



Electronics



# 2024

**BYD ELECTRONICS (INTERNATIONAL) COMPANY LIMITED**

Sustainable Development Report

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# ABOUT THE REPORT

## REPORT STATEMENT

This is the 2024 Environmental, Social and Governance (ESG) Report of BYD Electronic (International) Company Limited (the “Company”) and its subsidiaries (“BYD Electronic”, “the Group” or “we”). The previous report was issued in April 2024 together with the annual report of BYD Electronic. Starting from 2025, BYD Electronic has been actively disclosing to the public the Company’s governance, strategies, objectives, practices and performance in the three major sustainability areas of environment, society and governance in the form of a separate report annually, so as to continue to enhance transparency and promote the long-term development of BYD Electronic.

## REPORT ENTITY AND PERIOD

This is an annual report covering the period from 1 January 2024 to 31 December 2024 (the “Reporting Period”). In order to enhance the comparability and completeness of the contents of the Report, some parts of it have been traced back to previous years or extended to future years as appropriate.

Unless otherwise stated, the policies, statements and information in this report cover the actual scope of the business of the Company, and the entity of the 2024 Annual Report is consistent with the annual report of BYD Electronic (International) Company Limited. The Reporting Period is from 1 January 2024 to 31 December 2024.

## BASIS OF PREPARATION

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix C2 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and fully supports all the provisions of the latest revised “comply or explain” indicators in the Environmental, Social and Governance Reporting Guide of the Stock Exchange and observes its reporting principles:

“Materiality”: During the preparation of this report, important stakeholders have been identified and important ESG topics have been determined through importance evaluation.

“Quantitative”: This report demonstrates key indicators of our environmental and social performances with quantitative information.

“Balance”: This report observes the principle of balance and objectively reflects the status quo of the BYD Electronic’s ESG management.

“Consistency”: Unless otherwise specified, this report uses the same data statistics method as that adopted for the 2023 ESG Report without any significant changes.

# ABOUT THE REPORT

## CALCULATION STANDARDS

The data used in this report includes the internal statistics and relevant public data of the Company and its principal subsidiaries. The Company reasonably promises that this report contains no false records, misleading statements or material omissions. Unless otherwise specified, all amounts in this report are denominated in RMB.

## CONFIRMATION AND APPROVAL

All information cited in this ESG Report was sourced from public information, internal files, statistical reports and questionnaire results by third-party agencies. The Board of the Company is committed to monitoring the report content and ensuring that it does not contain false records, misleading statements or material omissions and assumes liabilities to the authenticity, accuracy, and completeness of the information in this report.

This report has been approved by the Board on 24 March 2025.

## ACCESS TO THE REPORT

Please view or download the electronic version of this ESG report at the “Sustainable Development” page of BYD Electronic's official website (<https://electronics.byd.com/>), or the “DISCLOSURE/Listed Company Information/ Listed Company Publication” of the official website of HKEXnews (<https://www.hkexnews.hk>). This report is prepared in both traditional Chinese and English. If there is any inconsistency between the English and Chinese versions, the traditional Chinese version shall prevail.

## CONTACT

If you have any questions or suggestions on this report or the Group's ESG management, you are welcomed to email us at [BYDEIR@byd.com](mailto:BYDEIR@byd.com).

## MESSAGE FROM CHAIRMAN

Against the dual backdrop of the profound changes unseen in a century across the world and the continuous deepening of global sustainable development, electronics manufacturing enterprises not only face the pressure of technological innovation and market competition but also shoulder the mission of promoting green transformation and fulfilling social responsibilities. As a globally leading electronics manufacturing service provider, in 2024, BYD Electronic actively seized market opportunities, integrated environmental, social, and governance (ESG) considerations into the core of its corporate strategy and business management. It continued to utilize innovative technologies and products to achieve a win-win situation between the high-quality development of the enterprise and the creation of social value.

The Company have continuously improved the corporate governance structure and firmly established the bottom line of compliant operation. Always taking standardized governance as the cornerstone, guided by strategic objectives, and adhering to the principle of protecting the rights and interests of investors, The Company have established a multi-level and full-chain compliant control and risk prevention mechanism, winning the widespread trust of the market, partners, and the general public. At the same time, The Company have deeply implemented the regulatory framework and policy orientation of the board of directors, integrated the concept of compliance into all aspects of strategic decision-making, and continuously optimized the governance structure featuring clear rights and responsibilities, efficient coordination, and strong supervision. By enhancing the transparency and timeliness of information disclosure, The Company ensure the compliant disclosure of major matters throughout the whole process, effectively safeguarding the right to know and the right to participate of investors.

The Company have built a highly competent talent team to accelerate the high-quality development of the enterprise. Ultimately, the competition among enterprises boils down to the competition for talents, and talents are the most valuable asset of the company. The Company have always adhered to the human resources policy of "putting people first", respected the rights of employees, attached great importance to talent cultivation, and encouraged employees to engage in technological innovation. The Company prioritize the healthy growth of talents and the full display of their talents in the development of the company, and strive to create a fair, just, and open working and development environment for employees. It is what we always insist on doing to enable every employee to grow in an environment that is equal, respectful, joyful, inclusive, diverse, and healthy.

We have incorporated environmental governance into the core development strategy of the enterprise. Guided by problem-solving and driven by technological innovation, we actively practice the new development concept. Through various measures such as technological innovation, the promotion of green factory and green supply chain certification, and the advancement of resource recycling, we have significantly reduced carbon emissions and the consumption of energy and resources. In 2024, the consumption of green electricity by the company accounted for 57.9% of the total electricity consumption, and it is expected that the proportion of green electricity consumption

## MESSAGE FROM CHAIRMAN

will further increase to 60% in 2025, continuously contributing to the green and low-carbon development of the global economy.

Only enterprises that actively assume social responsibilities are the most competitive and viable. In the future, we will continue to uphold the sustainable development vision of “lowering the Earth's temperature by 1°C”, adhere to the bottom line of compliant governance, stay committed to integrity and innovation, focus on green intelligent manufacturing, and strive to build a responsible and sustainable industrial system. We will join hands with global partners to co-create a sustainable future and realize more green dreams!

Wang Chuan-fu  
Chairman

# BOARD STATEMENT

China is aiming to peak carbon dioxide emissions before 2030 and achieve carbon neutrality by 2060. As a global leading provider of high-tech and innovative products and the largest "EMS" manufacturer for electronic manufacturing service in China, BYD Electronic is well aware of its great responsibility in energy saving and emission reduction and the necessity to keep up with the national goals of "carbon peak emissions and carbon neutrality". Through persistent hard work in green transformation of the Company, Huizhou BYD Electronic Co., Limited and Xi'an BYD Electronic Co., Limited, the subsidiaries of the Company, were awarded the honor of national level green factory in 2021 and 2022, respectively.

The Board of Directors fully recognizes that the inclusion of ESG matters into business strategies is crucial to the long-term development of the Company. The Board of Directors is in charge of assessing and determining the nature and scope of risks that the Company can tolerate, reviewing the Company's existing ESG management methods, strategies, priorities and objectives, and evaluating the relevance between these matters and the overall business strategies. The Board of Directors is responsible for identifying, assessing and managing the ESG risks that have a significant impact on the Company's businesses and is ultimately accountable for the Company's ESG control. Our corporate social responsibility performance is under the administration and supervision of the ESG Committee. The ESG Committee reports relevant circumstances to the Company's management and then the management reports the same to the Board of Directors to review and handle the practices, progress and objectives of our corporate social responsibility work.

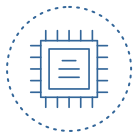
In March every year, the Board of Directors regularly reviews and evaluates the corporate social responsibility work of the Company as per the annual working plan and the importance of relevant topics.





# ABOUT BYD ELECTRONIC

## ► THE COMPANY



# ABOUT BYD ELECTRONIC

## THE COMPANY

The Group was spun off from BYD Company Limited (BYD", listed on the Stock Exchange, Stock Code: 01211; listed on the Shenzhen Stock Exchange, Stock Code: 002594) and listed on the Main Board of the Stock Exchange on 20 December 2007. The Group is a global leading provider of high-tech and innovative products, providing customers around the world with one-stop product solutions relying on its core advantages in electronic information, AI, 5G and Internet of Things, thermal management, new materials, precision molds and digital manufacturing technologies. The Group engages in a wide variety of businesses ranging from smart phones, tablet PCs, new energy vehicles, AI data center, smart home, game hardware, unmanned aerial vehicles, 3D printers, Internet of Things, robots, communication equipment to other diversified market areas.

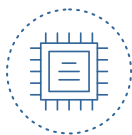
BYD Electronic actively undertakes social responsibilities, responds to the national dual-carbon policy, implements a green and sustainable development strategy and strives to meet people's desire for a better life. While building "Factories of Happiness and Parks of Happiness (幸福工廠、幸福園區)" the Company organizes a variety of activities to enrich the spiritual life of employees. It focuses on enhancing employees' skills, professional qualifications and overall development by establishing a comprehensive training and assessment system. Additionally, BYD Electronic prioritizes employees' mental health, adhering to a people-oriented management philosophy and works hand in hand with employees to create a brighter future.





# SUSTAINABILITY MANAGEMENT

- IDENTIFICATION OF KEY TOPICS
- SUSTAINABILITY STRATEGY
- SUSTAINABLE DEVELOPMENT PHILOSOPHY
- SUSTAINABLE DEVELOPMENT GOALS







# SUSTAINABILITY MANAGEMENT




Adhering to the brand mission of "making life more enjoyable through technology innovation", BYD Electronic integrates sustainable development principles with its business strategies, takes responsibility of realizing green dreams as its responsibility. Leveraging cutting-edge technology and diversified products, BYD Electronic promotes and deepens practices of sustainable development management, actively fulfills its corporate citizenship responsibilities and contributes to the global sustainable development process.

## IDENTIFICATION OF KEY TOPICS

BYD Electronic fully recognizes the importance of listening to all parties in the development and promotion of ESG projects. By ongoing contact with various internal and external stakeholders, The Company takes stakeholders' feedback into consideration, makes commitments in the key areas of ESG and evaluates corresponding progress. The cooperation also provides insight into how to effectively convey the ESG information expected by the stakeholders. The Company actively manages the relationships with clients, staff, suppliers, investors, regulators, people within the operating area and other stakeholders who may be affected by the Company's business in the regions in which it operates.

Stakeholder	Stakeholder Primary Topics	Channel/ Method of Communication	Communication Frequency
 Clients	<ul style="list-style-type: none"> <li>Product safety and quality Management</li> <li>Information safety and commercial secret protection</li> <li>Social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Seminar and exchange</li> <li>Customer survey through questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>Irregular</li> </ul>
 Staff	<ul style="list-style-type: none"> <li>Employment</li> <li>Salaries and benefits</li> <li>Occupational health and Safety</li> <li>Staff training and development</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>Union activities</li> <li>Review and complaint mailbox</li> <li>Staff training</li> </ul>	<ul style="list-style-type: none"> <li>Irregular training for new staff and staff promotion assessment training, etc.</li> <li>Irregular union and group activities</li> <li>Irregular staff surveys to collect their opinions</li> </ul>

## IDENTIFICATION OF KEY TOPICS

Stakeholder	Stakeholder Primary Topics	Channel/ Method of Communication	Communication Frequency
 Shareholders investors	<ul style="list-style-type: none"> <li>Results of operations</li> <li>Compliance operation</li> </ul>	<ul style="list-style-type: none"> <li>General meeting</li> <li>Results presentation</li> <li>Investors forum</li> <li>Major reverse roadshow</li> <li>Regular information disclosure</li> <li>Daily email and phone communication</li> </ul>	<ul style="list-style-type: none"> <li>Irregular investors forums</li> <li>Irregular roadshows</li> <li>Irregular results presentation</li> <li>Irregular surveys</li> <li>Irregular phone and email interviews</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Product liability</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> </ul>	<ul style="list-style-type: none"> <li>Irregular training sessions</li> <li>Quarterly supplier satisfaction surveys</li> </ul>
 Government sectors	<ul style="list-style-type: none"> <li>Green production</li> <li>Green operation</li> <li>Results of operations</li> <li>Compliance operation</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>Invitation to visit and inspect</li> </ul>	<ul style="list-style-type: none"> <li>Irregular</li> </ul>

## IDENTIFICATION OF KEY TOPICS

Stakeholder	Stakeholder Primary Topics	Channel/ Method of Communication	Communication Frequency
 <b>NGOs and communities</b>	<ul style="list-style-type: none"> <li>• Green production</li> <li>• Social welfare</li> <li>• Volunteer services</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in communities programs</li> <li>• Participation in meetings of NGOs, and inviting NGOs to participate in meetings</li> <li>• Discussion of each party's specific concerns</li> <li>• Responding to requirement of information</li> <li>• Social welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>• Irregular</li> </ul>

BYD Electronic The Group conducted dedicated research for multiple stakeholders, identified important topics and made relevant responses to the topics identified in the report taking into account important ESG topics identified by our peers and based on two factors, namely “importance to the stakeholders”, and “relevance to the Company”. The results of the assessment on the list of important topics have been submitted to the Board of Directors for confirmation and approval. The Company will regularly review these topics and make adjustment as per the Company's latest development conditions.

E-Environment	S-Society	G-Governance
<ul style="list-style-type: none"> <li>• Waste management</li> <li>• Greenhouse gas emission management</li> <li>• Energy consumption and resource management</li> <li>• Management of water resources</li> <li>• Climate change</li> <li>• Package materials of finished products</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries and benefits</li> <li>• Labor standards</li> <li>• Employee occupational health and safety</li> <li>• Employee development and training</li> <li>• Employee rights</li> <li>• Diversity and equal opportunity</li> <li>• Communication channels</li> <li>• Community contribution</li> <li>• Product safety and quality</li> <li>• Customer service and satisfaction</li> <li>• Research, development, and intellectual property</li> <li>• Client privacy</li> <li>• Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance operation</li> <li>• Risk management</li> <li>• Business ethics</li> <li>• Anti-corruption</li> <li>• Corporate and sustainability governance</li> </ul>

## SUSTAINABILITY STRATEGY

BYD Electronic and BYD Group maintained the consistent strategic concepts and goals, emphasising six key areas including green and low-carbon initiatives, innovation and transformation, equal opportunities, collaboration, integrity and compliance and value sharing. The Company is committed to promoting global carbon reduction through new energy technologies, enhancing competitiveness through innovation, providing equal opportunities for employees, collaborating with stakeholders to promote development, adhering to compliant operations, sharing achievements with all stakeholders and striving to become a practitioner and leader in global sustainable development.

## SUSTAINABLE DEVELOPMENT PHILOSOPHY

### Green and Low-Carbon, Protecting the Future of the Planet

BYD Electronic is committed to reducing carbon emissions through green design and green production, contributing to the global goal of carbon neutrality.

The Company actively promote green building and zero-waste office, reducing resource consumption and pollutant emissions, and strive to build a greener and low-carbon future.

### Innovation and Transformation Drive Sustainable Development

BYD Electronic adheres to the principle of being driven by technological innovation. It launches disruptive green technologies and incorporates the design concept of taking environmental factors into account during product design. By optimizing product structures, materials, and processes, it reduces the environmental impact of products throughout their entire life cycles.

### Equal Opportunities, Promoting Social Inclusion

BYD Electronic is dedicated to fostering diversity and inclusion within the corporate and in the supply chain, providing equal development opportunities for employees. Through training and education, The Company enhance employees' skills and professional qualities, ensuring everyone can find their stage at BYD. Additionally, we actively support educational charities by establishing scholarships and donating science exhibits to inspire students' interest in technology and cultivate more outstanding engineers.

### Collaborative Efforts, Building a Green Ecosystem

BYD Electronic actively collaborates with suppliers, customers, governments and communities to incubate clean energy solutions and jointly promote green production. By establishing a green supply chain, The Company ensure sustainable sourcing of raw materials and work with all stakeholders to build a greener, more sustainable ecosystem.

## SUSTAINABLE DEVELOPMENT PHILOSOPHY

### Integrity and Compliance, Upholding Business Ethics

BYD Electronic consistently adheres to the principles of integrity and compliance, ensuring responsible business practices and the fulfillment of social responsibilities. Through transparent management and rigorous internal monitor, the Company operates with the highest ethical standards. The Company actively communicates with stakeholders to ensure the Company's decisions and actions meet societal expectations.

### Value Sharing, Creating a Better Future Together

BYD Electronic is committed to sharing development achievements with shareholders, customers, employees and society as a whole. The Company meet customer needs by providing high-quality products and services; create value for shareholders through continuous technological innovation and business expansion; enhance employee satisfaction by offering a friendly work environment and development opportunities; and contribute to society by supporting community development and environmental protection.

## SUSTAINABLE DEVELOPMENT GOALS

Based on the sustainable development strategic framework of the Group, BYD Electronic has set clear strategic goals by integrating own sustainable development practices with an aim to make outstanding contributions to global sustainable development and fulfill BYD Electronic's responsibilities to the planet and humanity through practical actions. BYD Electronic aligns with BYD Group's sustainable development goals and is committed to achieving carbon neutrality across its entire value chain by 2045.



# CORPORATE GOVERNANCE

- THE BOARD'S DIVERSITY POLICY
- COMPOSITION OF THE BOARD
- BOARD SPECIAL COMMITTEES
- BOARD MEETINGS
- CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS
- RISK MANAGEMENT AND INTERNAL CONTROL
- IDENTIFICATION, EVALUATION AND MANAGEMENT OF MAJOR RISKS
- INTERNAL AUDIT



# CORPORATE GOVERNANCE

BYD Electronic continues to improve its corporate governance structure, paying close attention to the protection of investors' rights and adhering to principles of anti-corruption and fair competition. We strive to become a benchmark for corporate governance in the industry. The Company strictly complies with local tax regulations and actively fulfills its tax obligations in all places it operated. For details of the economic value generated, distributed, and retained by the Company, as well as government financial subsidies, please refer to the financial report in the 2024 Annual Report. BYD Electronic strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and the Listing Rules of the Stock Exchange and other laws, regulations and standardized filings. We continuously standardize our operations, improve information disclosure and investor relations management, and strive to enhance corporate governance standards to ensure compliance and stability in our operations.

The Company has put in place corporate governance practices in compliance with the principles stipulated in the Corporate Governance Code (the "Code") as set out in Appendix C1 (formerly known as Appendix 14) of the Listing Rules of the Stock Exchange, and complied with all the applicable provisions and most of the recommended best practices of the Code since the shares of the Company commenced listing on the main board of the Stock Exchange.

## THE BOARD'S DIVERSITY POLICY

The Board adopted the board diversity policy in compliance with Paragraph J of Part 1 of the Code.

The Company recognises the importance of diversity to corporate governance and an effective Board. The Board Diversity Policy aims to set out the approach to achieve Board diversity, so as to ensure that the Board members possess appropriate skills, experience and diverse views necessary for the business of the Company. To realise Board diversity, all appointments of the Board members will be made based on merit, and measurable objectives will be discussed and negotiated on an annual basis. Such measurable objectives shall include, but are not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and/or terms of service. The ultimate decision will be based on merits and contributions that the selected candidates will bring to the Board. The Company has confirmed the arrangement of facilitating the development of more comprehensive, diversified, skilled and experienced senior management. Furthermore, pursuant to code provision B.1.3 of the Code, the board should review the implementation and effectiveness of the issuer's policy on board diversity on an annual basis. The Nomination Committee has performed the above duties in terms of selection of candidates and review of the implementation and effectiveness of the Company's diversity policy during the Year.

During the Reporting Period, the Board consisted of 7 members, including 1 female Director.

## COMPOSITION OF THE BOARD

Name	Position	Tenure of Independent Directors			Gender	Expertise and skills		Main experience		Age			Capacity of Employee
		<3 years	3 to 9 years	>9 years		Industry or technology	Legal, financial or accounting	Technology industry	Legal, financial or accounting	<55	55 to 65	>65	
Wang Nian-qiang	ED				M	✓		✓			✓		✓
Jiang Xiang-rong	ED				M	✓		✓		✓			✓
Wang Chuan-fu	NED				M	✓		✓			✓		
Wang Bo	NED				M	✓		✓		✓			
Chung Kwok Mo John	INED			✓	M		✓		✓		✓		
Qian Jing-jie	INED			✓	M		✓		✓	✓			
Wang Ying	INED	✓			F		✓		✓	✓			

## MANAGEMENT RESPONSIBILITY OF THE BOARD

## THE BOARD

As of the date of this report, the Board comprises seven Directors. There are two executive Directors, two non-executive Directors and three independent non-executive Directors. Detailed biographical details outlining each Director's range of specialist experience and suitability of the successful long-term operation of the Company are set out in the section headed "Directors and Senior Management" in the 2024 Annual Report of BYD Electronic (International) Company Limited. On 6 June 2024, Ms. WANG Ying was appointed as an independent non-executive Director. Ms. WANG Ying has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 6 June 2024 and has confirmed that she understood her obligations as a director of listed issuers.

Accountable to the Shareholders, the Board is collectively responsible for formulating the development strategy of the Company and setting objectives for management, overseeing its performance and assessing the effectiveness of management strategies. The Board is also responsible for, and has during the Year performed the corporate governance duties set out in the terms of reference in code provision A.2.1 of the Code (including the determining of the corporate governance policy of the Company).



## THE DIRECTORS

The Company believes that its executive Directors and non-executive Directors composition is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business operations and development of the Company. All Directors are aware of their collective and individual responsibilities to the Shareholders and have exercised their duties with care, skill and diligence, contributing to the successful performance of the Company for the Year.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence as required under the Listing Rules. The Company considers that all independent non-executive Directors continued to demonstrate strong independence in judgement and were free from any business or other relationship which could interfere with their ability to discharge their duties effectively. Accordingly, the Company considers that all independent non-executive Directors to be independent.

The Board held seven meetings during the Year to discuss the Company's overall strategy, operation and financial performance. The Board also ensures that it is supplied in a timely manner with all necessary information to enable it to discharge its duties. All Board meetings adhere to a formal agenda in which a schedule of matter is specifically addressed to the Board for its decision. Topics discussed at these Board meetings include: overall strategy; quarterly, interim and annual results; recommendations on Directors' appointment(s); the Board Diversity Policy; approval of connected transactions; regulatory compliance; and other significant operational and financial matters.

The Directors decide on corporate strategies, approve overall business plans and supervise the Company's financial performance, management and organization on behalf of the Shareholders. Specific tasks that the Board delegates to the Company's management included the preparation of annual, interim and quarterly accounts for the Board's approval before public reporting; the implementation of various strategies approved by the Board; the monitoring of operating budgets; the implementation of internal control procedures; and the ensuring of compliance with relevant statutory requirements and other rules and regulations. The Directors acknowledge their responsibility for preparing all information and representations of the financial statements of the Company for the Year.

## BOARD SPECIAL COMMITTEES

BYD Electronic performs the nomination and election procedures of Board members in strict accordance with the Articles of Association, the Rules of Procedures of General Meeting, and the Board members shall be elected at the general meeting. The Board of Directors of the Company currently consists of seven Directors, including three independent non-executive Directors, satisfying the requirements under the Listing Rules of the Stock Exchange that the independent non-executive Directors appointed by the Company must account for at least one-third of the Board members, and that the board of a listed company must include at least three independent non-executive Directors and at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.

In furtherance of good corporate governance, the Board has set up the Audit Committee, the Remuneration Committee and the Nomination Committee. Each committee reports regularly to the Board, addressing major issues and findings with valuable recommendations for the decision making of the Board.

	Audit Committee	Remuneration Committee	Nomination Committee
Membership	2 non-executive Directors, 3 independent non-executive Directors	1 executive Directors, 1 non-executive Directors, 3 independent non-executive Directors	1 executive Directors, 1 non-executive Directors, 3 independent non-executive Directors
Primary duties	The primary duties of the Audit Committee is to review and supervise the financial reporting process and the risk management and internal control systems of the Company, and provide advice and comments to the Board of Directors.	The Remuneration Committee considers and makes recommendations to the Board regarding the policy and structure on remuneration and other benefits paid by the Company to the Directors, senior management and staff, assesses the performance of executive Directors, and (with delegated responsibility) approves the terms (including terms on remuneration packages) of the executive Directors' service contracts.	The primary duties of the Nomination Committee is to review the structure, size and composition of the Board, make recommendation to the Board on selection of individuals nominated for directorships and senior management, appointment and reappointment of Directors and succession planning for Directors and assess the independence of independent non-executive Directors and determine the policy for the nomination of Directors.

## BOARD MEETINGS

To ensure the highest attendance of Directors, written notices are sent to all Directors 14 days before a regular board meeting. The meeting agenda is set in consultation with members of the Board. The Board held seven meetings during the Year. The attendance of individual Director at the Board meetings as well as general meetings during the Year is set out below:

Members of the Board	Board Meetings	Annual General Meeting	Extraordinary General Meeting
Wang Nian-qiang	7/7	1/1	1/1
Jiang Xiang-rong	7/7	1/1	1/1
Wang Chuan-fu	7/7	1/1	1/1
Wang Bo	7/7	1/1	1/1
Chung Kwok Mo John	7/7	1/1	1/1
Antony Francis MAMPILLY (Resigned on 6 June 2024)	2/2	1/1	0/0
Qian Jing-jie	7/7	1/1	1/1
Wang Ying (Appointed on 6 June 2024)	5/5	1/1	1/1

## CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Newly appointed Directors of the Company will be provided with relevant induction materials to assist them to fully understand the Company's operations, business and governance policies and their responsibilities and duties as a Director under the requirements of the relevant laws and regulations, such as the Listing Rules. They will also be provided with materials to help them to gain due insights in the Company's business and operation. In order to ensure adequate performance of duties by the independent non-executive Directors, the Company will also arrange onsite visits and ensure sufficient communication between the management and the independent non-executive Directors. Pursuant to the corporate governance requirements, the Directors participated in continuous professional development programme to develop and update their knowledge and skills. The particulars of the trainings of each Director are as follows:

Name of Directors	Training/seminars participated	Reading materials
<b>Executive Directors</b>		
Wang Nian-qiang	√	√
Jiang Xiang-rong	√	√
<b>Non-executive Directors</b>		
Wang Chuan-fu	√	√
Wang Bo	√	√
<b>Independent Non-executive Directors</b>		
Chung Kwok Mo John	√	√
Antony Francis MAMPILLY (Resigned on 6 June 2024)	√	√
Qian Jing-jie	√	√
Wang Ying (Appointed on 6 June 2024)	√	√

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board confirms its responsibility for risk management and internal control systems, and for reviewing their effectiveness for the current year through the Audit Committee at least annually. The Audit Committee assists the Board in performing its responsibilities of supervision and corporate governance, covering financial, operational, compliance, risk management and internal control, as well as internal audit functions of the Company. Various measures have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records and for the reliability of financial information used within the business or for publication. The Company's systems of risk management and internal control are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material errors, losses or fraud. The Board considers that the Company is fully compliant with the provisions of risk management and internal control as set forth in the Code.

## RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Company's risk management is composed of a well-established organizational structure as well as all-rounded policies and procedures. The responsibilities of each business and functional department are clearly defined to ensure effective balance. The Company's risk management and internal control structure comprise of:

### BOARD OF DIRECTORS

- Evaluating and determining the nature and magnitude of the risks (including environmental, social and governance ("ESG") risks) to be assumed by the Company, to achieve its business and strategic goals.
- Ensuring that the Company has established and maintained appropriate and effective risk management and internal control systems, such risks would include, amongst others, material risks relating to ESG; and.
- Supervising the designing, implementation and inspection of the risk management and internal control systems by the management team.

## RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

### AUDIT COMMITTEE

- Assisting the Board in performing its duties of risk management and internal control systems.
- Supervising the Company's risk management and internal control systems on an ongoing basis, to provide opinions and suggestions with regard to the improvement of the risk management and internal control systems.
- Reviewing the due effectiveness of the Company's risk management and internal control systems at least once a year.
- Ensuring that the Company has sufficient resources, staff qualifications and experiences, training programs and budget in accounting, internal audit, financial reporting functions, as well as those relating to the Company's ESG risks performance and reporting.

### MANAGEMENT TEAM

- Designing, implementing and inspecting the risk management and internal control systems (including ESG risks).
- Identifying, evaluating and managing risks that may exert potential impacts on major operational procedures.
- Responding to and following up in a timely manner on the investigation results of risk management and internal control issues raised by the internal audit department.
- Providing confirmation to the Board and the Audit Committee on the acknowledgment of the effectiveness of the risk management and internal control systems.

### INTERNAL AUDIT DEPARTMENT

- Reviewing the due effectiveness of the Company's risk management and internal control systems;
- Reporting the audit results or findings and making suggestions to the Audit Committee, to improve major drawbacks of the systems or identify the deficiency of the control.



## IDENTIFICATION, EVALUATION AND MANAGEMENT OF MAJOR RISKS

The management team and relevant staff identify risks that may exert potential impacts on the Company and its operation, and evaluate and monitor risks in the environment and process. Through comparison of the risk appraisal results and risk prioritisation, risk management strategies and internal control procedures are determined to prevent, avoid or reduce risks. Major risks and related control measures are reviewed and upgraded on an ongoing basis to ensure proper internal control procedures in place. Based on the testing results, persons in charge confirm with the senior management that internal control measures have played their roles as expected, their weakness identified in the control have been corrected, and risk management policies and internal control procedures have been revised, in the event of any major changes. The Board and the Audit Committee supervise the control activities of the management team to ensure the effectiveness of the control measures.

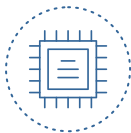
## INTERNAL AUDIT

The Group has an Internal Audit Department which, equipped with an independent internal audit system, plays an important role in the Group's risk management and internal control systems. The Internal Audit Department reports directly to the Audit Committee. Major audit findings will be reported to the Audit Committee on a timely basis. Based on its consideration, the Audit Committee will provide advice for the Board and the management, with subsequent measures taken to review the implementation of the rectification and improvement plans.



# GREEN DEVELOPMENT

- GREEN OPERATION
- RESPONSE TO CLIMATE CHANGE
- CARBON MANAGEMENT
- RESOURCE MANAGEMENT
- ENERGY SAVING AND EMISSION  
REDUCTION ACTIVITIES
- SUSTAINABLE ECONOMY
- BIODIVERSITY PROTECTION





# GREEN DEVELOPMENT

## GREEN OPERATION

In 2024, BYD Electronic continuously reported and investigated into accidents, held those responsible for accidents accountable, and prevented and rectified further accidents in accordance with the Environmental Accident Investigation and Responsibility Handling Measures of BYD. During the reporting period, BYD Electronic has strictly abided by Law of the People's Republic of China on Environmental Protection, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise, Law of the People's Republic of China on Soil Pollution Prevention and Control, Law of the People's Republic of China on Environmental Impact Assessment and relevant laws and regulations in its daily production and operation.

BYD Electronic continues to improve our environmental management system and enhance the level of environmental management to implement environmental management with high standards and stringent requirements. With respect to system management, the Company has formulated a number of internal management systems, such as the Environmental Management Regulations of Electronic Business Group, Energy Conservation and Emissions Reduction Management Regulations of Electronic Business Group, and Measures for the Administration of Safety and Environmental Documents and Records of BYD, in order to standardise the Company's environmental management work. In respect of management structure, we have established an EHS committee structure at all levels, with the President of the Company acting as the head of the EHS committee, to promote BYD Electronic's EHS management from top to bottom.

At the same time, the Company continues to promote the construction of environmental management systems. As at the end of 2024, 14 of companies of BYD Electronic have obtained ISO 14001 environmental management system. The Company has established an internal environmental management system standard in line with ISO 14001, which covers 100% of BYD employees.

As at the end of 2024, Huizhou BYD Electronic Co., Limited and Xi'an BYD Electronic Co., Limited under BYD Electronic have been certified as national green factories, and Huizhou BYD Electronic Co., Limited also passed the national green supply chain certification.



### Environmental Compliance Management

BYD Electronic strictly abides by the applicable laws and regulations such as Law of the People's Republic of China on Environmental Protection, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, as well as policy requirements in the guiding policies such as the Comprehensive Management Program for Volatile Organic Compounds in Key Industries. It formulated and implemented the relevant environmental management systems such as the Solid Waste Management Procedures of BYD, the Wastewater, Waste Gas and Noise Emission Monitoring and Control Procedures of BYD and the Regulations on the Operation and Management of Environmental Facilities of BYD to regulate the management of emissions.

### Environmental Management Objectives and Assessment

The Company has set measurable and evaluable environmental compliance management objectives by fully integrating important environmental factors, and has incorporated measures to achieve environmental management objectives into its operational processes to continuously improve environmental performance. At the same time, the Company has also taken the assessment of rewards and punishments as one of the main approaches for environmental protection, formulated the Safety and Environmental Protection Reward and Punishment Regulations of BYD and strengthened the environmental responsibility management through positive incentives and negative constraints to guide the behaviour of employees. In 2024, there were no environmental accidents and no environmental administrative penalties.



## Environmental compliance management objectives

Waste gas management	<ul style="list-style-type: none"> <li>● Ensure that emissions activities strictly comply with national and local environmental protection laws and regulations, standards and policy requirements</li> <li>● Ensure that project development meets the requirements of environmental impact assessment and emissions permit management, and achieve zero violation and zero penalties on waste gas emissions</li> <li>● Improve the efficiency of waste gas treatment, reduce the concentration of waste gas emissions, and reduce the amount of waste gas emissions through enhancement of the waste gas treatment process or optimisation of the waste gas treatment facilities</li> </ul>
Waste management	<ul style="list-style-type: none"> <li>● Ensure that the collection, storage, transportation, treatment and disposal of corporate waste comply with national and local environmental laws and regulations, standards and policy requirements</li> <li>● Ensure that project development meets the requirements of environmental impact assessment and emissions permit management, and achieve zero violation and zero penalties on waste management</li> <li>● Reduce the production of waste, improve the resource utilisation rate of waste, and promote the reuse and recycling of waste through source reduction, process optimisation and efficient use of resources</li> </ul>
Water resources management	<ul style="list-style-type: none"> <li>● Ensure that wastewater emissions strictly comply with national and local environmental laws and regulations, standards and policy requirements</li> <li>● Ensure that project development meets the requirements of environmental impact assessment and emissions permit management, and achieve zero violation and zero penalties on wastewater emissions</li> <li>● Improve the efficiency of wastewater treatment, lower the various monitoring indicators of wastewater, and reduce the amount of wastewater discharged through enhancement of the wastewater treatment process or optimisation of the wastewater treatment facilities</li> </ul>



### Environmental Risk Prevention and Control

The Company has established internal management systems, such as the Measures on Environmental Factors Identification and Evaluation of BYD , to proactively identify various environmental factors in the course of production and operation, assess the extent of their impact on the environment, and establish and improve corresponding risk control measures to effectively enhance the level of environmental risk response. To effectively cope with the relevant environmental risks, the Company has formulated various environmental emergency plans, including identification of environmental impact factors, risk point investigation, hidden danger governance and preventive measures, and clearly defined the emergency response procedures and disposal measures, so as to ensure that we are able to swiftly and effectively address the environmental pollution incidents. At the same time, the Company regularly conducts emergency drills for hazardous chemical leaks, industrial wastewater leaks, etc., to continuously improve the risk response capability of employees.



### Environmental Publicity and Training

The Company emphasises on environmental education for employees and actively launches a series of annual trainings on topics such as environmental compliance management, waste reduction, enhancement of energy and water use efficiency, etc. in order to strengthen the environmental awareness and environmental management capability of all employees and continuously improve environmental management performance.

In 2024, a total of 3,513 environmental training sessions were organised in the form of training seminars on topics such as regulatory requirements for sustainable development, carbon management and target setting, biodiversity protection, environmental management compliance, etc., with a total of 7,026 training hours and over 280,000 participants.

Note: The training data of BYD Electronic cover trainings organised at the division and factory levels.





## Management of Wastewater, Waste Gas and Solid Waste

The Company complies strictly with the applicable laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Water Pollution and Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, as well as the guiding policies such as the Comprehensive Management Program for Volatile Organic Compounds in Key Industries by establishing and uncompromisingly implementing the ISO14001 environmental management system, exercises tight control over the emission of various types of waste according to the Solid Waste Management Procedures of BYD, the Wastewater, Waste Gas and Noise Emission Monitoring and Control Procedures of BYD and other relevant environmental laws, with the aim of effectively reducing pollution through restriction at the source and treatment at the end of the process. During the reporting period, BYD Electronic achieved a 100% compliance rate for wastewater, waste gas, noise and other pollutant emissions.

### Wastewater Management

The Company's wastewater mainly comes from domestic sewage and industrial wastewater. In order to ensure the effective treatment of wastewater, the Company classifies all types of wastewater and take corresponding treatment measures according to its source and nature, among which industrial wastewater enters the wastewater treatment system of the industrial park in accordance with the treatment plan of classification, collection and separated treatment, and domestic wastewater enters septic tanks set up in the park for treatment, so as to ensure that the wastewater discharge meets the relevant standards.

The main treatment processes of the wastewater treatment station at the main operation sites of BYD Electronic include reduction reaction, coagulation, flocculation, sedimentation, filtration, acidification, facultative process, oxygen depletion, MBR, and cleaner tanks, etc. In accordance with the wastewater pollution monitoring system and testing plan, we regularly monitor key wastewater indices, such as pH, chemical oxygen demand, and ammonia nitrogen. At the same time, the Company has established an on-line monitoring system to monitor real-time wastewater discharge and commissioned a third-party organisation to carry out regular wastewater inspections to ensure that wastewater discharges comply with the corresponding national laws, regulations and standards. In addition, the Company has formulated a wastewater emergency response plan and taken measures to manage the risk of wastewater discharge. In the event of a wastewater leakage, we will immediately activate the emergency response plan and take control measures to prevent the outspread of pollution.

With the prevention and control of the pollution of wastewater and waste gas as a major concern, BYD Electronic has formulated and has been continuously improving and optimising the relevant management regulations. BYD Electronic's pollution prevention and control facilities follow the "three simultaneities" requirements for construction projects, i.e., they must be designed, constructed and put into use simultaneously with the production projects. In 2024, BYD Electronic further reduced its emissions and subsequent impact by effectively upgrading its waste gas collection and treatment procedures, such as the use of cyclone spray tower + level 2 activate carbon process, on the basis of effective monitoring and strict compliance with the emission standards. In the future, the Company will comprehensively upgrade its existing emission collection and treatment procedures in a wider range of its production areas.

## Wastewater Reduction Cases

### Case I

The Chengdu factory of the Business Division 8 of BYD Electronic originally treated the auxiliary equipment drainage water on the roof as wastewater, resulting in a larger wastewater volume and higher treatment cost. Due to the absence of harmful substances requiring separate treatment under the environmental assessment, experimental tests were carried out on the auxiliary equipment drainage water, and no harmful substances were detected. The drainage water was discharged to the domestic wastewater outlet upon improvement, reducing the comprehensive wastewater treatment volume by 93.5 m<sup>3</sup> per day.

## Waste Gas Management

Waste gas emissions from our own operations mainly arise from the manufacturing of electronics and components, battery assembly and other processes as well as industrial production, including volatile organic compounds (VOCs), nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter (PM), etc. In order to effectively mitigate the harm caused by emissions to the environment, the Company strictly complies with national and local laws and regulations, standards and policy requirements related to waste gas management, adopts standardised waste gas treatment processes and treatment techniques to ensure zero violation and zero penalties on waste gas emissions, and enhances the effectiveness of waste gas management through a comprehensive approach and a combination of measures.

### Our waste gas management measures are as follows:

- **Emissions control at source:** Some factories have launched cleaner production projects, adopted low VOCs or VOCs-free paints, and strictly implemented national and local quality standards on VOCs content limits for products, so as to reduce the production of air pollutants at source.
- **Enhancement of emissions treatment:** We build appropriate and efficient emissions control facilities and treatment technologies to efficiently treat industrial waste gas, and regularly maintain and repair the emissions control facilities to ensure the efficient operation of the emissions treatment equipment.

## Waste Gas Management

Our waste gas management measures are as follows:

- **Strengthening of emissions monitoring:** We implement control and management of emission sources, effectively manage unorganised emissions by adopting measures such as confinement of work equipment and premises, process improvement and effective collection of emissions, set up a data management system for waste gas emissions monitoring, and report the monitoring results on a regular basis.

In 2024, the Company continued to invest resources within the scope of our operations, carried out facility and equipment renovation, and optimised waste treatment methods for gas emissions, thereby significantly improving the effectiveness of air pollutant prevention and treatment, and reducing the overall waste gas emissions.

## Waste Gas Reduction Cases



### Case

The two sets of waste gas treatment facilities in BYD Electronic Baolong Park originally used the level 1 activate carbon treatment process. These facilities were renovated and upgraded to adopt the level 2 activate carbon treatment process to reduce VOCs emissions. The transformation into the drawer-type equipment helps reduce safety risks. According to the inspection report, the treatment efficiency of the B10 waste gas treatment facility increased from 76% to 88%, while that of the B11 facility improved from 58% to 87%.



## Waste Management

### General Solid Waste Management

The Company's general solid waste mainly includes industrial waste, industrial sludge and worthless waste. The Company advocates waste reduction and resource treatment, sets up waste classification and treatment facilities, actively identifies and promotes recycling of general solid waste, and minimises the amount of waste disposed of at landfills. Meanwhile, in order to ensure the proper treatment of general solid waste, the Company has commissioned qualified third-party organisations to transport, utilise and dispose of general solid waste, and has audited their relevant qualifications and technical capabilities to ensure that pollution prevention and control requirements are strictly implemented.

### Hazardous Waste Management

The Company's hazardous waste mainly includes waste cutting fluid, waste activate carbon and waste chemical reagents. The Company collects, stores, transports and disposes of hazardous waste in compliance with the laws and regulations and management requirements of the locations in which it operates. For hazardous waste, the Company classifies, collects and packages them according to their hazardous characteristics and fills in a hazardous waste management account. In addition, the Company sticks labels on hazardous waste in accordance with local regulations, designates different areas for storing different types of hazardous waste, and reviews the labelling information before storage. The Company strictly implements the joint system for the transportation of hazardous waste, entrusts the transportation and final treatment of hazardous waste to qualified third-party organisations, and regularly reviews their transportation and treatment qualifications as well as the status of treatment to ensure that the hazardous waste is disposed of in a compliant manner.

In addition to ensuring the compliant treatment of hazardous waste, the Company actively explores and implements measures for the reduction of hazardous waste, and formulates reduction measures regarding the total reduction and production reduction in the workshop through innovative waste management approaches.





## Waste Reduction Cases

### Case I: Zero landfill of waste

Some BYD Electronic factories give priority to waste disposal vendors and prohibit landfill vendors. From October 2023 to September 2024, the conversion rate of waste (including general waste, hazardous waste, domestic waste & kitchen waste) amounted to over 90%, successfully achieving the indicator of zero landfill of waste. The Company will continue to evaluate and improve its waste management process to meet the target of zero landfill of waste and further improve the resources efficiency.

Business Division	Factories	Conversion Rate
Division 8	Chengdu Factory	90.46%
	Wuxi EPZ Factory	92.40%
	Wuxi Metal Factory	91.03%
ALPHA Structural Components Division	Zhongshan Glass Factory	90.60%
	Huizhou Metal Factory	99.25%
	Huizhou Ceramic Factory	91.25%
Division 4	Shenzhen Assembly Factory	92.01%
	Vietnam Assembly Factory	91.81%

### Case II: Pallet recycling and reuse

To reduce the use of packaging materials and minimise the impact of packaging materials on the environment in line with the concept of sustainable development, BYD Electronic carried out de-plasticisation and tray recycling initiatives through a series of verification after ensuring that there is no impact on product protection. The division strived to minimise the use of packaging materials in order to protect the environment.

### Case III: Cross-process recycling and reuse of cleanroom wipers

At the mass production stage of the project carried out by the Business Division 8 of BYD Electronic, there were 3 stations in the PVD process using cleanroom wipers, with a monthly consumption of approximately as much as 12,990 packs, which was costly. Through verification, the team ensured that the cleanliness of the products would not be affected, and adopted cross-process recycling and reuse to reduce the original consumption of cleanroom wipers without obvious stains, thereby saving 6,560 packs per month and 78,720 packs per year.

Chemicals Management

BYD Electronic has formulated and implemented the Measures on the Safe Management of Hazardous Chemicals of BYD , which specify the requirements for the management of procurement, transportation, storage and use of hazardous chemicals, and ensure the compliance of the management of hazardous chemicals in an all-round and whole-process manner.

Hazardous chemicals procurement management	<ul style="list-style-type: none"><li>● Conduct audits of chemical suppliers on a regular basis to ensure that they have obtained compliance qualifications such as hazardous chemicals production and operation licenses</li><li>● Verify the validity of the Material Safety Data Sheet (MSDS) provided by suppliers</li></ul>
Hazardous chemicals management	<ul style="list-style-type: none"><li>● Establish a hazardous chemicals inventory management system, develop a hazardous chemicals compliance assessment process, and monitor the storage locations, usage locations, purpose and amount of hazardous chemicals online</li><li>● Monitor in-warehousing and ex-warehousing of hazardous chemicals online through the hazardous chemical warehouse and inventory system to ensure the compliant use of hazardous chemicals through online accounts</li></ul>
Hazardous chemicals inspection and treatment	<ul style="list-style-type: none"><li>● Hazardous chemicals management personnel conduct inspections of hazardous chemicals on a regular basis, and screen and dispose of expired or abnormal hazardous chemicals</li><li>● Establish a disposal system for hazardous waste and strictly require all relevant units to comply with the system to dispose of obsolete hazardous chemicals in a compliant and harmless manner, so as to minimise the negative impact on the environment</li></ul>

The Company carries out specific and regular inspections on chemicals to identify potential safety hazards in chemical management on an item-by-item basis, and supervises and continuously follows up on the rectification of the corresponding problems, in order to establish a sound and long-term mechanism for the management of potential hazards. In 2024, a total of 7,714 items of non-conformities were inspected and 100% of them were rectified and closed in the chemical inspections carried out by the factories of all business divisions, which continued to enhance the level of chemical safety management. In order to effectively respond to chemical-related emergencies, the Company has established a hazardous chemical emergency response organisation structure and emergency response plan, standardised the emergency response procedures for hazardous chemical-related emergencies, prepared sufficient emergency response materials, and regularly conducted emergency response drills and related management training to ensure that employees at all levels are familiar with the emergency response procedures for hazardous chemicals.

### Drill and Safety Training on Hazardous Chemical Burns and Leakage

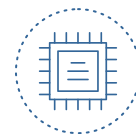
In order to establish an effective emergency response and joint prevention mechanism within the factory, BYD Electronic held a drill and safety training on hazardous chemical burns and leakage to improve the safety awareness and emergency response capability of employees in case of an emergency through pre-drill safety training, emergency material preparation, emergency accident scene simulation, and emergency response.

In 2024, the business divisions and factories of BYD Electronic organised a total of 378 training sessions related to chemical safety management, with 756 training hours and more than 17,000 participants.



### Noise Management

BYD Electronic strictly complies with the Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise and other relevant laws and regulations on noise management, and makes reference to national and local standards such as the Environmental Noise Emission Standards for the Factory Surroundings of Industrial Enterprises to ensure that the noise around the factories complies with the environmental emission standards, and minimise and prevent noise pollution and hazards. The Company has taken a series of measures to technically optimise the ancillary facilities, environmental protection facilities, air compressor stations, cooling towers and other equipment around the factories, adopted measures such as noise insulation, noise reduction, noise absorption and vibration damping for the production equipment to reduce the noise. At the same time, the Company formulates an environmental monitoring plan for the factory areas and conducts annual inspections of the noise surrounding the factories.



## Noise Management

### Case I

In order to create a quiet and comfortable working environment in the stamping workshop, and reduce noise hazards to occupational health of employees, the precision components factory of the Business Division 8 of BYD Electronic has constructed soundproof box facilities with lifting protection doors installed for the equipment to ensure the safety coefficient of employees during production. Imported high-quality soundproof materials have been used for soundproof boxes. The equipment noise was greater than 95 decibels before improvement. After the installation of soundproof boxes, the noise is less than 80 decibels (7 real-time noise monitoring devices have been installed at different locations of the workshop), effectively improving the working environment of the workshop and increasing the safety coefficient of employees. At the same time, the lifting protection doors have been installed for the equipment to prevent the occurrence of employee safety accidents due to the spattering of mold parts during the operation of the equipment.



### Case II

In response to the noise of vacuum generators in the process of material adsorption and transportation, the third precision metal products factory of the Business Division 1 of BYD Electronic effective noise reduction measures have been implemented to reduce the noise from 107 decibels to 76 decibels with significant results.

The principle of vacuum generators is to spray compressed air at high speed through nozzles, forming a jet at the nozzle and generating a swirling suction flow, thus carrying out the adsorption and transportation of materials. However, this process inevitably generates a high level of noise. In order to minimise noise pollution and improve the working environment, the Company has innovatively adopted a noise reduction solution by a combination of a duct and a silencer. The compressed air emitted during the operation of the vacuum generator is introduced into the silencer through the duct. The silencer is equipped with a high-density sponge structure internally, which is capable of multi-stage processing of the compressed air, including pressure reduction, diversion and noise reduction, ultimately lowering the noise. This solution effectively eliminates the noise pollution caused by the compressed air emitted from the vacuum generator and creates a quieter and more comfortable working environment for employee.



## RESPONSE TO CLIMATE CHANGE

Climate change has become a serious threat and challenge to the production and development of human beings in the present and future, and it has long been a global consensus to take active measures to cope with climate change. 2024 marks the 30th anniversary of the implementation of the United Nations Framework Convention on Climate Change, and all countries have reached the Climate Solidarity Pact. China, as an important participant, contributor and leader in the global climate governance process, proposed a carbon peaking and carbon neutrality target in September 2020, and constructed a carbon peaking and carbon neutrality policy system to address the increasingly severe challenges of climate change.

BYD Electronic is committed to promoting the low-carbon transformation of its industry chain by realising carbon peaking and carbon neutrality, integrating the concept of green development with the Company's strategy and business, actively identifying the risks and opportunities associated with climate change, and proactively formulating carbon neutrality targets and action paths.

According to a study by the Intergovernmental Panel on Climate Change (IPCC), human activities are estimated to have caused global warming of approximately 1.0°C higher than pre-industrial levels. If the current rate of warming continues, global warming may reach 1.5°C by 2030 to 2052. In this regard, mitigating global warming is an urgent issue for countries around the world. To this end, BYD Electronic has been taking actions in response to climate change.

### Climate Treatment Efforts

In response to the climate change as well as China's "3060" Dual-carbon Initiative (peaking carbon emission in 2030 and achieving carbon neutrality in 2060), BYD Electronic has established a Carbon Emission Committee. BYD Electronic improves its carbon emission control capability and expertise, and establishes a carbon emission management system, with the aim of achieving carbon neutrality within the Company according to the Carbon Emission Management of BYD, the Regulations on Quantified Management of Carbon Emission of BYD and the Regulations on Product Carbon Footprint Management of BYD.

### Climate Strategy

Based on the characteristics of its operation and value chain, BYD Electronic aligns with the climate strategy of BYD Group, identifying, evaluating and analysing climate-related risks and opportunities in the short term (within 1 year), medium term (1 to 5 years) and long term (more than 5 years), and takes proactive actions to cope with the risks of climate change and capture development opportunities.

**Climate-related Risks**

Category of risk	Risk	Description of risk	Response measures	Term
<b>Transformation risk</b>	Regulatory and policy risk	Due to stricter government regulations on carbon emission verification, enterprises may face stricter supervision and management	<ul style="list-style-type: none"> <li>Continuously pay attention to changes in domestic and overseas policies and regulations to ensure that business activities are in compliance with the laws and regulations of the locations in which we operate</li> </ul>	Short, medium and long term
	Technology risk	Enterprises may face further R&D and investment in low-carbon technologies	<ul style="list-style-type: none"> <li>Increase investment in R&amp;D of low-carbon technologies to explore the potential of energy conservation and emission reduction</li> </ul>	Short, medium and long term
	Market risk	Scarcity of non-renewable resources and energy will affect product costs and prices	<ul style="list-style-type: none"> <li>Strengthen procurement management to ensure stable supply of resources and energy</li> <li>Actively carry out R&amp;D on alternative materials to reduce dependence on a single resource and energy source</li> </ul>	Short, medium and long term
	Reputation risk	Investors and stakeholders are increasingly concerned about climate change actions	<ul style="list-style-type: none"> <li>Commence energy conservation and emission reduction actions, including equipment upgrade and adoption of energy-saving technologies, to reduce energy consumption</li> <li>Establish long-term partnerships with universities and research organisations to jointly conduct research on climate change</li> </ul>	Short, medium and long term
<b>Physical risk</b>	Acute risk	Extreme weather conditions (e.g. typhoons, floods, etc.) may exert an impact on production	<ul style="list-style-type: none"> <li>Formulate contingency plans for extreme weather conditions and strengthen the investigation of hidden hazards</li> <li>Reasonably adopt commercial insurance and other means to minimise the losses arising from extreme weather conditions</li> </ul>	Short, medium and long term
	Chronic risk	Chronic risks such as persistent high temperatures may exert an impact on production	Formulate contingency plans for high-temperature weather and prepare equipment and medicines to prevent heatstroke and sunburn	Medium and long term

## Climate Impact, Risk and Opportunity Management

The Company has incorporated climate-related matters into the overall risk management mechanism of the Company, adopting various approaches and methods, such as risk database, interviews and studies, questionnaire surveys, etc., to regularly study the current status and future trends of risks and opportunities, assess the possible impacts of climate risks and opportunities on the Company, sort out countermeasures, and formulate implementation paths in order to ensure that the Company is proactive and forward-looking in taking actions in response to climate change.

For details of the Company's overall risk management mechanism, please refer to the section headed "RISK MANAGEMENT AND INTERNAL CONTROL" in this report.

## Carbon Neutrality Target

BYD Electronic, in line with the carbon neutrality goals of BYD Group, has established greenhouse gas, energy consumption, and other climate change-related indicators, with the aim of effectively implementing its carbon neutrality strategy. The Company has officially announced its carbon neutrality target, committing to achieving carbon neutrality across its entire value chain by 2045. At the same time, it has set intermediate carbon reduction targets: by 2030, the Company aims to reduce its carbon emission intensity in its own operations (BYD Electronic Scope 1 + Scope 2) by 50% compared to 2023. In order to achieve the above targets, the Company has formulated and implemented internal systems such as the Carbon Emission Management of BYD, the Regulations on Quantified Management of Carbon Emission of BYD and the Regulations on Product Carbon Footprint Management of BYD to regulate and enhance carbon emission control. At the same time, the Company has built an energy and carbon management platform, which realises data collection at the workshop, production lines and equipment, facilitates the lean management of energy consumption in factories, and converts energy consumption data into carbon emissions in real time to achieve lean management of energy consumption and explore the potential of energy conservation in factories.

At the same time, the Company is developing an internal carbon pricing mechanism with an aim of providing further decision-making direction for carbon reduction.

**Carbon Peaking and Carbon Neutrality Target****Internal  
energy-  
saving and  
technology  
improvement****Setting energy conservation targets**

We have set energy conservation and consumption reduction targets according to actual energy consumption, characteristics of production processes and long-term development plans, and regularly assessed and inspected energy conservation and consumption reduction efforts.

**Optimising production processes**

Through in-depth analysis of the production processes, we identify high energy-consuming parts and commence improvement and optimisation, such as adopting advanced technology and equipment to reduce energy consumption in the production processes and optimising the proportion of materials to reduce energy waste.

**Enhancing equipment energy efficiency**

We have adopted advanced and efficient equipment and technologies, such as low energy consumption motors, high efficiency refrigeration equipment, etc., and carried out regular maintenance and repair to ensure that the equipment is in good condition.

**Energy recycling and reuse**

We recycle and reuse residual heat and energy generated in the production process to improve energy utilisation efficiency and reduce energy consumption.

**Intelligent production and management**

We leverage intelligent technology to achieve automatic control and intelligent management of the equipment and improve energy utilisation efficiency.

**Technological innovation**

We strengthen technological innovation and R&D, promote energy technology advancement in production processes, and optimise the synergy of production processes and energy consumption.

Switching to  
green electricity

Purchase of  
green certificates

The proportion of Green Electricity usage  
will reach 60% in 2025.

**Purchase of CER**



## CARBON MANAGEMENT

### Carbon Management of Operations

In adherence to the goal of green and sustainable development, BYD Electronic is committed to environmental protection, reducing the negative impacts of greenhouse gases on the environment and mitigating global warming. Regular internal verification on carbon emissions is conducted every year to monitor carbon emissions from its own operations. We have set emission reduction targets and assessed the performance of each unit with respect to the use of clean energy as well as internal energy-saving and technology improvement to ensure the smooth achievement of our goals. At the same time, we engage a third-party organisation to certify our carbon emission data in order to enhance credibility and improve the satisfaction of the general public and customers.

#### Carbon Emissions of BYD Electronic in 2024

Key Performance Indicators	Unit	2022	2023	2024
Scope 1 greenhouse gas emissions	Tons	15,166	14,665	37,070
Scope 2 greenhouse gas emissions	Tons	1,556,490	1,404,836	1,786,596
Scope 1 + Scope 2 greenhouse gas emissions	Tons	1,571,656	1,419,501	1,823,666
Scope 3 greenhouse gas emissions	Tons	/	/	598,113
Total greenhouse gas emissions	Tons	1,571,655	1,419,501	2,421,779
Intensity of greenhouse gas emissions	Tons/ RMB10,000 revenue	0.14663	0.11356	0.13659

#### Remarks:

1. When calculating greenhouse gas emissions, the emission factors for energy is referenced to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories 2019 Detailed Report; the emission factors for purchased electricity is referenced to the 2022 national average CO<sub>2</sub> emission factors for electricity of 0.5366 kgCO<sub>2</sub>/kWh;
2. Scope 3 greenhouse gas emissions include greenhouse gas emissions from BYD Electronic's employee travel, fuel and energy related activities;
3. Scope 3 greenhouse gas emissions (employee travel) include greenhouse gas emissions from business trips such as trains and airplanes ordered by BYD employees, with emission factors based on the Ecoinvent 3.11 database;
4. Scope 3 greenhouse gas emissions (fuel and energy related activities) include greenhouse gas emissions associated with BYD's energy procurement, transportation and distribution, with emission factors based on the Ecoinvent 3.11 database.

## Carbon Management of Operations

In 2024, BYD Electronic achieved a reduction of 15,900 tons, 29,600 tons and 1,035,100 tons of CO<sub>2</sub>e via the internal coal-saving and technology improvement project, solar power generation and purchase of clean energy, respectively.

In 2024, the Company added 124 new production technology and process management energy-saving improvement projects, with a total energy-saving benefit of 3,642 tons of standard coal and a total reduction of carbon emissions of 15,902 tons of CO<sub>2</sub>e.

In 2024, the Company voluntarily purchased 1,519,931 green certificates and 409,119,130 kWh of green electricity, totalling a reduction in carbon emissions of 1,035,128 tons of CO<sub>2</sub>e.

In 2024, the Company held a total of 8 special trainings on climate change and carbon management, covering 100% of climate governance, management and execution personnel.

In 2024, BYD Electronic engaged a third party to verify the carbon emission data of 6 factories under Huizhou BYD Electronic Co., Limited and 1 factory under Shenzhen BYD Electronic Co., Limited in 2023 and issued certificates.

## Product Carbon Footprint

1. In 2024, the carbon footprint of X3 electronic heaters was assessed. The carbon footprint of one X3 electronic heater from cradle to gate was 2.73 kg of CO<sub>2</sub>e.

2. In 2024, the carbon footprint of handset frames was assessed. The carbon footprint of one set of handset frames from cradle to gate was 3.4466 kg of CO<sub>2</sub>e.



### Promoting Carbon Reduction in the Value Chain

The Company has formulated a supply chain carbon reduction plan and integrated carbon management requirements into the whole life cycle management of suppliers, so as to promote “cooling” actions upstream of the value chain with its own influence.

The Company has set up and fully communicated our supply chain carbon reduction targets, and incorporated carbon reduction requirements for suppliers into the Supplier Code of Conduct and Supplier Access Agreement. In addition, the Company encourages suppliers to gradually increase the proportion of green electricity in production, uses new energy vehicles, and promotes energy-saving technologies to reduce carbon emissions in the course of operations. The Company also encourages suppliers to participate in product recycling and reuse, and publicises the concept of circular economy to reduce waste generation and enhance resource utilisation.

In order to obtain data for decision-making on creating green products, we also actively carry out product carbon footprint assessment. Based on ISO 14067, PAS 2050 and other product carbon footprint standards, the verification of greenhouse gas emissions has been carried out throughout the entire process from raw material acquisition, production, distribution, use to waste disposal.

## RESOURCE MANAGEMENT

### Energy Management

Energy conservation and emission reduction is the core of mitigating climate change. BYD Electronic complies with the Energy Conservation Law of the People's Republic of China, the Renewable Energy Law of the People's Republic of China and other laws and regulations, establishes the Energy Conservation and Emission Reduction Management Committee, formulates the Management Procedures on Energy Conservation and Emission Reduction of BYD, sets up energy conservation and emission reduction targets in terms of total amount and intensity every year, conducts quarterly assessment of the fulfilment of the targets, and improves the energy management system on an ongoing basis to strengthen the supervision of energy use, striving to improve the efficiency of energy use in management, structure and technology in a comprehensive and diversified manner. The target of internal energy-saving and technology improvement project for 2024 was set at 2,700 tons of standard coal, and we achieved 3,642 tons of standard coal, with a completion rate of 135%.

BYD Electronic engaged a third-party service provider to conduct on-site energy audits and energy-saving diagnostics. During the year, it conducted energy audits on 6 subsidiaries, including Huizhou BYD Electronic Co., Limited, Zhongshan BYD Electronic Co., Limited, BYD Precision Manufacture Co., Ltd., in order to explore the potential for energy conservation and formulate energy conservation and emission reduction plans.

In order to continuously improve the quality and capability of energy management employees, the Company has strengthened our energy conservation team building through internal training and external expert empowerment. The courses cover the fundamentals and practice of energy utilisation analysis, energy audits and energy efficiency assessment methods, clean production, and ISO50001 energy management system. During the year, we participated in 3 government training sessions, with 100% approval rate, and launched 3 internal training sessions, covering 100% of the energy conservation management and execution personnel.

The construction of an energy management system is an effective measure for enterprises to continuously improve the effectiveness of energy management, achieve energy management goals and continuously improve energy management performance. The ISO50001 energy management system established by BYD Electronic not only complies with the requirements of ISO50001-2018 and RB/T101-2013, but also integrates with our actual situation in line with the sustainable development paths. At the same time, it has successfully passed the third party certification and obtained the certificate, providing a set of systematic, scientific and standardised energy management and monitoring for the Company.

As of the end of 2024, 6 companies under BYD Electronic have obtained ISO 50001 energy management system certification.

Companies that have obtained the certification: BYD Precision Manufacture Co., Ltd., Huizhou BYD Electronic Co., Limited, Shenzhen BYD Electronic Co., Limited, Xi'an BYD Electronic Co., Limited, Zhongshan BYD Electronic Co., Limited and Chengdu BYD Electronics Co., Ltd.



### Construction of Digital Energy Management Platform

The digital energy management platform realises real-time energy monitoring, dynamic analysis of energy consumption, and intuitive monitoring of changes, which is an efficient, scientific and information-based energy conservation and emission reduction management method. BYD Electronic has set up energy management platforms in Huizhou and Changsha parks, achieving online collection and instantaneous processing of energy consumption data, forming a five-level integrated and systematic energy management model for the Company, parks, factories, workshops, and equipment, and improving the level of energy and carbon management of the Company.



### Water Resources Management

BYD Electronic strictly complies with the Water Law of the People's Republic of China and continues to promote the efficient use of water resources in operations. During the year, the Company was not involved in operating sites in areas of water risk or high water pressure, and did not encounter any problems in obtaining suitable water sources.

The Company follows the principles of “saving water, implementing total quantity control, managing water usage based on plans, making comprehensive use of water resources, and emphasizing efficiency”. The Company formulates an annual water-saving development plan and continuously strengthens water resource management. The Company conducts evaluations of water resource usage, determines the corresponding water consumption quotas for water-using units according to their actual water consumption, and strictly monitors the implementation of these quotas. The Company has implemented the concept of “reduce, recycle and reuse” in the use of water resources, adjusted the water consumption structure, optimised the water consumption process, and continuously strengthened the publicity of water conservation by posting slogans and signs, and launching water conservation training, in an attempt to optimise water resource management and minimise waste. The benefit goal of the water-saving project in 2024 was 200,000 m<sup>3</sup>, an increase of 100% over the previous year. In 2024, the Company’s water-saving project saved water of 273,700 m<sup>3</sup>, with a completion rate of 137%.

## Energy Conservation and Emission Reduction

### Eco-friendliness in Terms of Electricity Usage

Energy is a core issue in environmental management and climate change response, and energy transformation is a key path to achieve green and sustainable development. In order to take the concept of low-carbon development into practice, BYD Electronic purchased 1,929.05 million kWh of green electricity in 2024, accounting for 57.94% of total electricity consumption. In 2025, the Company will accelerate energy transformation in line with our sustainable development vision of “Cooling the Earth by 1°C”, and achieve 60% of the use of green electricity, in order to contribute to carbon neutrality.

BYD Electronic has fully installed solar panels on all the available roofs in the 5 parks in Huizhou, Baolong, Shenzhen and Xi'an, and built our own integrated solar energy storage system, with an annual generating capacity of approximately 55.2 million kWh. In addition, BYD Electronic has voluntarily purchased green electricity certificates and played an active role in the green certificate trading market. In 2024, BYD Electronic purchased a total of 1,929,050 MWh of clean energy certificates, which is equivalent to 237,080 tons of standard coal, and achieved carbon emission reduction of 1,035,128 tons. Green electricity is mainly solar power and wind power, achieving green energy and low-carbon transformation.

Companies that purchased green electricity certificates: Chengdu BYD Electronics Co., Ltd., Huizhou BYD Electronic Co., Limited, Wuxi BYD Precision Manufacture Co., Ltd., Zhongshan BYD Electronic Co., Limited and BYD Precision Manufacture Co., Ltd.



## Energy Conservation Cases

### Case I

Air compressor intelligent steward system project: Through the air compressor station intelligent steward system, Huizhou Park is able to set the pressure value of each air compressor to balance the pressure value of the main pipelines of each air compressor station and control the pressure value based on the settings. The system will automatically start and stop the air compressor in the event of an increase or decrease in gas consumption of the demand side. The system can also accurately reduce or increase the number of air compressors in operation according to the demand to achieve a certain energy saving effect, thereby achieving annual electricity savings of 5.9699 million kWh, and the annual energy efficiency of 733.70 tons of standard coal, equivalent to reducing carbon emissions of 3,469 tons of CO<sub>2</sub>e.

### Case II

Replacement of old compressor cooling with ice water cooling project: There were 7 sets of old compressor air conditioning units in Shenzhen Baolong Park. The total power of each air conditioning unit was 98.9KW. Each unit consisted of 3 compressors, 3 fans, 2 circulating water pumps (1 standby), and 1 cooling water tower, with a single machine consuming as much as 2,373.6 kWh per day. Currently, the park can remove the compressors and replace them with ice water cooling. Moreover, the functions, including humidifying and automatic frequency conversion of fans, can be added to eliminate on-site leakage, thereby achieving annual electricity savings of 2.8305 million kWh, and the annual energy efficiency of 347.86 tons of standard coal, equivalent to reducing carbon emissions of 1,466 tons of CO<sub>2</sub>e.

### Case III

Laser engraving automation optimisation and improvement project: A laser engraving area in Huizhou Park is an automated robotic arm area. Before the improvement, employees needed to put the products with bracket trays to the loading and unloading machine, and the machine then sucked the products to the fixtures through compressed air for the robotic arm to grasp the materials. At present, through the optimisation of robotic arm procedures, actions such as suction, tray changing, turning are all completed by robotic arm, achieving automatic grabbing of products on bracket trays and omitting the procedures to load and unload materials manually. The Company has removed the loading machines, transform flanges, used robotic arms for tray changing, and added roll-over stands to replace second manual loading, thereby achieving annual electricity savings of 752,640 kWh, and the annual energy efficiency of 92.50 tons of standard coal, equivalent to reducing carbon emissions of 437 tons of CO<sub>2</sub>e.

## Water Conservation Cases

### Case 1: Improvement of water saving for curved surface polishing

The workshop of the Xi'an factory under the Business Division 1 originally used direct replenishment and direct discharge of water for curved surface polishing machines. In order to comply with the quality requirements of the project, the workshop was required to ensure that the water was changed 1 time every 2 hours. The water consumption of a single unit was 9 m<sup>3</sup> per shift, with a total of 20 machines in operation in the workshop. At present, the factory is equipped with a multi-stage filtration system, which filters pure water contaminated by particulate matter and replenishes it to the machine. Only the water in the filtered bucket needs to be replaced weekly to avoid deterioration, thereby achieving annual pure water savings of 120,835m<sup>3</sup> and conversion into tap water of 185,900 m<sup>3</sup>.

### Case II: Reuse of grinding wastewater

Wastewater used to wash the aluminum dust of products in the grinding process of the Huizhou metal factory under the Business Division 1 originally flowed from the head to the end of the filtering tank. The wastewater was pumped to the grinding wastewater pool in the north side of the factory after simple filtration and discharged to the comprehensive wastewater station for treatment after precipitation to collect the wet dust. The average daily pure water consumption of grinding wastewater amounted to 150m<sup>3</sup>, with the tap water consumption of 242m<sup>3</sup>. Upon improvement, the wastewater is filtered and pumped directly to the newly built grinding filter tank in the north side of the factory, and then pumped to the head to rinse the products after stage 3 filtration. The circulating water is discharged once every 7 days, 4 times a month, with an average discharge of 150m<sup>3</sup> and tap water consumption of 242m<sup>3</sup>, achieving annual tap water savings of 69,696m<sup>3</sup>.



## ENERGY SAVING AND EMISSION REDUCTION ACTIVITIES

The Company launches various forms of energy saving and emission reduction publicity activities, including banners, posters, training, questionnaires and websites, in order to integrate energy saving into daily activities, and make “energy saving, emission reduction and low-carbon lifestyle” deeply rooted among people.



The Group has continued to increase the incentives for the energy saving and emission reduction team, set up internal benchmarks for good practices, promote advanced practices, and create a competitive culture of “competition, learning, catching up, helping, and winning”. An annual commendation meeting for energy saving and emission reduction is held at the end of each year. In 2024, with respect to energy saving promotion and management, the Group recognised and awarded 21 advanced individuals, 6 outstanding auditors, 8 advanced groups, 6 outstanding promotion organisations and 13 outstanding transformation projects for energy saving, which stimulated the motivation of employees and improved the Company’s operational efficiency and standards.



## SUSTAINABLE ECONOMY

BYD Electronic has a team of tens of thousands of engineers and a number of global top-notch laboratories. What's more, our laboratories have obtained CNAS and A2LA accreditations, and are one of the few corporate laboratories in the industry with international credibility. Adhering to the development philosophy of "technology-centred and innovation-oriented", the Company constantly increases its R&D investment and leads technological innovation with its technical strength.



### R&D Ecology

In 2024, BYD Electronic provided customers around the world with one-stop product solutions relying on its core advantages in electronic information, AI, 5G and Internet of Things, thermal management, new materials, precision molds and digital manufacturing technologies. The Group engages in diversified market segments, such as smart phones, tablet computers, new energy vehicles, AI data center, smart home, game hardware, unmanned aerial vehicles, 3D printers, Internet of Things, robots and communication equipment.

## R&D Ecology

Since its establishment, the BYD Electronic Technology Development Centre has been conducting systematic research on material application and processing technology of precision parts and components for consumer electronics products. Through in-depth investigation and market analysis on the molding and surface treatment technology of metal, glass, ceramics, and new plastics, it has focused on a number of industry-leading research topics, and achieved innovative breakthroughs in a number of technologies, solved bottlenecks, and eventually realised industrialisation. It has also provided one-stop solutions for the complex structure and differentiated design of end products.

In response to the strategic development needs of the enterprise, since 2022, we have introduced research and application technology projects on key automobile parts and components to expand the technological scope of the enterprise's products, fully achieve the vertical integration of the Company's scientific research capabilities and testing resources, introduced more comprehensive scientific research talents in different technological areas, launched feasibility studies on the cross-sector application of technologies, broken down the technological barriers, and extended the scope of technological applications.

The R&D carried out by the Technology Development Centre is as follows:

1. New materials research and surface treatment technology development for consumer electronics products and automobile interior and exterior structural parts
2. New materials research and application technology development, and study on simulation and structural design of key automobile parts and components
3. Organic/inorganic composite materials, ceramic materials and devices, ceramic/metal composite materials
4. Relevant testing technologies for electronic products and key automobile parts and components
5. Technology research on optics, software, mathematical modeling of engineering problems and other areas



## Green Design

BYD Electronic incorporates environmental factors into the design of its products. By optimising the product structure, materials and processes, the environmental impact of the product is reduced throughout its life cycle.

### The specific plans are as follows:

**Objective:** Meet the requirements of environmental objectives while ensuring that the products meet the requirements of function, service life and quality.

**Principle:** Green design follows the “3R” principle, namely, Reduce, Reuse and Recycle, aiming to reduce energy consumption and promote the recycling or reuse of products and parts and components.

**Implementation:** The choice of materials is crucial to green design. Manufacturers are required to prioritise non-toxic, non-hazardous and recyclable materials to reduce the amount of hazardous substances in products and to increase the recyclability, reusability and degradability of products.

### Case I: Automobile thermal management integrated module

The adoption of CNC integrated design for the body makes the process simpler with higher yields. Meanwhile, the integrated design for the valve reduces the number of parts from 19 to 14. The adoption of the disassembled structure for the valve body and valve seat contributes to a lower cost and higher manufacturing accuracy. The use of simulation technology optimises the valve terminals string heat, resulting in a reduction in heat loss by more than 10% compared to competitors, and achieving less flow resistance and energy-saving effect. By adjusting the valve spool structure, the flow rate changes faster in the pre-valve-opening period, leading to higher thermal efficiency of the system.

The development of automobile thermal management integrated module has made positive contributions to the automobile industry in terms of technological advancement, market expansion, industrial chain upgrading, energy saving and environmental protection, and economic growth.

**Green Design****Case II: Improvement in the design of protective film**

The protective film used in the laminating station of the Business Division 8 of BYD Electronic was easily lifted at the end of laminating position due to design defects, resulting in CNC machine detection alarms. As the protective film is a disposable consumable, the abnormal products must be returned after alarms, and it was required to remove the old film and re-laminate the product. The comprehensive film loss rate was as high as 7.79%. Through research and analysis, the team found that the main reason for the lifted film is that the end of the protective film is located in the corner of the 3D surface, and the end of the curved surface causes the lifting issue after lamination. Therefore, the team improved the design of the film by keeping the hole location of the new film unchanged and shifting the rest to the right by 2.5mm, so that the connection of the film is away from the 3D curved surface. This design was approved and introduced in the process, thereby reducing the overall protective film loss rate to 1.72% and saving 610,691 pieces of the film annually.



## Green Design



### Case III: Business Division 8 of BYD Electronic conducts capability building with NVIDIA GPU server and digital twin technology with respect to green design (partner: NVIDIA technical team)

In order to enhance the Company's technical capabilities in the field of digital twin and AI model training, this project aims to build a high-performance computing platform based on GPU servers. The project relies on NVIDIA's latest GPU acceleration technologies and software ecosystems (e.g., Omniverse and NVIDIA NVAIE) to meet the high computing power requirements for digital twin platform construction, AI model training, and 3D simulation applications. By configuring the virtualisation system and GPU resource sharing solutions, it realises efficient utilisation of server resources and provides technical support for future AOI model training, 3D modeling and other multi-business scenarios. Since the activation of the project in October 2023, the server procurement and hardware and software deployment have been completed, and Omniverse will be used to build a small scenario in the workshop and explore applications.

## Green Production

BYD Electronic is committed to the R&D and application of green manufacturing technologies to reduce environmental impacts and enhance sustainability to achieve the strategic goal of sustainable development. Recognising the importance of green production to the ecological balance of the earth, the Company spares no effort in realising green and low-carbon manufacturing. The Company firmly believes that only through green and low-carbon manufacturing can we protect the beautiful earth and maintain the sustainable development of human beings and the natural environment.

### Case I

The Business Division 5 of BYD Electronic requires PCR or bio-based environmentally friendly plastics to be over 25% of the products it develops, and the proportion of environmentally friendly plastic parts in the number of plastic parts to be over 50%. It also requires suppliers to provide statements, UL/SCS certificates, proof of recycled material procurement, or process management documents to prove the recycled content. It also uses recycled copper for the motherboard, recycled aluminum for the middle frame, side buttons, rear camera mount, recycled tin for the solder paste, and recycled steel for some steel parts. It requires suppliers to provide statements, UL/SCS certificates, proof of recycled material procurement, or process management documents to prove the recycled content. The proportion of recycled content in metal parts using recycled materials ranges from 30% to 100%.

### Case II

The Business Division 8 of BYD Electronic actively incorporates the concept of sustainable development into all aspects of the supply chain management in the daily production process, and gives priority to the purchase of green materials. Among which, the main supplier of factory aluminum materials have been certified by ASI. Through the optimisation of the process, it has developed a new type of environmentally friendly water-based paint strippers, which were transformed from solvent-based to water-based strippers, with the COD content reducing from 1,423,918mg/L to 145,800mg/L (a reduction by 89%) and VOC content reducing from 882g/L to 68g/L (a reduction by 92%).



### Case III

The Business Division 5 of BYD Electronic requires PCR or bio-based environmentally friendly plastics to be over 25% of the products it develops, and the proportion of environmentally friendly plastic parts in the number of plastic parts to be over 50%. It also requires suppliers to provide statements, UL/SCS certificates, proof of recycled material procurement, or process management documents to prove the recycled content. It also uses recycled copper for the motherboard, recycled aluminum for the middle frame, side buttons, rear camera mount, recycled tin for the solder paste, and recycled steel for some steel parts. It requires suppliers to provide statements, UL/SCS certificates, proof of recycled material procurement, or process management documents to prove the recycled content. The proportion of recycled content in metal parts using recycled materials ranges from 30% to 100%.

## BIODIVERSITY PROTECTION

Biodiversity is the foundation of life on earth and an important natural resource for human survival and development. Recognising the urgency and importance of biodiversity protection, BYD Electronic strictly abides by national and local laws and regulations on biodiversity protection, and has formulated and published the Declaration on Biodiversity, pledging to adhere to the principle of eco-friendliness in its production and operation activities, and minimise the disturbance and damage to the ecosystem. BYD Electronic clearly defines that the top management or the Board is the highest decision-making body for biodiversity protection, which is fully responsible for the strategic guidance and supervision of the overall protection work, ensuring that the Company's initiatives in biodiversity protection are closely integrated with its development strategy in line with the requirements of sustainable development of the society and the environment.

In order to strengthen biodiversity protection, BYD Electronic has avoided building factories in sensitive areas such as nature reserves and prioritised developed areas to minimise damage to the natural environment during the site selection stage. At the same time, the Company conducts detailed ecological assessments and species surveys of the areas before factory construction to assess the impact of the construction projects on the local ecosystem, and formulates specific protection measures. Meanwhile, the Company monitors the discharge of wastewater and waste gas emissions in real time during the later operation process to ensure that the emission standards are met and that the local ecosystem is not affected. In addition, the Company compensates for ecological losses through the establishment of biodiversity protection zones, aiming to minimise the impact of the project on biodiversity and promote sustainable development.

## KEY PERFORMANCE TABLE

Key Performance Indicators				
A Environmental (intensity is calculated according to the annual revenue of the enterprise (RMB10,000))	Unit	2022	2023	2024
Aspect A1: Emissions				
Scope 1 greenhouse gas emissions	Tons	15,166	14,665	37,070
Scope 2 greenhouse gas emissions		1,556,490	1,404,836	1,786,596
Scope 3 greenhouse gas emissions		/	/	598113
Total greenhouse gas emissions		1,571,655	1,419,501	2,421,779
Intensity of greenhouse gas emissions	Tons/RMB10,000 revenue	0.14663	0.11356	0.13659
Total domestic waste	Tons	26,627	14,807	39,539
Non-hazardous waste	Tons/RMB10,000 revenue	0.00248	0.00118	0.02216
Total hazardous solid waste	Tons	24,084	33,350	63,429
Intensity of hazardous solid waste	Tons/RMB10,000 revenue	0.00225	0.00267	0.003577
Total industrial wastewater	Tons	1,409,162	1,874,206	5,610,378
Intensity of industrial wastewater	Tons/RMB10,000 revenue	0.13147	0.14994	0.316424

## KEY PERFORMANCE TABLE

Category	Key Performance Indicators Aspect A2: Use of Resources	Unit	2022	2023	2024
Indirect Energy	Total electricity consumption	10,000 kWh	190,985	172,635	332,947
	Electricity consumption intensity	10,000 kWh/RMB10,000 revenue	0.01782	0.01381	0.01878
Direct Energy	Total natural gas consumption	m <sup>3</sup>	4,660,759	3,496,625	16,871,258
	Natural gas consumption intensity	m <sup>3</sup> /RMB10,000 revenue	0.43483	0.27973	0.197209
	Total gasoline consumption	L	4,519	21,283	/
	Gasoline consumption intensity	L/RMB10,000 revenue	0.00042	0.0017	/
Water resources	Total water consumption	m <sup>3</sup>	10,632,775	10,544,570	21,164,050
	Water consumption intensity	m <sup>3</sup> /RMB10,000 revenue	0.99199	0.84357	1.19365
Package material consumption	Total packaging materials	Tons	340,951	332,116	To further improve the accuracy of packaging material data, the Company upgraded and adjusted its packaging procurement system in 2024. As of the time of this report's publication, the 2024 packaging material data is still being compiled and is expected to be disclosed in 2025
	Packaging material intensity	Tons/RMB10,000 revenue	0.03181	0.02657	

# EMPLOYEES FIRST

- EMPLOYEE RIGHTS
- RESPONSIBILITY TO EMPLOYEES
- CARING FOR EMPLOYEES
- OCCUPATIONAL HEALTH AND SAFETY IN PRODUCTION
- CONSTRUCTION OF METAL HEALTH SYSTEM
- PRODUCT LIABILITY
- SUPPLY CHAIN RESPONSIBILITY
- CONTRIBUTIONS TO COMMUNITY
- SOCIAL WELFARE
- INFORMATION SECURITY
- INTELLECTUAL PROPERTY PROTECTION





## EMPLOYEES FIRST

As a multinational enterprise with global influence, BYD Electronic always adheres to the core employment philosophy of “people-oriented, recruitment based on capability”, and maintains and complies with the guiding principles established by the International Labour Organisation (ILO), the Organisation for Economic Co-operation and Development (OECD), the United Nations Global Compact (UNGC), and the workplace laws and regulations of the places where it operates. With a target of 0 cases of child labour, 0 cases of underage workers in difficult positions, and 0 cases of forced labour, the Company continues to respond to the demands of employees, improve working conditions, promote a fair environment, and protect employee rights.

The Company respects and protects the legitimate rights of employees, and has established a comprehensive employee rights protection system to ensure that its business operations, value pursuits and brand building are based on a firm commitment of respecting human rights. The Company strictly prohibits child labour and forced labour, as well as harassment, abuse, violence and any form of discrimination in the workplace. The Company has established a labour and human rights management system with reference to the Social Accountability 8000 Standard, and formulated a Human Rights Policy Statement and a Labor Rights Protection System to comprehensively and systematically protect the legitimate rights of employees. At the same time, the Company enters into relevant labour relations with workers other than employees in accordance with the law. Employees are entitled to insurance and other benefits as stipulated in the agreement, and enjoy the same rights as regular employees to participate in employee activities and democratic communication.

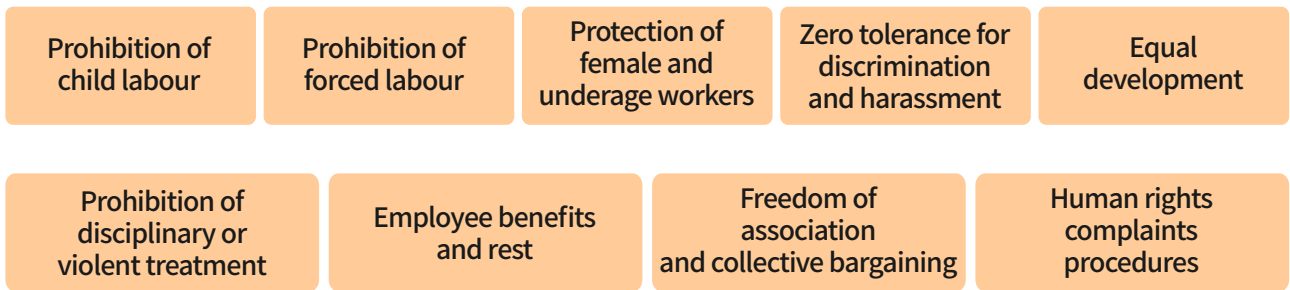
The Company regularly enters into collective contracts with employees. Through collective consultations, it signs written agreements on labour compensation, working hours, rest and vacation, labour safety and health, occupational training, social insurance, employee benefits and other matters.

The Company has formulated the “Regulations on Labour Union Management of BYD(《比亞迪公司工會管理規定》)” to strengthen regulated and standardised construction of the labour union, ensure the steady operation of the labour union, and protect the legitimate rights of employees. The BYD Electronic Union Confederation actively participates in the decision-making of major issues involving the personal interests of employees, and establishes a platform for the mediation of labour disputes. The rules and systems and major issues concerning the immediate interests of employees are all considered and voted at the staff representative meeting. The Company fully protects employees' rights to information, participation and supervision, solicits employees' opinions and suggestions, encourages employees to participate in the democratic management of the enterprise, adheres to the principles of fairness, justice, openness and transparency, effectively stimulates employees to actively participate in communication, and improves the level of democratic management. The Company has also established a Labour Dispute Coordination Committee responsible for the promotion of legal knowledge, communication of opinions and suggestions, and mediation of disputes. The committee is composed of representatives of employees, enterprises and the labour unions, with an aim of promoting harmonious labour relations through standardised and orderly operation.

# EMPLOYEES FIRST

While protecting employee rights, the Company will continue to strengthen the labour and human rights management system throughout the process, regularly review and update relevant policies, and regularly examine the management of labour risks to ensure that our partners effectively protect the rights of employees in terms of work practices, conditions and salaries. The Company continues to optimise labour risk investigation and assessment methods to evaluate the effectiveness of labour rights protection measures in our business and value chain in a more comprehensive manner.

## BYD Labour Human Rights Protection System



In 2024, BYD Electronic did not employ or use child labour, nor did it violate the Company's system or relevant laws and regulations pertaining to the use of child labour and forced labour and to labour trafficking.

## RESPONSIBILITY TO EMPLOYEES

BYD Electronic always adheres to the orientation of solving social problems, is committed to the “employees-first” operation policy and values every employee in the Company. Every employee is the resource and wealth of the enterprise. We strictly abide by the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, the Trade Union Law of the People’s Republic of China, the Company Law of the People’s Republic of China, and other relevant laws and regulations, and respect and safeguard the legitimate rights and interests of every employee, so as to ensure that the legitimate rights and interests of every employee are fully protected. The existing human resources system of BYD Electronic is formulated according to the current labor legal system, covering recruitment, training, promotion and transfer, salary, performance and other fields, providing system guarantee for the legitimate rights and interests of employees.

BYD Electronic actively responds to the national call of “ensuring employment and promoting employment” and is committed to solving the employment problem of society. To effectively regulate the employer-employee relationship and protect their legitimate rights and interests according to law, BYD Electronic has signed labor contracts with all employees upon commencement of employment to specify the rights and obligations of the enterprise and employees and provided reliable legal guarantee and basis for our employees in settling labor disputes and protecting their legitimate rights and interests. In 2024, the signing rate of labor contracts with employees of BYD Electronic was 100%. BYD Electronic always respects the privacy and beliefs of employees and prohibits any discrimination and harassment based on age, gender, native place, nationality, customs, religion, political affiliation, etc. As of 31 December 2024, BYD Electronic had 150.3 thousand on-the-job employees (including 8.7 thousand overseas employees), of which 61.76% were male employees and 38.24% were female employees. The employee composition of BYD Electronic is shown in the table below.

Employee Composition of the Group in 2024		
Category	Employee Structure	Number of Employees
Gender	Male	97,979
	Female	52,064
Management Level	Senior management	431
	Middle management	21,717
	Grass-root management	127,895
Age group	≤30	47,724
	30<age<50	59,969
	>50	42,350
Work location	Domestic	139,530
	Overseas	10,513

## Employment System

BYD Electronic encourages and advocates equal employment and opposition to discrimination, and solemnly promises to treat every employee equally, and that their employment, treatment or promotion will not be affected due to their social identity such as nationality, country, gender, religion, age, sexual orientation, political spectrum or marital status. The Company advocates equal communication, respects employees' personality, listens to employees' opinions, accepts employees' reasonable suggestions, and does not take punitive measures, management methods and behaviors such as abuse, corporal punishment, violence and mental oppression on employees for any reason.

BYD Electronic strictly abides by the applicable labor laws and regulations of various countries, strictly observes the prevailing international standard systems for quality management, occupational health, social responsibility, etc., and resolutely prohibits any discrimination and harassment based on age, gender, sexual orientation, nationality, native place, religion, political membership, etc., and resolutely prohibits any form of forced labor, labor trafficking, child labor and other infringements of human rights, and respects and protects the legitimate rights of each and every worker.

BYD Electronic insists on a "zero tolerance" attitude towards the employment of child labor, and the identity information of new employees will be strictly checked at the time points of entry, interview and employment, so as to prevent the employment of child labor from the source. Once the phenomenon of employment of child labor is discovered, the labor contract will be terminated as soon as possible, assistance will be extended in repatriating the child labor to his/her guardian or guardianship unit and the problematic link will be reviewed and rectify in a timely manner to prevent any misuse of child labor.

BYD Electronic respects employees' freedom in terms of choice of employment, personal liberty and personal privacy. BYD Electronic complies with relevant labor laws and regulations, strictly forbids seizure of credentials, collection of money or objects as security, surveillance, interception, access restrictions or acts of forced labor in any form, and firmly rejects labor trafficking, forced labor and other infringements of human rights.

## Recruitment Management

BYD Electronic complies with the United Nations Convention Human Rights, the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, as well as the employment laws and regulations of the PRC and the places where it operates. By integrating various systems regarding quality management, occupational health, environmental safety and social responsibility, BYD Electronic has established its own codes of conduct and relevant systems for human resources management. We strictly follow the guideline of “equal opportunity, recruitment based on capability”, eliminating discrimination against nationality, race, gender and religion in recruitment and prohibiting forced labor, labor trafficking, child labor and other labor practices that violate human rights. We have formulated a number of recruitment management regulations, including the “Regulation on Recruitment Management” and the “Procedures of Child Labor and Youth Worker Management”, to standardise key recruitment processes such as recruitment demand submission, interview screening mechanism, recruitment approval and probation period management, ensuring the transparency and fairness of recruitment management, laying a solid foundation for building a healthy and fair working environment.

Based on human resource planning, we formulate relevant strategies and demand forecasts aligned with business development needs and actively explore new recruitment methods and channels to strengthen our in-house recruitment capabilities and enhance talent density. At the same time, we establish an internal talent pool to foster career development and experience accumulation, ensuring a balance between labour supply and demand, and optimise human resource allocation to support the business growth of the Company.

We actively collaborate with government departments such as the Human Resources and Social Security Bureau and the Employment Service Bureau to expand diverse employment opportunities and establish employment platforms to attract local workers.



## Recruitment Management

### Equality and Inclusion

BYD Electronic is committed to building a diverse talent team. We have declared our position in the Human Rights Policy Statement that we value talent diversity and do not discriminate against our employees or applicants based on ethnicity, race, gender, region, religion and the form of employment. We offer our employees equal employment opportunities, oppose any form of discrimination and foster an inclusive workplace that respects different opinions, perspectives, and beliefs.

We are firmly committed to implementing a globalisation development strategy, actively promoting equal and inclusive training programs, and fostering initiatives for global cultural integration. Based on the unique characteristics of each country, we have developed a specialised training system to facilitate overseas workplace integration. Through various methods such as online micro-courses, offline lectures, learning manuals and case studies, we provide employees with strategies and skills for cross-cultural communication, ensuring fair career development opportunities for all talents. We offer a series of training programs, including “Cross-Cultural Communication”, “Senior Management Experience Sharing”, “Leadership Training” and “Overseas Iron Army Training Camp”, assign experienced Chinese employees with overseas work backgrounds as cultural exchange ambassadors, organise regular in-depth training sessions for overseas employees in China, and encourage expatriate employees to learn the local language to cultivate an inclusive and dynamic cultural environment. At the same time, we strongly oppose workplace discrimination and harassment. We have launched awareness campaigns worldwide and published articles such as “Say NO to Discrimination and Harassment!” to enhance employees’ awareness of respect and inclusion.

In 2024, we organised more than 100 overseas training sessions, covering more than 10,000 participants.

In 2024, there was no employee discrimination incident.

## Talent Training and Development

BYD Electronic has developed a comprehensive framework for talent development, which consists of a management index evaluation system, a technical title certification system, and a skill level certification system. This framework supports a multifaceted talent development channel that integrates management, technology, and skills, fostering continuous innovation across these areas within the Company. In line with its commitment to ensuring a steady and robust pipeline of talent, BYD Electronic embraces the core philosophy of “cultivating excellence with excellence, allowing success to replicate success”, which has led to the establishment of a distinctive talent training system that is progressively implemented across the organization. BYD categorises positions into technology, marketing, operation, and comprehensive roles, with each category receiving tailored training strategies. The Company employs a variety of development methods, including face-to-face theoretical training, case studies, skill competitions, and practical simulations, to nurture the potential and enhance the skills of its employees. This targeted approach has helped establish a multi-level and comprehensive learning and development culture within BYD Electronic, aimed at continuously elevating the Company’s competitive edge in talent.

BYD Electronic attaches great importance to the learning and development of every employee and is committed to exploring the potential of employees. Adhering to the talent training concept of “people before products”, the Company encourages its employees to learn and improve themselves in their spare time. BYD Electronic provides employees with career planning, special training, education promotion, skill training and other training contents through a variety of learning channels, such as experience exchange meetings, online learning platforms, and lectures by famous teachers to meet the different development needs of employees at different levels. For new employees, BYD Electronic develops the “mentor-mentee system” and “teaching and mentoring” system to help them quickly integrate into the enterprise and adapt to the new environment and new work.

In order to better cultivate middle and senior management backbones who are adaptable to the development of the times and the development needs of the Company, select excellent talents with good performance and strong development intention, BYD Electronic formulates annual training plans every year in accordance with the “Training Management Procedures”, the “Management Rules for EHS Training”, and other rules. In 2024, on top of the original 531 Plan, BYD Electronic formulated a series of talent training plans catering to different trainees, such as the Launching Plan, the Pilot Plan and the Escorting Plan, so as to identify more potential talents to escort the construction of talent echelon in BYD Electronic.

In 2024, BYD Electronic paid more attention to internal talent cultivation and development, and accumulatively organized 1,380,256 hours of training covering more than 20 kinds of training courses including safety and environment, finance, legal affairs and personnel system management. These training sessions added up to an accumulative total learning time of 22.52 million hours, representing a per capita learning time of 118 hours.

## Staff Career Development

In terms of staff career development, BYD Electronic aims to establish a fair and equitable talent development platform. We create a multifaceted talent development channel of “management + technology + skills” through management index evaluation system, technical title certification system and skill level certification system.

In terms of position structure, we classify positions into three levels, namely position area, position category and position type, based on the value chain and business module dimensions, and categorise positions into six sequences, namely managerial, technical, professional, skill-based, operational and supportive according to job nature, complexity, responsibilities, value contribution and other criteria. We also assign various tags to positions based on different business and management needs, enabling refined position management. At the same time, based on principles such as alignment with business processes, clear authority and responsibility, avoidance of duty overlaps or gaps, and risk prevention, we strictly regulate the rationality and effectiveness of position structure, which lays a solid foundation for the various human resources business segments to ensure the normal operations of the Company.

### Promotion Mechanism

BYD Electronic is committed to building a multifaceted talent development channel. We have fully implemented a competitive talent selection system to identify and value truly skilled employees. Additionally, we adhere to the principle of “flexible human resource management”, providing employees with a fair promotion system and ensuring that their efforts and talents are properly recognised.

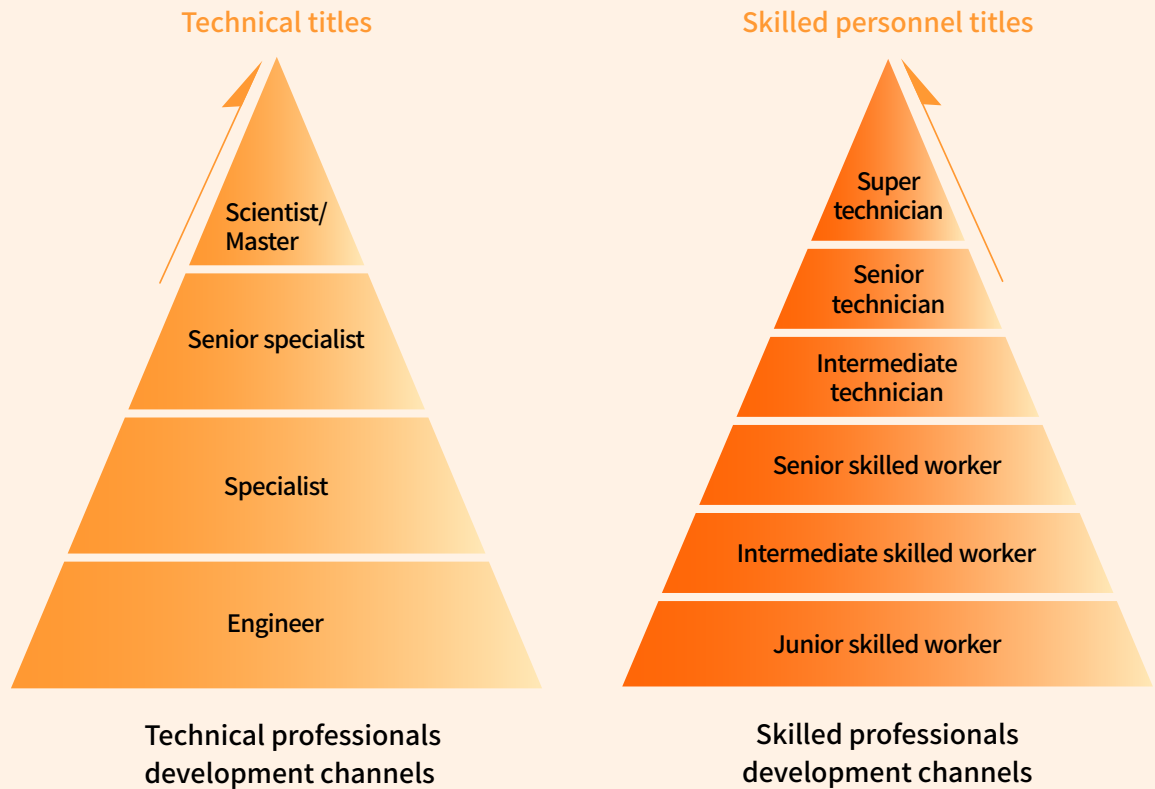
We value the talent career development channel and have established a structured career promotion mechanism to fully enhance the initiative and engagement of all employees. To ensure the development of technical professionals, we have established our internal title system for the first time, based on national certification standards for technical professionals. This system provides a tailored career promotion path for technical positions, with clear promotion criteria primarily based on technical achievements and capabilities. Furthermore, we integrate a competitive culture into talent development. Managerial positions are prioritised based on KPI performance, while technical positions compete through technical proficiency, fostering comprehensive competition between technology and non-technology professionals.

In 2024, over 1,400 technology professionals were granted high-level technical titles through this rigorous evaluation process. Among these, the number of individuals were distinguished with expert titles or higher.

**Staff Career Development**

**Promotion Mechanism**

We will continuously review the promotion mechanism to ensure its fairness and effectiveness, boosting employees’ potential. We will also adjust our talent development strategies that align with market changes and the growth of the Company based on employees’ feedback and business needs. In addition, we will continue to provide frontline employees with opportunities for learning and skill certification applications, expanding the range of skill categories and improving certification pass rates. We aim to establish a comprehensive pathway for skill-based career transitions, ensuring smooth transitions between skilled, managerial, and technical roles, thereby fostering employees’ personal growth and career promotion.



## Staff Career Development

### Talent training system

Business competition is rooted in talent, and talent is BYD Electronic's most valuable asset. BYD Electronic is committed to independent talent training and have established the "Management Rules for Training of BYD" to continuously enhance a multi-level and categorised talent training system.

### Empowerment of new employees

BYD Electronic has launched the "Future Star" Graduate Training Camp for recent graduates to fully empower the development of new employees. Additionally, we have established a comprehensive onboarding training system that covers five levels, namely group, business group, business unit, department and position. We provide holistic guidance to recent graduates through a structured mentorship program, focusing on their growth and ensuring a smooth transition from campus to the workplace.

We uphold a talent training philosophy that integrates learning and practice, enhancing the capabilities of recent graduates through hands-on simulations to enhance new employees' capabilities in daily work operations. BYD is bold in employing recent graduates and unlocks their potential by assigning them to projects, entrusting them with tasks and offering them opportunities to take on critical roles, which enables them to make significant contributions to the Company's rapid growth.

In 2024, we conducted over 100 training sessions for new graduate employees, reaching more than 900 recent graduates, achieving 100% training coverage for all new graduate employees.



New employee training



## Staff Career Development

### Cultivation of management talent

We continuously provide management training for grassroots, middle management, and senior executives. In 2024, each business unit, under the guidance of the Group, has organised talent training programs based on business needs and employee requirements, which include various management training programs for different levels, such as the “Team Leader Pioneer Training Camp”, “Section Manager/Workshop Director Training” and the “Manager Study Program”.

In 2024, we conducted over 600 management training sessions, accumulated more than 346 classic case studies, reaching a total of 20,000 participants.

#### Team Leader Pioneer Training Camp

The team leader serves as the manager of the smallest frontline production unit. The overall competence, positional awareness and mindset of the team leaders directly impact operating performance. The Company places great emphasis on strengthening team leaders’ management capabilities and has launched a series of training programs of the “Team Leader Pioneer Training Camp”. Through standardised operational tools, comprehensive workflow manual and relevant training materials, the Company provide standardised training for team leaders, enhancing their management and leadership skills comprehensively. In 2024, a total of 10,162 team leaders obtained training certifications.

#### Workshop Director Training

The workshop serves as the core unit in the production and operation process. The workshop director, as the organisational leader, plays a crucial role in on-site production management, cost and quality control, as well as team development and building. We have meticulously designed a BYD-exclusive workshop director certification training system, incorporating outstanding practices and experiences from workshop directors. The system is closely integrated with production practices and leverages BYD’s own expertise to address talent training challenges. In 2024, the coverage rate of workshop director training reached 100%, strengthening the overall capabilities of the workshop director team and providing sustained momentum for the long-term development of the Company.

#### Professional talent training

Based on the Company’s business development, BYD has established a skilled talent development channel tailored to industry and position-specific characteristics, which includes setting up a comprehensive evaluation system for professional and skilled talent, as well as creating a rank system tailored to skilled workers to better incentivize employee growth.

## Staff Career Development

### Professional talent training

While building a skilled talent development channel, we continue to deepen our independent training system for skilled workers, actively exploring and applying diversified training models. We have established a professional skilled talent development mechanism covering all employees.

In 2024, we granted internal certification to more than 3,094 skilled workers.

### Training case

The Company places great importance on employee career planning and is committed to talent development, encouraging employees to actively participate in various training programs or engage in targeted learning to strengthen weaker areas within their teams, which enhances both individual and team capabilities, laying a solid foundation for sustained growth and development of the team. With a focus on continuous learning and improvement, the R&D team integrates essential departmental and role-specific knowledge into daily operations, actively conducting training on relevant skills or systems, which enhances employees' professional competencies.



Spike Fusion System Training



Digitalway Real-time Processing and Inspection System Training



CUTPRO Cutting Dynamics Testing System Training

### SCORE (Sustaining Competitive and Responsible Enterprises Programme) project

In 2024, the Precision Glass Products Factory (精密玻璃製品工廠) of Zhongshan BYD Electronic Co., Limited and the Precision Ceramic Products Factory (精密陶瓷製品工廠) of Huizhou BYD Electronic Co., Limited successfully completed the SCORE training and coaching program developed by the International Labour Organization (ILO) and obtained certification. The program brings together management and frontline employees into teams, aiming to improve corporate management, enhance employee engagement and creativity, and foster innovative integration of internal production factors, thereby supporting the Company's sustainable development. The SCORE project provides a new communication channel between management and employees of the Company, promotes employees' active participation in management, and offers a new approach for key corporate leaders to prioritise safety management.



## Staff Career Development

### SCORE (Sustaining Competitive and Responsible Enterprises Programme) project

The SCORE program has played a significant role in cost reduction and efficiency improvement while enhancing production conditions within a short period. It also serves as a foundational and supportive cog in safety management, abandoning the traditional top-down, command-based approach that isolates safety management from corporate management.

### Initial training for key talent

We aim to enhance the quality, leadership and innovation capabilities of key talent through systematic and targeted training and practice, enabling the organisation to respond to various changes flexibly. At the same time, it will enhance employee skills, promote the integration of individual employees with corporate goals, and drive sustained growth in corporate performance, laying a solid foundation for future challenges and sustainable development. On November 18, the “Kick-off Meeting of Initial Training for Key Talent” hosted by the Process & Equipment Department of the Chengdu Metal Factory under the Business Division 8 of BYD Electronic was held in the SEED Training Room of the Phase I Youth Apartment. More than 50 colleagues including the deputy director of the Chengdu Metal Factory, supervisors and key personnel of the Process & Equipment Department and the training team attended the kick-off meeting. The kick-off meeting outlined the training schedules, course details, assessment methods and expected outcomes for each stage.

In response to the changing market competition environment, factories have to continuously advance lean production operations, minimise production costs and waste and establish benchmark lean production workshops to ensure that lean principles are deeply embedded within the organisation. To enhance team capabilities and better respond to new projects and challenges, and to support cost reduction and efficiency improvement at the Chengdu Factory, the Kick-off Meeting of the “Refining in Pursuit of Excellence (精益领航, 追求卓越)” Supervisor Empowerment Training was successfully held by the Process & Equipment Department of the Chengdu Metal Factory on November 5 in the A5-1.5F Training Room. The meeting was attended by 65 participants including customers, the deputy director, the manager of the Manufacturing Division 156 and the director of the Structural Components Business Center of the Chengdu Metal Factory, as well as colleagues from the Process & Equipment Department, Manufacturing Division 1, Manufacturing Division 2 and the Lean Team of the Chengdu Metal Factory.



## Staff Career Development

### Starter program

In order to foster a culture of internal learning and knowledge sharing, BYD Electronic encourages employees to leverage its own experiences and lessons learned to address internal challenges. Employees who are interested in this opportunity can participate in the case extractor training, where they will learn to document and compile case studies after completing the training, to help build BYD Electronic's sharing culture, replicate successful experiences, promote achievement sharing and learn from each other's strengths and avoid weaknesses in subsequent project work through summarising past experiences, thereby achieving common progress.

### Training in high potential talents for section managers

We aim to supply high-quality talent to support the achievement of the Company's business goals, cultivate reserve section managers, enhance management capabilities to establish a talent supply system for future growth.



## SALARY AND BENEFITS

### Salary and Benefits

BYD Electronic adheres to the employment concept of “attracting employees by salary, retaining employees by welfare and creating employees by career”, and practices a perfect salary and welfare system.

BYD Electronic, in accordance with the Compensation Management System of BYD, has established a structured, fair and reasonable compensation system that is value-contribution-oriented. The Company works hand in hand with our employees to ensure that performance results, professional skills, years of service and other key factors are reflected and rewarded in a differentiated and appropriate manner in their remuneration. The Company ensures that all employees' wages meet the local minimum wage standards or appropriate salary benchmarks in accordance with applicable regional regulations. Employee compensation consists of basic salary and performance bonuses, while variable pay includes profit-sharing incentives, equity incentives and other rewards. At the same time, the Company continues to improve the salary increment mechanism so that it is closely linked to the operating performance of the Company and individual value contribution, fostering a positive and mutually beneficial dynamic. The Company also continues to enhance the profit-sharing mechanism to create a better work atmosphere and broader career development opportunities for employees, empowering employees to achieve their professional aspirations and maximise their personal value.

The Company has established an incentive mechanism covering short-, medium-, and long-term incentives, closely linking performance evaluation, incentive compensation and talent development. The Company has implemented an equity incentive scheme to attract and retain outstanding talent and key personnel, encouraging employees to create long-term value for the Company. In addition, the Company has introduced a service tenure award to recognise and reward long-serving employees with outstanding performance who have been diligent and dedicated over the years.

### Performance Evaluation

BYD Electronic values the diverse abilities and strengths of its employees and is committed to ensuring that each employee's growth and contributions are fairly and appropriately rewarded. The Company has established the “Regulation on Employee Performance Management of BYD”, adhering to the principles of “competition-driven incentives, performance-oriented evaluation, differentiated distribution, and rewarding high performers” to carry out full-process performance management. The Company's performance evaluation system integrates the management strategies of goal management and Key Performance Indicator (KPI), implementing monthly, quarterly, and annual assessments while prioritising both process management and outcome application. Employee performance evaluation is driven by individual goals, including multiple assessment dimensions such as team performance, work performance, attitude and capabilities. Employees participate in the performance management process throughout the year based on the key tasks and goals of team goal management. At the same time, team leaders and members continuously engage in communication and provide feedback during the work process, actively applying performance outcomes to improve work efficiency and achieve the PDCA (Plan-Do-Check-Act) cycle in performance management.



# SALARY AND BENEFITS

## Salary and Benefits

### Performance Evaluation

BYD Electronic is committed to establishing a comprehensive and fair compensation and benefits system that not only complies with applicable laws, regulations and local market conditions but also takes into full consideration employees' living standards. The benefits provided by the Company are available to all employees, covering multiple aspects such as employees' daily lives, children's education and medical care, including cash benefits, activity funds, medical funds, and phone bill subsidies, as well as non-salary benefits such as healthcare benefits, children's education, employee dormitories, company canteens, zero-down-payment car purchases and subsidised housing programs.

### Providing for Employees

BYD Electronic is committed to establishing a comprehensive and fair compensation and benefits system that not only complies with applicable laws, regulations and local market conditions but also takes into full consideration employees' living standards. The benefits provided by us are available to all employees, covering multiple aspects such as employees' daily lives, children's education and medical care, including cash benefits, activity funds, medical funds, and phone bill subsidies, as well as non-salary benefits such as healthcare benefits, children's education, employee dormitories, company canteens, zero-down-payment car purchases and subsidised housing programs.



### Welfare allowances

- The Company offers a diverse range of benefits to meet the varied needs of our employees. For specific work environments and positions, the Company offers night shift allowances, hardship post allowances, support subsidies and relocation assistance. Additionally, the Company offers phone bill subsidies, transportation allowances, and other financial support. The Company also offers other subsidy support such as telephone allowances and car allowances. For the personal development of employees, the Company offers skill allowances to support employee growth.



### Welfare leaves

- For welfare allowances, the Company offers a diverse range of benefits to meet the varied needs of our employees. For specific work environments and positions, the Company offers night shift allowances, hardship post allowances, support subsidies and relocation assistance. Additionally, the Company offers phone bill subsidies, transportation allowances, and other financial support. The Company also offers other subsidy support such as telephone allowances and car allowances. For the personal development of employees, the Company offers skill allowances to support employee growth.

## SALARY AND BENEFITS

### Providing for Employees



#### Nutrition

- All the production bases of BYD Electronic across the country are equipped with cafeterias to provide diversified food for employees three times a day, making it convenient for employees to eat nearby and also ensuring the healthy diet based on strict food safety control. The Company had its cafeterias continuously upgraded and renovated, with the dining environment optimized constantly. Adequately innovative foods and drinks have been successively provided to meet the diverse dietary needs of employees, such as characteristic dishes from both the north and the south, fancy noodles, hot pots, etc. In addition, the Company has introduced a variety of high-quality food chains in all of its industrial parks across the country, greatly enriching the taste buds of employees.



#### Housing

- Dormitories are built within BYD Electronic manufacturing parks across the country. In addition to air conditioning, water heaters and living necessities, BYD Electronic renovated the dormitories to make them more intelligent and secure by introducing laundry reservation service and smart door locks. BYD Electronic pays a housing fund for all employees and provides housing subsidies for employees who cannot be accommodated in time due to limited dormitory resources, so as to ensure a comfortable accommodation environment for all employees. Meanwhile, BYD Electronic has constructed employee housing in major cities like Shenzhen and Huizhou, which are continuously offered at prices much lower than the market rate to those eligible.



#### Transportation

- BYD Electronic provides daily shuttle services with multiple shifts and routes for employees' commuting. Employees were still entitled to zero-down payment for purchasing BYD vehicles, subsidies for using cars for official affairs and free charging service in the industrial parks.

## SALARY AND BENEFITS

### Providing for Employees



#### Health care

- BYD Electronic attaches great importance to the health of its employees and pays for social medical insurance in compliance with labor laws and regulations of China and the countries where it operates. In addition, employees of BYD Electronic enjoy the benefits of a specialised medical fund set up by the BYD Group. Ailing employees are entitled to additional financial support for medical treatment. Moreover, BYD Electronic organises annual health check-ups for its employees, with a 100% coverage rate for those working in arduous positions. BYD Electronic also introduced professional medical check-up institutions and affordable pharmacies to all industrial parks, which greatly facilitated employees' access to medical treatment, health check-ups and daily medication receipt.



#### Child education

- BYD incorporated the Shenzhen Yadi School in joint force with Shenzhen Middle School, which consists of kindergarten, primary school and middle school. Eligible employees of BYD and BYD Electronic are given priority in applying for admission to the school for their children.



#### Protection of special population

- BYD Electronic strictly implements the regulations on the protection of female employees, providing special care for pregnant, breastfeeding or puerperal females. In addition to the normal pregnancy examination leave, maternity leave and breastfeeding leave, the Company has also established comfortable nursing rooms in various campuses across the country, fostering a people-oriented and caring work environment.



Nursing room

## Key Performance Indicators

Aspect B1: Employment		Unit	2024
Total number of employees		People	150,043
Number of employees by gender	Male	People	97,979
	Female	People	52,064
Number of employees by employment type	Senior management	People	431
	Middle management	People	21,717
	Grass-root staff	People	127,895
Number of employees by age	≤30	People	47,724
	30 < age < 50	People	59,969
	>50	People	42,350
Number of employees by geographical region	Domestic	People	139,530
	Overseas	People	10,513
Employee turnover rate by gender	Male	%	2.50
	Female	%	2.21
Employee turnover rate by employment type	Senior management	%	0.06
	Middle management	%	0.09
	Grass-root staff	%	2.80
Employee turnover rate by age group	≤30	%	4.25
	30 < age < 50	%	1.84
	>50	%	1.10

## Key Performance Indicators

Aspect B3: Development and Training		Unit	2024
Percentage of employees trained by gender	Male	%	100
	Female	%	100
Percentage of employees trained by employee category	Senior management	%	100
	Middle management	%	100
	Grass-root staff	%	100
Percentage of employees trained by age group	≤30	%	100
	30 < age < 50	%	100
	>50	%	100
Percentage of employees trained by geographical region	Domestic	%	100
	Overseas	%	100
Average training hours completed per employee by gender	Male	Hour/person	117
	Female	Hour/person	115
Average training hours completed per employee by employee category	Senior management	Hour/person	33
	Middle management	Hour/person	69
	Grass-root staff	Hour/person	112



## CARING FOR EMPLOYEES

### Communication Channels

BYD Electronic adheres to the people-oriented human resources concept. While paying attention to the salary and benefits of employees, BYD Electronic also lays emphasis on building and maintaining communication channels between the organization and employees. We encourage employees to reasonably express their demands via these channels and provide mutually acceptable solutions through communication and negotiation, to jointly build an open and transparent communication environment.

Employees can report demands or make suggestions to or ask for consultations from the general manager, HR department, etc. through online channels such as the complaint hotline, the general manager's mailbox, the HR face-to-face online consultation platform, the e-Lufanghua WeChat official account. BYD Electronic has set up offline employee reception rooms, and established an EAP Ambassador Team to provide timely and basic mental assistance for employees, receive the employees in real time, listen to their voices, and address their concerns on their work and daily lives. BYD Electronic regularly carries out HR face-to-face reception activities. Leaders of employment departments and HR communicate with employees face-to-face to listen to the most authentic voices of the employees and help them solve problems. The Company adheres to the principle of "Every Voice Matters" (EVM) and tries not to ignore the voice of any employee.

In addition, to strengthen our talent retention strategy and enhance our talent engagement mechanism, the Company has implemented an onboarding interview program to gain a comprehensive understanding of new employees' work conditions and emotional experiences, ensuring that our warm and welcoming corporate culture is effectively conveyed. The Company focuses on the growth and integration of new employees, gaining insights into their needs and expectations, responding immediately to management challenges, thereby enabling it to continuously improve employee satisfaction and retention rates.

The Company places great emphasis on the growth experience of recent graduates and have established a company-level research mechanism for recent graduates. We have engaged deeply with the recent graduate group through questionnaires, interviews and other methods, establishing a dual-track, multi-channel communication mechanism between business and human resources to widely gather valuable opinions from recent graduates and support their skill enhancement.

## CARING FOR EMPLOYEES

### Grievance Mechanism

The Company has established a comprehensive employee complaint-handling mechanism with multiple complaint channels, including an internal email system and an anonymous complaint platform. Employees who experience unfair treatment or human rights violations can report and file complaints to their respective business units or the HR department. The Company strengthens the promotion of complaint channels during regular employee meetings and training sessions to ensure that employees are well informed. To ensure the effectiveness of the complaint mechanism and the accessibility of complaint channels, the Company regularly assesses and optimises these channels. Additionally, the Company conducts employee satisfaction surveys and anonymous questionnaires to evaluate employees' awareness of and trust in the complaint channels, enabling us to further optimise and improve the complaint mechanism.

All employees' grievances or complaints will be handled according to a standardised process. Upon receiving a complaint, the HRJD team will conduct a due diligence investigation in accordance with established procedures to track the progress of the case and oversee improvements, while the third-party audit and supervision department will ensure fairness and transparency throughout the handling process, safeguarding the rights and interests of all parties. The Company issues quarterly reports on complaint outcomes and publicly shares representative cases to enhance employees' trust in the complaint mechanism while continuously enhancing the employees' experience.

In addition, the Company has established the "Rules for Protection and Rewarding of Whistleblowers of BYD", which clearly state that all reports submitted through official complaint channels will be kept strictly confidential. The whistleblowers' identities will be fully protected, ensuring that they do not face retaliation or unfair treatment as a result of their reports. In the event that any retaliatory actions against whistleblowers are identified, the HR department will take appropriate corrective measures and, if necessary, impose corresponding penalties on the responsible individuals.

## OCCUPATIONAL HEALTH AND SAFETY IN PRODUCTION

BYD Electronic consistently implements its production safety guidelines and policies, and has established a safety responsibility system for all employees in accordance with regulations and standards. Environment, health and safety (EHS) committees have been set up at different levels in the Company and its business units to take charge of the specific occupational health and safety work, and to establish a long-term mechanism to protect the occupational health and safety of employees by constantly improving the occupational health management system, revising and adjusting the management system and procedures in a timely manner, and refining the code of conduct for EHS management, so as to continuously improve and enhance the safety of employees in production and work places. In order to evaluate and verify the EHS Management System's continuous compliance with relevant standards and requirements, the Company conducts internal audits on its environmental and occupational health and safety management system every quarter. Through the internal audit of the EHS Management System and exchange of working experience, we audit the identified problems, regulate the management details, form a closed loop of management, and thus establishing a virtuous cycle within the plant. Audit results are publicly quantified and ranked, with awards given to plants with outstanding audit results to ensure continuous improvement in safety and environmental operations.



The EHS Committee of BYD Electronic applies for awards and incentives for groups and individuals with outstanding performance in safety, environment and firefighting every year, such as the Safety and Environment Advanced Group Award, the Safety and Environment Advanced Unit Award, the Hazardous Source Identification Award, the Best Improvement Award, the Outstanding Auditor Award, the Outstanding EHS Audit Award and other awards. BYD Electronic also organises quarterly summingup meetings to build a platform for sharing summaries, identifying and absorbing effective safety management experiences and approaches, setting up benchmarks for safety production, stimulating the grassroots' enthusiasm for participating in safety culture and creating a competitive culture of "comparing, learning, catching up, helping and surpassing".

Furthermore, in order to protect occupational health and safety of employees and relevant parties who may enter, we have conducted review for construction qualification and personnel and equipment entry, and inspection for personnel entry training and site management of suppliers in accordance with the safety management regulations on parties related to secure environment, Law of the People's Republic of China on Work Safety, Law of the People's Republic of China on Construction, Law of the People's Republic of China on Fire Protection, Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Law of the People's Republic of China on Environmental Protection, and Law of the People's Republic of China on the Safety of Special Equipment, and required suppliers to comply with safety control requirements, so as to be responsible for both employees and landlords. At the same time, the Company was committed to ensuring the health of employees and their families, calling on employees' families to participate in the safety, fire-fighting and health education activities of BYD Electronic, and improving traffic in the park to ensure their safety. During the reporting period, BYD Electronic did not seriously violate laws and regulations pertaining to occupational health and safety.

In 2024, 13 subsidiaries obtained ISO 45001 certification for the Occupational Health and Safety Management System.

## Creating a Safety Culture Atmosphere

### Strengthening the Cultivation of Safety Awareness and Safety Skills Training for All Employees

The EHS training plan was formulated and Implemented according to the Notice on Implementing the Requirements for the Three-level Training Program on Safety Production for New Employees, the three-level education rate for new employees must be 100%. Regular on-the-job training and education programs regarding safety and environment for employees ensure employees to master corresponding knowledge and technology, and turn themselves from “being required to be safe” into “wanting to be safe”. Work has been done to enrich the safety knowledge of safety management personnel at all levels and provide safety knowledge training for them, with the focus on refreshing their management concepts, updating professional knowledge, and managing and controlling key risks. Continuing education is provided for safety management personnel annually, to strengthen their understanding of new regulations, standards, and safety management requirements.

### Continuously Carrying Out Safety Culture Publicity Activities

Themed activities such as “Safe Environment Month” and “119 Fire Protection Month” are organized. Through various safety knowledge contests and publicity and educational activities, we increased employees’ consciousness of observing labor discipline, process discipline, safety discipline and environmental protection discipline and improving their operation skills. Furthermore, we sum up and propagate advanced experience in safety production to ensure the long-term safe operation of the enterprise. BYD Electronic’s Safety and Environment Department posts standardized publicity materials such as safety signs, warning signs and bulletin boards. We create a good atmosphere of safety culture through the 24-solar-terms culture, safety system class, official account and other publicity methods.

### Improve Emergency Response and Rescue Capabilities

Targeted emergency rescue drills for accidents are organized. The Business Division formulates annual emergency drill plans and follows up their implementation to improve the emergency response and self-rescue capabilities of organizations and personnel at all levels. It continuously strengthens the training for emergency teams at each plant in the manner of special emergency drills, and improves the level of emergency response. This aims to achieve early detection and control of accidents at the initial stage, prevent the spread of the impact of the accident, and improve the emergency plan file system. The Group intensifies the automatic monitoring of gas in flammable and explosive places and the interlocking of emergency ventilation facilities. It strengthens the provision of on-site emergency supplies, such as sprinklers, eye washers, first-aid kits, oxygen (air) breathing apparatuses, and other emergency devices, and ensures they are readily available.

## Key Performance Table

Year	Number of Occupational Death	Occupational Death Proportion	Number of Lost Days due to Occupational Injury	Lost Days due to Occupational Injury Rate (LDR) (Number of days lost per 100 employees)
2022	0	0	670	0.73
2023	0	0	0	0.47
2024	0	0	1,074	0.71

Notes: Occupational death proportion = number of occupational death/total number of employees

Lost days due to occupational injury rate (LDR) = number of lost days due to occupational injury/total number of employees\*100

## CONSTRUCTION OF METAL HEALTH SYSTEM

In order to improve the mental health of BYD Electronic's employees and promote the healthy development of the organization, BYD Electronic continues to organize the Employee Assistance Program (EAP) with the theme of "Inspiring Potential and Living a Happy Life". The EAP aims to popularize knowledge about mental health among employees and improve their mental health through multiple publicity activities and channels, as well as to provide psychological consultation and crisis intervention services to solve employees' psychological problems and distress, so as to improve their mental health. BYD Electronic improves the physical and mental health of its employees while promoting their efficiency, so that every employee of BYD Electronic can "inspire potential and live a happy life".

BYD Electronic provides psychological consultation services for employees. Consultants are regularly invited to the industrial park to provide psychological consultation services to our employees. In addition, for the convenience of more employees, BYD Electronic provides an online psychological counseling platform for employees, which allows them to make online appointments at any time.

BYD Electronic invites senior psychological lecturers to hold large lectures from time to time, which cover topics that employees care about, such as parent-child education, marital relationships, and workplace relationships. At the same time, the propaganda posters about mental health knowledge are regularly updated every month and publicized through emails and official accounts.



## PRODUCT LIABILITY

The Company strictly abides by national laws and regulations such as the Civil Code, the Law of the People's Republic of China on Product Quality, the Standardization Law of the People's Republic of China, Regulations on Certification and Accreditation of the People's Republic of China, Regulations of the People's Republic of China on the Administration of Production License for Industrial Products, the Law of the People's Republic of China on Standardization, the Law of the People's Republic of China on Metrology and the Law of the People's Republic of China on Consumer Protection. The Group strictly enforces the product standards to firmly establish the idea of "quality first", continuously raises the awareness of quality and social responsibility, ensures and improves product quality, fulfills the enterprise's subject responsibility for product quality-related safety, to meet customer expectations and demand for high-quality products and enhance consuming confidence of customers. The 100% customer satisfaction is the goal that the Company will always pursue.

The Company uphold the quality management philosophy of cultivating people before creating products, aiming for customer satisfaction, enhancing the capabilities of all employees, prioritizing prevention, strictly abiding by rules, and implementing closed-loop management. We focus on innovation and safety from the R&D and design stage to ensure that our products are technologically advanced, stable in performance, and recognized by customers. Our business scope covers metal manufacturing for intelligent mobile device terminals and wearable devices, etc. In the raw material procurement process, we strictly follow domestic and international standards and prefer to cooperate with high-quality suppliers worldwide. During the production and manufacturing process, we apply concepts such as total quality management, the "Three Presences" principle, and lean production to ensure the production of products that satisfy customers.

The Quality Policy of BYD Electronic: 100% customer satisfaction is the eternal goal pursued by BYD people. To achieve this goal, we promise: 1. Base ourselves on high-tech and develop the electronic information industry. 2. Put customers first and people at the center. 3. Do our best, explore and seek together, and provide first-class products and services.

The Product Safety and Responsibility Policy: We take it as our responsibility to design and think based on safety, and are committed to designing and manufacturing safe products to meet legal, regulatory, and customer requirements. We also promise to accept the additional time and costs incurred for the sake of safety.

## PRODUCT QUALITY MANAGEMENT SYSTEM

Based on ISO9001, IATF 16949, QC080000, China Compulsory Certification (CCC) rules/specifications and environmental labelling guidelines, as well as requirements of customers, the Company has established a sound and reliable quality management system and a distinctive quality management star rating system model driven by the philosophy of “compare, learn, support, compete, exceed”, rating the quality control of factories on system, processing and product dimensions. Furthermore, BYD Electronic actively conducts quality management system certification, submits to the audits and certifications of external third-party professional institutions, and continuously optimizes and standardizes various management systems. By exploring internal resources and expanding externally, the Company is deeply promoting the organic integration of internal and external quality management systems.

As of the end of the reporting period, BYD Electronic currently has 25 factories that have obtained the ISO 9001:2015 Quality Management System Certification, effectively ensuring the stable operation of the product quality management system. Meanwhile, BYD Electronic also has 18 factories that have passed the IATF 16949:2016 Automotive Industry Quality Management System Certification, which demonstrates the Company's strong capability of manufacturing automotive-grade electronic products.



**PRODUCT QUALITY MANAGEMENT SYSTEM**

CNAS Laboratory Certification: The Testing Center of BYD Precision Manufacture Co., Ltd., the Laboratory of Chengdu BYD Electronic Co., Ltd., and the Testing Center of Huizhou BYD Electronic Co., Limited



Product Hazardous Substances Control

### Raw Material Control:

Establish long-term cooperative relationships with suppliers and require them to provide raw materials that comply with RoHS requirements, along with third-party inspection reports.

### Production Process Control:

Pay attention to details during the processing or production process to avoid contact with pollution sources or the inadvertent addition of toxic and hazardous substances.

Establish a strict quality inspection system to conduct hazardous substances detection for every link in the production process, ensuring that products meet RoHS standards.

[illegible][illegible]



## Product Hazardous Substances Control

### Employee Training and Awareness Enhancement:

Conduct regular training for employees on RoHS standards and environmental protection to enhance their environmental awareness and operational skills.

Encourage employees to participate in environmental protection activities, jointly promoting the green development of the enterprise.

### Continuous Improvement and Compliance Audit:

Regularly conduct compliance audits on the production process and products to ensure compliance with RoHS requirements.

Continuously improve environmental protection control measures based on the audit results to enhance the level of environmental management.

Maintain communication with the certification body, keep informed of the new requirements and changes of the RoHS Directive in a timely manner, and ensure that the enterprise's control measures are consistent with the regulatory requirements.

(As shown in the following example)

Meanwhile, the Company actively promotes the certification of the hazardous substances management system to ensure the safety and environmental friendliness of our products. Among them, Huizhou BYD Electronic Co., Limited and Xi'an BYD Electronic Co., Limited have obtained the IECQ QC08000 Hazardous Substances Process Management System Certification and the ISO 17025 Laboratory Accreditation.





### Hazardous Substance Control Training

We standardize the safe and compliant use of hazardous chemicals of the Company in the links of purchase, storage, use and disposal, ensure the health of employees and the safety of the Company's property, protect the ecological environment, and organize safety education and training for the personnel in contact with hazardous chemicals in various departments to avoid chemical safety production accidents during the operation process and reduce the risk of occurrence. The Company formulates a detailed training plan every year and conducts specialized training on chemical safety management for the personnel of units that may come into contact with chemicals.

#### Case I

In 2024, the Quality Department of the Fifth Division of BYD Electronic conducted an annual training on the Control Requirements for Restricted Substances for interested personnel, which lasted about one hour. This training covers the following contents of ten aspects: ROHS Directive, ELV Directive, REACH Regulation, POPS Regulation, Halogen-free requirement, WEEE Directive, EU New Battery Regulation, US TSCA, California Proposition 65, and CAMDS overview. 92 persons participated in this training, and we assessed the participants after the training, with an average score of 85.93. After this training, the participants made a course evaluation, and the comprehensive satisfaction of the course reached 4.86 points (out of 5 points).

## Hazardous Substance Control Training

### Case II

In 2024, factories of ALPHA Structural Components Division of BYD Electronic conducted training courses on hazardous substance control, including QC080000 training, HSPM training, ROHS basic knowledge training, customer HS requirements and internal HS management procedures training. Covered person-times: 21,056 person-times, training duration: 674 H.

## R&D Quality Control

Each business unit of BYD Electronic has established a new product management program, adopted the product lifecycle management (PLM) management system for consumer electronics products. The research and development quality of products are ensured through relevant procedures established for early concept, project proposal, proofing, trial production and mass production transfer as well as material development and product changes. When participating in new projects/early development of products of customers, suppliers are also invited to participate in early product development to ensure quality meets customer needs and early identification to avoid later changes. Through the lifecycle control from pre-evaluation to production validation and then to mass production and post-sale, we assess the maturity level through phased review to ensure the design quality of products throughout their lifecycle, and review the Lesson Learn course of each phase to gain experience for future projects.

## R&D Quality Control

In the meantime, we have strict quality benchmarks for automotive vehicle parts products covering from design to prototyping and mass production. Risks are identified from special product characteristics and through failure mode and effects analysis (FMEA). Components of high risk must undergo multi-staged evaluation from the research and development E process. Those with medium risk will be evaluated in prototyping. Components with low risk are inspected and rectified by the factory. We meet the design and development requirements of and market demands for our products by setting product quality objectives that satisfy market requirements and formulating product reliability standards and appearance standards that conform to corporate standards and national standards. Through promoting products to conduct hardware testing, software testing, subjective matching testing, vehicle on-road testing and other testing means and following up the settlement of problems found in the testing, we ensure that the products meet the quality for vehicle shipments and satisfy the after-sale quality requirements of the market. By means of systematic software BUG management, software maturity management and release evaluation for software editions, we ensure that the software is capable of meeting the product progression requirements stipulated for the E process. The quality capability evaluation for new products is intended to inspire factories to focus on yield and pacing, so as to prepare them for mass production of vehicles and ensure components will pass Off Tooling Sampl (OTS) and Production part approval process (PPAP) approvals.

## Process 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 the manufacturing execution system (MES) system to collect, analyse and monitor product data so as to ensure its production capacity and product quality, with the objective of delicate manufacturing facility management, intelligent on-site quality control, legal compliance, and meeting customer demands.

### Rigorous inspection process, effective inspection method

The Group's Incoming Materials Inspection and Management Procedure, Manufacturing Process Quality Management Procedure, Finished Product Inspection and Management Procedure, and relevant inspection instructions and inspection standards ensure the quality control of products from incoming materials to delivery, and ensure that all products conform to regulatory requirements and are sufficiently inspected before they leave the factory.

### Ensuring zero defects based on strict control

The Group has established its own laboratory and inspection center. The laboratory, equipped with more than 8,000 major instruments and equipment, covers an area of 40,000 square meters, and is operated in accordance with the institutional requirements under the ISO/IEC 17025: 2017, CNAS-CL01: 2018 "Accreditation Standards for Testing and Calibrating Laboratory Competence". Effective control of the laboratory from personnel, environmental facilities, equipment, inspection methods and other aspects has provided strong support for the inspection of products developed by the Company, so as to ensure the quality of the Company's products effectively. Safeguards also come from performance and function tests on incoming materials, processes and finished products.



## Industry Exchange

BYD Electronic is committed to the research and development and optimization of product manufacturing technology to improve production efficiency and product quality, achieve transformation and upgrading towards high-end intelligent manufacturing, and maintain high manufacturing competitiveness through technology driven cost reduction and efficiency improvement. BYD Electronic actively participates in industry related exchange conferences, learns and understands the diversification and foresight of industry technology, and reserves new technologies for its long-term development.



20 March 2024- 22 March 2024  
SEMICON China & the 18th Session  
Laser World of Photonics China



Shenzhen Second R&D Cost Reduction  
Summit on 16 November 2024



Zhuzhou Third Wave Cutting  
Simulation on 14 November 2024  
Seminar on Technology  
Accelerated Cutting Tool Design



2024 AWC Shenzhen International  
Intelligent Connected Vehicle  
Industry Exhibition



The 25th China International  
Optoelectronics Exposition in 2024 (CIOE)



Qingshan Seminar -CAE Knowledge  
Training



## Industry Exchange

### Qingshan Seminar-CAE Knowledge Training

As the important industrial software for R&D and design, CAE simulation software can optimize product design schemes, improve product performance, shorten development period and reduce design costs, and predict the functional availability, reliability, efficiency and safety of products through simulation. CAE is the vanguard of automobile development and the integrator of performance optimization. It has developed step by step into the strongest assistant of current engineering design, and use mathematical algorithms to realize the simulation and system analysis of various physical fields. The relevant personnel of automobile projects of the Third Division of BYD Electronic actively participate in understanding and learning CAE.

On 25 April 2024, the fifth session of the Qingshan Seminar was launched. The Company invited experts to share their knowledge on “Basic Theory and Application of CAE & Strength of Mechanical Parts” and “Fundamentals of CFD (Computational Fluid Dynamics)”, learning about and understanding CAE. Meanwhile, the course introduced the basic theories of the Computational Fluid dynamics (CFD) and the Mechanical Strength, two important disciplines supporting CAE.

### 2024 AWC Shenzhen International Intelligent Connected Vehicle Industry Exhibition

2024 AWC Shenzhen International Intelligent Connected Vehicle Industry Exhibition, an industry exhibition focusing on intelligent connected vehicles, was held at Shenzhen World Exhibition & Convention Center from 6 November to 8 November 2024. The main exhibits included automotive electronic components, core components and electrical/electronic technologies for new energy vehicles (NEVs), automotive software, intelligent vehicles and IoV, NEV and battery technologies, new materials in the automotive industry, and automotive engineering and assembly technologies. The conferences focused on the electrical/electronic architecture (EEA) for next-generation intelligent vehicles, with discussions centred on the key hardware and software technologies of the new EEA. Topics covered new electrical/electronic information architectures, in-vehicle communication technologies, central computing platforms, Hypervisor, Autosar, as well as the safety, reliability and evolving challenges of the entire vehicle's digital architecture. Personnel from the automotive projects of the Third Business Division of BYD Electronic actively participated to gain insights into advanced manufacturing technologies, leading design concepts and the latest material information within the industry. These insights were of significant reference value for the development of new products.

### AFTERSALES SERVICE

The Company has the MES system traces the whole material system where the Customer Complaint Handling Procedure defines the responsibilities and processes of receiving, handling and feeding back customer complaints, responds to customer complaints in a timely and effective manner, and formulates corrective and preventive measures to avoid product responsibility risks. For product safety, we follow the “Product Safety and Responsibility Management of BYD”, requiring system planning, management requirements of product safety and responsibility related to design, manufacturing, sales and aftersales service processes from product safety. The Company has set up the “Customer Satisfaction Management Procedure” to manage customer satisfaction. There was no complaint from HSF customers and no material quality incident throughout 2024.

### SOUND RECALL MECHANISM

The Company has established the Return Handling Operation Process and the Management Procedure for Non-compliance, and the product quality should conform to the Product Quality Law of the People’s Republic of China (《中華人民共和國質量法》), so as to ensure that customers’ returned products (including related suspicious inventory) are handled in time, and corresponding analysis and improvement are carried out to prevent the same problems from happening again and enhance customer satisfaction. There was no incident in which a product is required to be recalled for quality-associated safety or health reasons throughout 2024.

## QUALITY CULTURE DEVELOPMENT

BYD Electronic is committed to integrating quality culture into every aspect of its management and operational activities. Through long-term practice and accumulation of experience, the Company has summarised and refined successful quality management practices into a unique quality culture framework, known as “Quality Culture 123”, which consists of “one core”, “two goals” and “three principles”. To promote this quality culture throughout the Company, BYD Electronic organises a variety of activities annually, including quality month, skill competitions, quality lecture hall and craftsman appraisal events. These activities aim to deepen the understanding and implementation of quality culture across the entire organisation, enhance the quality management capabilities of all employees, and strengthen their sense of identification with and responsibility for BYD’s craftsmanship mindset and quality requirements.

The Company conducts the “Quality Month” thematic activities in September every year, aiming to enhance the quality awareness and capabilities of all employees from top to bottom and to create an atmosphere where everyone values quality across the Company. During the year, the Company held the 6th Quality Month with the theme of “Quality Culture 123: Focusing on BTS Employee Quality”, and conducted more than 200 activities across major bases, parks and factories nationwide. At the Company level, the President, Vice Presidents and General Managers personally participated in a series of quality culture promotion activities, including BTS bigwigs’ talk and quality lecture hall, which set a positive example in encouraging employees to engage in quality culture activities. At the level of business divisions and factories, the Company also synchronously held quality culture promotion activities such as debate competitions.

BYD Electronic has been systematically implementing Lean Six Sigma management from 2016 to 2024 for nearly seven years, and has carried out a total of more than 6,900 projects up to now, with a cumulative number of over 11,000 participants in lean production projects. Outstanding projects have won numerous awards in the Company’s improvement competitions, and in municipal and national professional competitions.

## SUPPLY CHAIN MANAGEMENT

With the aim of “prevention first, combined prevention and control”, BYD Electronic implements comprehensive risk management. BYD Electronic manages suppliers and the procurement process on the basis of a series of supplier management systems formulated by the Company, such as the Requirements for Suppliers of BYD, the Management Regulations for Supplier Introduction, Utilization and Withdrawal of BYD, the Management Rules for Supplier Audit of BYD, the Performance Evaluation Management Rules for Productive Material Suppliers of BYD and the Specific Measures for Supplier Corporate Social Responsibility Management of BYD. Such management systems are updated and optimized annually with new laws and regulations of international, national, local and industry associations, as well as the requirements of customers included. The supplier management systems define the social responsibility requirements for supply chain partners from the aspects of labor standards, occupational health and safety, environmental management, trade safety, anti-corruption and anti-commercial bribery. The Company clarifies in relevant documents that suppliers shall not purchase conflict minerals. The same prohibition extends to their lower-tier suppliers, whom will be investigated by these suppliers. The Company has publicized the corporate social responsibility requirements and high attention to corporate social responsibility of BYD Electronic to all suppliers through various ways.

BYD Electronic has established the risk management committee and a procurement taskforce. The procurement taskforce of the risk committee is responsible for collecting the risk management information of the supply chain and conducting risk assessment, setting risk thresholds and devising corresponding countermeasures, regularly summarizing and analyzing the effectiveness and reasonability of the existing risk management strategies, and constantly revising and improving them according to the actual situations. In 2024, the electronic procurement taskforce identified 18 risks, analyzed the causes and effects of these risks, and formulated risk strategies and countermeasures.

### Number of Suppliers

The Group currently has 5,081 suppliers, 52% of which are located in Southern China, 25% in Eastern China, 7% in the central and western regions and 16% in other regions by the end of 2024. In recent years, with the development of new businesses, the proportion of suppliers of BYD Electronic in other regions maintains an upward trend. BYD Electronic boosts local economic development and increases job opportunities through the industrial chain.

### Selection of Suppliers

Before introducing new suppliers, BYD Electronic will investigate and verify the supplier's qualifications and violations of laws and regulations, and require the supplier to fill in the Supplier Corporate Responsibility Questionnaire of BYD Electronic. Those who fail to meet the requirements will be rejected for cooperation.

The Group will also sign the relevant cooperation agreement which contained CSR provisions with such suppliers before the introduction, to guide and supervise the suppliers to respect human rights, treat employees preferentially, and protect the environment. In 2024, all the 5,081 suppliers of BYD Electronic signed the relevant cooperation agreement which contained CSR provisions.

The Supplier Audit Form will be used to review whether the supplier meets the requirements of BYD Electronic. The Form features dedicated modules of "corporate social responsibility", to conduct on-site audit and verification on the social responsibility management of suppliers and their downstream supply chains from various aspects like labor and human rights, environmental protection, and other aspects. The one-vote veto is provided in multiple provisions. For materials with hazardous substances free (HSF) requirements, the Group confirms the compliance of the supplier's HSF data at the sample certification stage, and requires the supplier to submit relevant questionnaires, test reports, analysis reports, etc. Those who fail to meet the requirements will not be used.



## Selection of Suppliers

### Review and Evaluation of Suppliers

BYD Electronic regularly investigates and reviews 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 followed up on the rectification and closure for the non-conformities to facilitate improvement. Suppliers failing to rectify to the standard within the given time may be severed from BYD Electronic's supplier network, depending on the actual situation. Among the qualified suppliers, BYD Electronic drafts a list based on the nature of source materials, such as those with high energy consumption and pollution, like die-casting, casting, PCB, and electroplating. Suppliers of listed materials will be reviewed as per the Company's Annual Report on Important Performance Indicators of Environment and Humanities. If the investigation results do not meet the requirements or the energy consumption of the supplier increases significantly, the supplier will be asked to implement rectifications, a process that will be followed up by the Group. A conflict mineral survey was conducted on suppliers of tantalum, tin, tungsten and gold materials that are included in products or used in manufacturing processes. The survey results showed that 3TG used in the supply chain came from conflict-free mineral smelters recognized by CFSI. For materials that have HSF requirements, the HSF compliance of the materials is confirmed during incoming inspection. After change or expiration of HSF data, the supplier is required to provide HSF data again.

BYD Electronic regularly inquires about its suppliers on the government website, to check whether any of its suppliers is included in the government's blacklist, or there are violations. If any, BYD Electronic will require the supplier to rectify in time. If the rectification does not meet the requirements, BYD Electronic will stop its cooperation.

## Selection of Suppliers

### Review and Evaluation of Suppliers

#### Supplier admission

- Conduct a strict review of qualification documents to ensure that suppliers have no illegal or non-compliant behaviors.
- Carry out on-site inspections and evaluations for new suppliers. The inspection dimensions cover aspects such as product quality, labor and human rights, environmental protection, etc., and set up a clause of the veto power.
- Require suppliers to fill in the Corporate Social Responsibility Questionnaire and sign the Supplier Code of Conduct, and put forward requirements for the sustainable management of suppliers.

#### Supplier auditing and evaluation

- Quality Audit: Implement quarterly scoring and grading for suppliers, and manage new project cooperation by regularly adjusting the supplier grades.
- Annual Audit: Conducted through on-site audits and video audits. The audit covers all production materials and 100% of qualified suppliers. It can be initiated at any time when major abnormalities occur.
- Key Raw Material Audit: Carry out mineral supply chain investigations on suppliers whose products contain or use tantalum, tin, tungsten, gold, and cobalt materials in the manufacturing process.

#### Supplier elimination

- For suppliers with audit issues, they are required to rectify the problems within a specified time limit, and a re-audit will be conducted within six months. If the rectification and the subsequent audit do not meet the requirements, the cooperation with them will be terminated.

## Selection of Suppliers

### Supply Chain Platform

Practicing the three guidelines of fairness, transparency (with traceability) and competition

BYD Electronic practices the procurement guidelines of fairness, transparency (with traceability) and competition with suppliers, and works together to create a clean and open business environment. To strengthen the supervision and management of the entire procurement process, the audit and supervision department of BYD Electronic has set up a procurement supervision department to conduct full inspection of purchase orders and comprehensive supervision of procurement operations. The Company posts complaint and supervision signs at various meeting rooms, production bases and freight station and publicized various complaint and supervision channels such as the complaint and supervision hotline and mailbox, and WeChat official account. The Company accepts the supervision and reporting of all parties, and grants rewards for the verified supervision and reporting based on the system. All violations of the sunshine procurement policy will be severely punished upon verification, to build a procurement environment with fairness and transparency.

BYD Electronic reinforces competitive procurement. The “Electronic Business Procurement Committee” has been established by BYD Electronic to make decisions on the entry and exit of suppliers. The guidelines of fairness and transparency have been practiced in supplier management. The Company’s bidding center was established to strictly implement the procurement method based on bidding, supplemented by competitive bidding and careful use of bargaining. Through a fair and transparent supply chain platform, eligible suppliers are invited to participate in the competition and suppliers are selected in strict accordance with the competition results.

## Supply Chain Responsibility

BYD Electronic adheres to responsible sourcing, continuously improves the ESG management system for suppliers, actively promotes green procurement, gradually increases the localization rate of the supply chain, and advocates conducting business in a responsible and sustainable manner.

### Green Procurement

In terms of supply chain and raw materials, BYD Electronic always adheres to green procurement, establishes a sound green procurement system of “green suppliers and green raw materials”, and standardizes various environmental management in procurement, to ensure that every purchased component and part meets the green environmental requirements.

#### Green evaluation mechanism

- Based on the characteristics of materials, require suppliers to provide system certification certificates such as ISO14001.
- Include in the performance evaluation items whether the incoming materials from suppliers are inspected for HSPM (Hazardous Substances Process Management) and whether they have signed the environmental management substance standards.

#### Green raw materials

- Use environmentally friendly materials and reduce the use of hazardous substances. For example, gradually replace the material of automotive floor mats with TPE floor mats that are free of formaldehyde, environmentally friendly and odorless.

#### Green logistics

- We are committed to more environmentally friendly transportation methods. For instance, we actively promote low-carbon maritime transportation and road transportation using new energy vehicles, etc., to reduce air pollution.

#### Green packaging

- We promote the use of recyclable logistics packaging materials. For example, we gradually replace the cartons, wooden packaging boxes, etc. used in the transfer process of electronic products with recyclable blister pallets, which have a recycling service life of more than 3 years, greatly reducing resource consumption.

## CONTRIBUTIONS TO COMMUNITY

BYD Electronic has established an extensive global network of production, sales, and supply chains, making a significant impact on the many communities involved in our value chain. The Company deeply recognises the close connection between businesses and communities and remain committed to promoting community well-being while driving sustainable social development. Through job creation, technological empowerment, knowledge sharing, and resource support, the Company actively contributes to community development and progress, further amplifying our positive impact on society. The Company also places great emphasis on mitigating potential negative impacts on communities by actively engaging in communication. The Company implements various measures to manage risks, striving to balance economic benefits with environmental and social responsibilities while fully supporting global sustainable development goals.

### Community Management and Communication

BYD Electronic regards community management as an important part of its sustainable development strategy and is actively promoting the formulation of community management policies. We are committed to establishing a systematic mechanism to identify, assess, and manage community-related impacts, risks, and opportunities, ensuring a mutually beneficial synergy between corporate growth and community well-being.

The Company recognises the potential risks that our operations may pose to communities and strives to conduct business activities based on the principle of minimising negative community impact and adopt standards that exceed regulatory requirements in many areas. During the factory site selection phase, the Company considers factors such as wind frequency, wind speed, and terrain to ensure a layout that minimises adverse environmental impacts on residential areas. During the production and operation phase, the Company continuously refines and upgrades its processes to reduce emissions and improve environmental performance. For significant negative impact, the Company has established various reporting channels. Affected communities can report misconduct or illegal activities via hotlines, email, official accounts and official platforms. The Company collects feedback and takes corrective measures accordingly. For more information on our reporting channels and the measures the Company takes to protect whistle-blowers from retaliation, please refer to the section headed “Business Ethics” of this report.

BYD Electronic is committed to fostering an inclusive, equitable, caring, and harmonious community environment, integrating corporate development with community cultural development. Through diverse and inclusive mechanisms, the Company focuses on community well-being, safeguard human rights, and responds to public concerns, ensuring a strong alignment between corporate activities and community needs. The Company sincerely listens to the opinions and suggestions of various community groups and



## Community Management and Communication

offers various communication channels, including open house events, hotlines, and social media, to facilitate effective communication with community residents. To ensure the effectiveness of our communication mechanism, the Company promptly addresses residents' concerns through an issue-tracking system and continuously improves communication processes. The Company ensures that all concerns are acknowledged and addressed while strictly complying with domestic and international laws and regulations to protect the rights of all community groups.

## Parks of Happiness

In 2024, in order to build parks of happiness and continuously improve the satisfaction and happiness of employees, the Company organized a rich series of staff care activities in its industrial parks across the country, mainly including social parties for fun sports event, music festivals, soccer games, badminton games and other recreational and sports activities. These activities enriched the spiritual life of employees in many ways and through many channels, providing them with an all-round sense of well-being. In addition, to meet the diverse lifestyle needs of its employees, BYD Electronic actively promotes the development of corporate culture and offers leisure and entertainment venues and sports facilities for its employees.

Spring Festival: on the eve of the Spring Festival, BYD Electronic distributed the "Prosperity in the New Year (風生水起)" gift packages to over 100,000 employees. We offered customised daily necessities gift boxes to bring warmth to employees, distributed a variety of customised gift boxes to express our gratitude for their dedication throughout the year, and provided customised cultural and creative merchandise to embed the best wishes of the "Prosperity in the New Year" (風生水起) in their hearts.

BYD Electronic also organizes special activities on special holidays and prepares holiday gift packages for its employees to express its care for employees. On International Women's Day, gift boxes are distributed to female employees, and activities such as artistic hand-painting and floral arrangement are organised.

On the eve of the Mid-Autumn Festival, BYD Electronic distributed "Full Moon in E-Hometown" mooncake gift boxes for celebrating the Mid-Autumn Festival with joy, so as to send sincere care and good wishes to the employees.

## Parks of Happiness

**Caring for employee health, enjoying the pleasant spring.** The “e-Adventure Spring Outing (e起踏青活動)” officially kicked off, attracting over 5,000 participants. Grouping in teams of ten, employees took on a group hiking challenge. Upon reaching designated distance milestones, teams earned the opportunity to enter a prize draw. Multiple prize rounds enhanced both engagement and excitement, making the event even more enjoyable for all participants. In addition, “Caring Free Clinic” activities were conducted in various industrial parks..

**Showcasing excellence in the sports, where sweat and passion soar together.** At the sports venue, the “Lean Cup” series of ball games brought about excitement ceaselessly, attracting over 100 participants. Employees enthusiastically competed in teams representing their respective business units. They fully embraced the competitive spirit of “comparing, learning, catching up, helping and surpassing”, demonstrating unwavering determination to claim victory.



Floral arrangement workshop



Lean Cup



e-star

## SOCIAL WELFARE



### Educational donations

Education is the cornerstone of national revitalisation and social progress, while alumni contributions serve as a continuous driving force for the growth of their alma mater. Mr. Wang Nian-qiang, the executive vice president of the BYD Group, the CEO of BYD Electronic, and the vice chairman of the BYD Charity Foundation, is deeply committed to the development of his hometown, Zongyang County in Anhui Province. On the occasion of the centennial celebration of his alma mater, Fushan Middle School, he made a designated donation of over RMB11 million through the BYD Charity Foundation, which supports a teaching award fund project and the construction of the school's history museum, demonstrating his strong sense of social responsibility as a corporate executive and his passionate support for education through concrete actions.

### Donation in the wake of Typhoon Yagi in Vietnam

In 2024, Typhoon Yagi No. 3 brought strong winds and heavy rains, violently lashing the northern regions of Vietnam and causing severe economic losses and casualties. Due to the flood discharge from the upper reaches, the water level of the Red River rose rapidly. The surrounding fertile farmlands and villages were submerged, and many roads and bridges were washed away. The disaster situation was extremely severe, bringing great distress and suffering to the local residents. In the face of this urgent situation, the Company responded immediately and promptly donated 1.2 billion Vietnamese dong to support the local flood relief work. This donation is used to help the affected areas carry out emergency rescues, restore infrastructure construction, and provide urgently needed material support to the affected people. Our timely assistance safeguards the lives and safety of the affected people and is also a profound practice of our social responsibility and humanism from a global perspective.



Donation in the wake of Typhoon Yagi in Vietnam

### “Blood Donation Vehicle Entering the Park” Voluntary Blood Donation Activity

On March 13, 2024, the Human Resources Department of BYD, in collaboration with the Shenzhen Blood Center, successfully held the “Blood Donation Vehicle Entering the Park” voluntary blood donation activity. At BYD's Baolong Park, employees demonstrated love and responsibility through practical actions. Nearly 60 employees participated in blood donation, with a cumulative blood donation volume reaching 17,100 milliliters, fully demonstrating the spirit of “boundless love” among BYD employees. The enthusiastic response of Baolong Park employees to the public welfare call further reflects the spirit of unity and mutual assistance. The Company will continue to carry out various forms of public welfare activities, calling on more employees to join and jointly contribute to the harmony and development of society.



Voluntary Blood Donation Activity



### Donation of Flood Control Supplies

In July 2024, due to the impact of continuous heavy rainfall, the flood control situation in Changsha was severe. BYD Electronic delivered consolation supplies to the front-line flood control personnel in Suliao Village, Chating Town, Wangcheng District, extending cordial greetings and high respect to the most admirable people fighting on the front line of flood control.



### Books for Vegetables

On World Earth Day, BYD Electronic launched the "Books for Vegetables" themed activity. Employees could exchange their idle books for fresh vegetables, enabling the circulation of old books and breathing new life into knowledge.



### Meet a Better Us

BYD Electronic held the "Meet a Better Us" themed Family Day, opening up its own resources to the public, promoting knowledge sharing and community interaction. Through activities such as workshop experiences, game interactions, graffiti painting, charity auctions, and visits to the science and technology museum, it enhanced the family relationships of employees, effectively spread scientific knowledge, and simultaneously contributed to the development of public welfare undertakings.





## INFORMATION SECURITY

BYD Electronic places great emphasis on information security for both itself and its customers. It strictly complies with relevant laws and regulations, including the Cybersecurity Law of the People's Republic of China and the Data Security Law of the People's Republic of China, actively promotes the construction of standardised information systems, and has established a high-standard, comprehensive data security management system that meets regulatory requirements. This system provides a solid information security foundation for serving customers both domestically and internationally. In 2024, the Company did not experience any information security data breaches.

### Information Security Management

The Company has established an information security management structure comprising the Information Security Management Committee, the Secretariat, and the Information Security Executive Committees of business divisions. The Information Security Management Committee, which is under the Board of Directors, is responsible for making decisions and overseeing the operation of the information security management system, and for ensuring the effective implementation of information security strategies and policies. The Information Security Executive Committees of business divisions are responsible for implementing the relevant work and regularly reporting on the progress of information security-related activities.

The Company continues to refine the information security management system and take a range of measures to enhance the Company's ability to defend against information security risks, thereby effectively safeguarding the security of the Company's data assets.

### Information Security Technology

- We have introduced a third-party vulnerability scanning platform to conduct vulnerability scans and analyses on newly launched systems and those in operation. Additionally, we carry out simulated hacker attack and defence drills at irregular intervals

### Information Security Risk Identification

- We conduct annual information security risk identification and assessment, covering all risk items in key areas. We develop risk assessment plans by integrating the Company's business conditions and identified security threats

## Information Security Management

### Information Security Audit

- We establish annual information security audit plans, conduct internal information security audits within business divisions, and verify the establishment and implementation of the information security management system within business divisions

### Information Security Certification

- We have passed ISO 27001, TISAX, ISO SAE 21434, UN R155, UN R156, and MLPS Level III certification, and obtain the corresponding certificates

## Information Security Promotion

To enhance employees' information security awareness, the Company uses a combination of online and offline methods to provide information security training for information security executive officers of business divisions, personnel in key information security positions, information system administrators, and newly hired employees. This effort aims to increase their sensitivity to information security incidents and improve their response capabilities. With the rapid development of our business, the scope of the Company's information security management has expanded to include the upstream and downstream supply chains. The Company has organised three information security training sessions for suppliers, covering a total of 450 person-times. The aim is to enhance suppliers' information security awareness, reduce information security risks, and avoid the occurrence of information security incidents due to insufficient awareness.

In 2024, BYD Electronic conducted a total of 1,205 information security training sessions. The training rate for employees in professional positions reached 100%, with employee participation exceeding 230,000.

## INTELLECTUAL PROPERTY PROTECTION

BYD Electronic has formulated its intellectual property strategy, adhering to the concept of “technological innovation changes the world, intellectual property competes for the future”, strengthening intellectual property protection with a value-oriented approach, complying with and applying international rules and regulations, jointly building technical standards, leading the development of the industry and promoting social progress. After years of exploration, accumulation and development, BYD Electronic has completed three phases of intellectual property rights, namely “quantity doubling”, “quality improvement” and “patent layout”, and has achieved the original accumulation of quantity of intellectual properties, quality enhancement of patents and intellectual property protection of associated patent portfolio. At present, the Company has entered the phase of value patents, focusing on patent quality improvement and exploration of value patents. Through the oriented guidance in the phase of value patents, the R&D department will be guided to carry out in-depth, multi-dimension and all-round technological innovation, explore and lay out a better and higher-value patent portfolio, and realise the creation and application of high-value patents, so as to take the intellectual property rights to a new horizon.

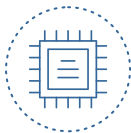
### Intellectual Property Rights Protection Policies

Based on the philosophy of “institutionalization of policies, proceduralization of systems and electronization of procedures”, BYD Electronic manages intellectual property rights with a holistic approach encompassing the creation, protection and application of intellectual properties. The system of intellectual property rights protection is constantly optimized to facilitate the healthy development of intellectual properties protection in the Company, and take the intellectual property rights to a new horizon. Through formulation and operation of a full-process, system-wide intellectual property rights system, the Company made clear its intellectual property related duties and goals and established a long-term mechanism for the application, management and utilization of the Company’s intellectual property rights. The Company has launched the intellectual property management platform to realize the full-life management of intangible assets such as patents, trademarks and copyrights, making the management of the Company’s intangible assets more centralized, more efficient and safer.

As of 31 December 2024, BYD Electronic had a total of 11,243 patent applications, among which 7,921 patents had been authorized.

# THE ART OF GOVERNANCE

- COMPLIANCE OPERATION
- RISK MANAGEMENT
- BUSINESS ETHICS
- WIN-WIN PARTNERSHIP



# THE ART OF GOVERNANCE

With the accelerating pace of global economic integration, enterprises are confronted with unprecedented opportunities and challenges. The governance capabilities of enterprises are of great significance for them to navigate the complex and ever-changing market environment. Meanwhile, "the art of governance" has emerged as a crucial criterion for assessing the comprehensive strength of an enterprise. As a commercial entity, BYD Electronic adheres to the principle of operating in good faith, abides by business ethics, and abides by all applicable laws and regulations, regulatory provisions, industrial norms, rules and regulations, as well as relevant international treaties and rules in China and the countries and regions where its businesses are located. BYD Electronic continuously refines its corporate governance framework and risk management mechanisms to safeguard the legitimate rights and interests of investors. It adheres to high-standard business ethics and compliance requirements, and deepens the cultivation of an integrity-based corporate culture. The Company is committed to protecting its information security, ensuring that the privacy of customers and employees remains intact. Moreover, it places significant emphasis on product quality and R&D, with the aim of continuously enhancing its overall corporate competitiveness.

## COMPLIANCE OPERATION

BYD Electronic formulates compliance management system, integrates compliance requirements into all business and management processes, and standardizes all activities of production, operation and management. The BYD Code of Conduct explicitly requires compliance with laws and regulations on personal information protection, export controls and economic sanctions, anti-monopoly, competition and fair-trade in countries of operation. BYD Electronic attaches importance to and continues to create a culture of compliance and honesty, requires employees to strictly abide by national laws and regulations, business code of conduct and the company's rules and regulations, seriously study and abide by the compliance requirements related to their responsibilities, receive compliance training, actively identify, report and prevent and control compliance risks, refuse violations, take responsibility for the compliance of their own behaviors, and take the initiative to report violations at the same time.

BYD Electronic has dedicated intellectual property and legal departments to encompass relevant intellectual property and legal affairs throughout the Company. 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 Legal Dispute Management Policy of BYD, the Contract Management Policy of BYD, the Code of Business Ethics of BYD, the Anti-monopoly and Fair Competition Compliance Management Regulations of BYD, the Export Control Administration Regulations of BYD and the Personal Data Protection Management System of BYD updated in a timely manner; supporting procedures have also been established to ensure that all operations abide by laws and regulations. The Company has built a platform for management of legal affairs, including a contract management platform and a dispute case management platform, which effectively avoid the risk of personnel operation or fraud, and standardise the case-handling process.



## COMPLIANCE OPERATION

### Compliance Training

Compliance culture is an important part of company culture. BYD Electronic regularly organizes training and exchange activities, builds a comprehensive training system for management, personnel from key positions and new recruits. The Company-developed online general education courses on key legal compliance modules – personal information protection and data compliance, export control, antimonopoly, anti-corruption and anti-commercial bribery. In addition, the Company organised compliance training for new recruits and held special training sessions on legal compliance practices in important areas, key personnel and key links. BYD Electronic has established a compliance culture through the construction of a comprehensive compliance management system, compliance training and compliance publicity, strengthening the awareness of all employees of legal compliance, integrity and compliance operation, and guiding all employees to consciously implement compliance concepts and comply with compliance requirements.

### Compliance Performance

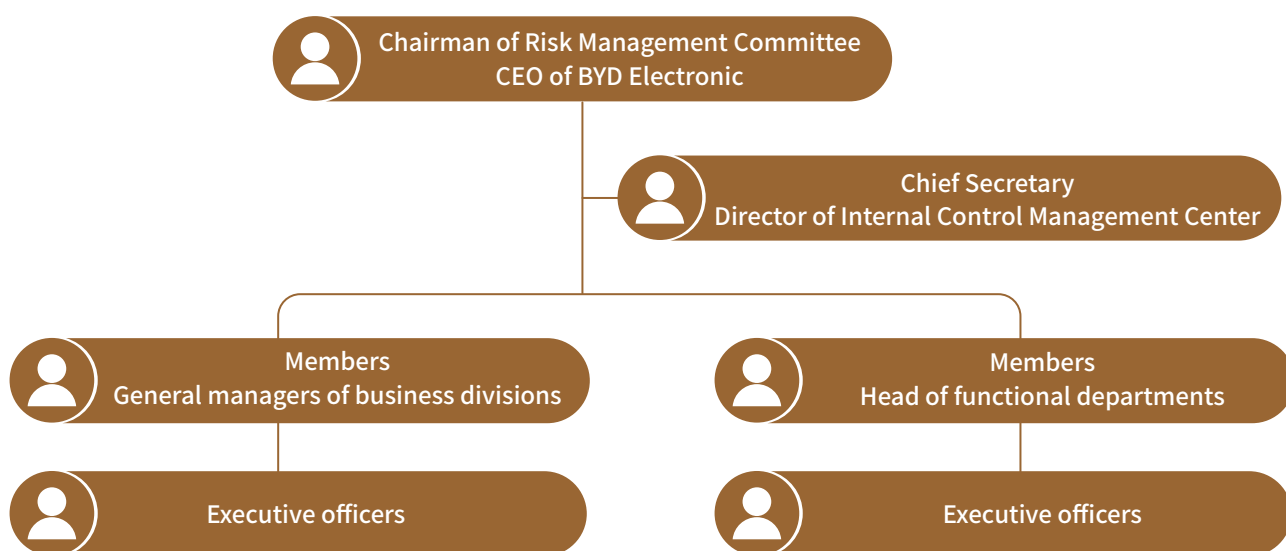
Anti-corruption Training	Unit	2024年
Average number of anti-corruption training sessions per Director	Session	5.5
Average anti-corruption training hours per Director	Hour	5.5
Number of Directors who received anti-corruption training	Person	4
Proportion of Directors receiving anti-corruption training	%	57.14
Number of employee anti-corruption training sessions	Session	110
Anti-corruption training hours for employees	Hour	15,373
Proportion of new employees receiving anti-corruption training	%	100

## RISK MANAGEMENT

Relying on a risk management organization that aligns with the modern corporate governance structure, the Company prioritizes the prevention of major risks. Based on internal regulations such as BYD Corporate Internal Control and Regulations on the Evaluation of Internal Control of BYD, the Company standardizes the procedures for identifying, assessing, and reporting major risks. The Company also strengthens the management of major risks, information communication, and supervision, aiming to safeguard the safety of the Company assets, ensure legal and compliant operations, guarantee the authenticity and completeness of financial reports and related information, and promote efficient and sustainable business operations.

To enhance the Company's risk management capabilities, the Company has established a risk management and internal monitoring system within the scope of authorization from the board of directors and the audit committee. The management conducts daily and special supervision to inspect the implementation of risk management and internal control, and reports the inspection results to the board of directors to assist the board in further improving the system construction.

### Risk management of BYD Electronic: Organizational structure



## BUSINESS ETHICS

BYD Electronic abides by business ethics, strictly prohibiting corruption, bribery 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 or any other form of activity intended to affect BYD Electronic's relevant business decision in order to acquire abnormal or inappropriate advantages. BYD Electronic strictly abides by relevant laws, regulations and regulations such as the United Nations Convention against Corruption, the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Interim Provisions on Prohibiting Commercial Bribery. During the Reporting Period, BYD Electronic did not have any violations of laws and regulations related to corruption, bribery, fraud, etc., which had a significant impact on the Company's operations.

The Company maintains a zero-tolerance attitude toward any corruption, and imposes severe punishment upon any corrupt conduct. The audit supervision division of BYD Group together with the internal control department of BYD Electronic conduct investigations on corruptions in accordance with rules and regulations of the Company to fight every corrupt phenomenon and hold those corrupt employees accountable. Based on their experience and innovations, they not only cracked down corruptions, but also realised an anti-corruption approach characterized by the combination of corruption prevention with corruption combat. In 2024, BYD Electronic further enhanced anti-corruption measures and introduced innovative anti-corruption strategies. Considering the actual situation of business development of the Company and based on well-established anticorruption experience in the industry, the Company developed an anticorruption mechanism characterised by full-employee participation, full-chain prevention and comprehensive supervision, in which the prevention, control and punishment are synchronised.

In 2024, all suppliers of the Company signed the "Supplier Anti-Commercial Bribery Commitment of BYD", reflecting mutual trust between BYD Electronic and its suppliers and partners, and representing a firm commitment to create a clean cooperation. The Company takes concrete actions to implement the procurement requirements and build a fair, transparent and competitive procurement environment to propel our supplier partners to focus on technological innovation and product competitiveness enhancement, thus jointly driving the sound development of the industry. BYD Electronic advocates fair and transparent competition, and resolutely opposes and resists unfair competition, with the aim of protecting the rights and interests of competitive suppliers and selecting more truly competitive suppliers. BYD Electronic will work together with suppliers to create a clean business environment and protect the healthy development of the industry through alliance among strong parties.

## BUSINESS ETHICS

### SYSTEM BUILDING

In order to ensure the standardization, normalization and systematization of anti-corruption, BYD Electronic keeps improving its system construction according to relevant laws and regulations and international standards as well as in line with business practices, to provide comprehensive system support for anti-corruption. In this way, the Company ensures that execution, investigation and punishment are based on the specific standards, procedures and grounds. The system is constantly improved on the basis of the business practice and regular review.

### REPORTING, SUPERVISION, ACCOUNTABILITY AND COMPLAINT MECHANISM

BYD Electronic advocates “all staff participating in anti-corruption and supervision”. We will ensure strict punishments for fraud and corruption, and hold accountable dereliction of duty, such as neglect of duty and abuse of duty. In order to give full play to the supervisory role of all employees and relevant parties, the Company has established smooth channels for honesty issues reporting (including telephone, email, WeChat official account) to encourage employees, employees from other units and any other insiders to perform the honesty supervision system of the Company, and actively report cases of embezzlement, corruption and other violations of laws, regulations and disciplines. Meanwhile, BYD Electronic has posted procurement supervision and feedback channels in procurement meeting rooms and delivery platforms throughout the Company, and in addition to the original unified complaint and whistle-blowing channels, the contact details of dedicated supervisors are also published. Through the measures above, the original “passive and one-way communication” was transformed to multi-channel communication featuring “active and two-way communication”, which helps establish more smooth, timely and effective communication channels and feedback mechanisms.

Whistle-blowers are protected and rewarded in accordance with the Rules for Protection and Rewarding of Whistle-blowers of BYD. In order to ensure the efficient, standardised and fair handling of reported information, we have developed a case management process. A dedicated person is assigned to accept reported information and then to undertake the follow-up, closure, assessment and filing of reported information, so as to realise the closed-loop management of reported information. At the same time, all aspects of case acceptance, registration, investigation and custody are kept strictly confidential to prevent leakage or loss.

In addition to accepting reports and complaints and investigating them in a timely manner, the Company took the initiative to carry out inspections of various industrial parks and business divisions and visits partners to collect feedback and suggestions, identify risks, locate problems, and investigate and deal with violations. We conduct a comprehensive inspection of purchase orders, and focus supervision on purchase orders, on-site audit, recruitment, selection and assessment of suppliers, purchase price, share and strategy, quality inspection, acceptance and payment, etc., to ensure there is no doubt and problem in those aspects, which in turn enables us to optimise and improve procurement management. At the same time, in

## BUSINESS ETHICS

### REPORTING, SUPERVISION, ACCOUNTABILITY AND COMPLAINT MECHANISM

order to protect the legitimate rights and interests of employees and external partners, the Company has put more complaint channels in place to prevent the occurrence of unfair phenomena such as abuse of rights and black-box operation.

### SELF-DISCIPLINE AND SUNNY COMMUNICATION

Integrity is not only a basic requirement of the Company for its employees but also a fundamental principle to be followed in their official dealings. In business contacts with personnel of external units, upon the principle of openness and transparency, employees of BYD Electronic are required to protect the interests of the Company, promote the Company's integrity communication regulations, do not engage in improper contacts with personnel from external units in pursuit of personal gains, do not offer or ask for benefits in any name or way, and do not offer or accept gifts and hospitality beyond the scope of laws and business practices. According to statistics, employees rejected bribes 419 times in 2024.

For employees who violate the integrity discipline, the Company will strictly hold them accountable in accordance with the rules and regulations. Their employment contracts will be terminated, and their information will be entered into the delisting inquiry system. In cases where the circumstances are serious and suspected of being illegal or criminal, we will firmly transfer them to the judicial authorities for handling. In 2024, we investigated and dealt with 6 individuals for serious violations, and 4 corruption litigation cases have been concluded.

BYD Electronic regards partners as business partners, regards honesty as an important prerequisite for cooperation, and strives to jointly create a fair, just, honest and win-win cooperation environment. We sign integrity cooperation agreements with our partners to clarify the anti-corruption stance and requirements of BYD Electronic. We hope that our partners and BYD Electronic will maintain a common anti-corruption attitude and determination, be honest and self-disciplined, supervise each other, and jointly build an "anti-corruption fence". For units that violate the principle of integrity, BYD Electronic shall, in accordance with the contract or relevant agreements, hold cooperative units liable for breach of contract, such as claiming liquidated damages, canceling the cooperation qualification, and putting them on the blacklist of cooperative partners.



## WIN-WIN PARTNERSHIP

### PROTECTING SHAREHOLDERS' INTERESTS

Since becoming a listed company, BYD Electronic has always paid close attention to the protection of investors' rights, by establishing and constantly improving a system for this very purpose. BYD Electronic is working hard to maintain a stable stock price and to provide plans and mechanisms for the return of investments. It honors its promises and discloses relevant information timely and sufficiently. Its 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 the Hong Kong Stock Exchange, BYD Electronic discloses information to shareholders and investors timely, truthfully, accurately, and completely, in order to improve its publicity and transparency of operation. BYD Electronic protects legal interests of medium and small shareholders in strict accordance with the listing rules and relevant regulations of other securities market. We are constantly perfecting our articles of association, rules of procedure for shareholder meetings, and dividends distribution policies according to the requirements of the listing rules for the 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.

BYD Electronic has convened an annual general meeting on 6 June 2024 for its shareholders. In 2024, over 100 groups visited BYD Electronic for field research, including investors from trust funds, brokerages, insurers, private equity, and qualified foreign institutional investor. We attended over 200 investment bank and broker conferences both domestically and overseas and organized multiple performance presentations and domestic/overseas roadshows.

#### Return to Shareholders

Improving return to shareholders and protecting the interests of medium and small shareholders has always been a focus at BYD Electronic. 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 at the 2023 annual general meeting on 6 June 2024, a final dividend of RMB0.538 per ordinary share amounting to RMB1,212,224,021 in total was to be paid to shareholders.

# APPENDIX I GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Environmental, Social and Governance Reporting Code		Section and/or interpretation
A1 General Disclosures	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operation
A1.1	The types of emissions and respective emissions data.	Key Performance Indicators
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Operation
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operation
A2 General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operation
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ' 000s) and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators

# APPENDIX I GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Environmental, Social and Governance Reporting Code		Section and/or interpretation
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operation
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Operation
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Key Performance Indicators
A3 General Disclosures	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Operation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operation
A4 General Disclosures	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Operation
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Key Performance Indicators
B1 General Disclosures	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employees First
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Key Performance Indicators
B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Indicators

# APPENDIX I GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Environmental, Social and Governance Reporting Code		Section and/or interpretation
B2 General Disclosures	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employees First
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Indicators
B2.2	Lost days due to work injury.	Key Performance Indicators
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employees First
B3 General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employees First
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicators
B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Indicators
B4 General Disclosures	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employees First
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employees First
B4.2	Description of steps taken to eliminate such practices when discovered.	Employees First

# APPENDIX I GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Environmental, Social and Governance Reporting Code		Section and/ or interpretation
B5 General Disclosures	Policies on managing environmental and social risks of the supply chain.	Employees First
B5.1	Number of suppliers by geographical region.	Employees First
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Employees First
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Employees First
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Employees First
B6 General Disclosures	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Employees First
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Employees First
B6.2	Number of products and service related complaints received and how they are dealt with.	Employees First
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Employees First
B6.4	Description of quality assurance process and recall procedures.	Employees First



# APPENDIX I GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Environmental, Social and Governance Reporting Code		Section and/or interpretation
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	The Art of Governance
B7 General Disclosures	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	The Art of Governance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	The Art of Governance
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	The Art of Governance
B7.3	Description of anti-corruption training provided to directors and staff.	The Art of Governance
B8 General Disclosures	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Employees First
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Employees First
B8.2	Resources contributed (e.g. money or time) to the focus area.	Employees First



Atoms to Arts One-stop solution for success by  
smart electronics