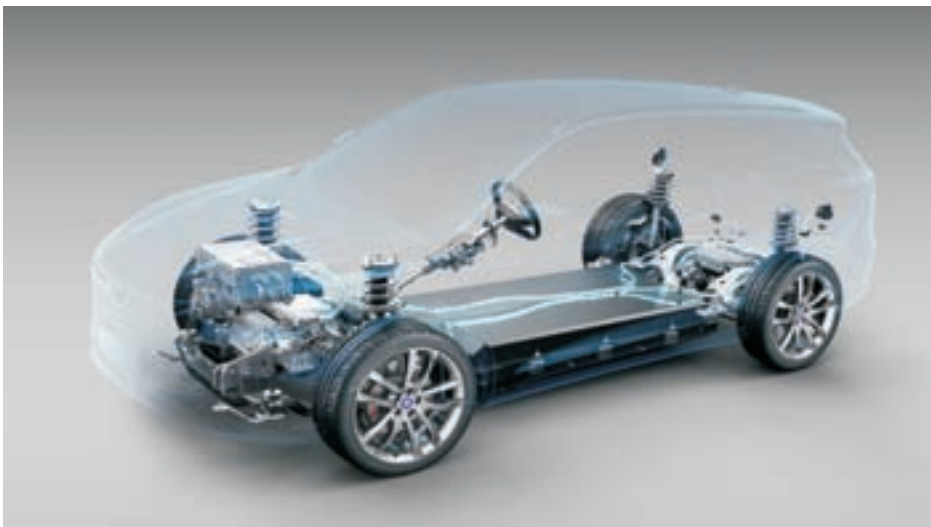
The standard has been applied to multiple BYD models since June 2015.



Electric Four-wheel Drive

Our electric 4-wheel drive system adjusts front and rear electric motors separately and distributes front/rear torque based on real time road conditions. The response time is as short as 20 ms, in other words, one tenth of that of mechanical 4-wheel drive systems. The solution is safe, fast, smooth, powerful, and efficient.

This technology has been applied to multiple BYD models since June 2015.



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

BYD is the first manufacturer in the world to enable vehicle to load (VtoL) in cars. Each vehicle is a smart powerhouse on wheels. The vehicle recharges its battery from the power grid when power consumption is on low demand, and feed electricity into the power grid on peak hours. The maximum recharging wattage is three-phase 40 kw, operating with ease in home single-phase grids and large scale three-phase grids.

An example of the feature: When power consumption is on low demand, electricity from the power grid is stored in batteries. On peak hours, the vehicle feeds 200V alternating current into single- and three-phase power grids simultaneously, akin to a powerhouse on wheels. The vehicle could be repurposed as a power generation for hospitals, schools, and fire safety systems in emergency. With the technology, BYD vehicles could recharge each other, a perfect solution for road rescue when any vehicle is stranded due to flat battery. It also serves as a temporary power source for single- or three-phase machines, such as camping appliances driven by alternating current.

This technology has been applied to multiple BYD models since 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 created the world's first lithium iron phosphate starter battery, addressing aforementioned limitations with:

- Small size and light weight, versatile in deployment.
- Over 3,000 charging/discharging cycles, with a theoretical life of more than 10 years, with lifelong free maintenance service.
- The BMS features battery charge/discharge management for enhanced safety. The smart charging feature automatically recharge the battery when its power level is low, effectively avoiding frustrations when the customer forgets to manually recharge.
- Manufactured to the RoHS standard. A green product with no harmful substance, hence contributing to the world.

This technology has been applied to multiple BYD models since November 2013.



DM 3.0

BYD's DM 3.0 hybrid power architecture adds another power system to the previous generation. Drive and power generation are now decoupled, greatly improving the vehicle's power balance with on-demand power generation. Optimization to power generators, hybrid power transmission, electric controls, and vehicle control logic (with the addition of different driving modes, intelligent power generation, auxiliary shifting, start-stop and back braking strategies) greatly improved vehicle durability, NVH performance, fuel economy, and driving experience.

- Better fuel economy: Acceleration from stationary to 100 kmph in less than 4.3 seconds. Overall fuel consumption less than 1.6l/100 km.
- Improved NVH performance: We are setting the NVH standard for vehicles in the same class with over 150 improvements.

This technology has been applied to multiple BYD models since June 2018.



Sustainability products

We strive to provide our customers with products and solutions of better efficiency and fuel economy, while reducing carbon emissions to protect the environment. Our requirements for environment protection are applied throughout the entire product life cycle,

including development, manufacturing, delivery, usage, and aftersales services. Our objective is to transform the traditional norm of power consumption with our green products and revitalize cities by developing effective solutions to air pollution and traffic congestion.

Energy Storage Products

BYD is a world leader in energy storage solutions. Supported by an outstanding battery business, we are focusing on the integration and services of energy storage systems. We own core intellectual properties in high efficiency two-way converters and battery management systems. In the past decade, we have delivered 750 mwh of energy storage projects in almost 200 cities of 19 countries, with a perfect track record of zero accidents.



Winner of National Award for Science and Technology Progress

The award ceremony of the National Award of Science and Technology Progress, also known as the "Oscars of China's tech sector" was held in Beijing in January 2019. BYD's "key technologies in the manufacturing and application of lithium iron phosphate power batteries" was granted the second prize of the 2018 award, adding yet another entry to BYD's achievement list in the new energy sector.



National Award for Science and Technology Progress

2019 China Top 10 Energy Storage Integration Providers

On May 20, 2019, Energy Storage International Conference and Expo (ESIE 2019) concluded in Beijing. The theme of ESIE 2019 was "innovation in technology and application, and a new start for large scale energy storage". Over 100 companies from 10 countries and regions attended the event, a record number in ESIE's history. As a global leader of holistic energy storage solutions, BYD showcased multiple energy storage products and solutions, and was recognized as one of China's top 10 energy storage integration providers.



Solar products

Solar energy is a fundamental solution to the world's energy crisis and saves the increasingly deteriorating environment. It's a sustainable answer to health and development issues troubling the mankind.

Our technological innovation manifests in the form of our proprietary silicone dual glass components, which outperforms traditional photovoltaic components in power generation efficiency and performance decrease, with a life cycle as long as 50 years. Our "PV + Storage" model couples BYD's independently developed energy storage and solar panels to achieve stable output of clean energy. It enables more features in power plants and accelerates return of investment, paving way for the widespread application of solar energy with a price affordable to common households. By the end of 2019, BYD has shipped over 10 GW of solar components, widely used in solar power plants, distributed power plants, and solar-powered streetlamps. Our products are well received by consumers in the US, UK, France, Germany, Brazil, Australia, Japan, and India.



▲ 250 MW Brazil solar plant

On June 4, 2019, SNEC 13th (2019) International Photovoltaic Power Generation and Smart Energy Conference & Exhibition commenced in Shanghai. As a pathfinder in integrated renewable energy solutions, BYD attended the world-class photovoltaic conference and showcased monocrystal dual glass components, solar-powered smart streetlamps, IGBT, and sensors. The BYD booth was visited by many energy professionals.

New Energy Vehicles

New energy vehicle is BYD's answer to the global pollution issue. As of now, BYD products have covered the entire market, including 7 conventional transportation areas (passenger vehicle, taxi, bus, coach, logistics vehicle, construction vehicle, sanitation vehicle) and 4 specialized areas (warehouses, harbors, airports and mining).

In 2019, BYD's sales of new energy passenger vehicles reached 219,353 units (roughly 72,000 PHEVs, 147,000 EVs). With subsidies from the state withdrawing and joint-venture manufacturers rushing to the competition, we managed to secure the first place in domestic new energy vehicle sales for the 6th successive year.

Models leading the game are 2019 Tang DM, Song Pro DM, Qin Pro DM, Yuan EV, and BYD e2. 34,014 Tang DMs were sold in 2019, being the most popular B-class SUV in the market with a share of 74.2%. Song Pro DM saw instant popularity right upon launch, crowned as the most popular A-class PHEV SUV with an annual sale of 9,371 units. 16,930 units of Qin Pro DM was sold throughout the year, sitting at the top of A-class PHEV car list. The performance of Yuan EV continued to rise, recognized as the champion of A0-class EV SUV with 61,900 units sold. BYD e2 was launched in September and secured 7,319 units in sales for the rest of the year, ranked the second place in A0-class EV cars.





BYD SkyRail

SkyRail is BYD's answer to traffic congestions. With a surge in private vehicle ownership, congestion is inevitable. A city only has so much space. Building new roads is far slower than selling new cars. Therefore, BYD proposes to build "cities on rails" with a Multi-layered traffic network that extends above and under roadways to mitigate traffic congestion.

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

- Low investment and cost.
- Fast construction. Elevated rails can be installed above existing greenbelts, requiring less demolition.
- Low noise. Rubber wheels running on the track beam reduce noise pollution along the line.
- Less space is required and bridge structures are light and good looking.
- Flexible capacity meets comprehensive transport demands.
- Increased climbing ability and a small turning radius allow for optimum topographic adaptability.

SkyRail is a green system powered by electricity with zero pollutant emission. It 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.

BYD Brazil signed a contract with the State of Bahia for the construction of SkyRail in the city of Salvador, another important step in BYD's global renewable energy strategy.

BYD SkyShuttle

BYD invested 7 years and almost RMB10 billion in the development of SkyShuttle, a multi-layered smart transportation system with 100% owned intellectual property and limited occupation of roads. It's an innovative plan to further mitigate traffic congestion, and China's first ever fully self-developed city rail transit solution. SkyShuttle facilitates the development of a multi-layered, multi-mode, multi-system transportation network and provide passengers with a more comfortable, convenient, and smarter commuting experience.

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

- High safety design, driving control and overall features.
- High intelligence. It has a comprehensive scheduling system integrated with unmanned and multi-functional features, installed with hightech configurations such as face recognition.
- High adaptability. It has a small turning radius and strong climbing ability. It adapts to various climates and topographies and can be perfectly integrated into the surrounding environment.
- 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.
- Low energy consumption. It features an aluminumbody with lightweight design, photovoltaic solar station, 100% electric braking, and vehicle power battery.
- Fast construction with short building cycle.
- Low construction, operating and travel cost.

SkyShuttle is versatile in application. 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.

In May 2019, Tramcar Sustainability Forum was hosted in Shenzhen, with BYD presenting as a new corporate member. The SkyShuttle showcase was attended by around 80 corporate members and 200 industry experts and government leaders, such as China Railway Signal & Communication, and CRRC Qingdao. We attended Shanghai Rail + Metro in November 2019 with SkyShuttle, smart signal and communication systems, depot/turnout/platform systems, among other independently developed products. Our diverse and smart designs were well received by many experts. Our booth was graced by Mr. Zhou Xiaojin (executive vice president of China Rail Transportation Association), Mr. Du Xinyan (communication expert), and Mr. Cui Qin (chief engineer of Shanghai Urban Construction Design & Research Institute).



07

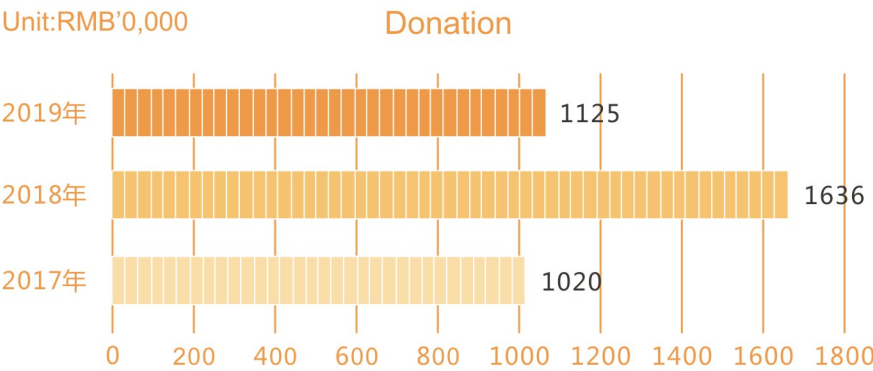
Contributing to
the Community



Under the “targeted poverty alleviation” initiative of the Chinese state government, BYD worked closely with BYD Charity Foundation and subsidiary companies to utilize our resource advantages and invested RMB11.72 million (RMB11.25 million from the Foundation, RMB470,000 from “poverty alleviation with consumption” budget and other charity expenditures) in the alleviation of poverty focusing on education, healthcare, and industry development. Our efforts have seen satisfying results. Additionally, we encourage our employees to contribute to society. BYD’s growing volunteer groups are working rigorously for public welfare.

7.1 Targeted poverty alleviation

BYD Charity Foundation (hereinafter the “Foundation”) was established in July 2010 with donations from BYD. It’s a national non-public charity organization registered at the Ministry of Civil Affairs. The Foundation primarily focuses on education support, poverty alleviation, and disaster relief, dedicated to the development of China’s charity sector and contributing to society through corporate social responsibility campaigns. In 2019, the Foundation was rated “AAA” among social organizations nationwide.



Poverty alleviation through education

In 2019, we worked with the Foundation’s “Pursue Your Dream” program to develop a K-12 and college education support project tailored to each target in order to precisely administer funding to students and schools in disadvantaged regions. Our work primarily focuses on “blind spots” of alleviation, upgrading outdated school facilities, and commending merits. As of now, we have established three prongs of funding, namely financial support for poverty-stricken students, upgrade for school facilities, and scholarships.

For poverty-stricken students, we have provided financial support to 327 students in elementary schools, high schools, and colleges located in 9 provinces and municipalities such as Yunnan, Hunan, Qinghai, and Shaanxi. The “Pursue Your Dream” program provides financial support to elementary school students with restricted access to education due to poverty, facilitating diverse development of students through direct financial aids and campaign events. The program was rolled out in Antu County (Jilin Province) and Menghai

County (Yunnan Province), providing financial aid to 300 elementary school students. The program has a high school branch targeting “blind spots” of education support. 37 poverty-stricken students received our aid in the 5th

round, 33 of them were admitted into tier-1 universities based on academic merit. The 6th round of aid to high school students was initiated in December 2019.



▲ High school financial support



▲ Program in Menghai County

For school facility upgrade, the Foundation donated 386 classroom desks, 26 automobiles, over 500 sets of laboratory and teaching equipment, 1 classroom broadcasting system to 5 poverty-stricken schools in Guangxi, Anhui, and Shaanxi.



▲ Installing broadcasting system



▲ Donated lab equipment

BYD awards academic merit with multiple college scholarships. RMB920,000 was issued

to Central South University and Gejiu Middle School (Yunnan) through BYD scholarships.



Poverty alleviation through industry development

With “local advantage and sustainable development” as the guidelines, BYD seeks to alleviate poverty in a comprehensive way by utilizing local resources. Since 2018, the Foundation has been working with Shuangjing Village of Laozhuang Township (Chenggu County), a poverty-stricken region in Shaanxi Province, by developing local industry. We donated RMB1 million to grow 6.67 hectares of raspberry, creating jobs for 187 certified families of poverty and revitalized local

industry. In 2019, we continued to support the raspberry operation in Shuangjing Village by creating a holistic industry chain encompassing growing, managing, and distributing. BYD contracted the local raspberry winery as a supplier, selling its wines through BYD's online stores, BYD Fans Club stores, and purchasing wines for business hospitality and employee consumption. Our investment in local industry has lifted the village out of poverty.



▲ BYD raspberry production base



▲ Villager working at the base



▲ Customized BYD branded raspberry wine

Alleviation of poverty through consumption

In 2019, consumption was recognized by the company as a key method of alleviating poverty. Subsidiaries and business units are encouraged to contribute. For the duration of this report, BYD's Changsha campus mobilized its employees to purchase honey from Fenglinhu Village of Liuyang City, a province-certified village of poverty in Hunan; the logistics division of BYD's Xi'an campus purchased fruits from nearby villages for its

kitchen as an answer to the Xi'an municipal government's call to poverty alleviation; BYD as a group has purchased about 5,000 bottles of raspberry wine produced by its poverty alleviation program. BYD has enabled its internal procurement channels and established farmer support platforms help more regions and farmers through the consumption of produces.

Alleviation of poverty through dedicated pairs

The Foundation paired with Tiandong County of Guangxi in April 2019 for the alleviation of poverty in the latter. We worked in joint force with local health and family planning bureau, education bureau, and financial bureau to develop a three-pronged approach covering healthcare, and education, and infrastructure. The objective is to improve local life quality with simultaneous efforts. For healthcare, we extended our cervical cancer screening pilot program to 16 county clinics, offering free cancer screening to 1,454 female residents. For education, we resolved the issue of

equipment insufficiency by donating 386 sets of classroom desks and chairs to Xiangzhou Central Elementary School (186 sets) and Linfeng Middle School (200 sets). We donated around RMB240,000, without restriction, for the construction of Nadan Village public service center, in order to enrich local culture.

BYD also paired with Mangao Village of Menghai County, Yunnan Province and improved local facilities by installing energy efficient streetlamps.

Poverty Alleviation through healthcare

We have been working with One Foundation for 3 successive years to help children with cerebral palsy. In 2019, BYD donated RMB500,000 to One Foundation to create a dedicated “BYD for Children with Cerebral Palsy” program. We also participated in

Tencent's “9.9 Charity Day” by encouraging employees in all BYD campuses to support online charity. BYD Foundation's severe illness support program offered financial aid to the medical treatment of 8 patients in 2019.



▲ BYD representative visiting children



▲ Supporting children with cerebral palsy

7.2 Employee social work

The BYD Volunteer Association was founded in 2016. The Association is built upon the philosophy of “helping every single individual with action”, and operates following the guideline of “voluntary participation, contribute to your capability, result-oriented, sustained effort”. By the end of 2019, BYD has established volunteer stations in 11 industrial campuses and residential quarters nationwide with a total of 3,676 volunteers and 34,372.95 hours of social work.

Welfare culture

The first Friday of every month is designated by BYD as the “Public Welfare Day”. Senior executive interviews are released in order to bolster public welfare awareness among employees. Public welfare events relevant to the daily life and work of employees are organized on an occasional basis to encourage action. For the year of 2019, BYD

volunteers worked on internal issues such as hygiene, commuting, and dining. External volunteer efforts involved environmental protection activities, social work in community, and supporting financially restricted students. At BYD, public welfare is a deeply imbued culture.



▲ Volunteers directing traffic



▲ Volunteers cleaning the campus

Environmental protection

2019 is the 5th year of BYD’s ongoing “Used with Love” clothes recycling program. For this year, we established over 14 collection stations for used clothes at industrial campuses and residential quarters in Shenzhen, Huizhou, Shaoguan, Changsha, Beijing, and Shanghai, manned by over 150 volunteers. Education regarding clothes recycling and environmental protection was provided on site. Over 6 tons of used clothes were collected, to be professionally sorted, sanitized, packaged, and delivered to poverty-stricken regions.



▲ Volunteers packaging recycled clothes

Contributing to the community

BYD volunteers participate in public welfare events such as family visits to senior and financially disadvantaged members of local communities. BYD purchased RMB1 million worth of millet from Yangyuan County, a poverty-stricken county in Hebei Province. The

millet reserve was distributed to financially distressed families, nursing homes, and sanitation workers by BYD volunteers through the “Millet of Sunshine” events in multiple cities in 2019.



▲ Caring for the elderly in the community



▲ “Millet of Sunshine” event for sanitation workers



▲ Visiting poor households in Hufenglinhu Village, Hunan Province

Education aids

BYD volunteers organized multiple education aids events in 2019. In Shaoguan, they hosted a charity auction to fulfill the new year wishlist from 50 poverty-stricken students. Volunteers in Shenzhen and Huizhou provided financial

support to 50 poverty-stricken students in Menghai County of Yunan Province. Through the Foundation, our volunteers actively visited students, schools, and families with financial stress in Qinghai, Yunnan, Hunan, and Hebei.



▲ Visiting high school students in Changsha



▲ Visiting students in Lechang City



Looking Forward

2019 marks BYD's 25th year in business. We are marching bravely toward a future of innovation. Our corporate mission is to make technological innovations for a better life, and that will be our guideline as we actively perform our corporate social responsibility.

For the future, we will uphold our faith of building a sustainable society with sustainable industry. We fight for everyone's dream of a better life!

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Reader Feedback

Dear reader,

To make our CSR reports even better, we are grateful for your advice and suggestions.

Please kindly fill out the following questionnaire and send it back to us.

Mailing address: 3009 BYD Rd, Pingshan District, Shenzhen Postcode: 518118

About you					
Name		Employer		Title	
Phone		Fax		Email	

- Multiple choice questions (please mark your choice with ✓)**
- 1.This report fully and accurately reflects BYD’s economic, social, and environmental impacts.
- ☐Strongly agree ☐Agree ☐Neutral ☐Disagree ☐Strongly disagree
- 2.This report sufficiently reflects and discloses information stakeholders care about.
- ☐Strongly agree ☐Agree ☐Neutral ☐Disagree ☐Strongly disagree
- 3.Information, indicators, and data disclosed in this report are clear, accurate, and complete.
- ☐Strongly agree ☐Agree ☐Neutral ☐Disagree ☐Strongly disagree
- 4.How do you feel about the readability of this report? “Readability” includes structure, content, writing style, and graphic design.
- ☐Great ☐Good ☐Neutral ☐Bad ☐Terrible

- Open-ended questions**
1. What do you like most about this report?
2. Is there any other information you would like us to disclose?
- 3.What would you suggest for future releases of our CSR report?





BYD COMPANY LIMITED

No.3009,BYD Road,Pingshan,Shenzhen,518118,P.R.China

Tel: +86-755-89888888 Fax: +86-755-84202222

Http: //www.byd.com