



2020

BYD CORPORATE SOCIAL  
RESPONSIBILITY 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, 2020. 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 2020: Report panel established, commencing training sessions for the CSR report
- November 2020: Commencing key interviews and stakeholder research.
- November 2020- January 2021: Finalizing report structure and content for each section, starting to collect material.
- February 2021 – March 2021: Compiling report, as well as compliance review by internal expert panel.
- March 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 March 29, 2021.

### Access to the report

BYD advocates environmental protection, therefore this report is not provided in physical form. 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

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## LETTER FROM THE PRESIDENT

### Active Performance of Corporate Social Responsibility Means Competitiveness and Sustainability



It has been 26 years since BYD was established. Adhering to orientation of solving social problems and driven by technological innovation, it continues to develop green technologies and products such as photovoltaics, energy storage, electric vehicles, SkyRail, SkyShuttle and LED, to open up all processes of energy from acquisition and storage to application, and accelerate the transformation of enterprises and industries for clean energy production and lifestyle. It provides a package of green solutions for cities to build a new energy ecosystem with zero-emissions, facilitating a green and low-carbon development of industry.

When the domestic pandemic prevention and control was at the extremely arduous stage due to the outbreak of the COVID-19 pandemic in 2020, leading to an urgent need from society for protective masks, BYD, as a

representative of China's manufacturing industry, took the initiative to stand up and mobilize all of its forces to assist in the production of anti-pandemic materials such as masks and disinfectants. Therefore, it has become the world's largest mask manufacturer, providing a strong means for fighting against the pandemic and resumption of work and production. By carrying forward the spirit of "dare to fight and coordinated action" concerning the masks, BYD cultivated new opportunities and opened up new a situation by realizing the steady development of its four major industries of automobile, rail transit, new energy and electronics, while promoting the resumption of work and production for enterprises both upstream and downstream the industrial chain. It has ensured the stable employment of more than 200,000 employees of the Company, demonstrating BYD's responsibility and the power of "Made in China".

In 2020, the COVID-19 pandemic accelerated the once-in-a-century transformation in the world. BYD shouldered a high sense of responsibility and mission. Through technological innovation and hard training, it accelerated the construction of a major green transportation system that "uses electric vehicles to control pollution, and SkyRail and SkyShuttle to reduce traffic congestion". In the field of new energy vehicles, BYD has launched the world's first Blade Battery, which improved the safety of electric vehicles to a new level. BYD introduced high-performance silicon carbide electronic control modules, DM-p hybrid technology, highly intelligent DiLink3.0, DiPilot technologies, highly efficient DM-i super hybrid system and other technologies. BYD continued to accelerate the replacement of traditional fuel vehicles with new energy vehicles during this

once-in-a-century transformation. In the field of rail transit, BYD's first SkyShuttle demonstration line made its global debut, ushering in a new era of its commercial application. SkyShuttle is an extension of BYD's electric vehicle industrial chain, which can complement large-capacity subway and medium-capacity SkyShuttle systems, realizing the coordinated development of large, medium and small capacity transit systems. With the corporate mission of "satisfying the desire of people for a better life with technological innovation", BYD allowed green technology to benefit the world, and solved the issues confronted by mankind such as energy crisis, air pollution, traffic congestion and industrial 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 the fight against the pandemic, BYD donated RMB10 million and anti-pandemic materials worth of over RMB40 million. According to statistics, BYD has provided a total of 7 billion masks to the world throughout the Year, supporting the fight against the pandemic in more than 80 countries and regions. In addition, masks produced by BYD also entered 37 countries and regions around the world, together with the "health kit" provided by the Ministry of Foreign Affairs of China, providing local Chinese citizens with critical medical protection.

BYD's objectives have transcended the simple growth and expansion of an enterprise. We embody a sense of social value and responsibility. In order to actively respond to China's goal of "carbon peak by 2030 and carbon neutrality by 2060" and promote the full and effective implementation of the Paris Agreement to address climate change, BYD strives to be a pioneer in sustainable development. The Company initiates research on the carbon

neutrality of enterprises, and explores the carbon footprint standards of the new energy vehicle industry. By advocating green lifestyles and low-carbon production, and organizing social welfare and environmental protection activities, BYD strengthens its actions on carbon emission reduction through various methods such as green procurement, green production and green operations. BYD strives to continually make contributions to the protection of mankind's common home and the realization of sustainable development, while accelerating green and low-carbon development of the transportation industry and manufacturing industry through green technologies, products and solutions. Meanwhile, we will strengthen 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 and headquartered in Shenzhen City, Guangdong Province. The company was publicly listed in Hong Kong and Shenzhen with 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 industrial chain including batteries, electric motors, electronic controls, and insulated-gate bipolar transistor (IGBT). We launched the world's first mass-produced plug-in hybrid electric vehicle in 2008 and the world's first electrified public transportation solution in 2010, after which it was promoted as a national strategy, and began a trend in the international community, of which BYD has been a global leader, transforming the industry. As of the end of 2020, BYD has entered more than 300 cities in more than 50 countries and regions around the world. It is also the first Chinese automobile brand to enter developed markets such as Europe, the United States and Japan.

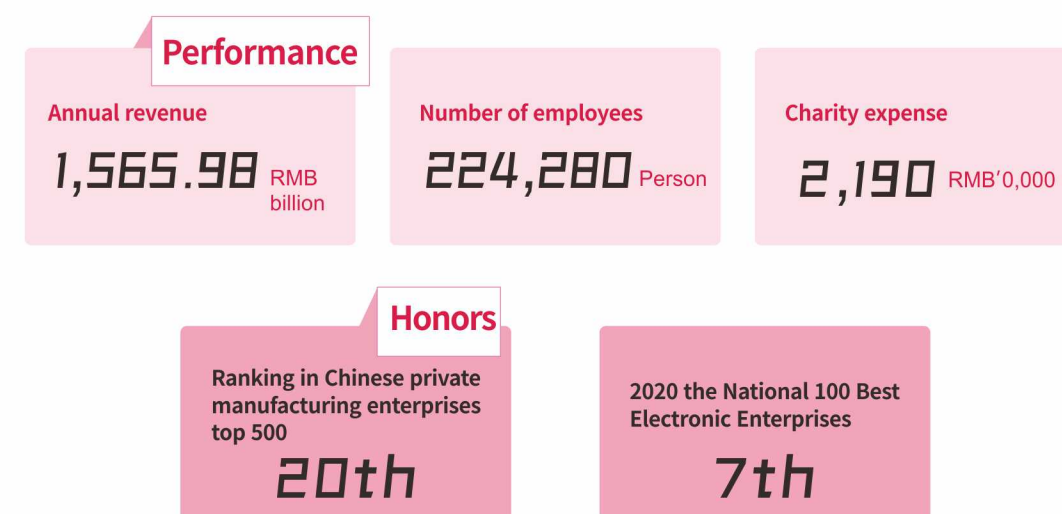
**Rail transit.** standing at the forefront of rail transit innovation in the world, with integrated innovation, we have extended our industry chain from new energy vehicles to rail transit with the release of medium-capacity "SkyRail" and small-capacity "SkyShuttle" with completely proprietary intellectual property rights. BYD's solutions are groundbreaking in China's medium and small capacity rail transit, and offer effective solutions 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 the 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 medical health. BYD Electronics is the one and only company in the world capable of providing a one-stop solution from the design and manufacturing of precision metal, glass, ceramic, and rubber components to whole machines. The company has been providing esteemed global clients with comprehensive research and development, design, manufacturing, and logistics chain services.

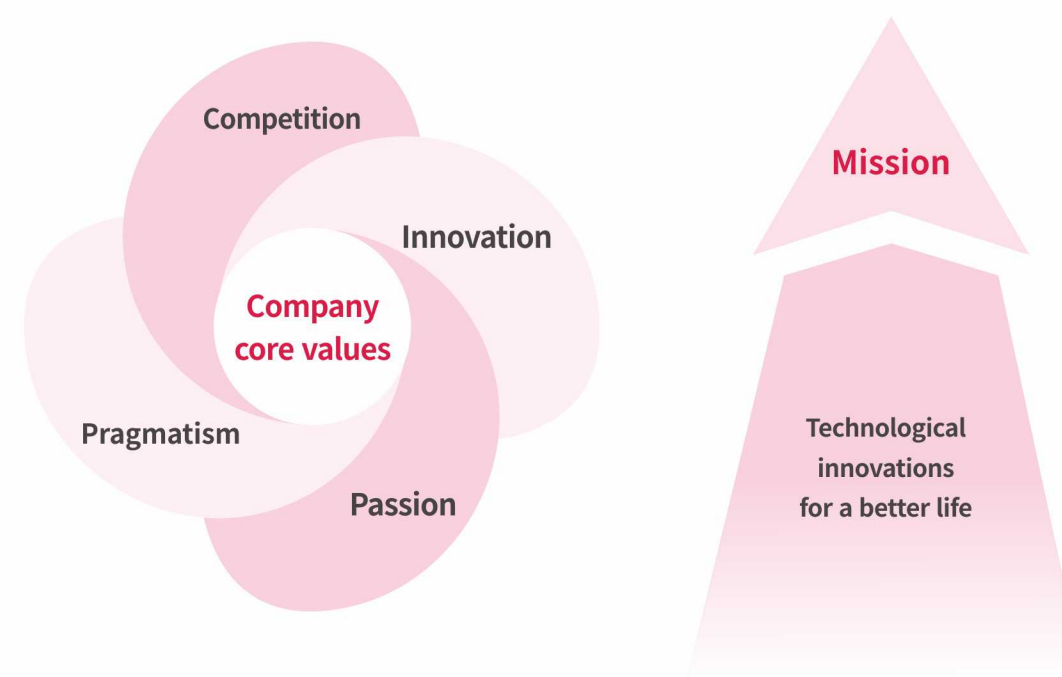
For 26 years, BYD has been advocating a sustainable strategy on a global scale with powerful market planning. Our efforts have been widely recognized by the international community and have received accolades such as the Zayed Sustainability Prize, the UN Powering the Future We Want Energy Grant, and featuring on Fortune magazine's "Companies that Change the World" list. Our objective is to deliver "technological innovations for a beautiful life, by adhering to down-to-earth entrepreneurship and dedicated innovation.

## Performance and honors of year 2020



EUPD research Top Brand PV Europe 2020

Automotive INNOVATIONS Awards and Most Innovative Volume Brand "Alternative Powertrains"





# Business Operation and Management

Corporate Governance

Social responsibility management

Legal and compliance



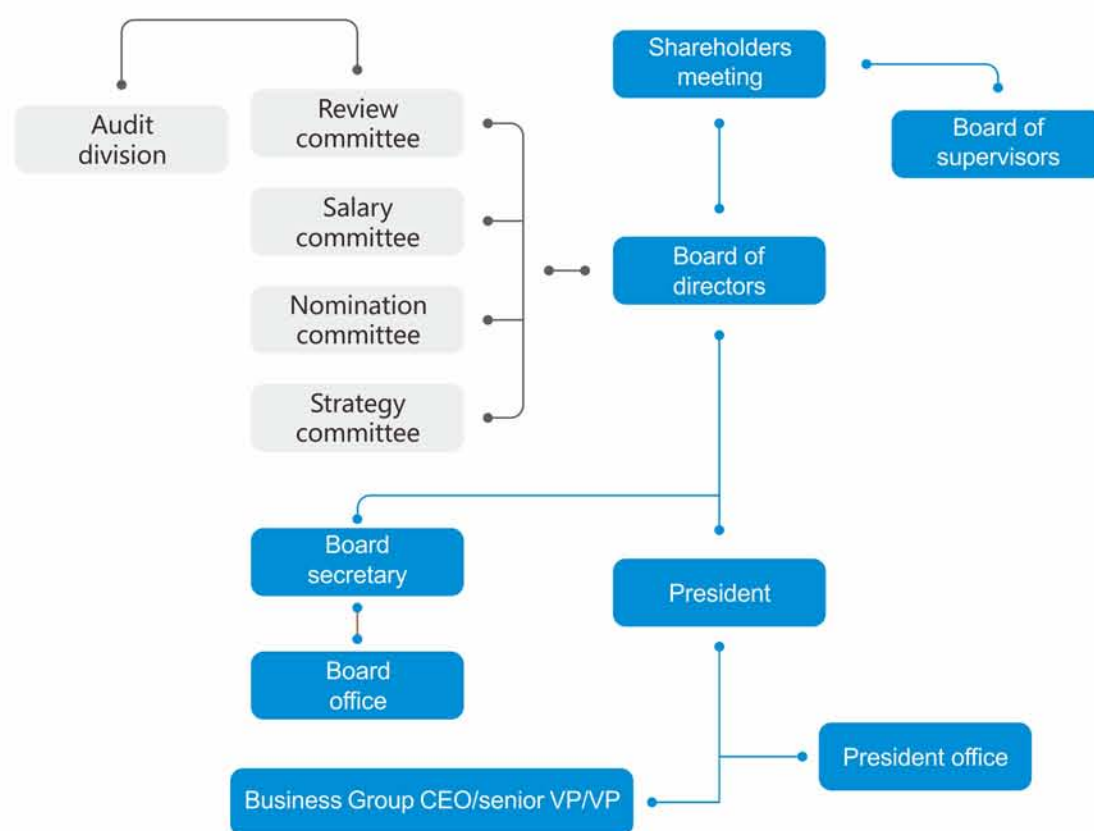


## 2.1 Corporate Governance

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. For more about the Board of Directors of BYD, please refer to the BYD annual report.

Organisational chart of BYD Company Limited



### Decision-making mechanism

Major decisions are first considered and analyzed collectively, then reviewed and considered by leading teams and specific committees. For proposals on major issues, the units involved participate in relevant discussions and are made responsible for their

implementation.

BYD's top position is that of the President, who is responsible for planning the company's directions, setting development goals and monitoring their implementation; reviewing

and approving BYD's major decisions, organizational restructuring and important documents. The President also oversees the launch and execution of the company's new projects and future developments.

BYD has established a rigorous decision-making mechanism. Self-evaluations on the

design and effectiveness of its internal controls are also carried out regularly. The scope of evaluation has been expanded and fully covers the company's production, operation and management. The goal of internal control is effectively achieved and no material flaws are found in the decision-making mechanism.

## 2.2 Legal and compliance

### Fairness in Operation

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 expectations and demands 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 codes of conduct, maintain honest operations, 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 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 initially set up a legal team for dual matters

in 2019 and promoted the implementation of a model where the legal adviser has dual responsibilities in 2020, deeply participating in business operations, and providing legal solutions based on demand.

In September 2019, the Company officially launched the full-process contract management platform, and by July 2020, all contract management businesses were switched to the platform in batches. The platform can run through the management of the whole life cycle of the contract, seamlessly connect various nodes such as contract review, approval, signing/printing, and fulfillment, and solidify the risk prevention and control measures of the whole life cycle of the contract into the system through technical means, thereby effectively avoiding the risk of personnel operation or fraud.



## Intellectual Property Protection

BYD has formulated the intellectual property strategy of "continuous accumulation, flexible use, reasonable layout, and effective defense". After years of exploration, accumulation and development, the Company has realized the accumulation of proprietary intellectual property, strengthened the quality of patents, and formed a mixed strategy for intellectual property with offensive and defensive features. BYD has completed the three phases of "quantity doubling", "quality improvement" and "patent layout". It has realized the accumulation of a number of original patents, the improvement of patent quality, and the

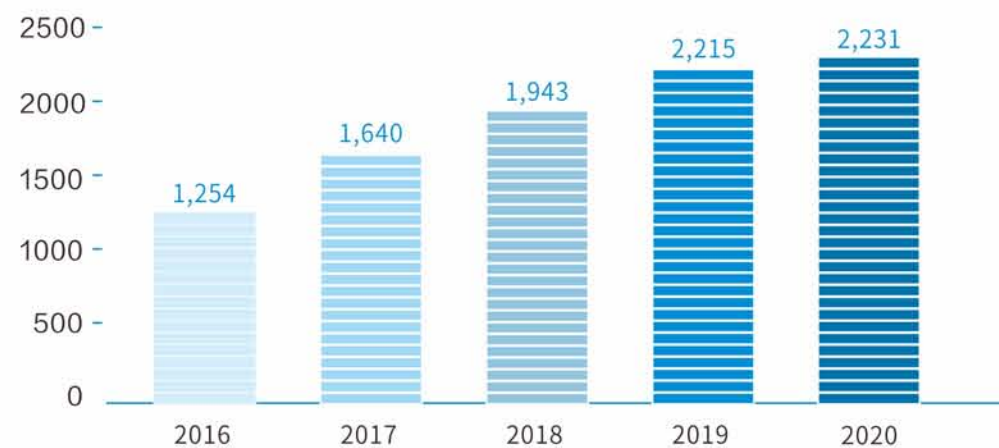
intellectual property protection of related patent portfolios. At present, the Company has entered a value patent work phase, with the focus on patent quality improvement and value patent mining. Through the work orientation of the value patent work stage, we guide the R&D department to carry out in-depth, multi-dimensional and all-round technological innovation, explore and arrange a more complete and higher-value patent portfolio, and realize the creation and application of high-value patents, so as to bring intellectual property rights to a new level.

### 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. In 2020, under the guidance of the principle of institutional system development, the Company has sorted out and formulated new management systems to meet its development needs, including "BYD Company Patent Classification Measures", "BYD Patent

Distribution Fund Management Regulations", "BYD Company Patent Work Management Regulations" and "Patent Early Warning Management Regulations", which have comprehensively improved the Company's intellectual property management in terms of creation, protection and application of intellectual property. Through the operation of a series of systems, the Company clarifies intellectual property responsibilities and intellectual property goals by establishing a long-term mechanism for the application, management and utilization of the Company's intellectual property rights.

patents per year



(The above data is the new patents awarded in the past 5 years both at home and abroad)

### Quantity of patents

By December 31, 2020, BYD has accumulatively filed for 25,656 patents in China (12,900 inventions, 10,358 utility models, 2,060 appearance designs and 338 patents in Hong Kong/Macau/Taiwan), 6,195 patents overseas.

### Intellectual property rights training

Intellectual property culture is an important part of company culture. In order to strengthen the publicity of intellectual property rights, the Company set up intellectual property publicity columns at fixed locations, and carried out intellectual property publicity step by step through the publicity of each theme. The Company opened "BYD" and "BYD People" intellectual property special issues to publish its intellectual property achievements and popular intellectual property information. In addition, by taking full advantage of the "4.26 Intellectual Property Publicity Day", the Company organized and carried out a variety of publicity activities, such as essays, knowledge contests and knowledge lectures themed "intellectual property" and

A total of 17,486 patents have been awarded in China. 1,980 patents were awarded in China in 2020. A total of 3,019 patents have been awarded overseas. 251 patents have been awarded overseas in 2020.

"innovation", to popularize intellectual property knowledge and increase the ability of independent innovation and awareness of intellectual property protection.

The Company regularly organizes training and exchange activities, builds a comprehensive training system for employees at different levels, and strengthens the promotion and implementation of intellectual property concepts and business cooperation. The Company builds its intellectual property culture through the establishment of an innovation system, intellectual property publicity and intellectual property training, to enhance the intellectual property awareness of all employees.

## 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 punished and prosecuted in accordance with rules. We strictly prohibit offering, accepting or claiming 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. BYD complies with overseas anti-bribery laws and regulations, and must not offer or demand bribery to local governments in overseas regions.

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 Whistleblower Protection and Incentive Measures, BYD Company Compliance Management and Regulations on Compliance Management of BYD's Commercial Partners. 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.

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



### Reporting, supervision and accountability

BYD has zero tolerance for corruption by establishing a dedicated anti-corruption department. 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 on. 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.

BYD executes a Partner Access Agreement with every partner. The agreement stipulates liabilities for the breach of incorruptible cooperation principles, which will be accounted for in form of verbal warning, notice of anti-corruption, deduction of deposits and blacklisting.

In 2020, the Company organized its employees to sign for the integrity system; invited police officers of the Shenzhen Municipal Public Security Bureau to give lectures on the prevention of duty crimes in person; produce the "Integrity BYD" promotional video, which were granted the "Best Popularity Award" in the first national corporate anti-fraud micro-

video competition; continue to design various holiday integrity themed mobile phone posters for dissemination, designed official WeChat emoticons for rejecting corruption, and issued holiday integrity reminders to demonstrate BYD's anti-corruption attitude to employees and partners.

#### 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, Integrity BYD Website, WeChat accounts, Enterprise WeChat, billboards and other channels. Various anticorruption campaigns are held in the form of maintaining corruptible, taking pledges, signing letters of commitment from our senior management, 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. The Group in 2020 held a total of 450 training sessions on anti-corruption and self-discipline, covering 621 class hours.



Police-enterprise alliance to prevent duty crimes

### 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.

### 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 a 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 2020, 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 10 successive years, fully disclosing the company's efforts in its economic, environmental, social responsibilities and in improving the industries it occupies. 2020 has seen a heightened emphasis on external communications, with the company actively participating in industry CSR events. The

Company participated in the preparation of the "China Automobile Industry Corporate Social Responsibility Development Report" by China Association of Automobile Manufacturers. In addition, it was also awarded the "China Benefit Company of the Year" social responsibility award selected by Tencent News in 2020.






### 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
 <b>Clients and consumers</b>	<ul style="list-style-type: none"> <li>Product responsibility</li> <li>Client privacy</li> <li>Green product and technology</li> </ul>	<ul style="list-style-type: none"> <li>Online promotion</li> <li>Offline exhibition and promotion</li> <li>Weibo/WeChat/phone</li> <li>New product release</li> <li>Market research</li> <li>Client satisfaction survey</li> <li>Client meeting</li> <li>BYD fans club</li> </ul>	<ul style="list-style-type: none"> <li>Irregular</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Employment</li> <li>Salary and benefit</li> <li>Occupational health and safety</li> <li>Employee training and growth</li> </ul>	<ul style="list-style-type: none"> <li>General Manager Day</li> <li>General Manager Inbox</li> <li>Factory Manager Reception Day</li> <li>Workers' union event</li> <li>Review and complaint mailbox</li> <li>Employee training</li> </ul>	<ul style="list-style-type: none"> <li>Random training for new employee onboarding and promotion review</li> <li>Irregular workers' union and group activities</li> <li>Irregular employee surveys</li> </ul>
 <b>Shareholder/investors</b>	<ul style="list-style-type: none"> <li>Business performance</li> <li>Operation compliance</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder meetings</li> <li>Performance announcement</li> <li>Investors forum</li> <li>Major reverse roadshow</li> <li>Regular disclosure</li> <li>Frequent email and phone communication</li> </ul>	<ul style="list-style-type: none"> <li>Irregular investor forums</li> <li>Irregular roadshows</li> <li>Irregular performance announcements</li> <li>Irregular surveys</li> <li>Irregular phone and email interviews</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Product responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Field research</li> <li>Quality communication</li> <li>Supplier meeting and review</li> <li>Supplier contract and questionnaire survey</li> <li>Supplier training</li> <li>Supplier conference</li> </ul>	<ul style="list-style-type: none"> <li>Irregular supplier conferences</li> <li>Irregular training sessions</li> <li>Quarterly supplier satisfaction surveys</li> </ul>



Stakeholder	Primary Topics	Method/Channel of Communication	Frequency
 <b>Government bodies</b>	<ul style="list-style-type: none"> <li>Green production</li> <li>Green operation</li> <li>Business performance</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Government policy discussion</li> <li>Input for government standard and negotiation</li> <li>Government and cross-government meeting</li> <li>Participation in government projects</li> <li>Inviting government representative to field guidance</li> </ul>	<ul style="list-style-type: none"> <li>Irregular</li> </ul>
 <b>Industry / standard associations</b>	<ul style="list-style-type: none"> <li>Product responsibility</li> <li>Green production</li> </ul>	<ul style="list-style-type: none"> <li>Participation in the making of electric automobile industry standards</li> <li>Participation in member conferences</li> <li>Industry exchange and communication</li> <li>Contribution to industry planning</li> <li>Cooperating with academic institutions</li> </ul>	<ul style="list-style-type: none"> <li>Irregular</li> </ul>
 <b>NGO and community</b>	<ul style="list-style-type: none"> <li>Green production</li> <li>Public welfare</li> <li>Volunteer services</li> </ul>	<ul style="list-style-type: none"> <li>Participation in community programs</li> <li>Participation in NGO meetings, and inviting NGO to corporate meetings</li> <li>Discussion of each party's specific concerns</li> <li>Responding to requirement of information</li> <li>Public welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>Irregular volunteer services</li> <li>Monthly "Public Welfare Day" events</li> </ul>
 <b>Media</b>	<ul style="list-style-type: none"> <li>Business performance</li> </ul>	<ul style="list-style-type: none"> <li>Separate meetings and interviews</li> <li>Specific activities for key industry media outlets and opinion leaders</li> <li>Inviting media and opinion leaders to BYD conferences</li> <li>Interaction over social media</li> </ul>	<ul style="list-style-type: none"> <li>Irregular</li> </ul>
 <b>Research / academic institutions</b>	<ul style="list-style-type: none"> <li>Green production</li> <li>Research, development, innovation</li> </ul>	<ul style="list-style-type: none"> <li>Joint technological research and cooperation</li> <li>Organizing workshops</li> </ul>	<ul style="list-style-type: none"> <li>Irregular</li> </ul>

## Analysis of substantial topics

### Identifying, reviewing and finalizing topics

We conduct dedicated research 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 three categories, and make corresponding responses to the identified topics in the report.

### Substantial topics identified for 2020

Regulatory Topics	Environment Topics	Community Topics
Corporate business performance	Waste management	Salary and benefits
Research, development, and intellectual property	Greenhouse gas emission management	Occupational health and safety
Operation compliance	Energy and resource management	Career development and training
Supply chain management	Recyclable and reusable	Employee rights
Supplier review and selection	Green technology	Multiculturalism and equal opportunity
Customer service and satisfaction	Community environmental impact and protection	Community contribution
Consumer rights	/	Charity
Distributor management	/	/
Product safety and quality	/	/



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# Partner Cooperation and Management

Protecting shareholders' interests

Supplier management

Distributor management

BYD DESIGN





### 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.

In 2020, BYD will convene a total of three shareholders meetings. The shareholders meeting for the year of 2019 was held on June 23, 2020 where a total of 80 shareholders and shareholder representatives owning and representing 1,257,118,370 shares, accounting for 46.0796% of the Company's total shares, attended; 2020 first extraordinary general meeting was held on September 8, 2020 where a total of 64 shareholders and

shareholder representatives owning and representing 1,235,687,884 shares, accounting for 45.2941 % of the Company's total shares, attended; 2020 second extraordinary general meeting was held on December 10, 2020 where a total of 121 shareholders and shareholder representatives owning and representing 1,265,226,412 shares, accounting for 46.3768% of the Company's total shares, attended.

#### 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 2019 shareholders meeting on June 23,

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 2020, 57 groups visited BYD for field research, including investors from trust funds, brokerages, insurers, private equity, and QFII. We attended over 52 investment bank and broker conferences both domestically and overseas and organized multiple performance presentations and domestic/overseas roadshows.

2020, the dividends plan for the year of 2019 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 RMB0.60 (tax included) per 10 shares. With no bonus shares, no reserve fund converted into share capital, total cash of RMB163,689 was to be paid to shareholders as dividends.

The 2019 dividends plan was executed on August 18, 2020.





### 3.2 Distributor management

In the current increasingly fierce competition in the automotive market, BYD continues to promote new energy technological innovations to improve product quality and comprehensively boost the brand's image. The continuous changes in customer needs and the overlapping and replacement of customer groups have also put forward new requirements for BYD's service experience. Under the leadership of BYD Auto Sales Co., Ltd., the brand-new "Smart Sharing" service experience is designed to help its distributors improve service quality and win favor from customers through personalized, smooth, and caring services.

The new "Smart Sharing" service experience put forward a series of innovative service touch points and concepts on the basis of existing processes by taking into account market trend analysis, consumer insights and dealer research, proposing four service experience principles:

**Confidence:** we guide customers to have in-depth understanding of new energy vehicles through knowledge building, case sharing, and other methods, to eliminate doubts, and to help customers make their own consumption decisions

**Exclusivity:** we give customers more services and support that meet their individual needs, by establishing empathy with customers

**Smoothness:** we eliminate obstacles in the car purchase process to improve car purchase efficiency, allowing customers to take their loved cars home smoothly

**Duration:** we establish a seamless link between pre-sales and after-sales sectors, so that customers can buy and use them with ease

The ultimate service is a kind of empathetic interaction, understanding and identification, and then take action thereon. We expect to bring consumers a pleasant car purchase experience, make the service more natural, watch the car more freely, and buy the car more confidently. BYD put forward the sales service image of "smart sharing", pushing dealers to create "Smart and Fun 6S Experience Spaces" from top to bottom.

"Smart Sharing" comprehensively innovates the user experience from the brand to the store

image and to the sales process. At present, it has cooperated with distributors to create a number of demonstration stores. With elevated sales scenarios, BYD distributors are now able to provide more considerate 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 offering poor service with shortage identified in the process will receive notice for

rectification and must submit a report for rectifying insufficient metrics within 3 days of 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 2020 have seen a 0.24% improvement (0.22 points) YoY, at 91.49 points. The deployment of sales satisfaction commissioners has reached 100% penetration.

Year	Annual Average SSI Score
2016	89.61
2017	90.63
2018	90.03
2019	91.27
2020	91.49





Group photo of trainees and BYD executives in the first week of the Iron Army Training Camp



Distributor sales satisfaction commissioner training in Changsha

## 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.

BYD launched the "Iron Army Training Camp" training program for terminal sales. The training targets include terminal pre-sales and after-sales management and sales personnel. The aim is to build an invincible sales team army with excellent service and professional

sales skills.

The Iron Army Training Camp has assembled high-quality teachers of BYD Group, from group executives, technical experts, training experts to first-line gold medal students, and the curriculum covers product knowledge, technical analysis, practical cases, service etiquette, etc. Teaching was carried out by ways of learning, training and evaluation, training a large number of sales elites for the Iron Army team. They will use the knowledge they have learned to bring customers more high quality service experiences.

## 3.3 Supplier management

With the aim of "prevention first, combined prevention and control", we implement comprehensive risk management. BYD has formulated a series of supplier management systems such as BYD Supplier Requirements, Specific Measures for BYD Suppliers Review, Specific Measures for Supplier Corporate Social Responsibility Management with new international, national, local, and industry laws and regulations, as well as requirements regarding customer complaints. In 2020, we formulated the "BYD Supplier Corporate Social Responsibility Notification Letter" to publicize BYD's corporate social responsibility requirements to all suppliers. Now these documents explicitly prohibit suppliers from purchasing conflict minerals. The same prohibition extends to downstream suppliers, whom will be investigated by BYD.

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.

In 2020, the Company formulated the "MSP-16-021 BYD Company Procurement Risk Management Procedure" to clarify the risk management process of the procurement team and guide the risk work of the procurement team. During the Year, 17 risks were identified, the causes and effects of which were analyzed, and risk strategies and countermeasures were formulated.



## Number of suppliers

BYD implements procurement localization and selects nearby suppliers, and the priority order is local companies— companies inside the province—domestic companies (including foreign investment companies)—foreign companies. BYD currently has over 12,000 suppliers, 45% of which are located in Southern China, 28% in Eastern China, and 27% in other regions until the end of 2020.

## Selection of suppliers

### Convention of contracting suppliers

BYD has always adopted strict environmental standards, labor practice standards and human rights standards for screening our suppliers, required suppliers to establish a management system that meets the requirements of ISO14001, promised to apply and promote a corporate social responsibility management system that meets the requirements of SA8000, and abided by BYD's Corporate Social Responsibility Clauses in the "Supplier Access Agreement" and "General Purchasing Rules".

Suppliers are required to consider the impact

### Selection of new suppliers

New suppliers will be investigated by BYD for necessary credentials, and record of activities offending laws or regulations. It will require its supplier to complete the BYD Supplier Review Sheet. The suppliers will not be selected if they don't meet the required standards.

The supplier will sign the relevant cooperation agreement (supplier access

Due to the rollout of rail transit and other businesses, BYD has been building factories in places across the country in recent years. The proportion of suppliers in other regions (such as Chongqing, Yinchuan and Guangan) is on the rise. The expansion of our supplier network has increased local economies and employment through industry chains.

on the environment in the process of product design and production, and we implement continuous improvement programs to deal with these impacts, including replacing materials and improving the treatment and control methods of waste affecting air, water, and soil. The raw materials or products provided by the supplier to BYD must comply with the national standards and local regulations of the place of where sales are conducted and BYD's requirements for toxic and hazardous substances;

agreement and general procurement rules) before the code is created to guide and supervise the supplier to respect human rights, treat employees preferentially, and protect the environment.

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.

## Routine 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 the given time may be severed from BYD's supplier network, depending on the actual situation.

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.

During the sample certification stage, the supplier's HSF data compliance is confirmed, and the supplier is required to submit relevant survey forms, test reports, analysis reports, etc. For materials that have

HSF requirements, the HSF compliance of the materials is confirmed during incoming inspection. The BYD Annual Environmental and Humanities Important Performance Indicators Report survey was conducted on high-energy-consumption and high-polluting suppliers, and the survey ratio was approximately 60%. If the survey result does not meet the requirements or the supplier's energy consumption is on the rise, the supplier is required to make rectification and follow up with the supplier's improvement.

A conflict mineral survey was conducted on all suppliers that used tantalum, tin, tungsten, and gold materials. The survey results showed that the 3TG used in the supply chain came from a conflict-free mineral smelter recognized by CFSI.

We regularly check government websites to find out whether any BYD supplier appears on any government blacklist. If so, procurement departments will be notified of such findings 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. BYD's production material suppliers are required to pass the ISO9001 system certification, and automotive S/A materials are required to pass the IATF16949 system certification. The supplier understands and establishes a management system that meets the requirements of ISO14001 and OHSAS18001. The proportion of BYD

industrial suppliers (including productive materials and non-productive materials) that have passed the quality system certification is 52%, while that of all the productive material manufacturers that have passed the quality system certification, and the productive material suppliers that have passed the environmental and occupational health and safety management system certification, is 70%.

BYD is 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 an “Access

Agreement” containing transparent procurement terms. As a member of the Anti-Fraud Alliance, BYD puts suppliers violating its

“transparent procurement” policy on a blacklist as the case may be, 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 achieve traceability 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.



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# Product Quality and Service

Product liability

Customer interests and services





## 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 acts 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:

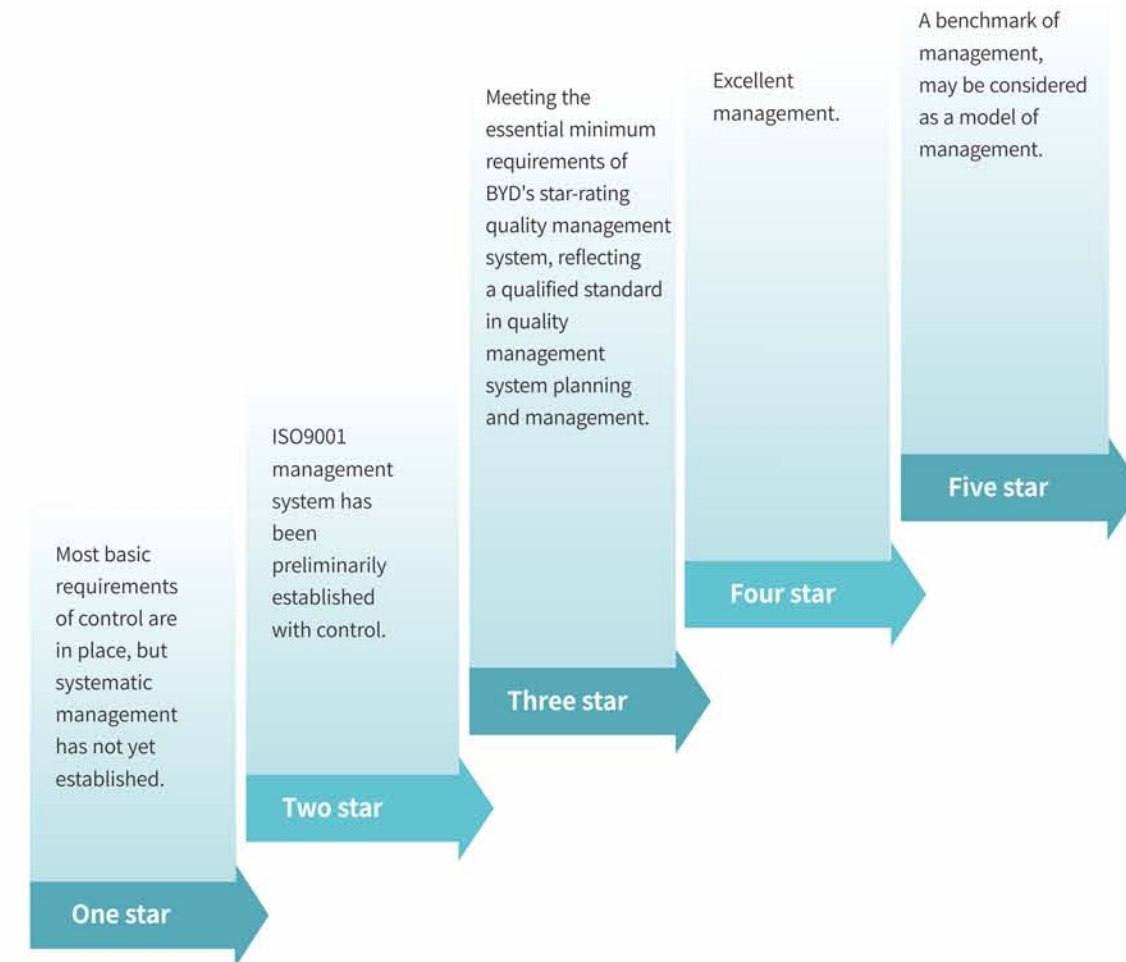
\* ★ Quality Value ★ \*

Customer first	People before product	FMEA	Principle of refusal	Leave no loose ends
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 pays 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.

3.5% of all factories have achieved 5-star rating (ideal). 28.2% have received 4-star rating (excellence), with the rest deemed acceptable. It effectively ensured the operation of the quality management system, strengthened the competitive atmosphere and promoted the continuous improvement of backward factories. All BYD vehicle and component production plants have been certified for ISO 9001:2015 (16) and IATF16949



(1) system certification, each of the 48 first-level assembly parts factories passed the IATF16949 system certification.

Passenger vehicles, buses, and safety-related components ( 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

using FMEA tools and error prevention methods. 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 a “quality system competitiveness index”, which can be related to the performance of the overall, business units, and factories. It has been currently applied in 5S

### 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

star rating, quality culture and service quality evaluation of industrial parks.

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 are 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 and error proofing means, with the objective of delicate manufacturing facility management, intelligent 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, and

procedure), product inspection requirements, shipping inspection requirements, handling of anomalies 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 noise test



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 sourcing to manufacturing, shipping, and delivery. For product safety, we follow the Automobile Industry Cluster Product and Responsibility

Control Procedure, identifying safety requirements 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 disposed of properly in order to contain damages.

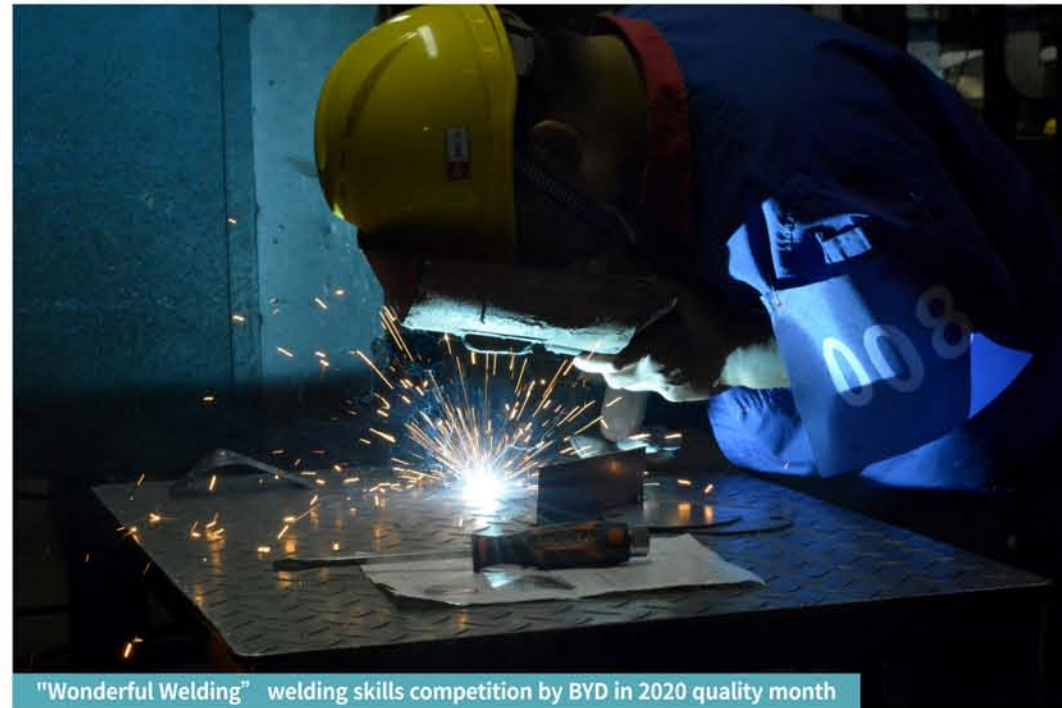
## Quality culture development

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 month, skill competitions, QCC rating, 5S exchange and rating, quality cultural

corridor and writing competition. We want our employees to pay closer attention to product quality and possess necessary skills.

In September 2020, focusing on the four major themes of "Continuous Improvement, Strengthening the company by craftsmanship"





"Wonderful Welding" welding skills competition by BYD in 2020 quality month

from awareness, methods, results and inheritance, BYD launched a series of events such as quality month kick-off meetings and summit forums, QCC experience sharing meetings, FMEA/error prevention case exchange meeting, Six Sigma Master exchange and sharing meeting, QCC results release and commendation meeting, Lean production results release and commendation meeting, improvement topic of the first Gold Medal craftsmen, "Wonderful Welding" welding skills competition, linked with various business units/factories, further enhance the staff's quality awareness and strengthen the factory's quality cultural atmosphere.

In 2020, BYD's external appraisal activities of QCC project won 10 first prizes, 11 second prizes and 2 third prizes. The quality assurance team won the first prize of 3 "Quality assurance teams" in Xi'an, the



The front team of the Xi'an production department of the wire harness factory won the "National Trustworthy Team Certificate" in December 2020

front team of the Xi'an production department of the wire harness factory won the national trustworthy team, and the third division "Ant Coprs" won the title of "Guangdong Excellent Quality Management Team".

## 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, C-CAR and WeChat 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, BYD Auto Sales Co., Ltd. Complaint and Internal Assessment Mechanism and BYD Auto Sales Co., Ltd. Rectification Measures and Control have been introduced to regulate how the company handles customer complaints.

BYD's sales complaint management mechanism will be gradually tightened in 2020, and other complaints will be included in the assessment for unresolved issues from June 2020, and the amount of assessment will increase. Therefore, throughout January – December of 2020, the total number of complaints received has increased 97.2% YoY. The complaint occurrence rates for 2019 and 2020 were 0.75% and 0.64%, showing a decline. The response rate for January – December of 2020 was improved by 2.7% YoY.

### Resolution rate of customer complaints

Year Type	2016	2017	2018	2019	2020
Presales	89%	93%	85%	86%	86%
Aftersales	95%	93.5%	94.8%	95.03%	94.07%

## 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 vehicles, 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 and brand-level theme activities. 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.



"Looking for Dreams in Han and Tang Dynasties, Extreme Encounters" brand theme activities and official car owners club activities



# Caring and Providing for Employees

我有我的

爱拼搏

Responsibility to employees

Occupational health and safety production

Caring for employees



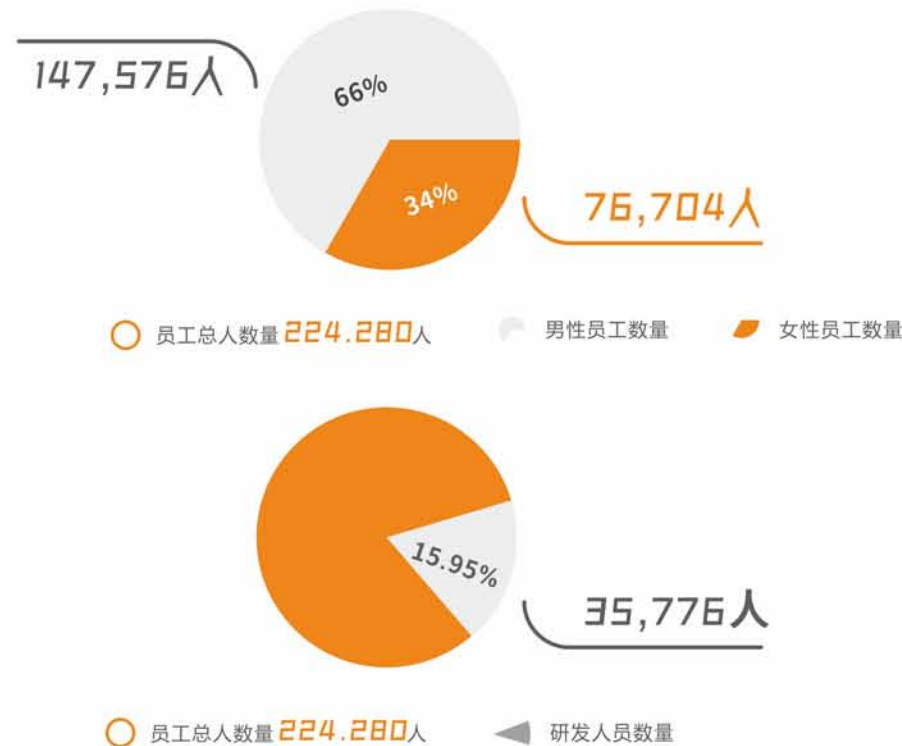


## 5.1 Responsibility to employees

BYD's HR 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 and develop a career.

As of December 31, 2020, BYD has over 220,000 employees worldwide, with 997 graduates, 171 interns, and 833 disabled recruited through the year to work in BYD's various units. About 16.9% of senior executives are female. At key overseas production plants in the United States, Brazil, and Hungary, 96% of workers are hired locally.

Facing the pandemic, the Company, apart from its own business, branched out into the personal protective equipment business. To that end, BYD conducted cooperation with bureaus of human resources, social security, and employment, among other authorities to set up employment platforms. This helped have in place a clear information transmitting channel to facilitate the travel arrangement, contributing to the local employment of more than 10,000 jobs.



### 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. In 2020, the local employees accounted for 42%.

### Talents 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 paths to both management and professional positions. According to the program, employees are rated as green dragon, hiding dragon, raising dragon, swift dragon, leaping dragon and flying dragon in an

ascending order. 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. In 2020, in the current pandemic situation, the company actively carried out online training to provide employees with diversified learning paths, meet their learning needs and escort talent training and development.

### Intermediate and senior executive BMBA program

To build a team of officers with global vision and up to challenges, BYD opened a BMBA program for intermediate and senior executives. The BMBA program offered 2 leaping dragon classes and 10 swift dragon classes, with the class hour per capita of 90. It established a number of subject research to help overcome business problems and fully

realize the training goal of industry training integration.

BYD launched a training program dubbed "Star of Tomorrow, Transforming in 100 Days" for new graduates, totaling over 60,000 class hours. The objective is to transform green hands into excellent BYD workers.

### Star of Tomorrow, Transforming in 100 Days training camp

BYD launched a training program dubbed "Star of Tomorrow, Transforming in 100 Days" for new graduates, totaling over 60,000

class hours. The objective is to transform green hands into excellent BYD workers.





### Job-specific skill training for employees

Within the duration of this report, BYD has administered over 120,000 hours of job-specific skill training sessions to over 80,000 employees, and over 10,000 hours of quality assurance training sessions to over 7,000

employees. Over 1,400 have been certified for special operation duties. As of December 31, 2020, BYD has accumulatively administered over 400,000 training classes and over 1.42 million session hours.



Job-specific skill training for employees

### Digital learning-online learning platform

In the extraordinary stage of 2020 for pandemic prevention and control, in order to meet the needs of employees for learning and the company's needs for talent training, the Company vigorously promotes an online learning platform to provide digital learning by leveraging the functions of continuous and stable knowledge management and

employee learning management. The online learning platform has established five major categories: enterprise category, management category, professional category, general category and special category, and opened nearly 3,000 courses, with a total learning hour of 4.31 million.

### Salary, benefits, and providing for employees

Abiding by relevant laws and regulations such as the Labor Law, we encourage employees to 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 2020, 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.
- 
**Health care** ○ 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.





Cafeteria

## 5.2 Caring for employees

Based on actual employee needs and corporate value, BYD organized a series of caring activities in 2020 on multiple levels, in multiple forms and channels, to remind employees that a happy, passionate life is the basis of hard work. We held the singles hangout, basketball match, family month and New Year's Day party to meet the demands of our employees.



Basketball match

## 5.3 Occupational health and safety production

BYD adheres to the principle of “sustained improvement” in safety and development. Based on the needs 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. In accordance with the internal safety and environmental management plan, inspections, occupational health testing, safety publicity and emergency drills were carried out, with a completion rate of 95% (the frequency of implementation in the first two quarters due to the pandemic was reduced). In 2020, these activities will be operated in accordance with the system management elements and requirements, and the management system will be reviewed and inspected by the third party, safety, environmental protection, and occupational health supervision departments to meet relevant requirements. No major environmental accidents occurred in 2020.

The Company's responsible workplace death number and proportion in the past three years:

Year	Number of workplace death	Death proportion
2018年	2	0.00087%
2019年	0	0
2020年	1	0.00039%

Calculated as: Workplace death proportion=number of death/annual average number of staff

### 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. BYD has established an occupational health and safety management system, establishing the EHS safety production management committee. The safety and environmental office is set up under it, to establish a safety production

responsibility system, a sound safety and environmental management system such as hazard identification, assessment, inspection, and accident investigation. It actively examines workspaces and deploys occupational hazard protection, providing employees with three-staged occupational health examinations.





Safety education base opened and available to enterprise and community

### Safety production 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 records every quarter to inspire the rest with the power of role models, ultimately facilitating a platform for the exchange of experience and insights.

### Safety education and training

The Company established WI-07-0027-A1, BYD’s employee occupational health, safety and environmental protection education and training measures, to organize safety education and training for main persons in

charge, safety production management personnel and special operation personnel, implementing three-level safety education for new employees and establish documents for employee training, carry out job



Safety education base opened and available to enterprise and community

competency training for on-site guardians, high-risk operation managers and team safety officers.

On May 29, 2020, the first national government-enterprise safety education training base built by the company and the Pingshan District government was completed and put into operation. Since its completion and operation, more than 90 training sessions were conducted in surrounding enterprises, institutions, schools and communities, through rotated

training on its internal employees at the base, receiving and organizing 2,746 personnel. It was rated as Shenzhen’s First-Class Safety Education Base, Fire Safety Education Base, and Pingshan District’s Child-Friendly Practice Base to improve learners’ awareness of safety, communicate public safety and production safety skills, and popularize safety knowledge.

### 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 not enough. We have created a whole emergency management system of “quick reporting, immediate response, and effective treatment”, with emergency stations deployed at risky sites.



### Continuously improving the construction of emergency teams and emergency facilities

In 2020, key areas will be equipped with fire stations and fire trucks, and physical training and business skills training will be carried out for full-time and voluntary fire brigades. Taking into account the actual situation of the Company, we carry out limited space rescue, fire extinguishing and evacuation, hazardous

chemical leakage, battery fire response, electric shock and other emergency drills and develop capabilities to handle on-site inspection and make emergency response, continuously improving the response capabilities of emergency teams.



Fire Heroes Cup Competition

### Safety culture

The Company established WI-07-0027-A1, BYD's employee occupational health, safety and environmental protection education and training measures, to organize safety education and training for main persons in charge, safety production management personnel, and special operations personnel, implement three-level safety education for

new employees, establish employees training documents and carry out job competency training for on-site guardians, high-risk operation managers and team safety officers.

The Group has set up a safety evaluation fund, advanced safety collective and advanced individuals and top ten EHS leadership, special

safety teams, dangerous chemical guards, special elites, guardian stars and other awards according to the contribution to different positions, and organized advanced safety evaluation in stages. Through the establishment of a summary and appraisal platform, we can discover and accumulate effective safety management experience and methods, create a safety culture atmosphere of "comparison, learn, catching up and

surpassing", and set up an advanced benchmark for safe production. Through the setting of Safety and Environmental Video Creative Award, we can stimulate the enthusiasm of grassroots for participation in safety culture, so that more people can participate in the creation of safety publicity videos and receive knowledge through recreational means, improving the safety awareness of all employees.



From March to June 2020, the Company organized the "100-day accident-free competition for the factory", held the safety production month with the theme of "eliminating safety hazards and strengthening the safety line of defense" in June, and the fire-fighting month activity with the theme of "focusing on firefighting, superior life" in November. Through internal publicity at the

quality and safety official account, the Company published and released 103 safety promotion knowledge articles including 60 company safety trends, safety tips, safety warnings, safety knowledge weekly lectures, allowing departments at all levels to carry out in-depth publicity and training to create a safety culture atmosphere.







# Green Operation and Production

Green operation

Green technology and products



## 6.1 Green operation

As an active advocate for environmental protection, BYD is committed to reducing our own direct impact on the environment.

The consumption/emissions objective of BYD was even more demanding in 2020 as we invested over RMB 450 million in the projects related to environmental protection for technology and equipment upgrades and all new projects had undergone environmental impact assessments.

We reported and investigated into accidents, held those responsible for accidents accountable and prevented and rectified further accidents in accordance with the "BYD Company Safety and Environmental Accident Investigation and Responsibility Handling Measures". During the reporting period, BYD had no major environmental accidents.

BYD continued to reduce its own energy consumption and carbon dioxide emissions per unit by energy conservation, waste recycling and reuse, and building a green park.

### Energy conservation

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 upgrades. Consume less energy and do more things with

the same amount of power. Dedicated energy management departments are established at every level from the headquarters down to each business unit, manned by professional teams. In 2020, BYD directly consumed less energy than last year.

BYD energy/resource consumption for the past 2 years

Resources	Unit	2019年	2020年	YoY Growth
Electricity	Billion kwh	400,686.21	415,826.05	3.78%
Natural gas	Million cubic meters	9,042.09	8,961.57	-0.89%
Gasoline	Million liters	90.03	82.78	-8.05%
Diesel	Million liters	26.49	14.45	-45.44%
Water	Million cubic meters	2,819.11	2,940.49	4.31%
Packaging	Tonnes	930,372	979,897	5.3%

BYD regularly review the data of greenhouse gas emissions. We hire a third party every year to check the carbon emission of 5 legal companies in Shenzhen and keep monitoring

and improve greenhouse gas emission performance so as to reduce the enterprises' internal greenhouse gas emissions.

### Greenhouse gas emission in 2020

Category	Unit	2020年
Scope I-greenhouse gas emission (carbon dioxide equivalence)	Tonnes	199,406.48
Scope II-greenhouse gas emission (carbon dioxide equivalence)	Tonnes	3,945,773.38
greenhouse gas emission (carbon dioxide equivalence)	Tonnes	4,145,179.86

Scope I: fixed combustion source emission

Scope II: indirect emission

### Recycling and reuse of waste

BYD will release monthly its direct impact on the environment by its business operations and test drain outlets, all of which meet the high standards set by the company. Waste management has always been a focus at BYD. BYD advocates for classification disposal of solid waste. The toxic or harmful substances handled by accredited external partners contracted by the safety & environment office

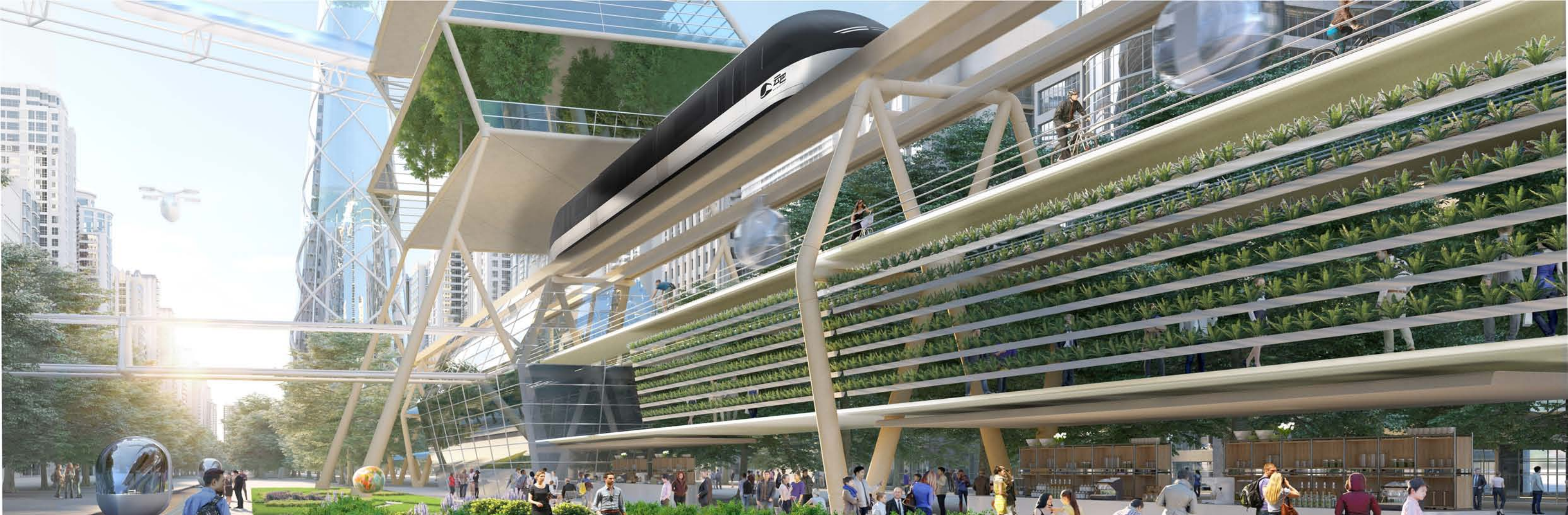
of the quality division; domestic garbage and non-harmful industrial waste are disposed by external environment & health organizations; recyclable wastes are mostly reused, with a portion handled by professional firms.

Compared with 2019, the amount of hazardous waste from industrial waste water, waste gas, COD, ammonia nitrogen and VOCs, was on the decrease in 2020.

### Solid Waste in the Past 2 Years

Waste Type	Quantity			YoY Growth
	Unit	2019年	2020年	
Domestic garbage	Tonnes	36,592.13	36,316.38	-0.75%
Non-harmful industrial waste	Tonnes	270,138.12	335,435.15	24.17%
Hazardous solid waste	Tonnes	39,242.617	29,085.457	-25.88%





### Water and Gas Waste Discharge in the Past 2 Years

Waste Type	Unit	Discharge		YoY Growth
		2019年	2020年	
Industrial wastewater	Tonnes	4,573,653	4,003,635	-12.46%
Sewage	Tonnes	11,368,980	14,648,672.7	28.8%
Waste Gas	Standard billioncubic meters	4,938,659	4,777,096.138	-3.27%
COD	Tonnes	468.7	379.38	-19.06%
Ammonia nitrogen	Tonnes	38.5	33.85	-12.08%
VOCs	Tonnes	90.0	87.11	-3.21%

In 2020, BYD reduced the discharge of all kinds of waste and strengthened the recycling and reuse of resources. Specifically, BYD formulated waste conversation development plans so as to strengthen water use to avoid waste of water resources. BYD recycles and reuses cooling water and

condensation water. We built the recycled water system in the Pinshan, Huizhou, and Xi' an plants. This was aimed at recycling and reusing water resources through waste water treatment stations and recycled water facilities. The treated domestic and industrial wastewater was used to for rinsing the

washrooms in staff dormitories, industrial park landscape and road cleaning. In addition, BYD carried out low-nitrogen transformation in furnaces in Xi' an, Beijing,

Pingshan, Kengzi, Taiyuan and Chengde industrial parks, which significantly reduced the contents of nitrogen in waste gas emissions.

### Building a green park

using its unique strengths in new energy, BYD applied such green products as electric vehicles, energy storage system, solar stations, and electric forklifts and LED lights in its production activities. In 2020, BYD dedicated a total of 884 new energy vehicles to the travel and commuting of public servants and staff and used 2,851 electric forklifts to replace conventional fuel vehicles for inter-workshop logistics in the park. In 2020, BYD generated a total of 43.111 million kilowatt hours using solar power in such parks as Shenzhen Kuichong, Shenzhen Baolong, Shenzhen Pingshan, Huizhou, Shanghai, Shangluo and Changsha.

Meanwhile, we are raising environmental awareness among our employees through regular training and conference sessions, bulletin boards, and contests so as to join hands to shape a green park.

Category	Unit	2019年	2020年	同比增长率
New energy official vehicles	Vehicles	737	884	19.9%
Park logistics forklifts	Vehicles	2,579	2,851	10.5%



## 6.2 Green technology and products



### Green technology

Green 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. At present, BYD has established 11 major research institutes including the Central Research Institute, the Electronic Technology Research Institute, the FinDreams Battery Research Institute, the Electric Power Scientific Research Institute, the Automotive Engineering Research Institute, the Product Planning and

New Automotive Technology Research Institute, the FinDreams Power Research Institute, and the FinDreams Science and Technology Research Institute, Commercial Vehicle Research Institute, Light Rail Transit Research Institute, Semiconductor Research Institute, covering materials research, electronics, batteries, automobiles, new energy, rail transit, semiconductors and other fields. Currently, the Group has more than 30,000 R&D engineers engaged in the development of various technologies, striving to push the entire industry forward.

### New Energy Vehicle Starting Iron 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 and energy management system, addressing the aforementioned limitations with:

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

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

### DM-p Technology Platform

DM-p has two major power architectures: dual-motor with four-wheel drive and three-motor with four-wheel drive. The dual-motor and four-wheel drive architecture consists of the engine, transmission, P0 motor, rear three-in-one motor, power battery system, two-in-one core power assembly and other core spare parts. In terms of component composition, the three-motor with four-wheel drive configuration adds a front motor. DM-p is now installed in a variety of models including the new generation of Tang DM, Han DM, Song Pro DM, Song Max DM, Qin Pro DM, etc.

The biggest highlight of the DM-p architecture is the addition of the P0 motor. The P0 motor with high voltage, high power and strong power retention capability has the four functions of intelligent power generation, intelligent start and stop, rapid acceleration assistance and auxiliary gear shifting, which help the vehicle achieve a qualitative leap in terms of power, economy, smoothness and quietness.

In terms of power, the DM-p system is comparable to a modern V8 engine, capable of accelerating from 0-100km/h in just 4.3s; in terms of economy, when commuting to work, it can travel in pure EV mode with zero fuel consumption. Even at a low state of charge, the fuel consumption is still better than that of similarly sized models. Ride comfort is excellent, especially in pure EV mode. While driving in HEV mode there is no shuttering when starting and shifting thanks to the P0 motor. Under the newly upgraded architecture, the DM-p system is well ahead of its peers, creating a library-level quiet space for users.



Han DM dual-motor and four-wheel drive architecture



## DM-I Super Hybrid

DM-I Super Hybrid is a hybrid technology with electricity as the main driver. It features an electric hybrid architecture with a high-power electric motor, and a large-capacity power battery which is supplemented by a gasoline engine, transforming the design architecture of traditional hybrid technology which mainly relies gasoline. The DM-i super hybrid will be installed in multiple models such as BYD Qin Plus DM-i, Song Plus DM-i and Tang DM-i.

The core components of the DM-i Super Hybrid platform include: The Xiaoyun 1.5L high-efficiency engine, achieving the highest thermal efficiency of any mass produced engine on the market at 43.03%. The Xiaoyun turbocharged 1.5Ti high-efficiency engine achieves a thermal efficiency of 40%. An ultra-high-efficiency EHS electric hybrid system and the world's first DM-i super hybrid special power type, AC and DC charger and other core components. Each system has been 100% developed by BYD, including the vehicle, engine, motor, battery and other corresponding control systems. The comprehensive independent research and development capabilities of BYD empower the DM-i super hybrid.

The DM-i super hybrid system consumes as little as 3.8 liters per hundred kilometers, which is nearly indistinguishable to the driving experience of a pure EV, and the 0-100km/h acceleration is 2-3 seconds faster than that of a gasoline powered vehicle of the same level. With ultra-low fuel consumption, quietness, smoothness, and excellent power, the vehicle performance is almost perfect.



Song PLUS Super Hybrid Chassis Architecture



## Blade Battery Technology

The Blade Battery is a new generation of lithium iron phosphate battery launched by BYD (FinDreams Battery), with more than 500 patents. It has seven major advantages: super low cost, super safety, super range, super service life, super strength, super power, and super low temperature performance, referred to as "6S".

In March 2020, the Blade Battery was launched as the only battery in the world that can pass the nail penetration test (known as the "Mount Everest" of battery tests in the power battery industry). Blade Batteries put an end to the safety shortcomings of new energy vehicles and set up a safety benchmark for new energy vehicles.

The Blade Battery is the culmination of BYD's nearly 20 years of R&D and application experience in the field of power batteries, and integrates BYD's full industrial chain advantages from battery raw material production to power battery pack manufacturing. It is the world's first power battery technology with high integration efficiency, high safety and full protection.

This technology breaks through the constraints of the traditional drawing/extrusion process, and achieved a breakthrough in the ultra-thin aluminum shell welding technology, and successfully developed ultra-long and ultra-thin aluminum shell blade battery with an aspect ratio of 10:1 and a thickness of 0.3mm, breaking the module concept of traditional battery systems. We use the unique aspect ratio characteristics of the Blade Battery to realize the close arrangement of the ultra-long size cells and obtain a volume integration efficiency of more than 60%.

Compared with the 40% volume efficiency of a traditional battery system, the volume integration efficiency of the Blade Battery increased by 50%, making the pure electric vehicle equipped with a lithium iron phosphate system to record a cruising range of more than 600km. At the same time, based on the inherent safety advantages of lithium iron phosphate, the compact array design, multi-functional integrated envelope design and system sandwich structure design of Blade Batteries guarantee the safety of the power battery system from multiple levels and multiple dimensions.

This technology has been applied to multiple BYD models such as BYD Han EV, DiDi D1, and the BYD V3 pure electric van, since July 2020.







## Sustainability products

We strive to provide our customers with products and solutions with better efficiency and fuel economy, while reducing carbon emissions to protect the environment. Our requirements for environmental 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 R&D, design, integration and services of energy storage systems. We own core intellectual properties in independently developed high efficiency two-way converters and battery management systems. Since entering the field of energy storage in 2008, we have delivered over 1GWh of energy storage projects in almost 300 cities around the world, with a perfect track record of zero accidents.



## BYD Energy Storage launched the BYD Cube T28, a new generation of grid-level energy storage product

In August 2020, BYD Energy Storage launched the BYD Cube T28, a new generation of grid-level energy storage product, and successfully won the "Taiwatt Diamond Award" selected by the 14th SNEC Top Ten Highlights.



## BYD won the 2020 Most Influential Enterprise Award in China's Energy Storage Industry

On September 24, 2020, the 10th China International Energy Storage Conference opened in Shenzhen. After 12 years of accumulation of energy storage technology and global energy storage zero-fire deployment experience, BYD Energy Storage has actively promoted the global energy transformation and won the "2020 China Energy Storage Industry Most Influential Enterprise" award at this conference.

## BYD won the top 50 new energy technology innovation enterprises in 2020

On November 27, 2020, the "2020 Energy Transition Forum and the 10th Global Top 500 New Energy Enterprises Summit" jointly organized by Shanxi Energy Administration and China Energy News was grandly held in Taiyuan, Shanxi Province. The summit officially announced the "Top 50 New Energy Technology Innovation Enterprises 2020" list where BYD Company Limited was included.





## Solar products

Solar energy is one of BYD Group's important operations in the field of new energy. Together with electric vehicles and energy storage, it has built BYD's green dream. BYD Solar has a complete industrial chain, covering silicon ingots, silicon wafers, cells, modules, and smart photovoltaic system solutions, integrating leading technologies in the field of new energy, converting light energy into more electricity efficiently, promoting the use of clean energy, in an effort to promote green development.

When we are confronted with a series of crisis such as energy shortage, ecological destruction, environmental pollution, etc., BYD actively fulfills its social responsibilities, and responds to the global call for the construction of clean and efficient energy systems. With scientific and technological innovation and practical actions, BYD makes active contributions to global climate governance and sustainable development. By actively



England Energy project



Australia Energy project

contributing to the realization of sustainable development, we make new effort in response to global climate change, providing society with sustainable and clean energy, while protecting the beautiful homeland on which mankind depends for survival.

## New Energy Vehicles

New energy vehicles are BYD's answer to global pollution. As of now, BYD products have covered the entire market, including 7 conventional transportation areas (passenger vehicles, taxis, busses, coaches, logistics vehicles, construction vehicles, sanitation vehicles) and 4 specialized areas (warehouses, harbors, airports and mining).

In 2020, BYD's sales of new energy passenger vehicles reached 179,054 units (roughly 48,084 PHEVs, 130,970 EVs) with a total production and sales volume of 0.91 million units. With the outbreak of COVID-19 and the background of further intensified market competition, BYD managed to secure the first place in domestic new energy passenger vehicle sales.

In 2020, the Han and Tang dual flagships continue to make efforts to lead BYD's new energy vehicles upmarket. Since its launch in July, BYD Han's sales volume has continued to rise, exceeding 10,000 units for consecutive months. It sold 40,556 units in just six months, ranking among the top four in China's large C-class vehicle sales, which set a new record in China's automobile industry. The new generation Tang DM sold 21,225 units throughout the year, ranking first among plug-in hybrid B-segment SUVs, with a market share of 56.1% in the plug-in hybrid B-segment SUV.







## Rail business

In order to seek solutions to traffic congestion in terms of rail transit, BYD stretched its strengths in integration innovation by extending the electric vehicle industry chain to the rail transit field. BYD devoted 5 years to develop the medium-capacity straddle type monorail “SkyRail”, and 7 years for the small-capacity rail transportation “SkyShuttle”. “SkyRail” and SkyShuttle use 100% intellectual property and the core technology of the whole industrial chain, contributing to easing urban traffic congestion worldwide. They are both designed with an unmanned driving system, a comprehensive dispatching system which highly integrates multiple features, and facial recognition among other high-tech features. Featuring high safety, high intelligence, high adaption, high standard design, low

construction cost and fast construction, they can provide passengers with more intelligent, convenient travel experiences and contribute to the upgrading of urban traffic networks. In October 2016, BYD launched SkyRail, announcing its march into the rail transit field. In August 2017, the ever first straddle type monorail “SkyRail” line was put into operation in Yinchuan. BYD’s SkyRail and SkyShuttle were invited to the 2019 Spring Festival Gala, showing China’s technological fruits and “future city” to the rest of the world. In May 2020, the Chongqing SkyShuttle demonstration line was launched worldwide, ushering in a new chapter in the world’s rail transit industry. So far, BYD has reached strategic cooperation with multiple cities in terms of SkyRail and SkyShuttle, with a promising future.





## Contributing to the Community

Joint efforts to fight against the pandemic

Employee social work

Technological charity





为UNEP捐赠比亚迪一次性医用口罩

## 7.1 Joint efforts to fight against the pandemic

At a time when the domestic anti-pandemic efforts were at the most difficult stage with the most urgent demand for protective masks, BYD always stayed with the world and donated 10 million RMB for the pandemic fight. Furthermore, the President led 100,000 staff to produce protective masks for the fight. Amazingly, BYD produced blueprints in 3 days, equipment in 7 days, and products in 10 days, making BYD the world's largest mask manufacturer in 24 days, with the daily maximum output up to 100 million masks, strongly supporting the fight and resumption of production.

Relying on strong R&D capabilities and manufacturing strengths, BYD ran against the clock to produce masks and disinfection gels to support more than 80 countries, donating a total of more than 40 million RMB worth of supplies worldwide.



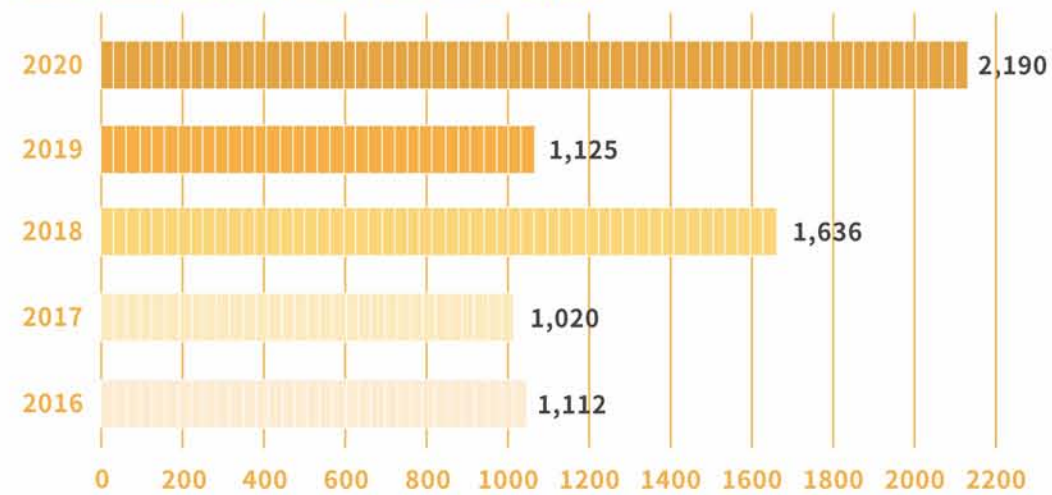
湖北慈善总会捐赠赠书



## 7.2 Technological charity

BYD donated funds to set up the BYD Charity Foundation in 2010. Since its establishment, adhering to the concept of “Technological Charity”, the foundation has used technology to help poverty-stricken areas, and technical products to provide disaster relief, to support educational development and help disadvantaged groups in society. It lightens our dreams with a single spark. In 2020, the BYD Charity Foundation donated a total of 21.90 million RMB for public welfare programs.

Total donation in five years (Unit: RMB\* 0,000)



BYD has used funds to help poverty-stricken areas, introduced technology and developed industries in such areas to bring vitality to impoverished counties and villages once again. So far, BYD has offered targeted

assistance to 20 impoverished counties in 9 provinces, cities and regions. In 2020, BYD offered pairing assistance to two rural areas in Guizhou and jointly built a beautiful village.



比亚迪捐建励志超市



To support education, BYD has focused on three major areas: school aid, scholarships, and improvement of educational facilities. It has benefited more than 150 schools in 23 provinces, cities and regions across the country, helping nearly 30,000 students realize their dreams for the future. In 2020, BYD’s Dream Realization Action Scholarship supported 116 poor students with a total of

scholarships of 820,000 RMB, donated 2 million RMB to Peking University to establish the “BYD Education Development Fund”, and donated 1.5 million RMB for the construction of a science and technology museum for Wuwei County. BYD’s new dream stadium project represents the establishment of new stadiums for six poor schools with donations from BYD.





In addition, BYD pays attention to special groups with ongoing focus on children with cerebral palsy. So far, it has supported a total

of 871 families with children diagnosed with cerebral palsy.



### 7.3 Employee social work

BYD has set up volunteer stations in 11 mature industrial parks and living areas across the country, with a total of 3,969 registered volunteers and 36,045.45 hours of volunteer service. In 2020, under the leadership of the Group, BYD's volunteers actively participated in the fight against the pandemic, cared for the community, supported education, advocated environmental protection, and made a contribution to a better society.

#### Supporting anti-pandemic efforts

During the pandemic, BYD volunteers actively assisted the Group in anti-pandemic matters and participated in the delivery of donated anti-pandemic materials. Volunteers from the

Shenzhen Pingshan Headquarters delivered donated anti-pandemic materials to Hubei and sent anti-pandemic materials to five hospitals in Shenzhen's developed areas.



Volunteers assisting in the delivery of donated anti-pandemic materials to Wuhan



Volunteers in Shenzhen sending anti-pandemic materials to first-line hospitals

#### Advocating environmental protection

In response to the country's call to achieve carbon neutrality, BYD volunteers launched an environmental protection operation, named "Clean Mountain, Clean Beach", to advocate environmental protection. In December 2020, BYD volunteers from Shenzhen Pingshan Station, Shenzhen Baolong Station, Shenzhen Kengzi Station, Shenzhen Kuiyong Station and Huizhou Station jointly participated in the

"Clean Beach" activity in Shenzhen Mangrove nature reserve, marking the opening of environmental protection activities from BYD volunteers. In addition, BYD volunteers carried out thematic activities, and advocated public policies of no littering and no wasting food in the industrial park, to encourage more people to participate in environmental protection and reduce pollution.





# Looking Forward

2020 marks BYD's 26th 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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<b>Green operation and production</b>		
Green operation	G4-EN1, G4-EN3, G4-EN6, G4-EN8, G4-EN15, G4-EN16, G4-EN19, G4-EN21, G4-EN22, G4-EN23, G4-EN31, G4-HR9 G4-EN30 G4-EN30	A1, A2, A3 A1.1, A1.2, A1.3, A1.4, A1.5, A1.6, A2.1, A2.2, A2.3, A2.4, A2.5, A3.1
Green technology and products	G4-EC8, G4-EN7, G4-EN27,	B6
Contributing to the community		B8 B8.1, B8.2



## 意见反馈表

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

Your Information					
Name		Employer		Position	
Telephone		Fax		Email	

Multiple choice questions(Please check the corresponding box)

1. This report has provided a full and accurate view of the major impacts of the Company on the economy, society and environment.

Very good Good Fair Bad Very bad

2. This report provides response to stakeholders' concerns and disclosures.

Very good Good Fair Bad Very bad

3. The information, indicators and data disclosed in this report are clear, accurate and complete.

Very good Good Fair Bad Very bad

4. The readability of this report, i.e., the logic, content design, language and layout design is:

Very good Good Fair Bad Very bad

Open questions

1. Which part of this report are you most satisfied with?

2. What further information would you like to have?

3. Do you have any suggestion for our future CSR report?







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