



Electronics

2025

Sustainability Report

© BYD Electronics (International) Company Limited

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About This Report

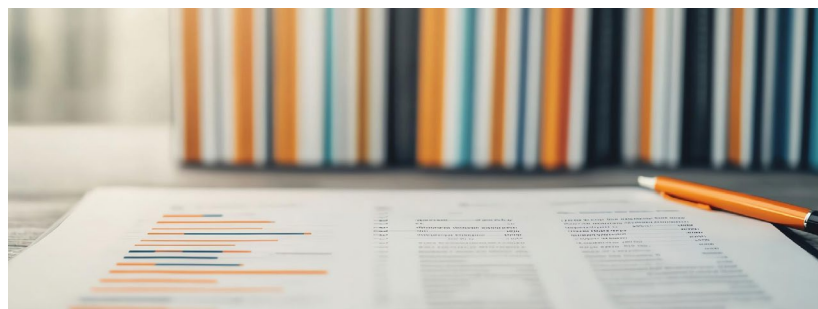
This report is the 2025 *Sustainability Report* of BYD Electronics (International) Company Limited (hereinafter referred to as the "the Company") and its subsidiaries (hereinafter referred to as "BYD Electronics", or "we"). BYD Electronics has steadfastly upheld the commitment to information transparency and long-term development by publishing an annual stand-alone report since 2024. This report details our governance, strategies, goals, practices and performance across the three core pillars of sustainability including environmental, social and governance aspects.

| Scope of the Report

This is an annual report covering the period from 1 January 2025 through 31 December 2025 (hereinafter "the reporting period"). To enhance the comparability and completeness of the content of this report, some content is retroactive to previous years or extended to future years, as appropriate.

The policies, statements, data, etc. in this report cover the actual business scope of the Company, and the reporting entity is consistent with the 2025 *Annual Report* of BYD Electronics (International) Company Limited. If this report states otherwise regarding the scope of any information, that statement shall prevail.

Unless otherwise stated, the data in this report is denominated in RMB.



| Reporting Standards

This report is prepared in accordance with Appendix C2 *Environmental, Social and Governance (ESG) Reporting Code to the Main Board Listing Rules* of the Stock Exchange of Hong Kong Limited (hereinafter the "HKEX ESG Reporting Code"). This report is also referencing an array of sustainability reporting standards, frameworks and initiatives, including the *Corporate Sustainability Disclosure Standard No. 1 – Climate (Trial)* issued by the Ministry of Finance of the People's Republic of China and eight other ministries (hereinafter referred to as the Climate Standard), the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) (hereinafter "GRI Standards"), the *International Financial Reporting Standard on Sustainability Disclosure 1: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and the *International Financial Reporting Standard on Sustainability Disclosure 2: IFRS S2 Climate-related Disclosures* (hereinafter referred to as the "ISSB Standard") by the International Sustainability Standards Board (ISSB), the United Nations' Sustainable Development Goals (SDGs), and the IWA 48:2024 *Framework for Implementing Environmental, Social and Governance (ESG) Principles* of the International Organisation for Standardisation (ISO).

An index of the main topics and indicators of some of the above-mentioned reporting standards is detailed in the appendix to this report for quick reference.

| Reporting Principles

This report is prepared in accordance with the reporting principles in the HKEX *ESG Reporting Code*, including:

Materiality

This report determines material ESG topics through a materiality assessment, identifies key stakeholders, and highlights the disclosure of issues that may have a material impact on stakeholders and the Company's businesses.

Quantitative

This report presents key performance indicators of environmental, social and governance policies and management systems using quantitative data.

Balance

This report presents our performance for the year in a fair and unbiased manner, avoiding selections, omissions or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Consistency

Unless otherwise stated, this report adopts disclosure and statistical methodologies consistent with those used in the 2024 *Sustainability Report*.

| Confirmation and Approval

All data and materials presented in this report are derived from BYD Electronics' public information, internal official documents, statistical reports and third-party questionnaire survey results. The Board of Directors (the Board) of the Company oversees the content of this report to ensure that it does not contain any false presentations, misleading statements or material omissions. The Board assumes responsibility for the truthfulness, accuracy and completeness of the content herein.

This report was approved for release by the Board on 27 March 2026.

| Access to the Report

This report can be viewed and downloaded either at the "Sustainable Development" page of BYD Electronics' website (<https://electronics.byd.com>) or at the "Information Disclosure/Listed company information/Listed company announcements" page of HKEX news (<https://www.hkexnews.hk>). This report is available in Traditional Chinese and English. In case of any inconsistency between the Chinese and the English versions, the Traditional Chinese version shall prevail.

| Contact

For any questions or suggestions regarding this report or the Company's ESG management, please contact us via email at BE.ESG@byd.com.





Message from the Chairman

Since the beginning of the 21st century, the Fourth Industrial Revolution, characterised by artificial intelligence and green energy, has swept across the globe, driving industrial restructuring, transformation, and upgrading, and becoming a powerful engine for global economic growth. As a leading global provider of electronic manufacturing services, BYD Electronics has aligned with this trend by actively embracing new development concepts and deeply integrating ESG practices across the entire business value chain. Through continuous technological innovation, enhanced institutional development, and active fulfilment of social responsibilities, we promote the synergistic enhancement of corporate value and environmental benefits, and accelerate the realisation of our vision of “Cooling the Earth by One Degree”.

First, we leverage our strengths in green technology to reinforce our industrial foundation. Building on the Group's strong technological capabilities in the new energy sector, BYD Electronics has continued to develop a green value chain. In terms of environmental governance, we have actively identified and responded to the impacts of climate change on our operations, carried out relevant work in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), supervised the formulation and implementation of response strategies, and continuously advanced low-carbon initiatives across the entire value chain. In terms of product manufacturing, we have actively explored energy conservation and emission reduction mechanisms, promoted green factory and supply chain certifications, and have fully obtained ISO 9001 Quality Management System certification, with all suppliers having passed relevant audits. In terms of resource utilisation, we have continued to reduce carbon emissions and energy consumption. In 2025, energy savings reached 3,907 tonnes of standard coal equivalent, and the proportion of green electricity and green certificate usage exceeded 60%, further strengthening the foundation for our green development.

Second, we strengthen our institutional development to enhance governance capabilities. As an international enterprise, BYD Electronics has consistently advanced its institutional development to the highest standards, establishing a governance structure characterised by clearly defined rights and responsibilities, efficient coordination, and robust oversight. We have also developed an efficient and transparent information disclosure platform, effectively safeguarding investors' rights to information and participation. At the same time, we are committed to building a diversified Board, providing a solid foundation for comprehensive and objective decision-making and long-term strategic planning. In particular, since the beginning of this year, BYD Electronics has established a Strategy and Sustainable Development Committee to systematically identify and assess material sustainable development topics, further embedding sustainable development into our high-quality development.

Third, we adhere to a people-centred approach and actively fulfil corporate responsibilities. Employees are our most valuable asset. BYD Electronics has consistently placed strong emphasis on employee development, nurturing each employee with care and appointing outstanding talent to key positions of responsibility. At the same time, we fully respect and safeguard employees' rights, establish a scientific and equitable compensation system, provide competitive benefits, and build effective communication channels to ensure a safe working environment and a fulfilling quality of life for employees. Currently, we provide equal development opportunities for approximately 160,000 employees worldwide. What we pursue today goes beyond basic accumulation or expansion of scale; it is driven by a strong sense of corporate responsibility and social value. We firmly believe that only enterprises that actively assume social responsibility can possess enduring competitiveness and vitality, enabling them to achieve more sustainable and resilient development.

Our vision is both ambitious and clear: to ultimately enhance the well-being of future generations and promote sustainable development for the planet through green technologies and innovative growth. In the coming year, BYD Electronics will continue to work hand in hand with governments, industry partners, supply chain partners, and all stakeholders to explore innovative cooperation models and sustainable development pathways, striving to achieve carbon neutrality across the entire value chain by 2045 and inject new momentum into global sustainable development.

Chairman
Wang Chuanfu

Board Statement

We strictly comply with the requirements of the *Environmental, Social and Governance (ESG) Reporting Code* of the Stock Exchange of Hong Kong Limited, continuously strengthening the Board's oversight of and engagement in ESG matters, and diligently fulfilling our responsibilities for sustainable development.

The Board fully recognises that the integration of ESG considerations into our business strategies is critical to our long-term development. As the supreme decision-making body for ESG matters, the Board assumes ultimate responsibility for ESG issues and oversees key sustainability topics, including business ethics, information security, occupational health and safety, climate change, environmental management, conflict minerals management, and biodiversity. The Board is responsible for assessing and determining the nature and extent of risks that we are willing to undertake, reviewing our existing ESG management approaches, strategies, priorities, and objectives, assessing their alignment with our overall business strategy, and identifying, assessing, and managing ESG risks that may have a significant impact on our operations.

Leveraging a robust ESG management framework, we have systematically advanced the implementation of various ESG initiatives, continuously enhancing our ESG management capabilities and overall performance. In our daily operations, BYD Electronics deeply integrates ESG principles into our development strategy, continuously optimises management measures in line with business realities, and promotes the normalisation and standardisation of ESG management.

The Board conducts regular reviews and assessments of our sustainability performance each year, based on the annual work plan and the materiality of relevant topics. This report provides a detailed disclosure of the progress and achievements of our ESG work in 2025 and was reviewed and approved by the Board on 27 March 2026.



About Us

The Company was spun off from BYD Company Limited (hereinafter referred to as "BYD" or "the Group"; listed on HKEX under stock codes 01211 (HKD counter) and 81211 (RMB counter), and on the Shenzhen Stock Exchange under stock code 002594) and was independently listed on the Main Board of HKEX on 20 December 2007 (stock code: 00285.HK). We are a leading global provider of high-tech innovative products. Leveraging our core strengths in electronic information technology, AI technology, 5G and Internet of Things technologies, thermal management, new materials, precision moulds, and digital manufacturing, we provide one-stop product solutions to customers worldwide. Our business spans a wide range of sectors, including smartphones, computers, new energy vehicles, AI computing infrastructure, smart home devices, gaming hardware, drones, 3D printers, the Internet of Things, robotics, and communication equipment.

We actively fulfil our social responsibilities, respond to China's dual carbon policy, and advance a green and sustainable development strategy. Adhering to the principle of shared value creation—creating value for shareholders, customers, and society—we continuously enhance compliance governance and uphold business ethics; promote green production and actively address climate change; advance research and innovation while strictly ensuring product quality; safeguard employee rights and health and safety; and collaborate with value chain partners while engaging in community initiatives, thereby achieving a synergistic win-win between economic performance and social value.



In 2025, BYD Electronics received widespread recognition and numerous accolades from professional institutions and the industry. Selected honours include:



Multiple highest-level Demonstration Awards and Professional level Awards at the 2025 China Quality Innovation and Quality Improvement Achievement Exchange Series Activities

China Association for Quality



IPC-1401 ESG Management System Standard Early Adopter Partner



BYD Electronics (M) was awarded "Best Companies to Work for in Asia"



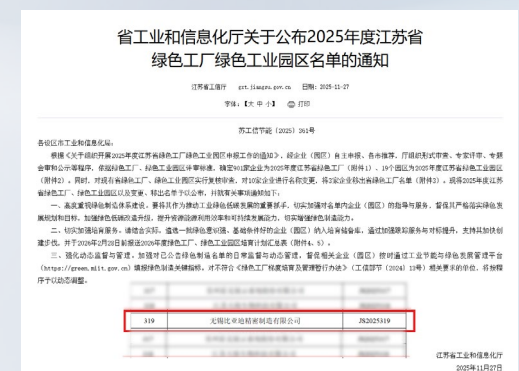
Inclusion in the First Batch of National Zero-Carbon Park Construction List

General Office of the National Development and Reform Commission



Recognised as a National Green Factory in 2025

Ministry of Industry and Information Technology



Recognised as the "Green Factory of Jiangsu Province"

Jiangsu Provincial Department of Industry and Information Technology

PART 1

Corporate Governance

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SDGs Covered in This Chapter



Annual Highlights

Governance Structure

- The current Board includes **1** female director. Board members possess solid professional expertise and extensive practical experience in areas including risk management, industry and technology, financial management, legal affairs, corporate governance, and sustainable development.
- Independent non-executive directors account for **3/7** of the Board, playing a key balancing role in the Company's decision-making process
- A total of **7** Board meetings were held during the year, with a **100%** attendance rate among directors

ESG Strategy

- A Strategy and Sustainable Development Committee has been established at the Board level to review the Company's sustainable development strategies, expected targets, and related policies and guidelines, oversee their implementation, and report regularly to the Board
- A total of **21** material sustainable development topics were identified, assessed, and prioritised, with targeted management measures implemented accordingly

Compliant Operations

- Obtained ISO 27001, ISO 21434, and TISAX certifications, covering multiple business divisions
- Participated in national cybersecurity defence drills, successfully preventing cyberattacks and identifying their sources, thereby effectively testing and enhancing our emergency response capabilities for data security protection.
- Conducted a total of **3,705** confidentiality-related training sessions, with cumulative training hours reaching **909,000** hours and covering approximately **471,200** employee participations

Business Ethics

- The employee signing rate of the *Integrity Policy* reached **100%**
- During the year, **1,311** management personnel passed integrity knowledge examinations, with a cumulative total of **25,870** participants
- All complaints received were accepted and investigated, achieving a **100%** handling rate
- Conducted more than **1,100** emergency response and business continuity drills, continuously enhancing our capabilities to respond to emergencies and restore operations
- Recorded no incidents of non-compliance related to conflicts of interest, money laundering, or insider trading
- Recorded no material data security incidents or privacy breaches

Governance Structure

BYD Electronics adheres to the principle of integrity in operations and strictly complies with applicable laws and regulations in its operating locations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. In line with our business development needs, we have established and continuously improved our corporate governance structure, further standardising operational management and enhancing governance effectiveness.

| Composition of the Board

The Board of BYD Electronics is accountable to shareholders and is responsible for formulating the Company's development strategies and management objectives, overseeing performance, and assessing the effectiveness of management's strategic execution. To strengthen specialised oversight and provide professional guidance in key areas, the Board has established an Audit Committee, a Remuneration Committee, a Nomination Committee, and a Strategy and Sustainable Development Committee. Each committee assists the Board's decision-making within its respective areas of expertise.

| Diversity of the Board

The Board of BYD Electronics comprises seven members, including two executive directors, two non-executive directors, and three independent non-executive directors. The Company provides sufficient resources and support to ensure that independent non-executive directors can effectively perform their oversight and review functions. Independent non-executive directors represent three out of seven of the Board and play a critical balancing role in the Company's decision-making process, providing independent and objective professional advice. The chairs of both the Audit Committee and the Remuneration Committee are independent non-executive directors, effectively safeguarding the independence and fairness of decision-making.

The Company recognises that a Board composed of members with diverse backgrounds, extensive experience, and cross-disciplinary expertise can provide broader perspectives and high-quality insights, supporting comprehensive and objective decision-making, deployment, as well as long-term strategic planning. To continuously enhance Board diversity, the Company adheres to a principle of "making appointments on the basis of merit and objectivity". In nominating director candidates, the Company considers a range of factors, including gender, age, cultural and educational background, ethnicity, professional expertise, industry experience, management capabilities, knowledge, and tenure. The current Board includes one female director. Board members possess solid professional expertise and extensive practical experience in areas including risk management, industry and technology, financial management, legal affairs, corporate governance, and sustainable development.

In 2025, the Company convened a total of seven Board meetings, with 100% director attendance.

In 2025 



The Company
convened a total of

7 Board meetings



With

100%

director attendance

ESG Strategy

Upholding the brand mission of “Technological Innovations for a Better Life”, BYD Electronics has incorporated sustainable governance and sustainable development strategies into the core framework of corporate governance and development planning. The Company has taken the realisation of green development as its core responsibility and leveraged its leading core technological capabilities and diversified product portfolio to continuously promote and deepen sustainable management practices across the entire value chain. The Company proactively fulfils its responsibilities as a corporate citizen, advance green development pathways, and contribute to building a sustainable future.

| Sustainability Management

An effective ESG management system serves as a critical foundation for achieving the Company's sustainable development goals. BYD Electronics has established a three-level ESG management structure encompassing the decision-making, management, and execution levels. This structure clearly defines management philosophy, principles, strategies, and responsibilities, and is supported by continuously enhanced institutional frameworks, thereby strengthening its ESG management capabilities and overall performance.

| Sustainability Strategy

BYD Electronics and BYD Group adhere to aligned strategic principles and development objectives, focusing on six core areas: Decarbonisation, Revolution, Equity, Alliance, Moral-integrity, and Shared-value. Focusing on electronic intelligent manufacturing, the Company has strengthened its core competitive advantages through continuous innovation, while optimising green technologies, clean products, and solutions. The Company provides employees with equal development opportunities, collaborate with partners to achieve mutual growth, uphold compliant operations, and share development outcomes with all stakeholders, striving to become a committed practitioner and leading contributor to global sustainable development.



Sustainability philosophy

Green and low carbon, protecting the future of the planet

BYD Electronics is committed to reducing carbon emissions through green design and green production and helping achieve the goal of global carbon neutrality. We actively promote green buildings and zero-waste operations, reduce resource consumption and pollutant emissions, and strive to build a greener and lower-carbon future.

Innovation and change to drive

BYD Electronics insists on being driven by technological innovation, launching disruptive green technologies, and integrating environmental considerations into product design. By optimising product structures, materials, and processes, we reduce environmental impacts across the entire product lifecycle.

Honesty and integrity and business ethics

BYD Electronics has always adhered to the business principle of honesty and integrity to ensure compliance operations and fulfilment of social responsibilities. We conduct corporate operational management practices with the highest ethical standards through transparent management and strict internal oversight. We actively communicate with our stakeholders to ensure that our decisions and actions meet the expectations of society.

Equal opportunities for social inclusion

BYD Electronics is committed to promoting diversity and inclusion within the enterprise and in the supply chain and providing employees with equal development opportunities. Through training and education, we improve the skills and professionalism of our employees to ensure that everyone can find their own stage at BYD Electronics. At the same time, we actively support educational initiatives, stimulating students' interest in science and technology and cultivating engineers by setting up scholarships and donating popular science exhibition tools.

Work together to build a green ecology

BYD Electronics actively cooperates with suppliers, customers, governments and communities to incubate clean energy solutions and jointly promote green production. By establishing a green supply chain, we ensure the sustainable sourcing of raw materials and work together with all parties to build a greener and more sustainable ecosystem.

Sharing value for a better future

BYD Electronics is committed to sharing the results of its development with shareholders, employees, customers, suppliers, and the whole society. Through continuous technological innovation and business expansion, we create value for shareholders; by providing a supportive working environment and development opportunities, we enhance employee engagement and satisfaction; by delivering high-quality products and services, we meet customer needs; through mutually beneficial partnerships, we empower suppliers and jointly build a resilient industrial ecosystem; and by supporting community development and environmental protection, we contribute to broader societal well-being.

Sustainable development goals

Guided by the Group's sustainability strategic framework, BYD Electronics has established clear strategic goals aligned with our sustainability practices, aiming to make meaningful contributions to global sustainable development and to fulfil our responsibilities to the planet and humanity through concrete actions. We align with BYD Group's sustainable development goals and strive to achieve carbon neutrality across the entire value chain by 2045.

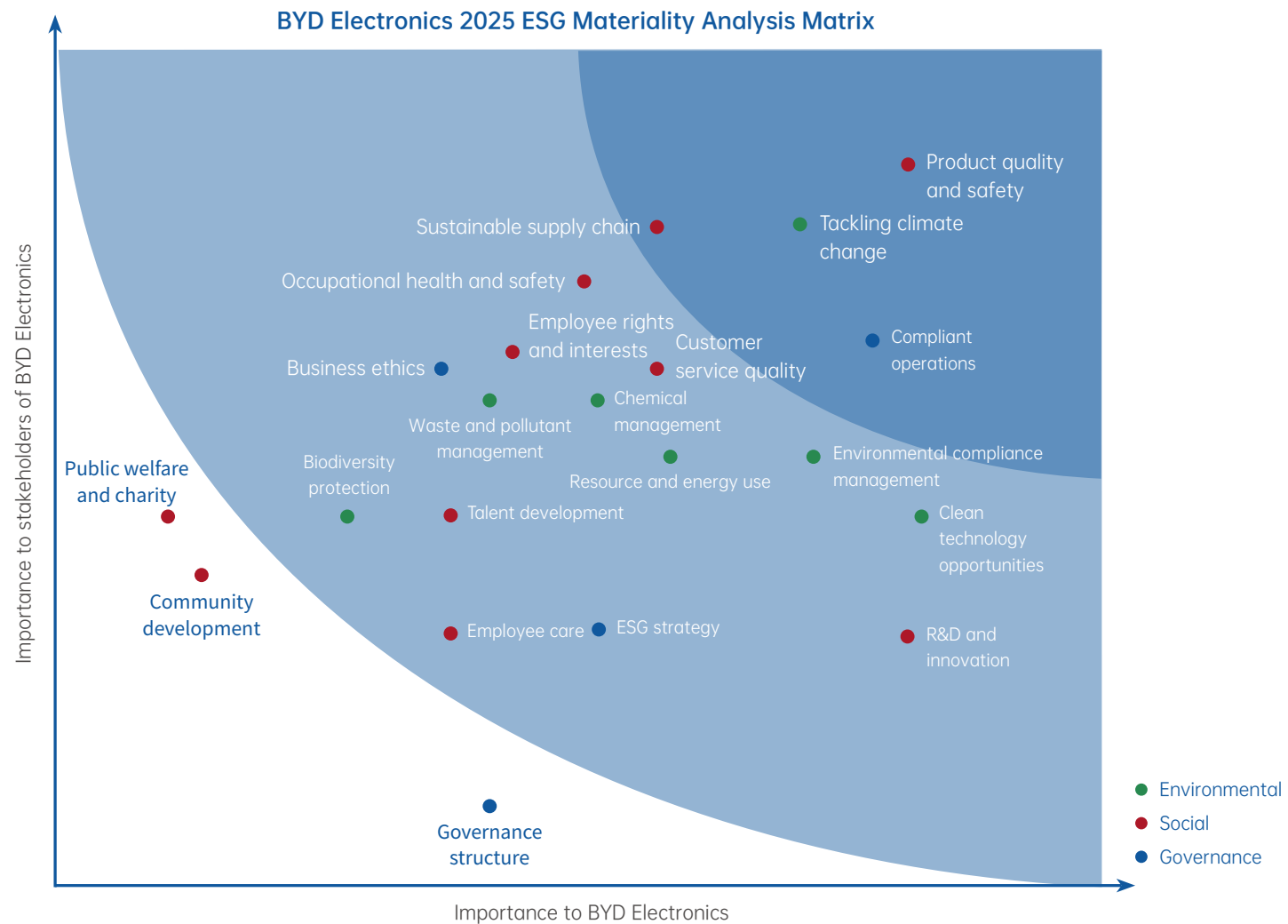
Stakeholder Engagement

BYD Electronics engages in proactive communication with stakeholders to understand and respond to their concerns regarding our business development and operational performance. Based on the nature of BYD Electronics' business, industry development, and operating conditions, we have identified multiple stakeholders including shareholders and investors, employees, customers, government and regulators, suppliers and contractors, communities, and non-governmental organisations. In accordance with applicable laws and regulations, we regularly publish reports, disclose material corporate developments in a timely and compliant manner, and maintain adequate communication with investors.

Stakeholder	Material topics		Communication channels/methods		Frequency/methods of communication
Shareholders and investors	- Compliant operations - Business ethics	- Tackling climate change - Clean technology opportunities	- Shareholders' Meeting - Results briefings - Investor meetings	- Large-scale reverse roadshows - Regular information disclosure - Routine email and telephone communication	- Investor meetings conducted on an ad hoc basis - Roadshows conducted on an ad hoc basis - Results briefings conducted on an ad hoc basis - Research activities conducted on an ad hoc basis - Ad hoc communication via telephone and email
Employees	- Employee rights and interests - Talent development	- Occupational health and safety - Employee care	- General Manager Day - General Manager Mailbox - Factory Director Reception Day - Trade union activities	- Complaint review mailbox - Employee training - Team-building activities	- Induction training for new employees and promotion assessment training conducted on an ad hoc basis - Trade union and employee club activities conducted on an ad hoc basis - Monthly employee feedback surveys
Customer	- R&D and innovation - Product quality and safety	- Customer service quality - Clean technology opportunities	- Customer satisfaction surveys - Seminars and exchange meetings	Customer questionnaires	As needed
Government and regulators	- Compliant operations - Business ethics - Tackling climate change - Environmental compliance management	- Chemical management - Resource and energy use - Waste and pollutant management - Biodiversity protection	- Government policy communication meetings - Participation in government standards development and consultation processes - Governmental and intergovernmental meetings - Invitations for site visits and inspections		As needed
Suppliers and contractors	- Sustainable supply chain - Occupational health and safety - Business ethics		- On-site surveys - Quality communication - Supplier meetings and audits	- Supplier contracts and questionnaires - Training for suppliers and contractors	- Training conducted on an ad hoc basis - Quarterly supplier satisfaction surveys
Communities and non-governmental organisations	- Community development - Public welfare and charity	Environmental compliance management	- Participation in community projects - Participation in industry organisations and other external engagements	Organisation of public welfare activities	As needed

Material Topic Assessment

In 2025, BYD Electronics conducted a sustainability materiality assessment. Through three key steps—topic identification, research and interviews, and review and validation—we analysed the impact of various sustainability topics on our sustainable development and assessed the level of stakeholder concern. Through prioritisation, we identified 21 strategic topics that are most critical to achieving our sustainability strategy and objectives. Based on these results, we developed a materiality matrix to support targeted management and action planning.



Compliant Operations

| Risk and Compliance Management

Risk management

BYD Electronics adheres to the risk management principle of prioritising prevention and integrating prevention with control. By continuously standardising processes for risk identification, assessment, improvement, and reporting, we strengthen dynamic risk management, information communication, and oversight mechanisms for material risks, effectively safeguarding our asset security, lawful and compliant operations, and the truthfulness and completeness of its financial reports and related information.

We comply with internal policies, including the *Internal Control of BYD*, the *BYD Management Provisions for Internal Control Evaluation*, the *Internal Control of Electronic Business Group*, the *BYD Risk Management*, and the *Risk Management Procedures for Electronic Business Group*, thereby establishing a risk management framework aligned with corporate governance requirements. As the supreme decision-making body, the Board assumes ultimate responsibility for risk management, with the Audit Committee providing support through ongoing review and independent audit oversight. To further enhance risk management capabilities, we have established a Risk Management Committee, chaired by the President of BYD Electronics, with general managers of business divisions and heads of functional departments serving as members. The Committee is responsible for reviewing risk control strategies, approving material risk mitigation plans, and coordinating resource allocation. A Secretariat has been established under the Committee to support system development, institutional enhancement, and daily coordination. Executives, designated by the Risk Management Committee, are responsible for overseeing the implementation of internal control policies, managing key risks, and identifying, collecting, and reporting control deficiencies, ensuring that risk management requirements are effectively implemented across all levels of the organisation.

We have established three lines of defence for risk management, forming a multi-layered and coordinated operational mechanism to continuously monitor and manage various risks.

We have established a risk management process centred on context establishment, risk identification, risk assessment, and risk disposal, with communication, coordination, monitoring, and review mechanisms embedded throughout, enabling systematic, dynamic risk management. To ensure the appropriateness and effectiveness of risk management-related policies and documentation, we have established a standardised document control system. Leveraging a document management system that automatically triggers annual reviews, along with preliminary compliance reviews conducted by document control specialists, we completed the review of more than 4,000 documents in 2025, effectively managing risks related to document standardisation.

First line of defence

Business divisions of each business unit

Identify, analyse and assess the risks of the department, formulate and determine the risk response plan, and implement key control procedures.



Second line of defence

Relevant functional business divisions and functional departments

Each working group is responsible for the establishment of internal risk management system, organising the implementation of key control policies, supervising the implementation of control policies, continuously identifying, collecting and analysing control defects, and putting forward improvement suggestions for implementation. These working groups also provide timely feedback to the Risk Management Committee on major deficiencies and material vulnerabilities.



Third line of defence

Audit and Inspection Department

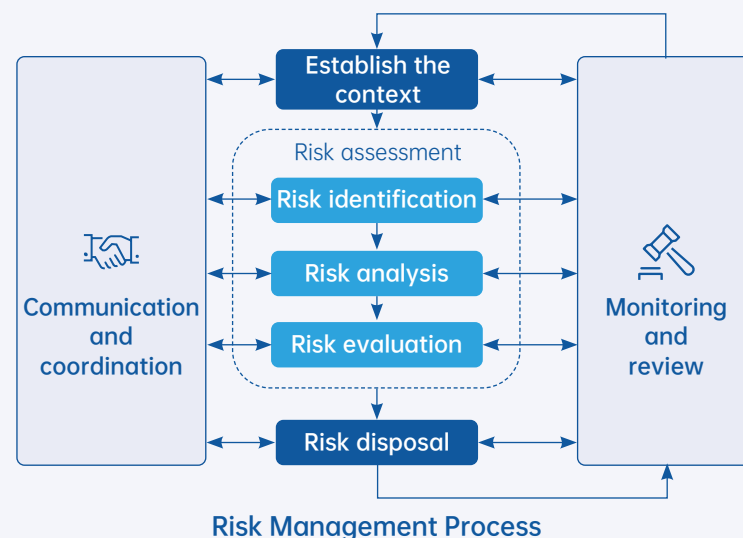
It is responsible for establishing the Group's risk management system, policies and processes. The Audit and Inspection Department carries out supervision and evaluation on risk management, and regularly issues audit reports on the supervision and evaluation to senior management.

In 2025 ▶



We completed the review of more than **4,000** documents in 2025, effectively managing risks related to document standardisation.

In terms of the assessment mechanism, we adopt a quantitative risk rating system, comprehensively considering both the likelihood of occurrence and the potential impact on business operations, financial condition, and reputation, and implement hierarchical and categorised risk management. Our overall risk appetite is determined by management, including general managers of each business division. Key risk indicators are established for high- and medium-risk categories, with red, yellow, and green thresholds corresponding to defined risk appetite and tolerance levels, enabling continuous and dynamic risk monitoring. In addition, prior to major decisions and project approvals, such as investments, financing, and plant construction, we conduct due diligence incorporating risk assessments. This ensures that risk appetite is embedded throughout the entire process of major decision-making, assessment, and business review. We also carry out annual identification of material risks, update the risk identification list, and formulate targeted control measures in accordance with established procedures. For material risks identified through assessment, we develop the *Business Continuity Management Manual* and related procedural documents in accordance with ISO 31000 and ISO 22301 standards, ensuring the effective planning, implementation, and continuous improvement of the business continuity management system. On this basis, we regularly update emergency response plans and business continuity plans and conduct drills accordingly. In 2025, more than 1,100 drills were completed, continuously enhancing our capabilities to respond to emergencies and restore operations.



In 2025, the Risk Management Committee of BYD Electronics conducted an annual internal risk assessment and prepared the *2024 Risk Assessment Report*. From two dimensions—internal risks (including strategic, financial, and operational risks) and external risks (including external environment and legal and regulatory compliance)—we carried out comprehensive risk identification, evaluation, and classification into high, medium, and low levels, and formulated improvement measures and business continuity plans for high-risk areas. For risks at different levels, responsible units developed differentiated control plans covering avoidance, acceptance, transfer, mitigation, and exploitation strategies. Following multi-level approvals, management efforts focused on high- and medium-level risks as well as key opportunities, with quantitative indicators established to track responses to high-risk items. The main results of BYD Electronics' 2025 risk assessment are as follows:

Risk category	Risk description	Magnitude	Probability	Control measures
Human resource risk	Labour shortages and the loss of key talent due to changes in the market environment	High	Low	- On the recruitment side, actively expand recruitment channels and implement internal referral incentive mechanisms - On the retention side, continuously improve the working environment and employee benefits, including introducing ergonomic designs to optimise workstation layouts and reduce labour intensity, while enhancing catering quality and employee recreational activities
Procurement risk	Inventory backlogs or delays in inspection may lead to delayed payments	Medium	High	By optimising inspection processes and inventory management, ensure the stable operation of the supply chain
Information management risk	Leakage of core confidential information may result in asset losses and significant reputational damage	High	Medium	- Establish data classification and grading management with full lifecycle control, strictly enforce approval procedures and the principle of least privilege - Apply technical protection measures such as data loss prevention, watermarking, and log auditing - Conduct information security training and require confidentiality agreements to strengthen employees' compliance awareness and responsibility - Develop emergency response plans and conduct regular drills and risk reviews

In response to ongoing changes in the external environment, we place particular focus on the challenges arising from emerging risks such as the development of artificial intelligence (AI), overseas business expansion, and the upgrading of clean technology energy.

Emerging risks	Risk description	Impact	Mitigation measures
AI development	Core AI applications face risks related to data security, compliance of generated content, and regulatory adaptation, including potential data leakage, non-compliant content generation, and adaptation vulnerabilities.	Inadequate risk management may result in regulatory penalties, brand damage, business disruption, and increased operating costs.	Established an AI compliance management system, monitored and assessed generated content, and enhanced data protection through multi-layered security measures to ensure compliance with applicable laws and regulations.
Overseas business expansion	Overseas operations are subject to complex, dynamic, and increasingly stringent legal and regulatory requirements where they are conducted, including data privacy, consumer protection, industry access, and international trade rules. Failure to adapt in a timely manner may give rise to compliance risks.	Ineffective management of such risks may result in regulatory penalties, business suspension, reputational damage, increased operating costs, and constraints on overseas expansion.	Continuously strengthen risk identification and control mechanisms in overseas markets to ensure that all business activities strictly comply with local laws and regulations.
Clean technology and green development	The market has higher expectations for the green attributes of products. If the Company fails to meet these expectations, it will face the risk of insufficient market competitiveness.	Insufficient green attributes may weaken product competitiveness, lead to customer attrition, and result in missed opportunities associated with green consumption trends and policy incentives.	Identified products and services with green and clean attributes as key development priorities, completed internal reviews of green product and service categories, and actively formulated forward-looking development strategies. For further details on clean technologies, please refer to the section "Clean Technology Opportunities".

We place strong emphasis on fostering a culture of risk control and compliance across all employees, requiring all legal entities and employees to thoroughly understand and implement compliance requirements, and to proactively identify, report, and avoid potential risks. We have established formal risk reporting channels to encourage employees to actively report risk information through structured feedback processes. Upon identifying any indications of non-compliance, we immediately initiate a whole-process investigation, including information collection, on-site evidence gathering, and impact assessment, and implement corresponding disciplinary measures in accordance with internal decision-making procedures based on the investigation results. We adhere to a proactive risk management approach, strengthening centralised training and leadership engagement, continuously enhancing employees' risk awareness and sensitivity, enabling early intervention in emerging risks, eliminating management blind spots, and ensuring safe and stable operations.

Internal control and compliance management

We strictly follow the policy stipulated in the *Internal Control of BYD* and have established an Internal Control Committee, chaired by the President, with the General Manager of the Audit and Inspection Office serving as Secretary-General and general managers of each business division as members, to be fully responsible for the decision-making and coordination of the internal control system. The Audit and Inspection Office conducts routine and special supervision in accordance with the Listing Rules and issues an annual self-assessment report on the effectiveness of internal controls. Upon review by the Committee, the annual internal control self-assessment report is disclosed externally. In 2025, BYD Electronics did not experience any incidents of non-compliance related to conflicts of interest, money laundering, or insider trading.

To ensure sustained compliant operations, we have established a multi-layered audit and supervision line of defence. At the Group level, the Audit and Inspection Office conducts comprehensive inspection audits every two years in accordance with the *BYD Inspection Management Regulations*, while also performing special audits on areas such as procurement price variances and engineering projects to accurately identify risks across business processes and promote the effective implementation of control measures. At the external audit level, we engage independent third-party institutions annually to conduct special audits of core business processes, including procurement, sales, research and development, fund management, and asset management. At the internal control level, the internal control department conducts special ad hoc inspections of high-risk areas. For risks identified during audits, each business unit is required to formulate rectification plans and implement closed-loop management, thereby continuously enhancing our compliance capabilities.

Information Security Management

BYD Electronics attaches great importance to the information security of the Company and its stakeholders and strictly complies with applicable laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. In terms of internal management, we implement policies such as the *Group Information Security Code of Conduct for Employees*, *Group Information Security Management Procedures for External Personnel*, and the *BYD Personal Data Protection Management System*. At the same time, we explicitly identify and manage confidentiality, information security, and information disclosure risks in accordance with the *Risk Management Procedures for Electronic Business Group* to continuously enhance our information security system and ensure information security management coverage across all operating regions and suppliers. We enforce strict disciplinary measures for information security violations, regulating employee behaviour through a point-based penalty mechanism.

In 2025



We did 0 experience any material data security incidents or privacy breaches.

Information security and privacy protection management structure

We have established a Strategy and Sustainable Development Committee to oversee information security matters. Each business division has set up an Information Security Executive Committee responsible for developing and implementing the information security management system, as well as formulating and executing relevant work plans and implementation plans. The general manager of each business division serves as the head of the Information Security Executive Committee and the first responsible person for information security within the division, overseeing implementation and regularly reporting progress. Dedicated information security management teams or designated personnel are also in place to coordinate with Group requirements and drive execution. The Company imposes strict disciplinary measures on information security violations such as the leakage of customers' private information, and regulates employee conduct through a points-based penalty system. In the event of any violation by an employee, corresponding points will be deducted in accordance with the regulations. If the accumulated points deducted within a year reach the prescribed threshold, corresponding levels of penalties will be imposed based on the severity of the case, which shall be linked to performance management. In addition, we conduct tiered and categorised information security training, covering both the professional capability enhancement of dedicated personnel and general awareness training for all employees, thereby continuously strengthening our information security management foundation.

Data lifecycle management

We follow procedures such as the *Group Information Security Data Lifecycle Management Procedures* and the *Group Information Security Data Classification and Grading Standards*. By classifying data into five levels and implementing strict access controls, we ensure clear accountability and compliance in information security management. We have established a systematic security management system covering the entire data lifecycle, with specific measures as follows:

Full-scenario coverage

A closed-loop management mechanism is established across the entire data lifecycle, with corresponding control measures implemented at each stage, including data collection, transmission, storage, exchange, processing, and destruction

Differentiated technical controls

We implement differentiated technical control requirements such as identity authentication, access authorisation, encryption, data masking, backup, and emergency drills, to enable targeted protection and dynamic response

Hierarchical management

We comply with and implement technical standards such as the *Group Data Access Permission Management Specification*, *Group Data Encryption Management Specification*, and *Group Data Desensitisation Management Specification*, clearly defining data categories and corresponding control levels

Supply chain coverage

The scope of data security management extends to all partners. The *Supplier Code of Conduct* clearly defines suppliers' responsibilities and obligations regarding data security

To build a robust information security line of defence, we have established a comprehensive, multi-layered information security protection system covering four core domains: physical security, network security, system security, and terminal security, while continuously strengthening cybersecurity and data security management.

Physical protection

- We have established policies such as the *Physical Security Management Regulations of Electronic Business Group*. Access controls are implemented at entrances and exits, production facilities, and sensitive areas, with high-definition surveillance deployed in key areas such as confidential zones to ensure the security of information asset storage environments;
- A visitor registration policy is in place, with temporary access credentials issued and retrieved upon departure to prevent the risk of loss of information assets.

Network protection

- Business networks are segmented using zone-based isolation, with a demilitarised zone (DMZ) established to minimise unnecessary access;
- Through regular red team-blue team exercises and penetration testing of business systems, we continuously enhance our proactive cybersecurity defence capabilities;
- The iDiDog Platform provides 24/7 information security protection. By integrating data such as situational awareness, firewalls, and zero trust software-defined perimeter (SDP), the platform performs unified correlation analysis of assets, risks, and security capabilities;
- Supported by four key centres—resource management, security monitoring, security response, and emergency response—we achieve closed-loop management of security risks and incidents.

System protection

- Strengthen access control and identity management through the implementation of single sign-on (SSO), multi-factor authentication (MFA), and role-based access control (RBAC) based on the principle of least privilege, ensuring that access activities are both controllable and auditable;
- Enhance data security management and encrypted storage through data hierarchy and classification, encrypted transmission, encryption of critical data storage, and regular backups, effectively preventing risks of data leakage and loss;
- Establish a regular monthly vulnerability scanning mechanism, implement hierarchical management according to the risk level of the identified vulnerabilities, and complete improvement and retesting within the specified time frame to achieve a closed-loop management, ensuring timely detection, rapid handling, and elimination of system security concerns, continuously enhancing overall security protection capabilities.

Software

- We have implemented an integrated security protection system centred on the Tianqing Terminal Security Management System and SDP;
- Through terminal access control, zero trust dynamic authentication, least privilege access, and full-process activity auditing, we ensure trusted terminals, concealed network boundaries, and controlled access, effectively preventing risks such as malware, malicious code, unauthorised access, and privilege escalation.

Customer privacy protection

BYD Electronics places great importance on the collection, processing, and protection of customer information. We strictly comply with applicable laws and regulations in our domestic and overseas operating regions, including the *Data Security Law of the People's Republic of China* and the *General Data Protection Regulation* (GDPR). The company adheres to the *BYD Personal Data Protection Management Manual*, the *BYD Personal Data Compliance Management Manual*, and the *BYD Privacy Policy Compliance Guide*, to ensure consistent application across all operating regions and suppliers. Privacy protection requirements are also integrated into the company's risk management procedures, effectively safeguarding data security and customers' privacy rights.

We continuously enhance our third-party disclosure policies and strengthen control measures across all stages of data transfer. When receiving requests for data disclosure from governments or regulators, we conduct rigorous reviews in accordance with internal policies and in consultation with internal and external legal counsel. We ensure that all responses comply with applicable laws and regulations, limit disclosures to the minimum scope required by law, and fully respect and protect customers' legitimate rights and interests. When engaging suppliers or third-party service providers, we impose strict data confidentiality requirements under the General Procurement Principles for Suppliers and provide only customer-authorised data necessary for service delivery.



We conduct both internal and external audits of privacy and information security management. Internal audits are conducted annually by the Group, covering key areas such as policy implementation, access control, data classification and grading, and log auditing. In addition, we engage third-party professional institutions to conduct external audits, focusing on the protection of privacy and personally identifiable information, as well as the compliance and effectiveness of data processing activities. During the reporting period, BYD Electronics did not experience any material data security incidents or privacy breaches.

We adhere to the principles of lawfulness, legitimacy, necessity, and data minimisation, standardising various scenarios involving customer data usage—such as external visitor management and customised business services—and improving a management process covering the entire lifecycle of customer privacy. This ensures the security and compliance of customer information across collection, use, sharing, storage, cross-border transfer, and deletion.

Information collection

- Prior to collecting personal data, we proactively and transparently inform users of the nature of personal data collected, the use of processing, retention periods, and protection measures.

Information use

- We respect and safeguard customers' lawful rights in relation to their privacy data. Customers are entitled to rights including the right to be informed, right of access, right to correct, right to erasure, right to restriction of processing, right to data portability (customers request that their data be transferred to other service providers), right to object, right to opt-out, and right to delete.
- We strictly adhere to the principle that customers' privacy data is used solely for its originally authorised purposes and is not used for any unauthorised secondary purposes. The proportion of customer data used for secondary purposes is 0%.
- We implement a data access management approach based on the principle of "least privilege and dynamic access control", granting access only to employees with legitimate business needs and conducting regular reviews to prevent data leakage and misuse.

Information sharing

- We implement strict channel management by refining screening of links for data transmission channels and setting up processes such as encryption and data masking.

Information storage

- To ensure the secure storage of customers' personal data, we implement access controls and minimum granularity authorisation for encrypted storage, and masking of sensitive personal data, thereby safeguarding data integrity and confidentiality.

Cross-border data transfer

- We have established a cross-border data transfer approval and compliance assessment mechanism, completing required security assessments, certifications, and regulatory filings to ensure lawful and compliant data transfers.
- A tiered control approach is applied to cross-border data, whereby highly sensitive data is prioritised for local storage, while medium- and low-sensitivity data is subject to approval as required, with strict controls over transmission scope and data flow.

Information deletion

- End user information within systems is subject to masking and desensitisation after more than 60 days. Recipient information is automatically replaced with asterisks, and original data is automatically deleted and no longer retrievable.



Case: Visitor Privacy Protection and Access Management

To standardise the management of external visitors, when suppliers need to visit, the relevant business contact initiates the "External Visitor Access Management" process in advance. Upon arrival, external visitors scan a QR code to access the visitor management system, complete online registration, and review and acknowledge the *BYD Visitor Reservation Platform Privacy Policy*, the *User Agreement*, and the *Plant Entry Safety Instructions*. Access is granted only after all verification procedures are completed.



Case: Protection of End-User Privacy Information

In customised business operations, BYD Electronics may access customer orders and end user personal data transmitted through electronic transaction systems. We strictly comply with regulatory requirements for the lawful storage and use of privacy data and adopt both technical control and policy constraints to effectively protect the privacy and security of end users.

During the data storage stage, end user information is automatically masked and desensitised after more than 60 days. Recipient information is replaced with asterisks, and original data is automatically deleted and rendered irretrievable, thereby achieving data minimisation and secure closed-loop management. In the process of external data sharing, when information is transmitted to customer-designated logistics providers for delivery purposes, we enter into the *Data Processing Agreements* with third parties, clearly defining the scope of data use and security responsibilities, and strictly regulating third-party data processing activities.



We establish a comprehensive information security protection system through various confidentiality agreements, including employee onboarding confidentiality agreements, business-to-business customer confidentiality agreements, role-specific confidentiality agreements, and data processing agreements with third-party logistics providers, ensuring compliant use and secure management of customer privacy information.

We also place strong emphasis on enhancing employees' awareness of privacy compliance by providing training on customer privacy protection, transmission of information data assets, and confidential shipment procedures, thereby strengthening employees' awareness of data security and privacy protection and promoting understanding of relevant regulations and protective knowledge. During the reporting period, BYD Electronics conducted 3,705 confidentiality-related training sessions, with total training hours reaching 909,000 hours and covering approximately 471,200 employee participations.

In 2025



BYD Electronics conducted
3,705 confidentiality-
related training sessions



With total training
hours reaching
909,000 hours

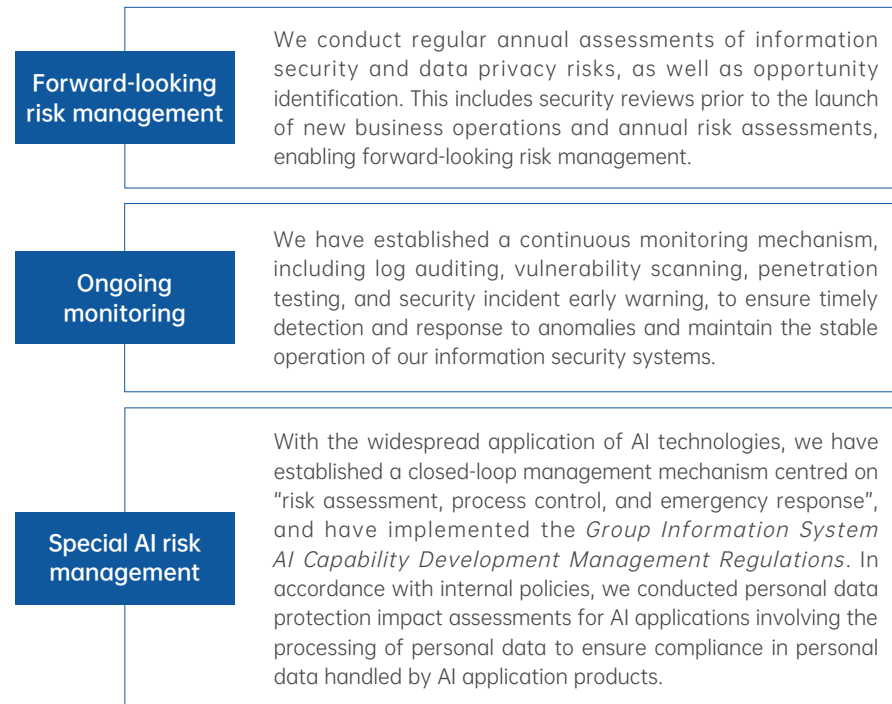


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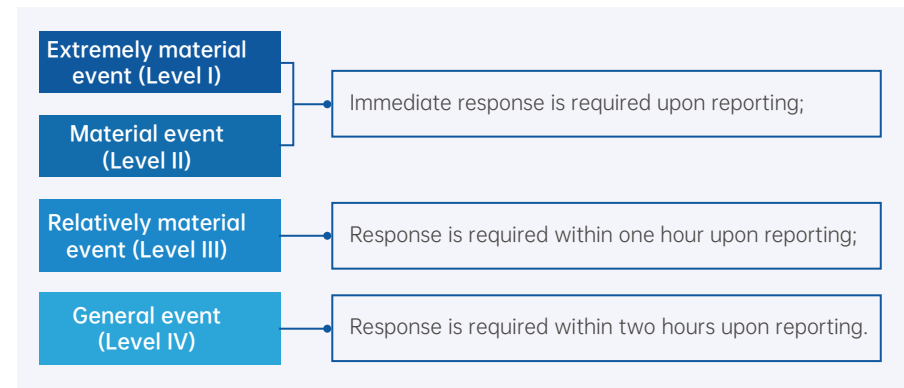


Risk control and emergency response

We have established a risk control mechanism encompassing forward-looking assessment, continuous monitoring, and emergency response to ensure that information security and data privacy risks are identifiable, controllable, and effectively managed.



In terms of emergency response, we comply with the *Group Information Security Incident Management Procedures* and have established a graded incident response system. Based on factors such as data classification, business impact, asset loss, and public opinion impact, incidents are categorised into four levels. Corresponding response levels are defined based on cost, time, minimum technical resource allocation, and other indicators, clarifying response time and defining response processes for single and recurring incidents. In addition, differentiated response procedures are established for information security incidents of varying severity, improving the emergency response framework that standardises processes for incident reporting, notification, and recovery.



To ensure data security and the continuity of IT operations, and in accordance with the *Management Measures of BYD for Information System Disaster Recovery*, we classify information systems into core systems, key systems, important systems, and general systems based on factors such as business impact scope, severity, and allowable downtime. Different Recovery Time Objective (RTO) and Recovery Point Objective (RPO) are defined according to system classification. We have established a routine drill mechanism, conducting disaster recovery exercises at varying frequencies based on system classification. In addition, we regularly organise simulated attack drills covering scenarios such as data recovery and system restoration, continuously enhancing our operational response capabilities. In 2025, we participated in national cybersecurity defence drills. Through round-the-clock monitoring and rapid response, we successfully prevented cyberattacks, identified attack sources, and promptly repaired system vulnerabilities, effectively validating our emergency response capabilities in protecting both the Company and customer data security.



Case: Cybersecurity Attack-and-Defence Drills

In 2025, to further strengthen cybersecurity defence capabilities and enhance response to cyberattacks, we organised our fourth cybersecurity attack-and-defence drill. From the perspective of real-world threat scenarios, comprehensive security risk identification was conducted across the entire network, testing the effectiveness of existing security protection systems. Through simulated attack scenarios, including data recovery and system restoration, we continuously enhanced employees' information security awareness and strengthened cross-functional coordination and response capabilities among various business teams.

Information security audits and external certifications

We conduct annual internal audits covering areas such as policy implementation, access control, data classification and grading, and log auditing. For external audits, we engage third-party professional institutions to perform annual audits of our information security management system, focusing on privacy and PII protection, and data processing procedures. Through the integration of internal and external audit mechanisms, we ensure that our security and privacy management practices remain compliant, transparent, and traceable. We have obtained third-party certifications for information security and privacy compliance, including ISO 27001, ISO 21434, and TISAX, covering multiple business divisions.

Information security awareness promotion

BYD Electronics places strong emphasis on fostering information security awareness among all employees and continuously cultivates the safety culture atmosphere where we jointly build a defence line through systematic and diversified awareness initiatives. Information security training is implemented across all employees, with a particular focus on management personnel, technical staff, and employees in key positions. Training content covers core areas such as data security, privacy protection, and phishing email prevention. To further enhance employee awareness, we conduct a variety of awareness initiatives through both online and offline channels, including Information Security Month campaigns, incentive-based knowledge quizzes, special topic posts on the official account, as well as online training and assessments, thereby strengthening all employees' information security awareness.

We have established an individual accountability mechanism for information security applicable to all employees, incorporating information security performance into the employee performance evaluation system to reinforce all employees' risk awareness and compliant behaviour. At the same time, we encourage employees to proactively report information security incidents, vulnerabilities, or suspicious activities. In accordance with the *Group Information Security Incident Management Procedures*, reporting processes, classification standards, and responsibility allocation are clearly defined to ensure that information security issues are promptly identified and effectively addressed, fostering a safety management atmosphere where all personnel participate and jointly build a defence line.

We also promote information security awareness among suppliers. During cooperation with suppliers, legally binding contracts or agreements are signed to clearly define information security responsibilities and requirements. Suppliers are connected through a unified procurement system, sign confidentiality agreements in accordance with the *Group Information Security Management Procedures for External Personnel*, and receive information security training or guidance on information security requirements from relevant business units, ensuring effective protection of information asset security across the supply chain.



Case: Routine Phishing Email Drills to Strengthen Cybersecurity Defence Line

To enhance employees' cybersecurity awareness and prevent phishing risks, we regularly conduct phishing email drills across all employees. By replicating real-world phishing scenarios, we assess employees' security awareness and provide targeted training and assessments via the D-learning platform based on the results, reinforcing learning effectiveness. For employees in key positions and those identified as high-risk during drills—such as those who click links or submit data—we implement targeted awareness programs and strengthened supervision, effectively enhancing employees' risk identification and response capabilities and reinforcing our cybersecurity defences.



Phishing Awareness Promotion

Intellectual Property Protection

BYD Electronics regards intellectual property as a core corporate asset and, through systematic planning and effective utilisation, positions it as a key driver of innovative development. We strictly comply with intellectual property laws and regulations in our operating regions, including the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, while safeguarding our own intellectual property rights and fully respecting the intellectual property rights of others.

Leveraging the Group's well-established management framework, BYD Electronics strictly implements a series of policies, including the *BYD Patent Application Procedures*, the *BYD Patent Classification Measures*, and the *BYD Patent Layout Management Regulations*, thereby standardising the Company's intellectual property management in all aspects of intellectual property creation, protection and utilisation. We utilise the Group's intellectual property management platform to conduct full lifecycle management of intangible assets—such as patents, trademarks, and copyrights—across the electronics business segment, ensuring the security and integrity of such assets. In 2025, BYD Electronics conducted five intellectual property training sessions, covering not only fundamental knowledge of intellectual property such as patent document production and patent searches, but also courses on interpreting and creating value patents. Total training duration reached seven hours, covering approximately 400 research and development personnel.

Patents of BYD Electronics

Data	Unit	Cumulative number	New additions in 2025
Number of patent applications	Item	12,010	1,341
Number of authorised patents	Item	8,279	358

In 2025 ▶



BYD Electronics conducted
5 intellectual property
training sessions



Total training
duration reached
7 hours



Covering approximately
400 research and
development personnel



Business Ethics

BYD Electronics strictly complies with applicable laws, regulations, and international conventions, including 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*. We actively foster a culture of integrity and transparency and uphold fair and ethical market practices.

| Anti-bribery and Anti-corruption Management

BYD Electronics rigorously implements internal policies such as the *BYD Code of Conduct*, the *BYD Management Provisions on Anti-monopoly and Fair Competition Compliance*, and the *Professional Codes of Ethics for Employees of the Group*, and continuously refines its policy system development through regular reviews aligned with business practices. We have formulated and issued the *BYD Electronics Anti-bribery and Anti-corruption Policy*, establishing a whole-chain integrity management system covering areas such as business hospitality, external donations, whistleblowing and investigation procedures, and disciplinary accountability, thereby providing a robust policy support for anti-corruption efforts. As the supreme governing body for business ethics of the Company, the Board is responsible for decision-making and oversight of major matters and provides overall guidance for the development of our anti-commercial bribery, anti-corruption, and business ethics systems. We have established an Audit and Inspection Office as a dedicated anti-corruption function, which reports directly to the Compliance Committee under the Board and independently performs supervisory duties, ensuring independence, objectivity, and authority free from the influence of any department or individual.

In accordance with policies such as the *Offboarding Audit Management Regulations of the Group*, the *BYD Procurement Position Rotation Management Regulations*, and the *Notice on SQE Position Rotation Management*, we implement targeted controls over high-risk positions involving personnel authority, procurement authority, financial fund authority, and access to key information. For high-risk positions prone to corruption—such as procurement roles—we enforce a mandatory job rotation mechanism every three years, requiring reassignment upon completion of each term to cut off the connection of interests. In addition, in accordance with the *BYD Relative Avoidance Management Regulations*, we impose restrictions on the employment and duties of employees with familial relationships to prevent conflicts of interest and mitigate potential risks to the Company.

We comply with internal policies such as the *Management Measures for BYD Employees Suspected of Benefit Transfer Conduct*, the *BYD Management Personnel's Code of Economic Conduct*, the *BYD Employee External Official Interaction Management Regulations* and the *BYD Internal Employee Interaction Regulations*. We strictly prohibit the offering, acceptance, or solicitation of bribes, gifts, hospitality, or any other form of improper benefit intended to influence, or that may reasonably be perceived to influence, business decisions or secure undue advantages.

We adopt a zero-tolerance approach toward all forms of bribery and corruption. Any employee who participates in, facilitates, or conceals bribery or corruption, or who becomes aware of violations but fails to report them, will be subject to strict disciplinary action in accordance with the *BYD Accountability Regulations* and the *BYD Punishment Policy*, regardless of position or performance. The Company adopts measures against employees who violate regulations, including but not limited to disciplinary actions, termination of employment contracts, and recovery of economic losses. In cases of serious violations, the Company will legally transfer the matter to judicial authorities for legal proceedings. During the year, one concluded corruption-related case was handled by judicial authorities. No violations of business ethics were identified, including those related to employee discrimination or harassment, conflicts of interest, money laundering, or insider trading.

We continue to strengthen anti-corruption measures and conduct regular audits related to business ethics and anti-corruption. We undergo comprehensive anti-corruption inspection audits conducted by BYD Group every two years across all business operations, and engage independent third-party auditors annually to perform external audits. BYD Electronics also conducts unscheduled special internal anti corruption reviews targeting high risk areas. For risks identified during audits, all business units are required to formulate rectification plans and implement closed-loop management. Furthermore, we systematically designate department heads and above, as well as high-risk roles in procurement, sales, project, human resources, and research and development, as key audit targets. Offboarding audits are conducted as planned to effectively prevent corruption and strengthen compliance management.

We continuously strengthen the development of integrity and honesty mechanisms across its supply chain. Through policies such as the *Compliance Management Rules for Business Partners of BYD*, we promote the establishment of internal anti-corruption systems among suppliers and clearly define code of business ethics. We enhance integrity risk prevention in key procurement processes by implementing information-based procurement management processes, job rotation in key positions, and integrity training, ensuring procurement transparency and efficiency. At the same time, we promote integrity awareness through supplier conferences, holiday correspondence, and other engagement channels, fostering a fair and transparent supply chain environment. Where corruption is identified within the supply chain, concerns may be reported through publicly available whistleblowing channels, and all information will be handled with strict confidentiality. In addition, we require all suppliers to sign the *BYD Supplier Anti-Commercial Bribery Commitment*, the *Anti-collusion Commitment*, and the *Supplier Code of Conduct*. Suppliers found in violation will be held accountable in accordance with contractual terms or integrity cooperation agreements.

| Whistleblowing and Complaint Management

BYD Electronics advocates all staff participating in anti-corruption and supervision efforts. To safeguard the supervisory rights of both internal and external stakeholders, we have established smooth whistleblowing and complaint mechanisms. Employees, external organisations, or individuals may report concerns through multiple channels, including the Company's complaint hotline, email, official WeChat account, and other designated reporting platforms. Upon receiving a complaint or report, we assign the case to the appropriate investigation department through the *OA Case Management* process based on its nature and jurisdiction, ensuring independent investigation. The investigation department is responsible for conducting the investigation and uploading investigation findings and rectification recommendations to the system. Cases are formally closed upon completion of final review and approval.

We have established whistleblowing channels and encourage suppliers to report misconduct involving employees of both parties or other suppliers in a truthful manner, jointly safeguarding a fair and transparent business environment. We place great importance on whistleblower protection and strictly implement the *BYD Whistleblower Protection and Reward Regulations* and the *BYD Integrity Reward Measures*. Confidentiality is maintained throughout all stages, including case acceptance, investigation, and maintenance, ensuring that whistleblower identities are protected and their legitimate rights and interests are safeguarded. We commit to promptly investigating all received complaints. Once violations are substantiated, disciplinary actions will be taken in accordance with relevant regulations, and cases will be referred to judicial authorities where necessary. January of each year is designated as "Integrity Month", during which we conduct centralised training for all employees to enhance awareness of reporting channels and provide timely responses to related inquiries and support requests.



Complaint and Feedback Channels at the Group Level

Tel: 0755-89888888-62407

Email: tousu@byd.com

WeChat official account: Integrity BYD

Dedicated Company Complaint and Feedback Channels

Tel: 0755-89888888-68183

Email: neikong@byd.com

WeChat QR code complaint



| Business Ethics Culture Development

We foster a culture of integrity and ethical conduct through multi-level and routine initiatives. Leveraging a hybrid training model that integrates the online D-learning platform with offline specialised training sessions, we continuously strengthen employees' integrity awareness and compliance capabilities. At the same time, we have established a tiered integrity training system, providing targeted training for new employees, existing employees, and those in high-risk positions. Core suppliers are also required to conduct regular anti-bribery and anti-corruption training for their employees, jointly promoting an integrity and ethical business ecosystem.

In 2025 ▶



Number of employees participating in integrity training

10,129



Total training hours approximately

14,855 hours



Management personnel training coverage rate

100%

In addition to integrity training, we continue to promote business ethics through multi-dimensional initiatives to deepen the implementation of integrity concepts. January every year is designated as "Integrity Month", during which we organize a series of publicity and education activities, including integrity statements of senior management personnel, demonstrating leadership commitment and reinforcing compliance and integrity awareness across all employees. We strictly implement a mechanism requiring all employees to sign the *Integrity Policy*, ensuring that employees are fully informed of and committed to complying with our code of business conduct.

Through the OA Integrity Platform and the Company's WeChat official account, we regularly publish integrity-related content and typical cases, continuously expanding promotion channels and enhancing employee engagement and risk identification capabilities. In addition, adhering to the principle of promoting learning and integrity through assessment, we organise integrity knowledge examinations for management personnel in batches. In 2025, an additional 1,311 management personnel passed the integrity examination, bringing the cumulative total to 25,870, with a 100% pass rate.



Case: Ongoing Publication of Anti-corruption Case Compendiums

Since September 2023, we have issued the *Compendium of Typical Anti-corruption Cases* every two months, systematically summarising investigated typical cases and linking them to relevant policies and terms. Through case-based learning and warning mechanisms, as well as regular reporting to management, this initiative helps identify control weaknesses and integrity risks, strengthens oversight, and promotes continuous improvement.

Based on our current practices and achievements, we have established clear business ethics development and oversight targets for the coming year to ensure continuous improvement:

Achieving 100% integrity training coverage for newly appointed management personnel

The employee signing rate of the *Integrity Policy* reached 100%

Organising integrity knowledge examinations for management personnel

Ensuring a 100% acceptance, investigation, and resolution rate for all received complaints



PART 2

Green Development

Tackling Climate Change	030
Opportunities in Clean Technology	042
Green Operations and Production	044

SDGs Covered in This Chapter



Annual Highlights

Tackling Climate Change

- In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we implement climate-related initiatives and continuously explore and advance green actions across the entire business value chain
- We have established targets to reduce carbon emission intensity from our own operations by **50%** by 2030 from the 2023 baseline, and to achieve carbon neutrality across the value chain by 2045
- In 2025, our operational carbon emission intensity decreased by **9.58%** compared with the 2023 baseline

Green Operations and Production

- We strictly comply with the environmental protection regulations of the operating location and systematically build an environmental management system. As of the end of 2025, ISO 14001 certification covered **93.3%** of our operations
- The number of facilities certified under the ISO 50001 Energy Management Systems increased to **26**, with a coverage rate of **54.17%**
- We achieved **109%** of our energy conservation target in 2025, with total energy savings reaching **3,907** tonnes of standard coal equivalent
- Our target for the use of green electricity and green certificates in 2025 was **35%**, while actual utilisation reached **61.16%**, including **691.08** million kWh of green electricity purchased and **1,383.13** million kWh of green certificates procured
- A total of **3,771** environmental-related training sessions were conducted, with cumulative training hours of **7,888** hours and participation exceeding **350,000** person-times

Clean Technology Opportunities

- We integrate clean technology innovation into our core strategy, striving to achieve a synergistic enhancement of environmental and economic value through technological innovation, while promoting low-carbon business transformation through automatic and digital technologies
- In 2025, total R&D investment in clean technologies amounted to RMB **4.465** billion

Tackling Climate Change

As a leading global provider of high-tech innovative products, BYD Electronics profoundly recognises that addressing climate change is the common responsibility and mission of all mankind. We proactively integrate climate action into our development strategy and daily operations. Based on the recommendations of the TCFD, we continuously explore and implement green initiatives across the entire business value chain, systematically advancing our low-carbon transition.

| Governance

To systematically enhance our climate governance capabilities, we have fully integrated the identification, assessment, and management of climate-related risks into our risk management system and established a climate governance structure with the Strategy and Sustainable Development Committee of the Board as the highest oversight body. Responsibilities at all levels are clearly defined through a top-down approach to ensure that climate management is embedded throughout our operations.

The Strategy and Sustainable Development Committee of the Board coordinates and oversees the Company's sustainability topics, regularly reviews climate change and "dual carbon" progress reports submitted by management, provides guidance, and supervises the operation of climate risk management mechanisms. It also ensures the effective operation of the relevant internal control systems and fully integrates climate considerations into material business decisions and transactions. The Sustainable Development Working Group is responsible for the overall planning and systematic advancement of climate-related initiatives. It coordinates the development of climate strategies and policies, clarifies the responsibilities and targets of each business division, continuously tracks climate-related performance, and promotes the effective implementation of climate management actions.

In addition, we engage independent professional institutions to support the identification, assessment, and management of climate-related risks and opportunities, ensuring alignment with regulatory developments and industry best practices. To continuously enhance climate-related oversight and decision-making capabilities at the governance level, members of the Strategy and Sustainable Development Committee of the Board receive at least one ESG- and climate-related training session annually, strengthening their understanding of climate-related risks and opportunities.

| Strategy

In alignment with global climate governance trends, BYD Electronics proactively benchmarks against domestic and international climate-related policies, regulatory requirements, and compliance requirements. Supported by structured climate scenario analysis, we precisely identify potential impacts and scientifically analyse the risks and development opportunities arising from climate change. We fully integrate climate considerations into our corporate strategy and major decision-making processes, while enhancing the climate resilience and adaptive capacity of both the Company and our upstream and downstream partners, thereby fostering a low-carbon collaborative green industry chain.

Climate-related risks and opportunities

Building on the Company's strategic development goals, business operations, and value chain impacts, we continuously identify and assess climate-related risks and opportunities. We also conduct in-depth analyses of the substantive risks and potential opportunities arising from climate change and the transition to a low-carbon economy, and assess their impacts on our financial position.

Identification and Assessment Process for Climate-related Risks and Opportunities

Taking into account our operational characteristics and value chain structure, BYD Electronics adopts climate strategies aligned with those of BYD Group. We systematically identify and assess climate-related risks and opportunities across short-term (within one year), medium-term (one to five years), and long-term (more than five years) horizons, develop an inventory of physical and transition risks, and determine key priorities through structured prioritisation.

For physical risks, we utilise climate hazard models to assess the geographic impacts of extreme weather events and long-term climate trends. Combined with asset analysis, we conduct regional exposure scoring to quantify potential financial impacts on our operations. For transition risks, we analyse national- and city-level climate transition scenarios using professional tools in combination with industry characteristics, identifying risks and opportunities arising from policy, technological, and market shifts. Based on the assessment results, we identify the financial implications of key issues, formulate targeted response measures, and drive their implementation, thereby continuously enhancing our climate resilience and sustainable development performance.

Establishing the Risk and Opportunity Inventory

During the reporting period, we screened and identified climate-related risks and opportunities by comprehensively considering our business model and value chain, industry practices, and stakeholder engagement outcomes. We clarified their distribution across our operations and value chain, established a risk and opportunity inventory, and implemented ongoing monitoring and management.

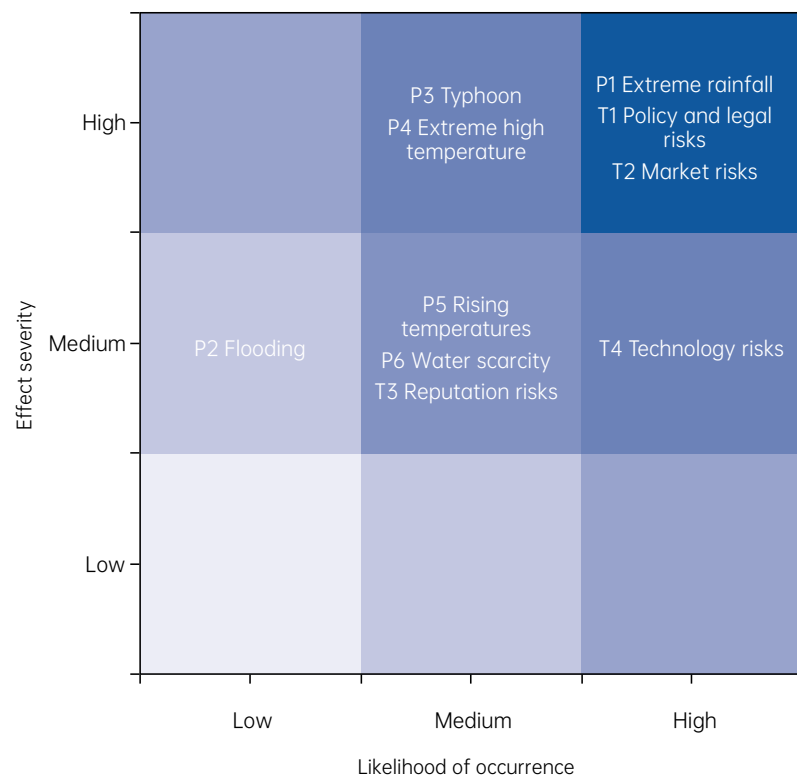
Through engagement with business units and value chain stakeholders, we identified a total of 14 categories of climate-related risks and opportunities relevant to BYD Electronics, comprising six categories of acute and chronic physical risks, four categories of transition risks, and four categories of climate-related opportunities.

Type	Risk and opportunity identification inventory	Corresponding code
 Acute physical risks	● Extreme rainfall ● Flooding ● Typhoon ● Extreme heat	● P1 ● P2 ● P3 ● P4
 Chronic physical risks	● Rising temperatures ● Water scarcity	● P5 ● P6
 Transition risks	● Policy and legal risks ● Market risks ● Reputation risks ● Technology risks	● T1 ● T2 ● T3 ● T4
 Opportunities	● Products and services ● Energy sources ● Markets ● Resilience	● O1 ● O2 ● O3 ● O4

Type	Upstream	Own operations	Downstream
Physical risks	Extreme weather events, such as heavy rainfall, flooding, and typhoons, may directly damage mining areas for specific metals and materials, potentially leading to supply chain disruptions (P1, P2, P3) Upstream industries are typically highly water-intensive. Prolonged drought conditions may disrupt the regional industrial water supply, potentially resulting in shortages of key electronic components (P5, P6)	Extreme weather events, including heavy rainfall, may damage factory facilities and flood precision equipment, leading to significant asset impairment and delays in production recovery (P1, P2, P3) Extreme high temperatures may result in power grid overloads, with energy-intensive workshops facing potential physical power outages (P4)	Extreme weather conditions may disrupt logistics operations, affecting product delivery (P1, P2, P3) If downstream end customers suspend operations due to climate-related disasters, shipments of components may be interrupted, resulting in sudden order stagnation and inventory accumulation of finished goods of BYD Electronics (P1, P2, P3)
Transition risks	The development of global carbon taxation and carbon trading mechanisms may increase compliance costs for upstream suppliers of energy-intensive basic materials, potentially leading to cost pass-through effects (T1) Increasing customer and market demand for environmentally friendly materials may result in constrained supply and higher "green premiums" for high-quality recycled materials, potentially affecting supply chain resilience (T2)	Under increasingly stringent regulatory requirements, energy-intensive facilities may face penalties or mandatory production restrictions (T1) To meet low-carbon operational targets, the Company faces significant pressure related to production line technological upgrades and the increased use of green electricity (T2, T4)	Stringent carbon neutrality requirements imposed by leading global electronics and new energy vehicle companies may intensify market competition and pose Reputation risks to the Company (T2, T3) Export of contract manufacturing products may be subject to local carbon-related regulatory reviews and tariff pressures (T1, T2)
Opportunity impacts	Demand for environmentally friendly materials is expected to increase significantly (O1)	Transformation of the energy structure of the Company's manufacturing facilities is expected to reduce operating costs over the long term (O2, O4) Advanced carbon management capabilities may become a key competitive advantage in capturing emerging market opportunities (O3)	Growing demand for clean technologies presents new market opportunities (O3)

Prioritisation of risks and opportunities

Based on the identification results of climate-related risks and opportunities, we assess their priority by considering both the likelihood of occurrence and the magnitude of their impact on our business and value chain.



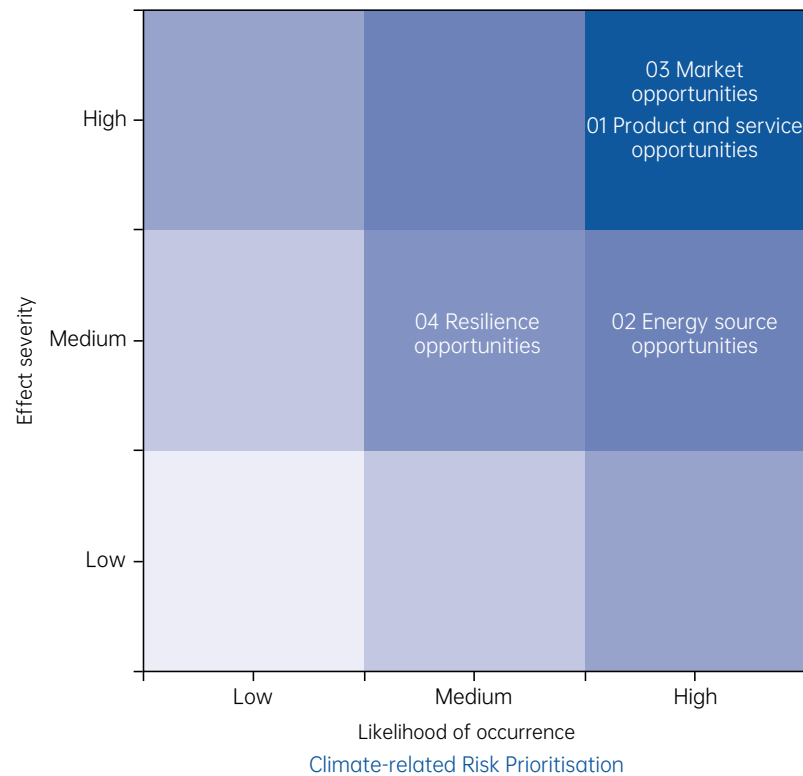
Climate-related Risk Prioritisation

As global climate governance continues to advance, carbon emission regulations, environmental information disclosure requirements, and carbon market mechanisms are increasingly improved, resulting in rising compliance costs and regulatory pressures for enterprises. At the same time, market demand for low-carbon products and green supply chains continues to grow. Companies that fail to adapt to the low-carbon transition in a timely manner may face declining competitiveness and reduced market influence. Therefore, policy and legal risks, as well as market risks, are identified as the key climate transition risks requiring prioritised management.

In terms of physical risks, the intensification of climate change has increased both the frequency and severity of extreme weather events, which may have short-term impacts on production facilities, logistics operations, and supply chain stability. For example, extreme rainfall and typhoons may disrupt transportation or damage facilities, while extreme high temperatures may affect equipment performance, increase energy demand, and pose risks to employee health and safety. The Company needs to mitigate these risks by improving emergency management mechanisms and enhancing the resilience of critical infrastructure.

In addition, water scarcity, technology risks, rising temperatures, flooding, and reputation risks are generally assessed as medium-level risks. Among these, water scarcity may place pressure on production operations and resource management in certain regions; technology risks stem from uncertainties in the development and application of low-carbon technologies; Rising temperatures, as a chronic physical risk, are primarily reflected in changes in energy demand and the increased frequency of extreme weather events; and Reputation risks arise from continued stakeholder scrutiny of our climate actions and environmental performance.





Based on a comprehensive assessment of the likelihood of occurrence and impact severity, BYD Electronics identifies market opportunities and product and service opportunities as the highest priorities, both characterised by high likelihood and very high impact. Market opportunities arise from enhanced carbon management capabilities that enable us to meet increasingly stringent low-carbon supply chain access requirements from core customers. This positions us to capture growth opportunities driven by rising demand for clean technologies, while also helping mitigate reputational and market risks. Product and service opportunities align with increasing global demand for green materials and low-carbon products. By advancing product-level green upgrades, we drive revenue growth in our core business while partially mitigating market risks. Energy source opportunities are identified as the second-highest priority, with a high likelihood of occurrence. By promoting the adoption of green electricity, we can reduce manufacturing costs over the medium to long term, mitigate policy and chronic physical risks, and provide essential green power support for capturing market and product and service opportunities. Resilience opportunities are assessed as medium priority, with both likelihood and impact at moderate levels. These primarily involve strengthening the resilience of energy systems and infrastructure to address potential power disruptions caused by extreme high temperatures, thereby ensuring production continuity.

Financial effect analysis

Current financial effect

To comprehensively assess and proactively respond to the challenges and opportunities arising from climate change, we conducted a systematic review of the financial impacts associated with climate-related risks and opportunities during the reporting period. These include investments in preventive measures to mitigate the impacts of extreme weather, as well as expenditures related to proactively managing transition risks and capturing climate-related opportunities.

During the reporting period, we actively responded to various physical climate risks by procuring weather-resistant and protective materials, reinforcing factories and warehouses, constructing flood control infrastructure, and implementing employee safety measures, thereby enhancing the climate resilience of our facilities. At the same time, we leveraged green development opportunities by advancing process innovation, energy substitution, and lean production, building a resource-efficient and environmentally friendly low-carbon production system.



Risk and opportunity type	Effect on business model	Financial effect category	Value range (RMB)
Acute physical risks	- Procurement of weather-resistant and protective materials and deployment of intelligent temperature control and infiltration pressure monitoring systems to enhance capabilities in responding to physical climate risks - Implementation of engineering measures, including reinforcement of factories and warehouses, retrofitting, and relocation, to mitigate potential damage caused by extreme weather events and other natural hazards - Ensuring stable and continuous production through employee care and welfare policy	Capital expenditure Operating expenditure	RMB 500,000 to RMB 600,000
Transition risks and opportunities	- Improvement of production processes and equipment upgrades to enhance product quality and operational efficiency - Reform of energy systems and optimisation of production power to achieve energy conservation, reduce consumption, and lower product carbon footprints	Capital expenditure	RMB 90,000,000 to RMB 100,000,000

Anticipated financial effect

Climate scenario analysis

In alignment with the disclosure methodology and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we adopt a scenario analysis approach. Based on key dimensions—including the magnitude of potential impacts, timing of effects, and associated financial implications—we assess the potential effects of key climate-related risks and opportunities on our business operations and financial performance under different climate scenarios.

Physical risks

We refer to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and select three Shared Socioeconomic Pathways (SSPs)—the Low Greenhouse Gas Emission Scenario (SSP1-2.6), the Intermediate Greenhouse Gas Emission Scenario (SSP2-4.5), and Very High Greenhouse Gas Emission Scenario (SSP5-8.5)—to conduct physical climate risk analysis for our operations.

Scenario	Potential temperature increase
SSP1-2.6: Low Greenhouse Gas Emission Scenario	1.8°C (possible range: 1.3°C–2.4°C)
SSP2-4.5: Intermediate Greenhouse Gas Emission Scenario	2.7°C (possible range: 2.1°C–3.4°C)
SSP5-8.5: Very High Greenhouse Gas Emission Scenario	4.4°C (possible range: 3.3°C–5.7°C)

Heatmap of Financial Effect Analysis and Assessment of Climate Physical Risks

Risk type			Financial effect on business model	SSP1-2.6: Low Greenhouse Gas Emission Scenario			SSP2-4.5: Intermediate Greenhouse Gas Emission Scenario			SSP5-8.5: Very High Greenhouse Gas Emission Scenario		
				Current year	2030	2050	Current year	2030	2050	Current year	2030	2050
Acute physical risks	P1	Extreme rainfall	- Extreme rainfall events may cause damage to factories and equipment, resulting in asset depreciation and impairment losses - Repair and replacement of facilities and equipment may lead to significant capital and operating expenditures - Production disruptions caused by extreme weather events or prolonged high temperatures may reduce revenue and increase downtime-related losses	High	High	High	High	High	High	Extremely high	Extremely high	Extremely high
	P2	Flooding		Extremely low	Extremely low	Extremely low	Extremely low	Extremely low	Extremely low	Extremely low	Extremely low	Extremely low
	P3	Typhoon		Moderate	Moderate	Moderate	High	High	High	High	High	High
	P4	Extreme heat		Moderate	Moderate	High	High	High	Extremely high	Extremely high	Extremely high	Extremely high
Chronic physical risks	P5	Rising temperatures	Prolonged high temperatures may increase electricity consumption and equipment maintenance costs, potentially leading to reduced revenue and deterioration in asset performance	Moderate	Moderate	High	High	High	Extremely high	Extremely high	Extremely high	Extremely high
	P6	Water scarcity	Long-term water scarcity may increase costs related to water procurement, process adjustments, and emergency supply chain responses, thereby exerting additional pressure on operational efficiency and cost management	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	High	High	High

Risk Level:

Extremely low	Low	Moderate	High	Extremely high	Severe
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Transition-related risks and opportunities

We apply the Stated Policies Scenario (STEPS) and the Net Zero by 2050 (NZE 2050) from the International Energy Agency (IEA)'s *World Energy Outlook 2025* to systematically assess the implications of future energy transition pathways for our business model and value chain. For transition risks, we focus on the financial implications of changes in policy, market dynamics, and reputational factors on our business model and value chain. For climate-related opportunities, we assess potential development pathways and associated financial impacts across products and services, energy sourcing, market expansion, and climate resilience.

Scenario	Scenario description
Stated Policies Scenario (STEPS)	This scenario reflects the current direction of global energy system development based on existing and announced energy-related policies. It incorporates implemented and announced policies on energy, climate, and related industries, as well as broader national strategic frameworks that signal future development trajectories.
Net Zero by 2050 (NZE 2050)	Under this scenario, the global energy sector achieves net zero carbon dioxide emissions by 2050, representing an accelerated and ambitious decarbonisation pathway.

Heatmap of Financial Impact Analysis and Assessment of Climate Transition Risks

Risk type	Risk		Financial effect on business model and value chain	Net Zero by 2050 (NZE 2050)		Stated Policies Scenario (STEPS)	
				2030	2050	2030	2050
Transition risk	T1	Policy and legal risks	- Global carbon taxes and carbon trading mechanisms may significantly increase compliance costs for upstream suppliers of energy-intensive raw materials, thereby driving up the Company's raw material procurement costs - Increasingly stringent environmental policy requirements may elevate the risk of environmental penalties, potentially impacting non-operating expenses - Exported products may be subject to local carbon-related regulatory reviews and tariffs, increasing export-related costs and compliance burdens	Extremely high	High	Low	Extremely high
	T2	Market risks	- Stringent carbon neutrality requirements across global electronics supply chains may intensify market competition, potentially affecting revenue scale - Rising demand for environmentally friendly materials may directly increase raw material procurement costs	Extremely high	Extremely high	Moderate	Extremely high
	T3	Reputation risks	Increasing carbon neutrality expectations from global customers, coupled with tightening environmental compliance standards, may give rise to Reputation risks, thereby affecting revenue and profitability	High	Extremely high	Moderate	Extremely high
	T4	Technology risks	Significant investment in technological upgrades, equipment replacement, and green electricity procurement may increase capital expenditure and administrative costs	Moderate	Low	Extremely low	Extremely high

Risk Level:

Extremely low	Low	Moderate	High	Extremely high	Severe
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Heatmap of Financial Impact Analysis and Assessment of Climate-related Opportunities

Opportunity				Net Zero by 2050 (NZE 2050)		Stated Policies Scenario (STEPS)	
				2030	2050	2030	2050
Opportunities	O1	Products and services	We can drive growth in core business revenue by enhancing the environmental attributes of our supply chain and increasing the application of environmentally friendly materials	Extremely high	Extremely high	Moderate	High
	O2	Energy sources	Transitioning factory energy sources toward green electricity and clean energy, replacing traditional high-carbon energy, and optimising the energy procurement mix can reduce electricity procurement costs over the long term	High	Extremely high	Moderate	High
	O3	Markets	- Advanced carbon management capabilities enable us to better meet global customers' carbon neutrality requirements, thereby driving revenue growth - Investment in clean technology innovation and the transformation of R&D outcomes into core competitive advantages can generate additional revenue streams and enhance financial resilience	Extremely high	Extremely high	Moderate	High
	O4	Resilience	Reducing reliance on traditional energy sources and enhancing the stability and resilience of energy supply can mitigate production disruptions caused by power shortages or grid fluctuations, thereby ensuring stable revenue generation	Moderate	Extremely high	Moderate	Extremely high

Opportunity level:



Strategies and measures

Based on the identified climate-related risks and opportunities, BYD Electronics formulates and implements targeted response strategies and action plans across our own operations and upstream and downstream value chains. These are integrated into our overall business planning to enhance climate adaptability and resilience. In addition, we have joined the Group's iD Carbon Chain digital management platform (a digital carbon management platform) to further advance our digital low-carbon transition.

Countermeasures for Climate-related Risks

Risk type	Response measures
Acute risks	■ Develop emergency management documents, such as the <i>Emergency Response Plan for Electronics Business Group Natural Disasters</i>, and conduct regular emergency drills and climate response training ■ Optimise drainage systems and wind resistance capabilities at factory sites, and increase investment in emergency equipment and materials ■ Install temperature and humidity monitoring and early warning systems in factory areas to continuously monitor production environments and ensure stable equipment operations ■ Incorporate business continuity planning and climate resilience requirements into supplier audits and evaluations to enhance overall supply chain resilience
Chronic risks	■ Deploy intelligent energy management systems to enable refined management of production energy consumption, thereby improving data accuracy and management capabilities ■ Reduce electricity, gas, and water consumption, and lower energy costs through initiatives such as upgrading vacuum systems, optimising compressed air and lighting systems, recovering waste heat from air compressors, and utilising reclaimed water ■ Enhance production efficiency by integrating processes, implementing shared production lines, optimising heating and polishing processes, and improving equipment utilisation, thereby reducing material waste and redundant procedures
Policy and legal risks	■ Establish and continuously enhance product carbon footprint accounting capabilities to proactively address risks related to carbon tariffs and regulatory compliance barriers
Market risks	■ At the product design stage, develop materials and structural solutions that are easy to disassemble, highly recyclable, and low in carbon emissions, thereby enhancing the green value of products
Reputation risks	■ Strengthen the carbon neutrality roadmap planning and enhance the transparency and quality of climate-related disclosures
Technology risks	■ Accelerate the adoption of low-carbon technologies and expand the deployment of clean energy infrastructure

Climate-related Opportunity Actions and Measures

Opportunity type	Response measures
Products and services	■ Continue to increase investment in the research, development, and production capacity of clean technologies and intelligent systems ■ Strengthen green procurement standards to enable collaborative carbon reduction across the value chain
Energy sources	■ Expand the deployment of clean energy and increase the proportion of renewable energy consumption
Market	■ Actively respond to growing green market demand and establish long-term green partnerships
Resilience	■ Develop green factories and zero-carbon factories to enhance climate resilience and operational stability

Risk Management

BYD Electronics has established a comprehensive, end-to-end management mechanism for climate-related risks and opportunities, covering identification, assessment, prioritisation, and monitoring. These elements are fully integrated into our overall risk management framework, making climate-related topics a core component of routine risk management. We adopt a combination of methodologies—including climate scenario analysis, industry benchmarking, internal assessments, and external expert consultation—to conduct dynamic annual evaluations and prioritisation of climate-related risks and opportunities, identifying those with material impacts on our business model and value chain.

Metrics and Targets

BYD Electronics actively fulfils its responsibility for green development and aligns with the Group's carbon neutrality goals. We have set targets to reduce carbon emission intensity from our own operations by 50% by 2030 compared with the 2023 baseline, and to achieve carbon neutrality across the entire value chain by 2045.



Targets ▶



Reduce carbon emission intensity from own operations by

50% by 2030 from the 2023 baseline



Achieve carbon neutrality across the value chain by 2045

Progress in 2025 ▶



In progress; in 2025, carbon emission intensity from own operations decreased by **9.58%** from the 2023 baseline



In progress

Key Greenhouse Gas Emission Indicators of BYD Electronics:

Indicator	Unit	2025	2024	2023
Tota GHG emissions ¹ (Scope 1 + Scope 2 + Scope 3)	tCO ₂ e	2,060,938	2,421,779	1,419,501
GHG emission intensity	tCO ₂ e/RMB 10,000	0.1148	0.13659	0.11356
Total GHG emissions from own operations (Scope 1 and Scope 2)	tCO ₂ e	1,842,952	1,823,666	1,419,501
GHG emission intensity from own operations (Scope 1 and Scope 2)	tCO ₂ e/RMB 10,000	0.10268	0.10285	0.11356
Scope 1 GHG emissions	tCO ₂ e	33,696	37,070	14,665
Scope 2 GHG emissions	tCO ₂ e	1,809,256	1,786,596	1,404,836
Scope 3 GHG emissions ²	tCO ₂ e	217,986	598,113	/
Scope 3 GHG emissions (fuel- and energy-related activities) ³	tCO ₂ e	168,641	585,761.63	/
Scope 3 GHG emissions (business travel) ⁴	tCO ₂ e	15,998	12,351.44	/
Scope 3 GHG emissions (employee commuting) ⁵	tCO ₂ e	334.20	/	/
Scope 3 GHG emissions (downstream transportation and distribution, excluding intra-group transportation) ⁶	tCO ₂ e	33,013	/	/

¹ When calculating greenhouse gas emissions, the emission factors of energy refer to the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement)*. The emission factors of gasoline, diesel, and natural gas refer to the same guidelines. The emission factors of purchased electricity are based on the *Announcement on the Release of 2023 Electricity CO₂ Emission Factors*, and the emission factors of steam are based on GB/T 32151.29—2024 *Requirements of the greenhouse gas emissions accounting and reporting—Part 29: Mechanical equipment manufacturing enterprise*.

² Scope 3 GHG emissions include GHG emissions from employee travel, employee commuting, fuel- and energy-related activities, and downstream transportation and distribution.

³ Category 3: Fuel- and energy-related activities. This category includes greenhouse gas emissions associated with BYD Electronics' energy procurement, as well as upstream transportation and distribution of energy. The emission factors are based on the database of Ecoinvent 3.11.

⁴ Category 6: Business travel. This category includes greenhouse gas emissions generated by BYD employees' business travel by train, airplane and other means; the emission factors are based on the CPCD database (*Database of Greenhouse Gas Emission Factors for the Lifecycle of Products in China*).

⁵ Category 7: Employee commuting. This category includes greenhouse gas emissions generated from employee commuting, including Group-operated shuttle buses and other transportation modes. Emission factors are based on the CPCD database.

⁶ Category 9: Downstream transportation and distribution. This category includes greenhouse gas emissions generated during the downstream transportation and distribution of products manufactured domestically by BYD Electronics and sold globally via road, water, air and rail transport, excluding internal transport within the BYD Group. The emission factors are based on the database of Ecoinvent 3.11.

Clean Technology Opportunities

| Clean Technology Exploration

In response to global climate change and the accelerating low-carbon transition, BYD Electronics recognises the pivotal role of clean technologies in achieving global sustainable development goals. We have actively captured opportunities arising from clean technologies by fully integrating them into our core business strategy and positioning clean technology innovation as a key strategic pillar. Through technological innovation, automation, and digitalisation, we have striven to achieve a synergistic enhancement of environmental and economic value and drive our low-carbon transition. We focus on intelligent terminal components and assembly, new energy vehicles, and AI computing infrastructure. By integrating digital manufacturing technologies and artificial intelligence, we have established a comprehensive clean technology strategy framework. We continue to deepen our presence in key areas, including green manufacturing of intelligent terminals, energy storage technology deployment, household energy solutions, research and commercialisation of hybrid and electric vehicle components, and system optimisation technologies.

In 2025 ▶



BYD Electronics' total R&D investment in the clean technology sector amounted to RMB

4.465 billion. By leveraging existing business lines and manufacturing capabilities, we are steadily advancing the implementation of our clean technology strategy.

Promoting the development of new energy and green transportation

We are deeply engaged in research, development, and production across the new energy vehicle value chain. We have made substantial investments in automotive electronics and related components, including the intelligent suspension systems, vehicle thermal management systems, intelligent driving assistance controllers, and carbon ceramic brake discs. Through the application of core technologies such as heat pump systems, we have significantly improved thermal efficiency and extended the driving range of new energy vehicles. In addition, we have optimised integrated thermal management modules to precisely regulate the temperature of batteries, motors, and electronic control systems, thereby enhancing energy efficiency and reducing carbon emissions. We have also independently developed a fast-response oxygen sensor with excellent anti-dew-point performance, significantly reducing cold-start response time and lowering harmful exhaust emissions.

Breakthroughs in optimisation technologies and high-efficiency systems

We are committed to advancing process optimisation and high-efficiency systems across the entire product lifecycle. In the field of high-performance computing and servers, we have achieved breakthroughs in low-power consumption technologies. Our full range of microcomputer products complies with the latest GB 28380-2025 standard and has achieved Level 1 energy efficiency. At the same time, our independently developed JIANGXI 2U Data Processing Centre has successfully passed the Level 1 energy efficiency test under GB 43630-2023. We have widely applied liquid cooling technologies, including cold plate and immersion cooling, to reduce data centre Power Usage Effectiveness (PUE). In intelligent manufacturing, we have developed industry-leading "lights-out" production lines for BSC motors, achieving automated, intelligent, and unmanned high-efficiency production. In certain production lines, manual handling has been replaced by robotic arms, manual inspection by automated optical inspection (AOI), and repetitive manual tasks by automated production lines, thereby significantly optimising production efficiency.

Advancing lightweight design and the application of green materials

Lightweight design and the circular economy are key pillars of our clean technology strategy. We have integrated green materials and lightweight design across multiple core product lines, making them fundamental components of our clean technology system. In automotive components, we optimise materials and structural design of shock absorbers through simulation analysis, achieving weight reduction while maintaining high strength and durability, thereby reducing vehicle energy consumption and carbon emissions. In the consumer electronics sector, we provide smartphone mid-frame components that extensively adopt lightweight designs using titanium and aluminium alloys, while actively incorporating recycled materials.

Clean Technology Achievements

In 2025, our clean technology-related businesses achieved steady growth, with revenue from clean technology issues accounting for 74.7% of our total operating revenue. The distribution of clean technology businesses and their respective revenue contributions are presented in the table below:

Clean technology category	Product type	Key product matrix/business scope	Revenue contribution
Application of green materials and lightweight design	Green material selection for intelligent terminals	Products such as tablets, smartphones, keyboards, multimedia players, and network devices utilise environmentally friendly casings and components made from titanium/aluminium alloys and recycled materials	57.0%
	Lightweight automotive components	Taking automotive shock absorbers as an example, materials and structural designs are optimised through simulation analysis to reduce component weight while ensuring high strength and durability, thereby lowering vehicle energy consumption and carbon emissions	
Hybrid or electric vehicle electronics and core hardware	In-vehicle electronic control and display	Including cockpit systems, displays, instrument panels, vehicle modules, intelligent driving modules, and lighting modules	13.7%
	Chassis and thermal management components	Including intelligent suspension systems, heat pump systems, PTC heaters, related thermal management components, carbon ceramic brake discs, engine sensors, heat dissipation housings, and automotive glass	
Energy storage technology	Energy storage supporting hardware	Covering manufacturing, assembly, and deployment services for industrial and residential energy storage systems, supporting the development of new power systems	2.6%
Optimisation technologies and systems	High-performance computing equipment and terminal systems	Achieving breakthroughs in low-power consumption technologies and optimising intelligent power management, including software-level enhancements such as location service control, system control centre optimisation, and Optimus graphics switching, significantly reducing power consumption in sleep and standby modes	0.8%
	Energy efficiency management and thermal system optimisation	Including cold plate liquid-cooled servers, immersion liquid-cooled servers, and vapor chamber (VC) heat spreaders	
	Automated and intelligent production lines	Including industrial robots, automotive terminal inspection and welding equipment, fully automated "lights-out" production lines for BSC/LMS motors, high-speed forming machines, fin machines, and other intelligent manufacturing equipment	
Production of batteries	Battery components	Providing manufacturing and assembly services for battery packs and structural components for downstream new energy and related industries	0.4%
Energy solutions for household product	Smart home IoT	Providing low-power, high-efficiency smart home terminal solutions, including robotic vacuum cleaners, lawn mowers, and whole-home central control systems	0.2%
Total revenue share of clean technology products and services			74.7%

Green Operations and Production

| Environmental Compliance Management

BYD Electronics strictly complies with applicable environmental laws, regulations, and policy requirements, continuously enhancing its environmental management system and internal governance framework. We have established a clear management structure, implemented environmental risk control mechanisms, set compliance targets, strengthened accountability through performance evaluation, conducted environmental training, and implemented full lifecycle control over emissions, thereby ensuring compliance and improving environmental management performance.

Environmental management system

BYD Electronics strictly complies with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, and the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, and other policies and requirements such as the *Plan for the Comprehensive Management of Volatile Organic Compounds (VOCs) in Key Sectors*. We have systematically established and continuously improved an environmental management system that covers all operations.

In 2025, we further strengthened our internal management policies by formulating and implementing core policies, including the *BYD Solid Waste Management Procedures*, the *BYD Group Environmental Factor Monitoring Management Measures*, and the *BYD Group Environmental Facility Operation and Management Regulations*, thereby standardising environmental management practices and reinforcing our management foundation. In addition, we always integrate environmental risk management throughout the entire operational process. In accordance with policies such as the *BYD Environmental Factor Identification and Evaluation Procedures*, we proactively identify environmental factors across production operations, supplier management, and customer inspections, systematically assess their environmental impacts, and establish corresponding control measures to continuously enhance our environmental risk management capabilities.

In terms of governance structure, we have established a top-down environmental management system with clearly defined roles and responsibilities. We have established the EHS Committee, chaired by the President of the Company, to oversee environmental management strategy, major initiatives, and resource allocation, ensuring that environmental responsibilities are effectively implemented across all levels through a closed-loop management approach. During the reporting period, we comprehensively advanced ISO 14001 Environmental Management Systems certification. As of the end of 2025, such certification covered 93.3% of our operations, encompassing 14 of our 15 legal entities, with a target of achieving 100% coverage by 2026.

Stakeholder engagement

BYD Electronics places strong emphasis on environmental communication and collaborative governance with external stakeholders. We actively engage in ongoing dialogue with customers, suppliers, investors, and other stakeholders, proactively understanding their expectations and requirements regarding environmental performance, environmental management, and sustainable development, and systematically incorporating their feedback into the formulation, implementation, and continuous improvement of our environmental policies.

In terms of customer engagement, we actively participate in customer-led environmental initiatives, cooperate with audits and on-site inspections, and maintain ongoing communication on topics such as environmental management, low-carbon transition, and green supply chain development. Key areas of customer focus include clean electricity adoption, energy conservation and emission reduction initiatives, ISO 45001 Occupational Health and Safety Management Systems, ISO 14001 Environmental Management Systems, ISO 14064 Greenhouse Gas Verification, ISO 14067 Product Carbon Footprint Verification, CDP climate disclosure, SBTi science-based target setting and disclosure, renewable energy planning, green supply chain management (including supplier evaluation, selection, and phase-out mechanisms), as well as clean energy and water resource management. We integrate customer expectations into our medium- and long-term development planning and project implementation pathways, actively participate in customer-led environmental training and best practice sharing, and continuously enhance environmental management across the entire value chain.

In terms of government engagement, during the reporting period, we actively cooperated with inspections and supervision conducted by environmental authorities and other government bodies, maintained regular and institutionalised communication with regulators, and ensured full compliance with national laws, regulations, and local policy requirements in all environmental management activities.



Environmental goal management

BYD Electronics fully integrates environmental considerations into its management processes by establishing measurable and assessable environmental compliance targets. Implementation measures are embedded throughout the entire operational lifecycle to continuously improve environmental performance. We have established quantitative performance indicators, including KEI, which is assessed based on regulatory compliance, closed-loop issue management, compliant emissions, and environmental control performance. In accordance with the *BYD Group Safety and Environmental Protection Reward and Punishment Regulations*, we implement both incentive and disciplinary measures, thereby strengthening environmental responsibility across all employees. We have set a goal of achieving a KEI score above 78%, which was achieved in 2025. In addition, the company has not paid any significant fines related to environmental or ecological issues in 2025 and no major environmental incidents occurred.

Environmental compliance management targets		Progress in 2025
Exhaust gas management	Ensure that waste gas emissions generated during production comply with national and local emission standards, while reducing emissions through measures such as process optimisation and the adoption of low-VOCs raw materials.	Waste gas emissions comply with the <i>Integrated Emission Standard of Air Pollutants</i> (GB 16297) and applicable local standards.
Waste management	Achieve standardised collection, storage, transfer, and disposal of hazardous waste, strictly implement the electronic manifest system, and track the entire transfer process to ensure zero illegal discharge and zero major environmental pollution incidents.	Ensure that 100% of waste is disposed of in a compliant manner, with zero illegal discharge and zero major environmental pollution incidents.
Wastewater management	Ensure that wastewater discharge indicators, including COD and ammonia nitrogen, achieve 100% compliance with applicable regional standards, while further reducing wastewater discharge through process optimisation.	Wastewater discharge complies with the <i>Integrated Wastewater Discharge Standard</i> (GB 8978) and applicable local standards.

Publicity and training on environmental protection

To continuously enhance employees' environmental awareness and professional capabilities, in 2025, we provided systematic training for all employees on key topics such as solid waste management, waste gas emission control, and wastewater management. During the reporting period, we conducted a total of 3,771 environmental training sessions, with cumulative training hours reaching 7,888 and participation exceeding 350,000 person-times.

Chemical Safety

BYD Electronics strictly complies with applicable regulations, including the *Regulations on Safety Management of Hazardous Chemicals* and the Regulations on the Administration of Precursor Chemicals, as well as the Group's internal policies. Centred on closed-loop management across the entire process of assessment, procurement, delivery, storage, and use, we have established a full lifecycle chemical management system covering procurement, transportation, storage, use, and disposal, ensuring regulatory compliance and safeguarding employee health and safety. The specific management measures are as follows:

At the source control stage, we have established a systematic safety assessment mechanism to identify risks associated with the use, storage, transportation, and disposal of hazardous chemicals and to implement preventive control measures. In procurement, only suppliers with appropriate operating licences are selected. Controlled chemicals can only be procured following approval through the OA system and authorisation from local environmental, health, and safety authorities and approval from public security agencies. Suppliers are required to provide the *Material Safety Data Sheets* (MSDS) and chemical composition analysis reports. When introducing or replacing new technologies, products, or materials, hazard identification is conducted simultaneously to prevent risks at the source.

At the process control stage, we verify that transport vehicles meet hazardous chemical transportation requirements and strengthen logistics safety management. In storage, hazardous chemical warehouses are equipped with ventilation, explosion-proof, and leak prevention facilities to ensure continuous compliance with safety requirements. Warehouses are included in key risk inspection scopes, with the business group conducting quarterly on-site hazard inspections. In 2025, the rectification rate of identified hazards reached 100%. At the usage stage, we require standardised operational record management, mandate the proper use of personal protective equipment (PPE), and ensure that operators are fully aware of the hazardous properties of chemicals.

At the personnel and emergency management level, chemical operators must complete specialised training on the *Hazardous Chemical Safety Management* and pass relevant assessments prior to commencing work. Each business division conducts on-site inspections to verify training compliance and incorporates the results into performance evaluations. In addition, chemical incident scenarios are included in the Company's comprehensive assessment index, and integrated emergency training and leak response drills are conducted across all operations. We regularly organise hazardous chemical emergency drills to continuously test and enhance the effectiveness and operability of emergency response plans, thereby strengthening employees' on-site response and incident handling capabilities. In 2025, a total of 54 emergency drills were conducted, with participation exceeding 7,353 person-times.

Through these full lifecycle control measures, BYD Electronics successfully achieved its safety targets in 2025, with no chemical leakage incidents or safety accidents recorded, ensuring effective control of hazardous chemicals from entry to end use.



Case: Chemical Risk Management

- BYD Electronics has established a dual-layer defence mechanism combining routine control and emergency response, enabling full lifecycle risk management of hazardous chemicals.
- In storage and process control, hazardous chemical storage areas are equipped with 24-hour gas monitoring systems and zoned storage management. We implement a dual-control system (dual-person oversight and dual-lock management) and on-demand issuance, supported by electronic ledger tracking. Strict personnel access controls and protection requirements are enforced, alongside a dynamic inventory traceability system. A closed-loop hazard management mechanism - comprising daily inspections, weekly checks, and monthly reviews - is in place to effectively mitigate risks at the source.
- In emergency management, we have established chemical leak emergency response plans, formed dedicated emergency response teams, and conducted regular drills covering multiple typical scenarios. These drills are continuously reviewed and optimised to enhance frontline response capabilities.
- Through the coordinated implementation of personnel controls, technical controls, and management controls, we have strengthened the foundation of chemical safety management, ensuring compliant operations and the protection of employee health and safety.

Hazardous Substances Management

BYD Electronics is committed to ensuring that all products comply with applicable international and domestic regulations on hazardous substances. In accordance with the *BYD Electronics Environmental Management Substance Standards for Business Divisions*, we define acceptable limits for environmental management substances contained in components and materials used in electronic information products. We work closely with suppliers to reduce hazardous substances in products and progressively advance substitution plans for such substances.

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结论 Conclusion		
测试样品 Tested Sample	依据标准/指令 According to standard/directive	结果 Result
提交样品 Submitted Sample	欧盟RoHS指令2011/65/EU及其修订指令(EU) 2015/863 RoHS Directive 2011/65/EU with amendment (EU) 2015/863	符合 PASS
符合表示检测结果满足欧盟RoHS指令2011/65/EU及其修订指令(EU) 2015/863要求的限值。 PASS means that the results shown on the report comply with the limits set by RoHS Directive 2011/65/EU with amendment (EU) 2015/863.		

Hazardous Substance Reduction Plan

BYD Electronics places strong emphasis on chemical safety and environmental health by establishing a full lifecycle management system for hazardous substances. We strictly comply with regulations and standards such as RoHS, REACH, restricted substances specifications, and customer-specific green standards, and formulate and implement hazardous substance reduction and substitution plans. We have established a list of prohibited hazardous substances and adopted a source-level control strategy, whereby substances on the list are strictly prohibited from introduction and are eliminated at the source. This approach fundamentally ensures that our products comply with environmental and safety standards. We explicitly restrict or prohibit the use of substances of great concern, including heavy metals, phthalates, per- and polyfluoroalkyl substances (PFAS), and halogenated flame retardants. Through four key approaches—source substitution, process optimisation, green procurement, and supply chain management—we advance reduction targets, continuously update our internal restricted substances list, conduct supplier environmental audits and material testing, and drive a year-on-year reduction in the use of high-risk substances. Going forward, we will continue to expand the use of non-toxic and environmentally friendly materials, accelerate the complete phase-out of key hazardous substances, and minimise the impacts of our products and manufacturing processes on human health and the ecological environment.

Target Setting and Organisational Support

We have established limits for key controlled substances as follows: cadmium < 70 ppm; lead, mercury, hexavalent chromium, polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE), and di(2-ethylhexyl) phthalate (DEHP), dibutyl phthalate (DBP), benzyl butyl phthalate (BBP) and diisobutyl phthalate (DIBP) < 700 ppm; chlorine < 900 ppm; bromine < 900 ppm; and total chlorine and bromine < 1,500 ppm. We also explicitly prohibit the use of high-risk substances, including organochlorine compounds, polyvinyl chloride (PVC), polycyclic aromatic hydrocarbons (PAHs), perfluorooctane sulfonates (PFOS), and ozone-depleting substances (ODS). Based on the above thresholds, we have established phased reduction targets:

- By September 2026: Complete a comprehensive inventory of hazardous substances across all materials, and establish risk inventories;
- By December 2028: Achieve a substitution rate of no less than 80% for high-risk materials and fully eliminate non-compliant items;
- By 2030: Achieve full compliance with GB 26572-2025, ensuring 100% compliance for all materials;
- Ongoing target: Continuously reduce the use of hazardous substances and promote the adoption of halogen-free and low-VOC materials.

To ensure effective implementation of plans, we have clearly defined responsibilities across all functions: The management representative is responsible for overall coordination, review, and resource allocation; the R&D department is responsible for the selection and validation of environmentally friendly materials; the procurement department promotes supplier environmental management and the introduction of alternative materials; the quality department conducts testing and compliance verification; the manufacturing department ensures process segregation and batch traceability; and the warehousing department manages material segregation and labelling. Together, these departments form a coordinated, cross-functional management mechanism.

Baseline Assessment and Risk Evaluation

We conduct comprehensive surveys of hazardous substances across all materials, utilising a combination of X-ray fluorescence (XRF) screening and precise analytical testing to assess raw materials, components, auxiliary materials, and packaging materials. Based on the survey results, we establish the *Hazardous Substance Risk Inventory*, implement graded management for materials, suppliers, and processes, identify high-risk areas, and develop the *Risk Assessment Report* to support subsequent reduction measures.

Reduction Measures

At the source substitution level, we fully adopt lead-free solder, eliminate PBB and PBDE in plastics and inks by replacing them with halogen-free flame retardants, substitute hexavalent chromium surface treatments with trivalent chromium or chromium-free passivation, prohibit DEHP, DBP, BBP and DIBP in plasticisers and adopt environmentally friendly alternatives, and control total heavy metals in packaging materials to below 70 ppm while promoting the use of water-based inks.

In supplier management, we require suppliers to sign environmental compliance agreements and provide compliance declarations and testing reports. For high-risk suppliers, we implement targeted audits and corrective actions, and maintain an approved list of environmentally compliant suppliers. All new materials must meet environmental entry requirements, ensuring continuous compliance across the supply chain.

In process control, strict physical segregation is implemented between RoHS-compliant and non-RoHS production lines, tools, and containers. Dedicated fixtures and cleaning standard operating procedures (SOPs) are established to ensure full batch traceability. Incoming materials are subject to 100% XRF screening, and high-risk materials undergo regular third-party testing to ensure ongoing compliance with control requirements.

In terms of hazardous waste management, waste containing heavy metals is subject to classified collection and is handled by qualified vendors. A hazardous waste management ledger is maintained to ensure full traceability throughout the entire process, from generation to final disposal.

Phased Implementation Plan

To ensure the orderly achievement of reduction targets, we have developed a four-phase implementation roadmap:

- Inventory phase (March 2026 to September 2026): Complete a comprehensive material inventory, establish a risk inventory, and develop assessment reports.
- Substitution introduction phase (September 2026 to December 2028): Initiate substitution validation for high-risk materials, promote supplier rectification, and complete pilot production verification.
- Full-scale implementation phase (by January 2030): Implement full-scale production rollout, conduct comprehensive inspections of incoming materials and finished products, and ensure 100% compliance.
- Acceptance and verification phase (January 2030): Engage independent third-party testing institutions for final verification and conduct system audits to ensure full compliance with control requirements.

Current Progress

A comprehensive baseline assessment has been completed for RoHS 2.0, halogens (chlorine and bromine), PVC and PVC mixtures, metals (antimony, arsenic, nickel, cobalt, tin, beryllium), organochlorine compounds (including polychlorinated naphthalenes, polychlorinated biphenyls, and polychlorinated terphenyls), PAHs, PFOS, and ODS. Risk inventories have been established for key categories such as RoHS 2.0 and halogens, and progress is being made in advancing the inventory phase.

Monitoring and Continuous Improvement

We have established a routine monitoring and continuous improvement mechanism. Incoming materials are subject to 100% XRF primary screening, while high-risk materials undergo quarterly verification through third-party testing. Hazardous substance reduction data are compiled on a monthly basis, and internal audits of the management system are conducted semi-annually to ensure the effective implementation of control measures. The reduction plan is updated annually in response to regulatory changes and implementation outcomes, thereby continuously enhancing hazardous substance management performance.

BYD Electronics HS Phase-out and Reduction Target Tracking Table

Controlled substances	Standard requirements	Limit requirements (PPM)	Prohibition period	Testing methods	Verification methods
RoHS2.0	2011/65/EU	- Cadmium (Cd): <70 - Lead (Pb), Mercury (Hg), Hexavalent Chromium (Cr⁶⁺), PBB, PBDE, DEHP, DBP, BBP, DIBP: <700	Monitoring	Third-party testing agency XRF testing equipment	Does the submitted report comply with the requirements of MSP-07-A37-001 <i>BYD Electronics Environmental Management Substance Standards for Business Divisions</i> ?
Halogens (chlorine, bromine)	IEC61249-2-21	- Chlorine (Cl): <900 - Bromine (Br): <900 - Chlorine (Cl) + Bromine (Br): <1500	Monitoring	Third-party testing agency XRF testing equipment	Does the submitted report comply with the requirements of MSP-07-A37-001 <i>BYD Electronics Environmental Management Substance Standards for Business Divisions</i> ?
Polyvinyl chloride and polyvinyl chloride mixtures	MSP-07-Q01-001	ND	Immediate prohibition	Third-party testing agency	Third-party testing report MSDS Product composition analysis table
Metals (antimony, arsenic, nickel, cobalt, tin, beryllium)	MSP-07-Q01-001	ND	Immediate prohibition	Third-party testing agency XRF testing equipment	Third-party testing report Product composition analysis table
Organochlorine compounds (polychlorinated naphthalenes, polychlorinated biphenyls, polychlorinated terphenyls)	MSP-07-Q01-001	ND	Immediate prohibition	Third-party testing agency	Third-party testing report Environmental agreement Product composition analysis table
PAHs	(EC)1907/2006	ND	Immediate prohibition	Third-party testing agency	Third-party testing report Product composition analysis table
PFOS	(EU)2025/718	ND	Immediate prohibition	Third-party testing agency XRF testing equipment	Third-party testing report Product composition analysis table
ODS	76/769/EEC	ND	Immediate prohibition	Third-party testing agency XRF testing equipment	Third-party testing report Supplier ODC disclosure form



Case: Establishing a Hazardous Substance Management System Based on the *Environmental Management Substance Standards*

BYD Electronics has formulated and implemented the *Environmental Management Substance Standards*, which define acceptable limits and applicable exempt items for hazardous substances in components and materials used in electronic information products. This ensures that all products consistently comply with applicable international and domestic environmental regulations as well as customer Hazardous Substance Free (HSF) requirements, while minimising environmental impacts across the product lifecycle. Based on these standards, we have established a full-chain hazardous substance management system covering system maintenance, supplier collaboration, process control, and warehousing management:

System maintenance:

The Quality Assurance Department is responsible for the maintenance, updating, and controlled issuance of standard documents. Through business systems, the *Document Delivery Receipt* is issued to suppliers to ensure an accurate understanding and formal commitment to compliance requirements across the supply chain. Prior to and following document updates, notifications are communicated via email to quality management units and project teams across all sites to facilitate internal review and implementation.

Supplier material control:

Supplier Quality Engineers (SQEs) communicate control requirements to suppliers in accordance with the standards and obtain formal acknowledgement, assess material risk levels, determine sampling inspection frequencies accordingly, and incorporate the latest customer Hazardous Substance (HS) requirements into Supplier Inspection Plans (SIP). In addition, SQEs are responsible for verifying and maintaining third-party testing reports to ensure the authenticity of certifications and their alignment with corresponding materials.

Cross-departmental collaboration:

Project teams proactively align with the latest HSF requirements from customers and regulations, coordinate exceptions where stringent customer standards cannot be fully met, and clearly identify hazardous substance control information within the bill of materials (BOM); the procurement department specifies environmental requirements in purchase orders, develops environmentally friendly materials to replace hazardous substances, and signs hazardous substance-related contracts with suppliers; and process and equipment departments identify hazardous process steps and implement classification management and protective measures for fixtures, tools, and equipment.

Process quality and warehousing control:

Each factory's Incoming Quality Control (IQC) unit develops inspection plans based on sampling frequencies defined in the Supplier Inspection Plans (SIP) and conducts material testing to determine HSF compliance, with non-conforming materials isolated and properly handled. In-process Quality Control (IPQC) and Outgoing Quality Control (OQC) units oversee hazardous substance identification and segregation during production and in finished products. The warehousing division is responsible for classified storage of materials and finished goods containing hazardous substances, and providing specialised training to warehouse personnel. The manufacturing department also promotes hazardous substance awareness among frontline employees and strictly prohibits the unauthorised use of untested auxiliary materials.





Case: Hazardous Substance Management Practices

BYD Electronics has established and implemented the *Hazardous Substances Management Procedures*, building a full-process management system covering six key stages—product development, material procurement, incoming inspection, finished product control, system audits, and personnel training—to ensure continuous compliance with applicable domestic and international regulations and customer environmental requirements.

Product development

New material suppliers are required to provide material composition data and corresponding testing reports. Materials and finished products at each stage are disassembled into homogeneous materials for testing. Customer requirements are identified, and full material disclosure and hazardous substance testing reports for BOM materials are collected and uploaded to customer systems to ensure full traceability of material composition.

Material procurement

Suppliers are informed of hazardous substance restrictions and regulatory updates. For new supplier samples, third-party chemical testing reports (e.g., ICP analysis) must be submitted, together with supporting documentation such as product composition declarations, REACH questionnaires, MSDS, ozone-depleting chemical (ODC) declarations, and certificates of compliance. Supplier qualification and annual audits incorporate the Hazardous Substance Process Management (HSPM) system for review.

Required Test Items in Third-party Reports from Suppliers

- Cadmium (Cd)
- Lead (Pb)
- Mercury (Hg)
- Beryllium (Be)
- Chlorine (Cl)
- Bromine (Br)
- Fluorine (F)
- Arsenic (As)
- Hexavalent Chromium (Cr⁶⁺)
- Perfluorooctanoic Acid (PFOA)
- PFOS
- PBB
- PBDE
- BBP
- DBP
- DIBP
- DEHP

Incoming material inspection and verification

All BOM materials are inspected based on risk classification (high, medium, low), with corresponding inspection standards and sampling plans applied. High- and medium-risk materials—such as metals, plastics, and coatings—are subject to XRF primary screening. Where primary screening results exceed control thresholds, wet chemical analysis is conducted for confirmation, and non-conforming materials are immediately isolated and addressed.

Material	Metals	Surface-treated metals	Polymers Plastics	Rubber	Glass Ceramics Silicon	Coatings Inks	Adhesives	Solder wire Solder paste Flux
Risk level	Medium	High	High	High	Low	High	High	Medium

Finished product inspection

Based on applicable environmental management substance requirements, we establish finished product testing plans and conduct periodic testing to verify product compliance. Testing procedures are aligned with those for incoming materials, ensuring that all delivered products meet environmental compliance requirements.

Internal audits and improvement

To ensure the adequacy, suitability, and effectiveness of the HSPM system, each factory conducts at least one annual internal audit covering material inventories, internal inspections, supplier compliance documentation, and testing reports. Audit frequency is adjusted based on audit findings.

Personnel training and capability assurance

Tiered training programmes are established for positions involving hazardous substances, with at least one training session conducted annually. Training for general employees focuses on hazardous substance identification and fundamental knowledge, while training for engineers and above emphasises applicable laws and regulations, customer HSF standards, and audit findings. Personnel in key positions must complete hazardous substance handover training prior to assuming or transferring roles, with records maintained to ensure continuous competency management.

Resource and Energy Use

BYD Electronics strictly complies with applicable laws and regulations related to energy and water resources. We promote the development of energy management systems, enhance governance structures, strengthen energy conservation training and digital and intelligent management, and advance the substitution of clean energy to optimise our energy mix. At the same time, we emphasise water conservation, implement water-saving measures, standardise wastewater treatment, and comprehensively promote efficient and sustainable resource utilisation.

Energy management

BYD Electronics regards energy conservation and emission reduction as a core action in addressing climate change. We strictly comply with applicable laws, including the *Law on Energy Conservation of the People's Republic of China* and the *Renewable Energy Law of the People's Republic of China*, and have established the *BYD Electronics Energy Conservation and Emission Reduction Management Measures for Business Divisions* to systematically advance our energy management system. Annual energy-saving targets are set in terms of both absolute volume and intensity, with quarterly performance evaluations conducted.

In 2025, to further enhance our governance structure, we integrated the functions of the Energy Conservation and Emission Reduction Management Committee into the ESG Management Committee, forming a cross-functional governance framework to coordinate energy target setting, performance tracking, and strategic decision-making. In 2025, we set an annual energy conservation target of 3,590 tonnes of standard coal equivalent (tce) and achieved energy savings of 3,907 tce, reaching 109% of the target.

Each year, responsible personnel for energy management and equipment at business divisions and factories assess existing equipment and energy consumption, identify opportunities for energy savings from managerial, structural, and technological perspectives, and develop targeted action plans. Through process optimisation, equipment upgrades, smart platform deployment, and routine inspections, energy conservation is embedded into daily operations. In 2025, we invested over RMB 50 million to decrease energy consumption, implementing 93 projects that saved 29.58 million kWh of electricity and reduced carbon emissions by 15,695 tCO₂e.

BYD Electronics' Energy-conservation and Consumption Reduction Practices in 2025 (Selected Examples)						
Legal entity	Key energy conservation achievements	Total electricity saved (kWh)	Total energy saved (tce)	Total emissions reduced (tCO ₂ e)	Annual energy conservation benefits (RMB 10,000)	Investment amount (RMB 10,000)
BYD Precision Manufacture Co., Ltd.	At Baolong Industrial Park, two key energy conservation projects were implemented, focusing on optimising power supply systems and enhancing production equipment performance, effectively reducing energy consumption in production processes.	17,105,302	2,102	9,179	445	1,187
Shanwei BYD Electronics Co., Ltd.	Focusing on energy conservation in production equipment, a capacity optimisation initiative was implemented by upgrading equipment through the replacement of high-efficiency injection moulding machines.	2,229,120	274	1,196	990	134
Xi'an BYD Electronics Co., Ltd.	Focusing on refined energy management of production equipment and cooling system optimisation, measures such as CNC equipment screen-off and power-off control, as well as retrofitting ageing cabinet cooling systems, were implemented, comprehensively reducing energy consumption across production processes.	2,221,507	277	1,192	10	145



Case: Energy-saving Retrofit of Vacuum Units

Our factory in Chengdu implemented energy efficiency upgrades for vacuum units in assembly equipment. Previously, vacuum was generated using vacuum generators that consumed large volumes of compressed air, with a single unit consuming 50 L/min. Prior to optimisation, the corresponding monthly electricity consumption of the air compression system was approximately 269,800 kWh. The retrofit introduced a centralised vacuum supply system, replacing vacuum generators with vacuum units that directly utilise vacuum for material handling, thereby eliminating compressed air waste. This reduced air consumption to 2 L/min per unit, with corresponding monthly electricity consumption reduced to 2,723 kWh. The project achieved annual electricity savings of 3,205,000 kWh, equivalent to 393.92 tonnes of standard coal, and reduced carbon emissions by 1,862.24 tCO₂e. It significantly improved energy efficiency by shifting from decentralised energy use to system-level optimisation.



Case: Energy-saving Retrofit of HVAC System

At our factory in Wuxi, we implemented comprehensive energy efficiency optimisation of the HVAC system within the chiller plant. The original system utilised a combined primary and secondary pump circulation system with relatively high energy consumption. Following optimisation, the system was converted to a single primary pump circulation configuration, with manual adjustments applied to achieve balanced temperature distribution across workshops. In addition, certain cooling towers were approximately 15 cm lower than others, reducing heat dissipation efficiency. Height adjustments were implemented, improving cooling efficiency by approximately 6% and reducing chiller load. Based on electricity consumption comparisons before and after optimisation, the project achieved annual electricity savings of 952,000 kWh, equivalent to 117.03 tonnes of standard coal, and reduced carbon emissions by 553.25 tCO₂e. The combined approach of system optimisation and equipment upgrades significantly enhanced overall HVAC system efficiency.



Case: Energy-saving Retrofit of Compressed Air Stations

Our factories in Baolong and Vietnam carried out comprehensive upgrades of compressed air stations through equipment replacement, process parameter optimisation, and intelligent platform management. Seven outdated screw-type air compressors were replaced with two high-efficiency centrifugal compressors, significantly improving energy efficiency. A compressed air demand forecasting model was developed to optimise pipeline networks and water circulation systems, enabling efficient resource utilisation. In addition, heat regeneration technology was applied to achieve zero air loss operation of adsorption dryers, eliminating energy waste. With an investment exceeding RMB 10 million, the project achieved annual electricity savings of approximately 14 million kWh and reduced carbon emissions by approximately 7,000 tCO₂e.



Case: Development of an Online Energy Monitoring Platform

Our factory in Chengdu established an online energy management and monitoring platform, integrating data from 3,475 multifunctional digital meters across 41 power distribution rooms to enable real-time monitoring of key energy sources, including electricity and gas. The platform supports dynamic tracking and refined management of energy consumption across manufacturing facilities, providing a robust data foundation for identifying energy conservation opportunities and optimising system performance.

To ensure the effective implementation of the energy management system, in 2025 BYD Electronics engaged independent third-party professional institutions to conduct systematic energy audits. Through on-site diagnostics, data modelling, and energy efficiency benchmarking, we accurately identified energy conservation potential and developed phased and actionable energy conservation and emission reduction plans. At the same time, we continued to expand the coverage of our energy management system. As of December 31, 2025, a total of 26 factories had obtained ISO 50001 Energy Management System certification, covering multiple locations including Huizhou, Shenzhen, Zhongshan, and Vietnam, with a coverage rate of 54.17%. All certified entities passed annual supervisory audits, ensuring the continuous and effective operation of the management system.

We conduct monthly evaluations of energy conservation target performance across all factories and carry out quarterly rankings based on average performance over three months. Performance-based incentives are awarded to top-performing factories, thereby promoting the effective implementation of the energy management system and reinforcing the execution of energy conservation initiatives. We also integrate energy management targets into our employee incentive framework. Key low-carbon performance indicators, such as energy consumption intensity and the proportion of clean energy usage, are incorporated into compensation mechanisms for personnel responsible for energy management. This directly links target achievement with individual performance, recognising contributions at all levels and encouraging collective advancement of energy management objectives.

Talent and capability development are key enablers for the effective operation of the energy management system. In 2025, we adopted a combined internal and external training approach to enhance the professional capabilities of our energy management teams, actively responding to the industrial green transition and mitigating the negative effects of climate change. The training framework covered core modules such as energy utilisation analysis, energy efficiency evaluation methodologies, clean production audits, and advanced applications of ISO 50001 standards. During the year, more than ten factories conducted over 2,300 training sessions, with nearly 100,000 participants and an average training coverage rate of 93.04%. Building on training, we also promote energy conservation and emission reduction awareness through diversified communication channels, including posters, banners, OA communications, and incentive-based knowledge quizzes. Training and awareness content covered relevant laws and regulations, management tools, technical methodologies, best practices, and behavioural guidance. These initiatives foster a culture that integrates awareness with action and encourages organisation-wide participation in energy conservation and carbon reduction.



Case: Energy Conservation and Consumption Reduction Training and Culture Development

All our factories actively organised specialised training on the ISO 50001 Energy Management System, systematically enhancing employees' understanding of system standards and operational requirements across all levels. The training focused on energy consumption analysis pathways in electronic manufacturing, covering technical methodologies such as three-dimensional energy mapping and intelligent monitoring system development. These initiatives enabled employees to identify energy conservation opportunities and provided data-driven support for formulating energy efficiency solutions. In terms of specific energy conservation and consumption reduction approaches, the training provided in-depth guidance on process optimisation and equipment efficiency improvement, with particular emphasis on the application of digital twin technology to predict potential energy loss points and production bottlenecks, thereby enabling targeted optimisation and enhancing both energy efficiency and productivity. In conjunction with National Energy Conservation Promotion Week, we promote energy conservation and emission reduction awareness among all employees through various communication channels, including banners, posters, and awareness campaigns.

BYD Electronics focuses on its core objective of energy conservation and carbon reduction by deeply integrating digital and intelligent technologies into energy management. We prioritise the development of intelligent energy control systems and energy efficiency management platforms, enabling the digital transformation of energy management and providing strong support for identifying energy conservation potential and improving energy utilisation efficiency.



Energy Conservation and Consumption Reduction Training

Clean Energy and Green Electricity Substitution

Promoting the transition toward a cleaner energy mix is a key pathway for achieving green and sustainable development. In 2025, we set a target for the proportion of green electricity and green certificates at 35% and achieved an actual rate of 61.16%. This included the procurement of 691.08 million kWh of green electricity and 1,383.13 million kWh of green certificates, out of a total purchased electricity volume of 3,391.61 million kWh.

In terms of energy structure, the factory has established a diversified green electricity supply system, with wind power accounting for 67.91%, solar power 22.02%, biomass power 9.40%, and other clean energy sources 0.67%, reflecting a significantly cleaner and more diversified energy mix.

Water resource management

BYD Electronics regards water resources as a critical natural asset and is committed to their sustainable management. We strictly comply with the *Water Law of the People's Republic of China* and other applicable regulations. During site selection and operational planning, we conduct water resource and environmental impact assessments, considering regional water availability, environmental carrying capacity, and water security. We avoid establishing operations in areas experiencing water scarcity or high water stress. In terms of governance structure, our Board of Directors assumes oversight responsibility for water strategy, while the ESG Management Committee coordinates target setting, action planning, and performance evaluation, ensuring alignment between water resource management and our environmental commitments.

We continuously optimise our water use structure and reduce freshwater consumption by strengthening water recycling and reuse, while implementing strict controls to prevent water loss and improve overall water use efficiency. In 2025, water supply across all operational sites remained stable, with no incidents of water scarcity or water-related safety events. No significant risks related to water sourcing were identified, and compliance in water usage was continuously strengthened.

In water resource management, we adhere to the principles of scientific water use, efficient conservation, and source control. Water withdrawal intensity (total water withdrawal per RMB 10,000 of revenue) is adopted as a key performance indicator to continuously improve water use efficiency. In 2025, our total water withdrawal amounted to 21,925,462.87 m³, with a water withdrawal intensity of 1.2216 m³ per RMB 10,000 of revenue. Using 2025 as the baseline, we have established a target to reduce water withdrawal intensity by 1% over the next 3 years.

Water conservation actions

We have developed a water-saving plan on a yearly basis under the principles of "water conservation, control of total consumption, planning on use of water, comprehensive utilisation and focusing on efficiency", and continuously strengthen our refined water resource management efforts. We regularly conduct water use assessments, establish reasonable water consumption quotas based on actual production needs, and monitor implementation to identify inefficiencies and improve water use efficiency.

In advancing specific water-saving initiatives, we practice the water use philosophy of "reduction, recycling, and reuse", driving water conservation through both technological optimisation and company-wide engagement. At the technical level, we continuously optimise water use in production processes through process improvements, leakage control, and water recycling, thereby reducing freshwater consumption at the source. At the employee engagement level, we conduct targeted water-saving diagnostics across production sites, identifying and implementing improvement projects. Best practices are disseminated through case sharing and visual communication, while regular awareness campaigns and training programmes are conducted to embed efficient water use into daily operations and employee behaviour. In 2025, we organised water conservation awareness and training activities covering all employees, achieving a training coverage rate of 93.04%.



Case: Top 2 Green Electricity Trading Volume in Sichuan Province in 2025

Our factory in Chengdu has continuously promoted clean energy substitution and actively participated in market-based green electricity trading. According to transaction data from the Beijing Power Exchange Centre, in 2025, the factory ranked second in green electricity trading volume in Sichuan Province, demonstrating its proactive approach and market recognition in clean energy procurement.



Case: Water Recycling in Anodising Lines

In the rinsing processes for ash removal and oxidation on the anodising line of BYD Electronics' Chengdu factory, overflow operation must be maintained. The overflow water from individual tanks was previously discharged directly, resulting in water waste and an increase in wastewater discharge volume. By installing overflow return outlets and closing selected tank overflow valves, pure water consumption was reduced by 15% per month. In addition, the direct discharge of water used in the rinsing process after degreasing at Anodising Station 2 also resulted in water waste. The Company conducted experimental verification and ultimately adopted the measure of installing diaphragm air-operated pumps to recycle the water from post-degreasing washing to Anodising Station 1, eliminating separate external discharge. The recycling utilisation rate reaches 100%.



Case: Water Conservation Improvement Measures

In March 2025, our Wuxi factory launched a systematic water-saving and wastewater reduction initiative. Through process optimisation (including overflow reduction and counter current rinsing), comprehensive leak detection and repair, the establishment of a dedicated water use reporting mechanism, and the transition of wastewater treatment operations from outsourced to in-house management, along with the consolidation and closure of two treatment facilities, the factory achieved significant results, including daily wastewater volume down by 819 m³ (a reduction of 40%), daily tap water consumption down by 462 m³, and wastewater treatment unit costs down by 50%, resulting in annual savings of approximately RMB 16.32 million in wastewater-related expenses.

In addition, the Company implemented technical upgrades in the purified water production process by installing vacuum breakers to optimise system operations. Following the upgrade, daily water consumption decreased from 93.5 tonnes to 50.84 tonnes, achieving daily savings of 42.66 tonnes. This project delivered continuous improvements in process water efficiency with relatively low investment, providing a replicable technical solution for similar water-saving initiatives.



Case: Water-saving Retrofit of Curved Surface Polishing Machines

At the Xi'an factory, a multi-stage filtration retrofit was implemented to address the direct replenishment and discharge of water used in curved surface polishing machines. Prior to the retrofit, water was replaced every two hours, with each machine consuming 9 m³ per shift. With 20 machines in operation, total water consumption was substantial. Following the retrofit, particle-contaminated purified water is treated through a multi-stage filtration system and recirculated into the machines, with only weekly replacement of storage tank water required to maintain quality. The project achieved annual savings of 120,835 m³ of purified water, equivalent to 185,900 m³ of tap water, transforming process water use from a single-use model to a circular recycling and regeneration model.



Case: Water Supply Assurance and Leakage Control

At the Chengdu factory, through physical renovation of pipelines and digital monitoring technologies, we established a full lifecycle water management system based on "demand assurance, leakage control, and intelligent management", with the water consumption baseline as the management benchmark.

Establishment of water consumption baseline: Based on 2025 production capacity, average daily water demand for 2026 is estimated at 30,000 m³/day, while the dual municipal water supply network can provide up to 126,000 m³/day, fully ensuring supply security.

Replacement of underground channels: 1,800 metres of DN100 main firefighting pipelines were replaced to address the problem of daily water leakage of 240 m³ in old underground firefighting channels, thereby completely eliminating the leakage.

Digital water management platform: A total of 234 ultrasonic flow meters were installed. By integrating flow and pressure data, the system enables automatic alerts for abnormal water usage and resolution within 24 hours, ensuring precise leakage control and efficient water management.

| Waste and Pollutant Management

BYD Electronics implements refined, full lifecycle management of waste, wastewater, and exhaust gas. It promotes waste classification and continuously reduces pollutant emissions through process optimisation and intelligent monitoring, thereby enhancing the environmental performance of its operations.

Waste management

BYD Electronics strictly complies with applicable laws and regulations, including the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and relevant local requirements. In accordance with internal policies such as the *BYD Solid Waste Management Procedures*, it has established and implemented the Environmental Management Regulations of the Electronic Business Group to ensure compliant handling of all types of waste generated during operations. The Company is committed to ensuring 100% compliant disposal of all waste, standardising the collection, storage, transfer, and disposal of hazardous waste, strictly implementing the electronic manifest system, tracking the entire transfer process, and achieving zero illegal discharge and zero major environmental pollution incidents.

For general industrial solid waste, the Company takes the general industrial solid waste generation intensity per unit output value as the core to establish quantitative management and control targets. It takes the general industrial solid waste generation density (general industrial solid waste generated per RMB 10,000 of revenue) as a key performance indicator (KPI) and continuously promotes the source reduction of solid waste and the improvement of resource utilisation efficiency. During the reporting period, total general industrial solid waste generation amounted to 116,870.7 tonnes, with a generation density of 0.006512 tonnes per RMB 10,000 of revenue. The Company has set a target to reduce the general industrial solid waste generation density by 1% over the next 3 years.

In the management of hazardous waste, the Company adopts the hazardous waste generation density (hazardous waste generated per RMB 10,000 of revenue) as a core performance indicator, systematically driving waste reduction and improving resource efficiency. During the reporting period, the total generation of hazardous waste by the Company was 64,162.94 tonnes, with the hazardous waste generation density at 0.003575 tonnes per RMB 10,000 of revenue. Using the reporting period as the baseline, the Company has established a target to reduce the hazardous waste generation density by 1% over the next 3 years.

In 2025, we used approximately 300,000 tonnes of packaging materials, continuously reducing resource consumption through recycling and other means.

Going forward, the Company will continue to optimise production processes and the selection of raw and auxiliary materials, strengthen full lifecycle management and resource recycling, continuously reduce the hazardous waste generation intensity, and advance the reduction, recycling, and safe disposal of hazardous waste, thereby supporting green, low-carbon, and high-quality sustainable development.





Case: Refined Waste Recycling Management

BYD Electronics has established a full lifecycle management mechanism covering waste classification, storage, packaging, and supervision, ensuring standardised disposal, controllable risks, and full traceability.

Step 1: Source Classification and Labelling Management

A refined source classification system has been implemented. Waste circuit boards are categorised based on the presence of components, while materials such as scrap stainless steel, scrap iron, and offcuts are stored separately by type. Standardised labelling management is implemented concurrently, with key traceability information clearly identified for each type of waste. Hazardous waste warning signage is installed in storage areas to ensure that waste is identifiable, traceable, and managed with clear accountability from the point of generation.

Step 2: Standardised Storage Management

Strict indoor storage requirements are enforced for waste circuit boards to eliminate environmental risks associated with open-air storage. Sealed packaging is applied to prevent the dispersion of waste materials, and storage areas are designed with dedicated safety and inspection pathways to ensure orderly and secure storage conditions.

Step 3: Classified Recycling and Disposal

Classified recycling of waste steel components from equipment and discarded electronic components is made. Waste steel components (such as moulds), generating approximately 10 kg per month, are collected separately and periodically sold. Discarded electronic components (such as small household appliances), generating approximately 50 kg per month, are collected and periodically transferred to designated storage areas for further treatment.

Step 4: Supervision and Hazard Inspection

A multi-tier inspection mechanism—comprising daily inspections, weekly checks, and monthly reviews—has been established. Comprehensive inspections are conducted in storage areas, with all inspection records and corrective actions recorded in the EHS system to enable closed-loop management, ensuring timely issue identification, effective remediation, and continuous improvement.

In addition, in 2025, BYD Electronics conducted systematic waste reduction training, organising a total of 71 sessions covering 4,140 employees, with a cumulative training duration of approximately 130 hours. Training content covered key modules, including waste definition and classification, general solid waste management, hazardous waste management, and recyclable waste management, thereby enhancing employees' capabilities in compliant waste handling and resource utilisation.

Going forward, the Company will continue to optimise production processes and the selection of raw and auxiliary materials, strengthen full lifecycle management and resource recycling, continuously reduce the hazardous waste generation intensity, and advance the reduction, recycling, and safe disposal of hazardous waste, thereby supporting green, low-carbon, and high-quality sustainable development.

General solid waste management

General solid waste of BYD Electronics refers to industrial solid waste generated during production that is not classified as hazardous waste, excluding municipal waste, construction waste, agricultural solid waste, and hazardous waste. General industrial solid waste is internally categorised into reusable waste (such as sprue materials, offcuts, auxiliary materials, semfinished products, and scrapped products) and non-reusable waste (such as materials with negative market value or where processing and logistics costs exceed their recovery value).

We conduct waste audits to identify opportunities for improving waste performance, actively implement the principles of waste reduction and resource utilisation by systematically identifying and promoting the recycling of reusable general industrial solid waste, thereby minimising landfill disposal. At the same time, we entrust qualified third-party professional institutions to carry out the collection, transportation, utilisation, and disposal of general industrial solid waste. We conduct rigorous due diligence on their qualifications and technical capabilities to ensure full compliance with environmental and regulatory requirements.

Hazardous waste management

Hazardous waste generated by BYD Electronics primarily includes waste cutting fluids, waste activated carbon, and waste chemical reagents. The Company complies with applicable laws, regulations, and management requirements in its operating regions, and manages hazardous waste through standardised processes covering collection, storage, transportation, and disposal. Hazardous waste is classified and packaged according to its characteristics by the Company. A hazardous waste management ledger is maintained, and the hazardous waste transfer manifest system is strictly implemented. Hazardous waste is transferred to qualified third-party institutions for transportation and final disposal, with regular verification of their qualifications to ensure compliant and efficient handling.



Case: Best Practices in Solid Waste Recycling and Hazardous Waste Reduction

BYD Electronics promotes circular utilisation and hazardous waste reduction through coordinated initiatives across multiple factories:

Source substitution

In 2025, the Chengdu factory replaced cutting oil with low-flashpoint, low-risk cutting fluid. Compared with 2024, the consumption of cutting oil was reduced by 1,285 tonnes.

Recycling

The Huizhou factory achieved a recycling rate of 91.93% through process optimisation and reduced packaging thickness, which further increased to 94.85% with the application of oil mist recovery and cutting fluid purification technologies. The Zhongshan factory extended the service life of cutting fluids through centralised supply systems, achieving a recycling rate of 92.26%. All factories recorded significant improvements compared with 2024.

Hazardous waste reduction

The Wuxi factory introduced a waste-cutting fluid concentration system, achieving a concentration rate of 50.11%.

Waste electrical and electronic equipment (WEEE) management

As a manufacturer and brand owner of electronic and electrical products, BYD Electronics fulfils Extended Producer Responsibility (EPR) in accordance with applicable regulations. This responsibility is not transferred when products are distributed to end users through B2B customers.

During the reporting period, the Company established an internal WEEE management system and a qualified disposal partner management mechanism, ensuring that 100% of internally generated waste electronic and electrical products is handled by qualified institutions in compliance with regulatory requirements. Products manufactured by the Company are sold to end-users through downstream B2B customers. At present, the Company has not yet established a WEEE information communication and recycling collaboration mechanism with B2B customers. External end-user recycling volumes are not temporarily counted, and only internally scrapped products are subject to compliant management.

Going forward, it will continue to enhance the full lifecycle management of products, progressively establish collaborative WEEE recycling mechanisms with key B2B customers, expand recycling channels, improve data collection and transparency on waste products, and effectively fulfil its responsibilities under the circular economy framework.

Wastewater management

BYD Electronics strictly complies with applicable laws and regulations, including the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Integrated Wastewater Discharge Standard (GB 8978), and relevant local discharge standards. Both industrial and domestic wastewater are treated at on-site wastewater treatment facilities to meet discharge requirements prior to discharge into municipal pipelines, ensuring full compliance with discharge limits.

The Company's wastewater primarily comprises domestic and industrial wastewater. To ensure effective treatment, BYD Electronics implements classified management for different types of wastewater and adopts targeted treatment measures based on their sources and characteristics, thereby promoting standardised and efficient wastewater management.

In industrial wastewater management, it establishes quantitative control targets based on wastewater generation intensity per unit of output. The industrial wastewater generation density (industrial wastewater generated per RMB 10,000 of revenue) is used as a key performance indicator to drive source reduction and improve resource utilisation efficiency. During the reporting period, the Company's total industrial wastewater generation amounted to 8,325,550.45 tonnes, with a generation density of 0.4639 tonnes per RMB 10,000 of revenue. The Company has set a target to reduce the industrial wastewater generation density by 1% over the next 3 years.

It continues to promote wastewater reduction and recycling. Through process optimisation and system upgrades, the Company reduces the use of chemical agents, enhances internal water circulation within production lines and wastewater treatment facilities, and reuses treated wastewater in manufacturing processes, effectively reducing both freshwater consumption and wastewater discharge. At the same time, it strengthens full lifecycle risk management of wastewater discharge through real-time online monitoring, regular third-party testing, and comprehensive emergency response plans. These measures ensure a rapid response to incidents such as accidental leaks, preventing the spread of environmental pollution.



Case: Chromium-containing Wastewater Treatment

At the Chengdu factory, BYD Electronics implemented a special quality improvement program for chromium-containing wastewater. After treatment at on-site facilities, the treated water is reused within the workshop's purified water system. In 2025, this initiative saved 54,367 m³ of tap water and reduced costs by RMB 206,600, demonstrating strong potential for replication in future projects. During mass production, daily reuse reached 331 m³, with a reuse rate of 45%, achieving effective resource utilisation of industrial wastewater and reducing freshwater demand.



Case: Wastewater Recirculation and Reuse

At the Huizhou factory, 24 CNC post-processing water cleaning lines were upgraded. Prior to the upgrade, tap water was used directly in cleaning processes, generating significant wastewater. Following optimisation, overflow water from tap water tanks (0.2 t/h) in CNC cleaning lines is recirculated to upstream cleaning tanks for reuse, saving 4 tonnes of water per day and approximately 120 tonnes per month.

In accordance with wastewater monitoring systems and testing plans, BYD Electronics conducts quarterly monitoring of pollutant concentrations at discharge outlets. Key indicators—such as pH, chemical oxygen demand (COD), and ammonia nitrogen—are regularly tested and recorded, ensuring full traceability and verifiability of discharge activities.



Case: Development of an Intelligent Wastewater Monitoring Platform

BYD Electronics has established an intelligent online wastewater monitoring platform to conduct real-time monitoring of key discharge parameters, including COD, ammonia nitrogen, pH, and flow rate. The platform is directly connected to government environmental monitoring systems, enabling real-time data synchronisation and automatic alerts for abnormal conditions. Any issues identified during wastewater treatment are immediately flagged through the platform's alert system, triggering tracking and response mechanisms to ensure timely resolution. The deployment of this platform has enhanced the digitalisation, transparency, and traceability of wastewater management, providing strong technical support for continuous compliance with discharge standards.

In addition, BYD Electronics has established comprehensive wastewater emergency response plans to strengthen risk control over wastewater discharge. In the event of a wastewater leakage incident, it immediately activates emergency response procedures and implements effective containment measures to prevent the spread of pollution, thereby mitigating environmental risks associated with wastewater treatment and discharge and safeguarding ecological safety.

Exhaust gas management

In 2025, BYD Electronics continued to strengthen full lifecycle management of exhaust gas, strictly complying with the Integrated Emission Standard of Air Pollutants (GB 16297) and applicable local emission standards, achieving zero violations and zero penalties related to exhaust gas. At the same time, it continued to invest in facility upgrades and optimisation of treatment technologies to further reduce emission levels.

During the operation of BYD Electronics, exhaust gas generated mainly originates from processes such as the manufacturing of electronics and components, as well as electronic assembly. The exhaust emissions include conventional pollutants such as volatile organic compounds (VOCs), nitrogen oxides (NO_x), sulphur oxides (SO_x), particulate matter (PM), as well as characteristic pollutants including sulfuric acid mist, tin and its compounds.

To enhance the efficiency of exhaust gas management, the Company adopts a comprehensive approach and implements multiple measures:

Source control and process optimisation

It continuously promotes cleaner production by prioritising the use of low- or zero-VOC coatings and strictly complying with national VOC content limits, thereby reducing pollutant generation at the source.

Treatment facility optimisation

It configures and upgrades exhaust gas treatment facilities based on process characteristics at each factory. In addition, it conducts regular maintenance and repair of exhaust gas treatment facilities to ensure stable and efficient operation.

Strict monitoring and compliance management

It implements comprehensive control over emission sources by enclosing production equipment and ensuring effective collection systems to minimise fugitive emissions. The Company has established an exhaust gas monitoring data management system and regularly reports monitoring results to regulatory authorities, ensuring transparency and compliance.

Exhaust gas emission categories	2025
NO _x emissions (tonnes)	51.83
SO _x emissions (tonnes) ⁷	24.38
Suspended particulate emissions (tonnes)	143.03
Ammonia emissions (tonnes)	0.064
VOCs emissions (tonnes)	301.52

⁷ SO_x : including sulfur dioxide and sulfuric acid mist



Case: Promoting High-efficiency Exhaust Gas Treatment

The Chengdu factory has obtained environmental impact assessment approval and deployed high-efficiency treatment facilities—including bag filters, alkaline scrubbers, and low-NO_x burners—to treat pollutants such as VOCs, PM, sulfuric acid mist, and sulphur dioxide, ensuring compliant emissions. In 2025, total VOC emissions at the factory were 165.20 tonnes, representing a year-on-year decrease of 0.63%. Despite increased production capacity and process adjustments, the factory successfully achieved its VOCs reduction targets.



Case: Upgrading Legacy Exhaust Gas Treatment Facilities

BYD Electronics implemented systematic upgrades of ageing and underperforming exhaust gas treatment facilities at the Huizhou, Shanwei, and Shantou factories to address environmental compliance risks. Measures included retrofitting packing layers in acid mist scrubbers, repairing damaged duct systems, and upgrading to secondary activated carbon treatment systems. These upgrades realised more efficient treatment of exhaust gas, providing a replicable green practice model for regional atmospheric environment governance and the Company's sustainable development goals.

Coverage reached

100% of
industrial parks

With **80%** of
upgrades completed
as of 2025

Noise management

BYD Electronics strictly complies with applicable laws and regulations related to noise management, including the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, as well as national and local standards such as the Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348), ensuring that plant boundary noise consistently meets regulatory requirements and continuously reducing and preventing noise pollution and its potential impacts. For high-noise operations such as grinding and stamping, the Company implements mitigation measures including the installation of soundproof enclosures, deployment of real-time noise monitoring systems, provision of regular occupational health training, and distribution of personal protective equipment (PPE). These measures effectively reduce noise exposure at the source and protect employee health.

Circular economy

BYD Electronics actively promotes the development of a circular economy by integrating efficient resource utilisation and waste reduction across the entire production and operational lifecycle. Each business division adopts diversified measures to continuously enhance resource efficiency and support the advancement of circular economy practices. During the reporting period, to further promote paperless operations, BYD Electronics implemented measures such as the digitalisation of confidentiality agreements, online approval processes, and paperless documentation and drawings. In 2025, this resulted in a reduction of more than 4.12 million paper-based confidentiality agreements and over 1.98 million sheets of paper documents, effectively reducing waste at the source.



Case: Waste Recycling Programs and Zero-landfill Waste Management

In advancing waste resource utilisation and zero-landfill practices, our production bases leverage technological innovation and process optimisation to improve solid waste recycling rates, reduce landfill dependence, and promote efficient resource circulation.

The Huizhou factory increased its solid waste recycling rate to 91.93% (up 1 percentage point from 2024) through initiatives such as automated dripping and paste application processes, fixture regeneration, and packaging thinning optimisation. Through the application of CNC oil mist recovery, condensate recycling, and cutting fluid purification and regeneration technologies, the recycling rate further increased to 94.85%, representing an additional 3 percentage point improvement compared with 2024.

The Zhongshan factory replaced traditional decentralised fluid supply with a centralised system and applied centrifugal technology to extend the service life of cutting fluids, achieving a recycling rate of 92.26%, an increase of 12 percentage points compared with 2024.

The Chengdu factory strengthened source control by requiring wastewater operators to prioritise sludge treatment providers with resource recovery qualifications and explicitly prohibiting landfill disposal of waste. In 2025, the overall waste recycling rate reached 91.65%, effectively achieving closed-loop management for waste reduction and resource utilisation.



Case: Recycling and Reuse of High-phosphorus Wastewater

The Chengdu factory achieved resource recovery of high-phosphorus wastewater through technological innovation. An integrated treatment process—including pretreatment blending, oil removal and slag separation, filtration and impurity removal, aluminium removal and desalination, and vacuum evaporation concentration—was adopted to purify high-phosphorus wastewater into regenerated phosphoric acid, which is reused in chemical polishing processes. At the same time, aluminium in waste acid is converted into aluminium dihydrogen phosphate, which is utilised as a raw material for refractory materials. This process enables both phosphoric acid recycling and the conversion of waste into value-added by-products. After being treated by the acid recovery system, the phosphorus-containing wastewater achieves a phosphate acid recycling rate of 85%, contributing to the achievement of the dual-carbon goals.

Biodiversity Protection

BYD Electronics complies with applicable biodiversity-related regulations. The ESG Committee oversees biodiversity protection efforts, integrating biodiversity risk assessment, early warning, mitigation, and monitoring into the overall management system to minimise impacts on ecosystems.

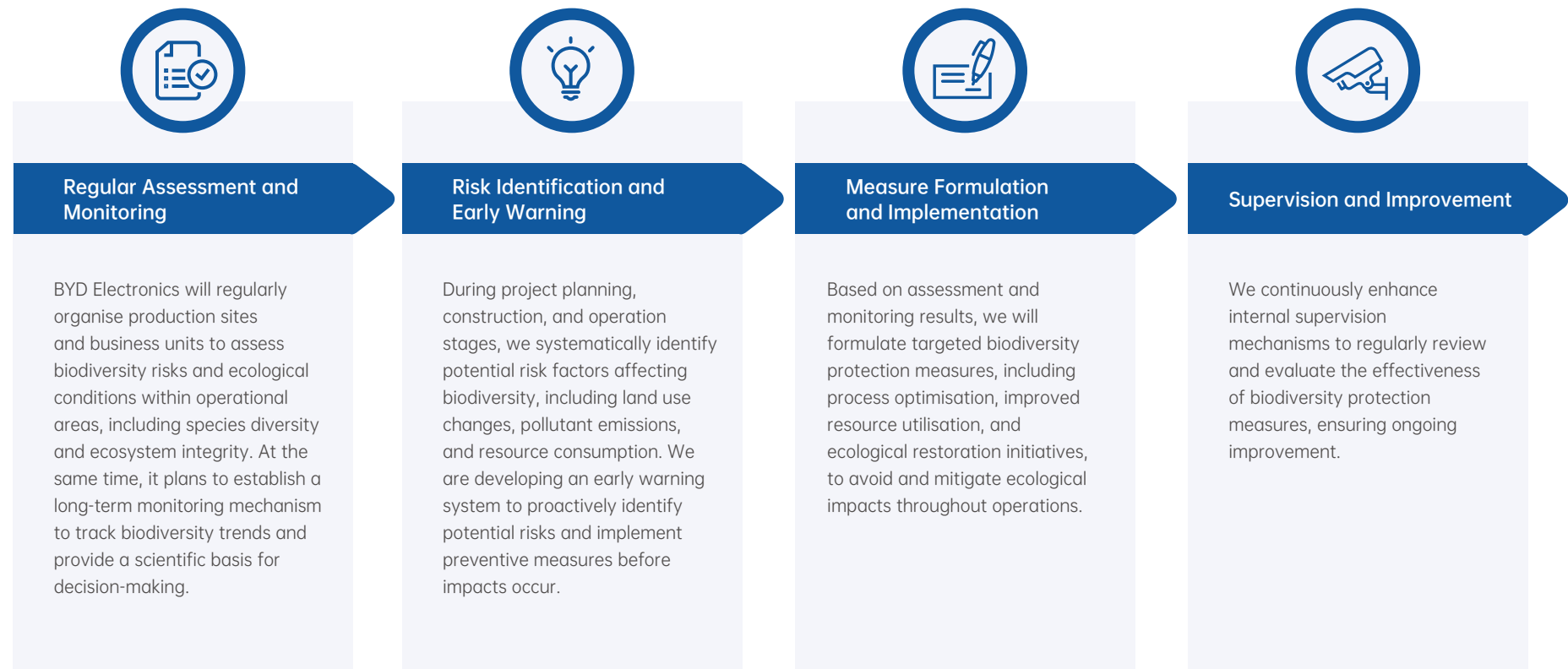
Biodiversity commitment

BYD Electronics places strong emphasis on biodiversity protection. It strictly complies with the *Convention on Biological Diversity* and applicable international and domestic laws and regulations and has issued the *Biodiversity Conservation Declaration of BYD Electronics*. We commit not to construct or expand production facilities or projects that may cause damage to the ecological environment within key biodiversity areas such as nature reserves, or around sites of global or national importance for biodiversity. Meanwhile, we are committed to adhering to ecologically friendly principles in our own production and operations, minimising disturbances and impacts on natural ecosystems, closely monitoring and assessing factors affecting biodiversity, and contributing to harmonious coexistence between humans and nature. At the same time, we designate the Strategy and Sustainable Development Committee as the highest decision-making body for biodiversity protection, responsible for overall strategic direction and oversight.



Biodiversity assessment and protection procedures

BYD Electronics integrates biodiversity risk identification and assessment into its environmental and sustainability management systems. Based on potential ecological impacts across different project stages, we have established phased and targeted biodiversity protection measures:



Deforestation risk prevention

BYD Electronics has comprehensively assessed the potential impact of its operations on forest resources and implemented strict deforestation prevention strategies to ensure that its activities do not cause irreversible damage to forest ecosystems.

PART 3

Product Responsibility

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SDGs Covered in This Chapter



Annual Highlights

R&D and Innovation: Digital Intelligence-driven Development with Strong Foundations

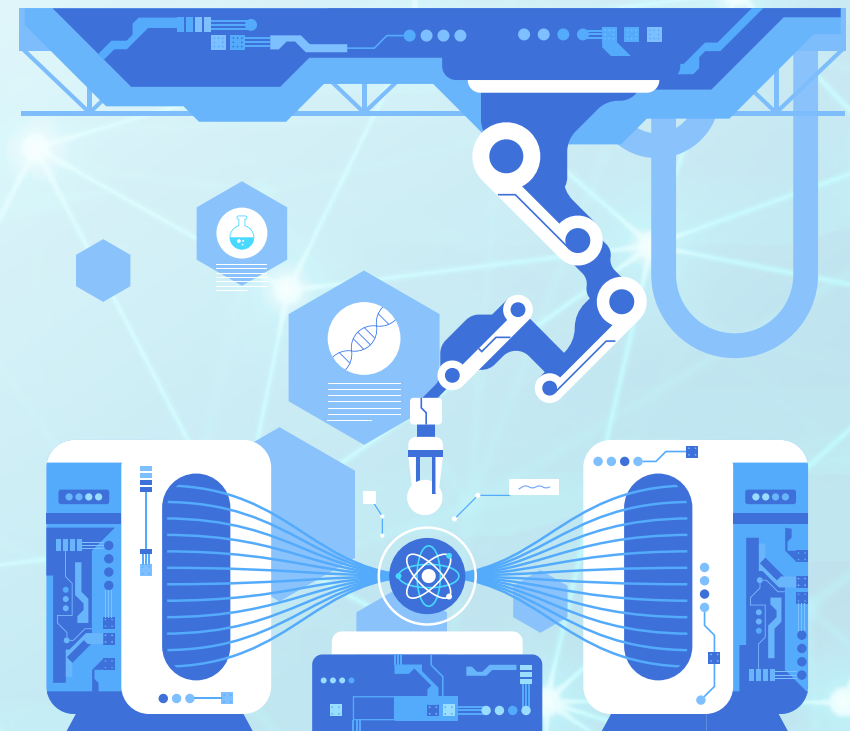
- Systems and platforms: We have established a digital intelligence innovation management system, supported by **nine** R&D centres and **252** laboratories, focusing on advanced technologies such as automated production and 3D modelling
- Talent and patents: We employ **16,000** R&D engineers (including over **70** PhDs and more than **1,500** master's degree holders). We have filed **12,010** patent applications and secured **8,279** granted patents, and received **49** innovation and quality improvement awards, including **20** at the national level
- Philosophy and promotion: We adhere to a user-friendly product philosophy, continuously optimising areas such as lightweight design and human-centred innovation. We also participated in **260** technical exchange activities involving more than **700** participants
- AI achievements: We focus on the development of two core systems—Product Lifecycle Management (PLM) and Manufacturing Execution System (MES)—and have established a “1+13” fully self-developed information management architecture, forming an integrated digital platform covering production, R&D, supply chain, quality, safety, and equipment management

Product Quality and Safety: Full-chain Certification and Standard-led Governance

- Comprehensive system coverage: **100%** of domestic and overseas business divisions have obtained ISO 9001 certification, and **100%** of automotive electronics business divisions have achieved IATF 16949 certification for the automotive industry
- Standards and empowerment: We have adopted industry standards such as VDA 6.3 and VDA 6.5, as well as the five core quality tools. “Quality Month” initiatives are held annually in each September, supported by a standardised quality training library comprising **80** courses
- Risk control mechanism: We have established a three-tier coordinated risk control and emergency management system spanning the Company, business division, and product levels

Customer Service Quality: Efficient Response and Strong Reputation

- Awards and recognition: We have received **32** supplier awards from customers, including Strategic Partnership Awards, Delivery Excellence Awards, and Quality Excellence Awards
- Closed-loop service management: No major customer complaints were recorded during the reporting period



R&D and Innovation

| Innovation Management System

Technological innovation is a key driver of sustainable development. BYD Electronics places strong emphasis on innovation management and continues to increase investment in R&D and innovation. In 2025, our R&D investment reached RMB 4.465 billion.

We have established nine major R&D centres in key cities, including Shenzhen, Huizhou, Beijing, Shanghai, Xi'an, Chengdu, and Wuxi, aligned with our primary manufacturing footprint. In addition, we operate 252 laboratories covering precision electronics, automotive component R&D, testing, and management.

At the same time, BYD Electronics has built a robust innovation talent density, providing a solid foundation for sustained business growth. The Company has a professional team of 16,000 R&D engineers, including over 70 PhDs, more than 1,500 masters, and over 12,000 undergraduates. Among them, there are over 500 people in the material development team, over 1,500 in the mould development team, over 2,500 in the intelligent manufacturing team, over 3,000 in the product design team, and more than 8,000 in the process engineering team, supporting the Company's innovative development.

We focus on developing cutting-edge technologies and align closely with national policies and industry trends to advance forward-looking projects, Company-led initiatives, and customer-driven projects. This provides a strong foundation for our technological upgrading and industrialisation, while enabling us to lead the intelligent transformation of the electronics industry.

| Innovation Capability Development

BYD Electronics continuously optimises its R&D system and iterates core technologies, actively advancing strategic innovation transformation. We strengthen the cultivation of innovative talent and promote the application of digital and intelligent technologies in R&D processes to comprehensively enhance innovation capabilities.

R&D and innovation

As an industry innovation leader, we have established a high-calibre R&D team covering key areas such as advanced materials and processes, precision moulds, product design and development, automation, and digitalisation, supported by sustained strategic investment.

Our R&D focus has progressively shifted from traditional businesses toward emerging sectors such as new energy vehicles and AI-related industries, while deepening intelligent transformation and expanding the application of AI technologies. In the vehicle product sector, we have established a comprehensive patent portfolio covering intelligent cockpit systems, intelligent driving assistance systems, intelligent suspension systems, thermal management systems, connectors, and sensors. This creates strong technological barriers and supports sustained growth in our automotive business. In the field of AI computing infrastructure, we have accumulated extensive patent capabilities in areas such as liquid cooling systems, power systems, and AI server system design. In addition, we have deployed autonomous mobile robots (AMR) at scale for intelligent logistics and are actively developing AI robots and core components, continuously improving production efficiency and operational intelligence.



As of 2025, we have cumulatively filed 12,010 patent applications and obtained 8,279 granted patents in the field of innovative technologies. In a series of activities for the presentation and exchange of achievements in quality innovation and improvement, we have won a total of 49 awards at all levels, including 20 national-level awards, eight provincial-level awards, and 21 municipal-level awards.

We have deployed innovation initiatives across three key areas—management innovation, digitalisation, and automation—comprehensively advancing the upgrading of our R&D and production systems. Going forward, we will continue to increase investment in research and development, strengthen innovation capabilities in new energy vehicles and AI-related fields while maintaining our leadership in consumer electronics technologies, and build a sustainable development technology ecosystem.

Innovation directions	Project categories	
Management Innovation	Lean On-site Management and 5S Improvement	- Six Sigma Black Belt Programmes - Precision Molds - Quality Control
Digitalisation	Digitalised Quality Management	
Automation	Automated Equipment	



Award Certificates of the Series of Activities for the Presentation and Exchange of Achievements in Quality Innovation and Improvement, 2025

Digital intelligence innovation

BYD Electronics places strong emphasis on the deep integration and continuous advancement of digital and intelligent transformation. Digital intelligence innovation is embedded throughout our ESG management processes. Leveraging technologies such as artificial intelligence, the Internet of Things (IoT), big data, digital twins, and advanced automation, we have established a globally coordinated, green, efficient, secure, and fully traceable digital intelligence-driven sustainable development system. This system enables green manufacturing upgrades, operational efficiency improvements, and sustainable value creation across the global value chain. At the same time, we have established a unified digital manufacturing platform and a data middle platform, enabling integrated management of production, supply chain, quality, energy consumption, and safety data across global operations. We have also developed comprehensive governance systems covering data security, algorithm compliance, privacy protection, and intellectual property management to ensure compliant and secure global operations.

Digital Intelligence Empowering Green Development

- Establish intelligent energy monitoring and AI optimisation systems to enable real-time data collection and intelligent control of water, electricity, gas, and heat.
- Deploy a digital twin factory, simulate production beats and energy consumption, optimise scheduling and equipment operation, and reduce unit output energy consumption.
- Promote predictive maintenance and intelligent process optimisation to reduce material waste and defect rates, thereby improving resource efficiency.
- Implement digital carbon management tools to enable automated calculation and visualisation of organisational carbon emissions and product carbon footprints.
- Utilise intelligent logistics and warehouse management systems (WMS) to optimise storage and distribution routes, reducing carbon emissions from packaging and transportation.

Digital Intelligence Enhancing Social Value

- Build intelligent safety and EHS information platforms to enable risk early warning, emergency coordination, and process traceability, safeguarding employee occupational health and safety.
- Establish a fully digitalised quality management system across the entire production process, enabling online inspection and end-to-end traceability from components to final assembly to ensure high product quality.
- Develop a global digital supply chain management platform to enhance supplier and procurement management capabilities.
- Promote digital skills training and intelligent workplace solutions to enhance employees' digital capabilities and work experience, supporting global talent development.
- Provide intelligent, integrated solutions to global customers, creating social value through higher efficiency, lower energy consumption, and more reliable delivery.

Digital Intelligence Strengthening Governance Effectiveness

- Establish a global compliance and risk early warning system to dynamically monitor risks related to cross-border operations, labour practices, environmental protection, and anti-corruption.
- Promote process digitalisation, online approvals, and management visualisation to enhance decision-making efficiency and governance effectiveness.
- Adhere to technological self-reliance and control, leveraging a portfolio of over ten thousand patents to build core competitive advantages and ensure long-term, sustainable development.

In terms of digital and intelligent applications, BYD Electronics has achieved a range of innovative outcomes:

- We have prioritised the development of two core systems: Product Lifecycle Management (PLM) and Manufacturing Execution System (MES).
 - The PLM system realises the online management of product R&D data, BOM, process, drawings, changes, and documents throughout the lifecycle, opens up data links from design to production, and enhances R&D efficiency and quality traceability.
 - The MES system serves as the core of intelligent manufacturing, enabling real-time data collection across production, equipment, quality, and personnel. It facilitates transparent production processes, rapid anomaly response, and refined operational management. The deep integration of these two systems enables end-to-end integration of R&D and manufacturing, improving product quality, reducing costs, enhancing efficiency, and supporting green and efficient operations.
- We have developed a fully self-owned “1+13” integrated information management architecture, with MES serving as the central platform. A total of 13 proprietary business systems—including EMS, PLM, WMS, QMS, laboratory management systems, intelligent EHS management systems, order management systems, and MRP—have been independently developed, forming an integrated digital platform covering production, R&D, supply chain, quality, safety, and equipment management. This architecture supports rapid iteration and flexible adaptation to diverse business scenarios, significantly improving data integration efficiency and cross-functional collaboration.
- We have developed AI-enabled measurement software based on imaging AI technologies, enabling intelligent point selection and automated measurement. This has improved the human-to-machine ratio from 1:1 to 1:2, significantly enhancing production efficiency and measurement precision while reducing labour costs.
- We have also developed multi-functional composite autonomous mobile robots (AMR) integrating multi-source sensing technologies, which enable intelligent scheduling, autonomous navigation, and predictive maintenance, advancing unmanned and intelligent production capabilities.



Case: BYD Electronics' Intelligent Manufacturing Solutions

BYD Electronics Zhongshan factory serves as a strategically developed intelligent manufacturing base designed to support high-end product lines and strengthen core competitiveness. The factory focuses on automation, digitalisation, and intelligence, comprehensively upgrading production models and delivering significant operational improvements. The overall automation rate has reached 93%, with 14 industry-first automation solutions implemented, effectively supporting the high-quality development of premium product lines.

In production processes, a fully continuous flow production system was introduced for the first time, enabling rapid process flow and real-time feedback. Key processes—such as automated loading and unloading for 15B, integrated edge trimming, automated insertion systems, and CNC integration—represent industry-leading innovations. Through structural optimisation, precision enhancement, and process innovation, multiple production bottlenecks have been resolved, significantly reducing labour costs. Manual handling labour has been reduced by 100%, demonstrating strong potential for full lifecycle replication.

At the digital level, system and process coverage exceeds 95%, with development efficiency improved by 80%. Leveraging systems such as EMS, MES, and LIMS, we have achieved full lifecycle online monitoring of equipment, production, quality, and warehousing. AI-driven predictive analytics and decision-making models are applied to optimise production processes and support data-driven management decisions.

Looking ahead, BYD Electronics will continue to deepen the integration of AI and intelligent manufacturing, further enhancing automation, flexibility, and green production capabilities. With digital intelligence technologies as the core engine, we will empower emerging businesses—including automotive electronics, AI servers, and new energy components—to achieve high-quality and sustainable growth. At the same time, we will continue to enhance our global digital carbon management system, strengthen data security governance and algorithm ethics, and promote responsible innovation and green and low-carbon development, contributing to high-quality and sustainable global industrial advancement.

Innovation talent development

Innovation talent development is a core driver of the Company's R&D and innovation. BYD Electronics continuously attracts high-calibre technical talent in fields such as electronic engineering, electronic information, materials science, chemistry, and mechanical engineering, thereby strengthening the foundation for technological innovation.

It enhances its R&D capabilities through systematic and ongoing training programmes. Training courses cover a wide range of professional areas, including software applications, R&D processes, and testing and validation, enabling efficient team collaboration, standardised operations, and continuous improvement in both R&D quality and efficiency.

During the reporting period, BYD Electronics conducted 164 in-person training sessions, including 126 sessions focused on R&D and technical topics, with a total of 2,208 participant attendances. Since 2018, we have continuously implemented Lean Six Sigma training programmes, covering initiatives such as Work-Out, lean management, Six Sigma Green Belt and Black Belt certification, and TRIZ innovation projects. In 2025, Lean Six Sigma training programmes resulted in the certification of 40 Black Belts and 35 Green Belts. A total of 70 hours of theoretical training and 217 hours of project review and coaching were completed, with 40 major Black Belt project reports submitted. As of the end of 2025, the programme has cumulatively trained 151 Black Belts and 110 Green Belts, with 504 major Black Belt projects and 7,467 sub-programmes completed, demonstrating strong continuous improvement capabilities.

| Product User-friendly Design

BYD Electronics consistently adheres to a user-friendly product philosophy, continuously optimising product design across dimensions such as lightweight structure, practicality, human-centred innovation, and emotional engagement, while actively exploring innovative approaches to enhance usability. Each business division has carried out systematic innovative R&D in aspects such as appearance design, material selection, and functional processes of its product lines. This not only enhances the usability and aesthetics of products but also strengthens users' sense of comfort and emotional connection during usage. It enables technology to truly serve people and create product experiences with greater warmth.

Product user-friendly design strategies

Lightweight design

Through structural optimisation, the use of lightweight materials, and modular or detachable design strategies, we minimise product weight while maintaining performance and safety, thereby enhancing portability, energy efficiency, and overall user experience.

Practicality

Centring on concise operation and timely feedback, we enhance user efficiency and experience fluency through intuitive interaction logic and efficient response mechanisms.

Human-centred design

We prioritise user safety and experience through features such as rounded-edge design, ergonomic structures, and fault-tolerant feedback mechanisms, creating a safe, comfortable, and human-centred product experience.

Emotional engagement

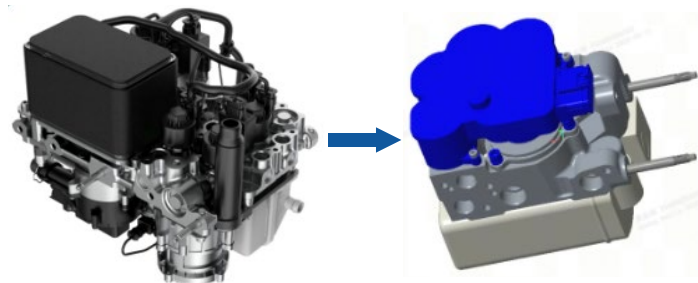
By offering customisable options, innovative visual and tactile experiences, and multi-scenario interactions, we enhance product personalisation and engagement, strengthening users' sense of connection and satisfaction.



Case: Lightweight Design of Thermal Management Integrated Module

At the Baolong factory, BYD Electronics adopted integrated, compact, and lightweight design principles to optimise heat pump systems, developing a new generation of thermal management integrated modules. Through structural innovation and valve integration, three conventional normally open/closed solenoid valves were replaced with a single integrated five-way valve. Combined with integrated coil design and laser welding processes, this enabled the integration of the gas-liquid separator with the module body, reducing external connections, component count, and redundant structures, and significantly decreasing module size and weight.

The upgraded five-way valve enables a single component to support multiple operating conditions, with a flow channel diameter of 12 mm and no compromise in flow performance. Valve weight is reduced by 25%, and single-valve energy consumption is reduced by over 90%, improving fluid circulation efficiency, reducing product losses and vehicle energy consumption, freeing up installation space, and enhancing overall vehicle performance. The module also demonstrates strong scalability, supporting upgrades such as seven-way valve configurations, achieving comprehensive optimisation in space utilisation, weight reduction, energy efficiency, and cost performance.



2.0D Thermal Management Integrated Module

Five-way Valve Thermal Management Integrated Module

Lightweight Design of Thermal Management Integrated Module



Case: User-friendly Design of Portable Car Audio Products

The portable car audio products developed by BYD Electronics embody a user-centric design philosophy, delivering enhanced user experience across six key dimensions, namely, operational simplicity, compatibility and inclusiveness, real-time feedback, human-centred fault tolerance, ergonomics, and emotional engagement. Rounded, edge-free designs and minimalist layouts enhance safety and portability; large buttons, voice prompts, and multisensory feedback accommodate diverse user needs; accidental press-resistant buttons and waterproof coatings improve reliability; omnidirectional sound fields and anti-slip designs enhance both grip and audio performance; and modular DIY colour schemes combined with ambient lighting enable personalised expression. The products are intuitive, durable, and designed with both warmth and creativity, achieving seamless integration of advanced technology and human-centred design.



Portable Car Audio Products

Promoting Industry Advancement

Leveraging core technologies such as electronic information technology, artificial intelligence, precision moulds, and digital manufacturing, BYD Electronics continuously advances the intelligent transformation and modernisation of the industrial value chain. Through industry-academia-research collaboration, customer technology promotion, industry exchanges and other means, we achieve internal technological optimisation and external capability empowerment. We work hand in hand with industry partners for co-creation and sharing, so as to promote industrial collaborative development and common prosperity.

Industry Honours and Recognition

- In 2025, the Company was recognised as a Chengdu Intelligent Factory and ranked among Chengdu's Top 100 Enterprises and Top 100 Manufacturing Enterprises, reflecting strong industry recognition of our achievements in intelligent manufacturing, technological innovation, operational excellence, and digital transformation.

Technology Promotion and Scenario Expansion

- Focusing on key sectors such as consumer electronics and automotive electronics, and covering application scenarios including smartphones, wearable devices, servers, laptops, and automotive electronics, we completed a total of 240 technology promotion activities in 2025, accelerating the commercialisation and scaling of technological innovations.



Industry-Academia-Research Collaborative Innovation

- In collaboration with the School of Mechanical Engineering at Shanghai Jiao Tong University and BYD's Chengdu R&D Centre, we conducted a cutting tool design platform development project, significantly improving design efficiency while achieving resource integration and technological breakthroughs between academia and industry.

Industry Technical Exchange and Ecosystem Co-development

- We participated in the Shenzhen International Thermal Conductive and Heat Dissipation Materials Exhibition and the China International Powder Metallurgy and Cemented Carbide Exhibition, engaging with leading diamond material enterprises to support the development of advanced thermal management materials.
- We also participated in the Shanghai 3D Printing Technology Innovation Exchange, collaborating with industry experts to explore additive manufacturing technologies and promote joint research and ecosystem co-development of advanced technologies.



Product Quality and Safety

| Product Quality Management

BYD Electronics continuously establishes and enhances its quality management system. Each factory has formulated internal policies such as the *Product Safety and Responsibility Control Procedures*, the *Product Design and Development Management Procedures*, the *Production Process Control Procedures*, the *Finished Product Inspection Control Procedures*, and the *Quality Manual*. These systems comprehensively cover the entire product lifecycle, including manufacturing processes and the supply chain, and emphasise a prevention-first approach, strict compliance, and closed-loop management.

Quality management system

BYD Electronics complies with applicable laws and regulations, including the *Product Quality Law of the People's Republic of China*, the *Standardisation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and the *Implementation Rules for China Compulsory Certification (CCC)*. In alignment with international standards such as ISO 9001 and IATF 16949, as well as customer requirements, we have established internal systems including the *Quality Manual*, the *Production Process Control Procedures*, the *Finished Product Inspection Control Procedures*, the *Non-conforming Product Control Procedures*, and the *Product Identification and Traceability Management Procedures*. These systems continuously optimise the end-to-end quality management system covering supplier management, R&D, production, and delivery.

To ensure product quality and safety, the Company has set clear quality management objectives. These include the pass rate of inspection batches, the defect rate of outgoing random inspections, the on-time delivery rate, the customer on-site acceptance rate, the customer return rate, and the maintenance and upkeep timeliness rate. The Company has allocated these indicators to various business divisions and established a management process for regular follow-up, analysis, and remediation, so as to continuously drive quality improvement.

BYD Electronics implements the requirements of the ISO management system and the IATF 16949 standard, actively carries out quality management system certification, accepts audits and certifications from external third-party professional institutions, continuously optimises and standardises various management systems, digs deep internally and extends externally, and thoroughly promotes the organic integration of internal and external quality management systems. In 2025, it obtained all ISO 9001 certificates. All factories involved in automotive electronics production obtained IATF 16949 certification. In addition, advanced automotive industry standards and tools—such as VDA 6.3, VDA 6.5, and the five core quality tools—were introduced. Through a dual-system approach combining general and industry-specific standards, we further strengthened our quality assurance capabilities in the automotive electronics sector.

Product quality risk management system

BYD Electronics regularly conducts product quality and safety risk assessments. In line with the principles of safety first and prevention foremost, we have established a three-tier coordinated risk management and emergency response system spanning the Company, business division, and product levels. This system enables effective monitoring and evaluation of product safety performance and ensures alignment with customer requirements.

At the Company level, a full lifecycle risk early warning system is established. Led by the Quality Director, we have set up an emergency response team, clarified cross-departmental responsibilities, and are responsible for handling safety incidents and remedying major hidden dangers.

At the business division level, each unit formulates and implements the *Emergency Plan Management Procedures* in accordance with corporate policies, conducts risk identification and monitoring throughout the entire process—from raw material intake to production—and regularly performs emergency drills to ensure effective implementation of control measures.

At the product level, we have established a dynamic risk management mechanism for product quality and safety. Control checklists are developed based on site-specific conditions to ensure that potential risks remain within a controllable range.

Full lifecycle quality management

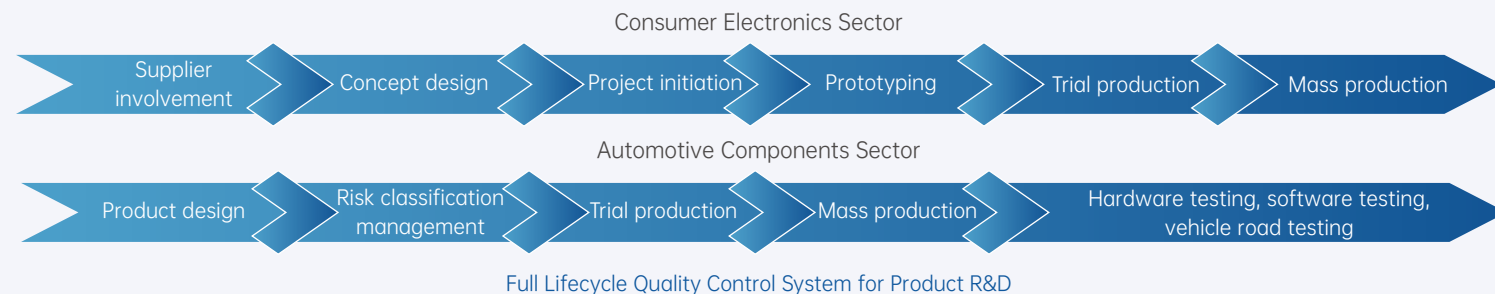
BYD Electronics has established a comprehensive quality management system covering the entire product lifecycle. Under the PLM system, products are rigorously managed at every stage—from design, manufacturing, and delivery to after-sales service. Through the integrated implementation of quality planning, quality control, quality assurance, and continuous improvement, we ensure robust quality control across all lifecycle stages.

Product R&D stage

BYD Electronics has established dedicated R&D quality control procedures for both consumer electronics products and automotive components, continuously standardising multiple product R&D processes, including product feasibility analysis, project initiation, design and development planning, prototype production, small-batch trial production, and mass production introduction.

In the consumer electronics sector, we implement the *New Product Introduction (NPI) Management Procedures* and utilise the PLM system to manage and resolve quality issues at early stages of product development. At the same time, suppliers are engaged in early-stage product development to collaboratively optimise design and ensure that product quality meets customer requirements.

In the automotive components sector, we apply Failure Mode and Effects Analysis (FMEA) to identify and mitigate potential risks, minimising late-stage design changes and associated costs. Risk classification and control for automotive components are implemented: High-risk components undergo multi-stage reviews, medium-risk components require the verification of the quality of trial production, and low-risk components implement self-inspection mechanisms. Through testing methods such as hardware testing, software testing, and road testing, we ensure the quality of vehicle delivery.



Product manufacturing stage

During the manufacturing stage, the Company leverages intelligent manufacturing systems to achieve real-time collection, analysis, and monitoring of production data, promoting the upgrading of on-site production to refined management and intelligent monitoring, and continuously reducing the impact of carbon emissions.

We have established full lifecycle quality control procedures covering incoming materials, production processes, and product shipment, with clearly defined inspection standards and control requirements at each stage. Regular performance reviews are conducted across factories, with performance-based incentives and corrective actions implemented accordingly.

During the finished product shipment stage, we adhere to a zero-tolerance policy for quality defects, ensuring that all products undergo rigorous and comprehensive quality verification prior to delivery, thereby guaranteeing consistent and reliable product performance.

Product recall stage

We have established policies such as the *Return Handling Procedures* and the *Non-conforming Product Management Procedures*, clearly defining product recall processes and ensuring strict implementation of recall protocols and corrective actions for defective products.

| Quality Culture Development

Building on years of quality management experience, BYD Electronics has developed a distinctive quality culture framework structured around one core, two objectives, and three principles (the "Quality Culture 123"), supported by a comprehensive quality and safety training system.

The Company has built a standardised quality training curriculum comprising 80 courses. It regularly organises special training and assessments for quality engineers, continuously strengthens the development of internal trainers, and dynamically optimises the course content. In addition, we strictly implement the Group's professional competency certification requirements for quality management personnel, delivering structured certification programmes to continuously enhance technical expertise and professional competence across our teams.

During the reporting year, we continued to advance the "Quality Month" initiative, focusing on enhancing quality management capabilities and standardising frontline operational practices. Targeted training programmes were delivered for key personnel across different levels, covering core courses such as *On-the-job Training*, *Appearance Inspection Standards*, *Knowledge of Electronic and Moisture-sensitive Components*, and *Process Quality Abnormality Handling*. These initiatives ensured strong alignment between training content and job requirements, effectively strengthening employees' professional competencies and execution capabilities in quality management, and supporting continuous improvement in overall management performance.

BYD Electronics' quality training curriculum

Quality training category	Course content	Training objectives
Quality management system standards	IATF 16949, ISO 9001	Establish a compliant and systematic quality management framework
Core quality tools	APQP, FMEA, MSA, SPC, PPAP, CP	Support new product development and process validation
Statistical and process control	SPC, CPK, MSA, Basic Statistical Methods	Enable data-driven process stability and continuous optimisation
Problem analysis and resolution	Seven QC Tools, 8D Methodology, Non-conforming Product Handling	Enable rapid response and closed-loop resolution of quality issues
Quality awareness and fundamental methods	Quality Awareness, PDCA Cycle, Continuous Improvement	Foster an organisation-wide quality mindset and continuous improvement culture
Six Sigma Tools	DMAIC Methodology and Application of Key Tools	Drive lean transformation and continuous performance improvement



Case: Deepening Quality Culture Development and Promoting BTS Implementation

At the Baolong factory, we leveraged the "Quality Month" initiative to comprehensively promote the BTS (BYD Total Shitsuke) philosophy, strengthening quality awareness across all employees. A strong quality culture environment was created through visual communication methods such as banners, posters, and display boards, combined with interactive activities including BTS knowledge quizzes, defect identification exercises, matching games, knowledge cards, and BTS evaluations, significantly enhancing employee engagement and understanding. Workshops facilitated discussions between shift leaders and frontline employees to collect feedback, strengthen communication, and promote collaborative problem-solving. At the same time, targeted on-site improvements were implemented, focusing on 5S management, standardisation, safety, energy conservation, and dress code compliance. Routine inspections were conducted across production lines, corridors, break areas, and rest areas to reinforce quality culture development. In 2025, the Baolong factory conducted 382 quality culture activities, engaging approximately 31,000 employees and receiving more than 30 Company-level awards.

In 2025 ▶



The Baolong factory conducted

382 quality culture activities



Engaging approximately

31,000 employees



Receiving more than

30 Company-level awards.



Case: "Enhancing Quality and Efficiency, Empowering the Future through Capability" Quality Month Initiative

From July to September 2025, BYD Electronics Wuxi factory launched a Quality Month initiative themed "Enhancing Quality and Efficiency, Empowering the Future through Capability", fully embedding the principles of quality first, efficiency-driven operations, and capability enhancement, while addressing key operational challenges.

The initiative introduced multiple capability-building platforms, including skill competitions involving 34 measurement specialists across six divisions and 20 testing laboratories, promoting learning through competition. Online knowledge quizzes engaged 3,952 participants across ten factories and product departments, fostering a company-wide quality culture. At the same time, targeted improvement projects were implemented to address production challenges. Nine factories initiated 14 projects, achieving a 70% target completion rate and effectively resolving on-site operational issues. In parallel, a quality data analytics system was established, promoting the transition toward automated and transparent quality management, and laying a solid foundation for long-term quality control and continuous improvement.



Customer Service Quality

| Service Quality Management

BYD Electronics is committed to delivering high-quality and reliable services to customers. By deeply understanding customer needs and accurately capturing market dynamics, we provide professional and tailored solutions to meet the diverse and practical requirements of different customers. Effective customer relationship management enhances collaboration across the industry ecosystem and supports long-term value creation.

The company adheres to the *BYD Customer Service and Communication Management*, the *BYD Automotive After-sales Customer Complaint Management Process*, and the *Customer Feedback Handling Procedures*, standardising customer complaint response mechanisms and end-to-end handling processes. For defective products requiring return, each business division has established a comprehensive root cause analysis process. Based on analysis results, targeted corrective actions are implemented, and closed-loop feedback is provided to customers until resolution is confirmed, ensuring timely response, effective issue resolution, and continuous improvement in service quality. In 2025, no major customer complaints were recorded.

In 2025



0 major customer complaints were
recorded

| Customer Communication and Satisfaction

BYD Electronics places strong emphasis on customer communication and satisfaction management. We have formulated under internal policies such as the *BYD Customer Service and Communication Management* and the *Electronics Business Group Customer Feedback Handling Procedures*, ensuring diversified communication channels and enabling timely information flow, effective response, and closed-loop management of customer feedback.

We maintain proactive and continuous communication with customers to ensure that products comply with applicable laws, regulations, and customer-specific requirements. All business divisions maintain regular engagement with customers through management meetings, dedicated communication channels, and participation in customer-led audits, including quality inspections and system audits, ensuring that products and services consistently meet customer expectations.

We strictly adhere to customers' core requirements for suppliers—such as product quality, delivery performance, and manufacturing capability—and integrate these requirements into our operational and management systems. By systematically collecting and analysing customer feedback, we continuously optimise product performance and service processes, driving ongoing improvements in both quality and customer experience. To evaluate customer satisfaction, we use customer supplier awards as a key indicator. During the reporting period, BYD Electronics received 32 supplier awards from customers in recognition of our outstanding product quality and service performance, demonstrating strong customer trust and recognition of the Company's comprehensive strength and cooperation performance.



Case: BYD Electronics Awarded ZTE "Global Best Partner Award"

In November 2025, ZTE Corporation held its annual core supplier conference in Shenzhen under the theme "Smart Win for the Future". The conference brought together more than 500 leading global technology enterprises, and BYD Electronics was honoured with the ZTE Global Best Partner Award, highlighting our excellence in product quality, delivery, and service capabilities.



BYD Electronics Awarded ZTE Global Best Partner Award



Case: BYD Electronics Won Xiaomi's "2025 Best Partner Award, Excellent Quality Award, and 15-Year Entrepreneurship Partner Award"

BYD Electronics' COO, Jiang Xiangrong, led the Company's delegation to attend Xiaomi's 2025 Supplier Conference and accepted the "2025 Best Partner Award, Excellent Quality Award, and 15-Year Entrepreneurship Partner Award" on behalf of the Company, demonstrating long-term strategic collaboration and outstanding performance.



BYD Electronics Awarded Xiaomi's 2025 Best Partner Award and Excellent Quality Award

PART 4

Being People Oriented

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SDGs Covered in This Chapter



Annual Highlights

Employee Rights: Standardised Employment and Talent Development

- Institutional Safeguards: Strict compliance with applicable labour laws and international standards, supported by a comprehensive human resources management system covering the entire employment lifecycle
- Talent Recruitment and Development: In 2025, we recruited a total of **262** high-calibre professionals, onboarded **851** campus graduates, completed **741** internal transfers, and created **107,714** blue-collar employment opportunities. A total of **1,808** employees were promoted, of whom **33%** were female, reflecting our commitment to diversity and inclusive development

Talent Development: Tiered Training and Academic Empowerment

- Grassroots Management: A total of **51** sessions of the "Shift Pioneer Training Camp" were conducted, certifying **1,360** participants; **87** training sessions for shift leaders were held, covering **3,985** participants
- Skills Development: More than **5,000** skilled talents were trained internally, covering key areas such as precision machining and mould manufacturing
- Academic Research: The national postdoctoral research workstation has cumulatively trained **36** postdoctoral researchers, with **19** currently in residence. A total of **36** research projects has been completed, resulting in **72** patent applications
- Public Welfare and Education Support: The "Education Dream Support Programme" supported **22** individuals in achieving access to higher education

Occupational Health and Safety: System Certification and Intelligent Protection

- System Coverage: **93.3%** of production and operational sites have obtained ISO 45001 certification, with no occupational disease cases reported in 2025
- Intelligent Management: An Enterprise Artificial Intelligence (EAI) platform was established, enabling a closed-loop system of intelligent detection, real-time alerts, and rapid response across **5** pilot factories
- Emergency Drills: A total of **1,185** emergency drills were conducted, achieving a **100%** completion rate, with participation from **228,980** employees

Employee Care: Physical and Mental Well-being and Enhanced Benefits

- Psychological Support: An integrated online and offline employee assistance programme (EAP) was established, providing professional counselling services to **51** employees in 2025, with a satisfaction rate of **97.06%**
- Health Protection: A total of **184** automated external defibrillators (AEDs) were installed, and **25** nursing rooms were established, further enhancing employee welfare provisions
- Cultural and Engagement Activities: Events such as the "e Towards the Future" Spring Festival celebration and the "Lean Cup" sports competitions were organised to enrich employees' well-being and work-life balance

Employee Rights and Interests

| Compliant Employment

BYD Electronics strictly complies with applicable labour laws and international standards across all operating regions, ensuring that all employment practices meet legal and regulatory requirements. We have established a comprehensive human resources management system covering the entire employment lifecycle and strictly prohibit child labour and forced labour. We adhere to lawful employment contracts to safeguard employee rights, recruit talent through diverse channels—including external hiring, campus recruitment, and internal mobility—and actively foster an equal, diverse, and inclusive workplace. We oppose all forms of discrimination and support inclusive employment opportunities for diverse groups, fulfilling our corporate social responsibility.

Institutional framework and contractual protection

BYD Electronics upholds the core principles of equal opportunity and ability-based recruitment. We strictly comply with applicable labour laws, including the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, and align with international standards such as the *United Nations Human Rights Convention*, the *Universal Declaration of Human Rights*, and the *United Nations Guiding Principles on Business and Human Rights*. A comprehensive human resources management system has been established, covering recruitment, hiring, training, promotion, remuneration, and termination. We have formulated and implemented internal policies such as the *BYD Recruitment Management Measures*, the *Group Child Labour and Juvenile Worker Management Procedures*, and the *BYD Electronics Human Rights Policy Statement*. We publicly commit to fair wages, equal remuneration for men and women, and standardised annual leave and overtime management. Furthermore, we maintain a zero-tolerance approach to child labour, prohibit minors from engaging in hazardous work, and strictly prohibit forced labour, ensuring fairness, compliance, and respect for human rights in all employment practices. Labour and human rights management systems across multiple production bases of the Company have received external recognition.

From the outset of employment, we sign labour contracts with all employees in accordance with applicable laws, clearly defining the rights and obligations of both parties and providing a solid legal foundation for employee protection. In 2025, the labour contract signing rate remained at 100%. We respect employees' freedom of employment and personal liberty, strictly prohibit all forms of forced labour—including the retention of identity documents or the collection of deposits or collateral—and firmly oppose human rights violations such as human trafficking and child labour. During the onboarding process, we strictly implement identity verification procedures to prevent the inadvertent employment of child labour at the source. In the event that any such case is identified, the employment contract is immediately terminated, the individual is assisted in returning home, and internal management deficiencies are reviewed and rectified.

On this basis, BYD Electronics has established a routine major risk identification mechanism, updating the risk register annually in accordance with the risk management process and formulating targeted mitigation measures. The 2025 risk assessment results indicate that, in the area of human resources, we face risks related to labour shortages and the potential loss of key talent due to changes in the market environment. These risks are assessed as having high impact but low likelihood. In response, we actively expand diversified recruitment channels and implement internal referral incentive mechanisms to enhance talent attraction. On the retention side, we continuously improve the working environment and employee benefits, introduce ergonomic workplace design to optimise workstation layouts and reduce labour intensity, and enhance catering and recreational facilities, thereby strengthening talent retention resilience.



RBA Certificate of BYD Electronics' Vietnam Factory



RBA Certificate of BYD Electronics' Baolong Factory

In 2025



The labour contract signing rate remained at

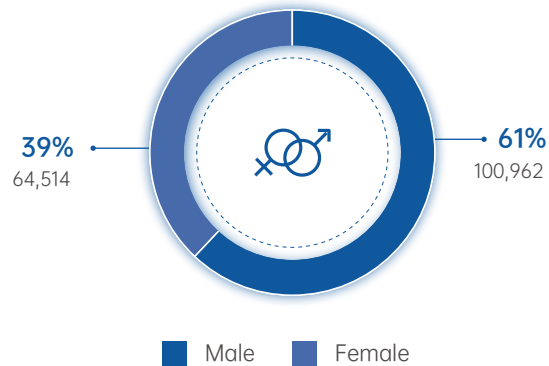
100%

Employee composition

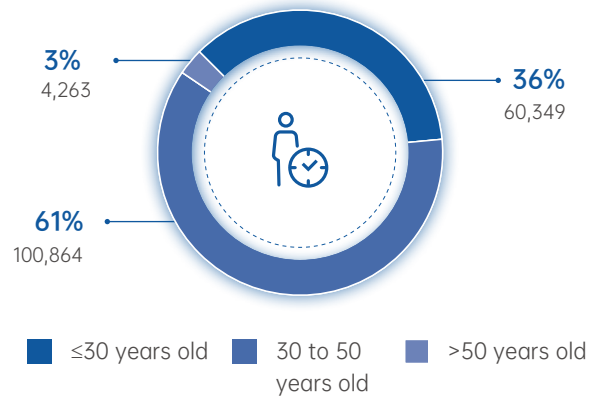
BYD Electronics is committed to building a diverse and inclusive workforce. As of the end of 2025, we employed a total of 165,476 employees, with the following employee composition:

Total Number of Employee **165,476** person

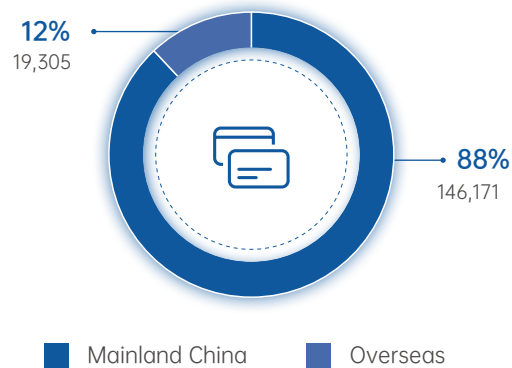
by Gender



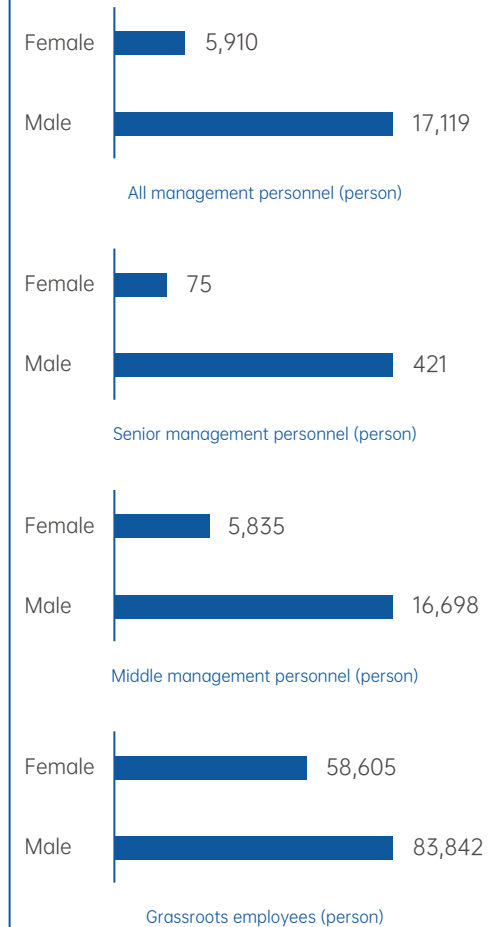
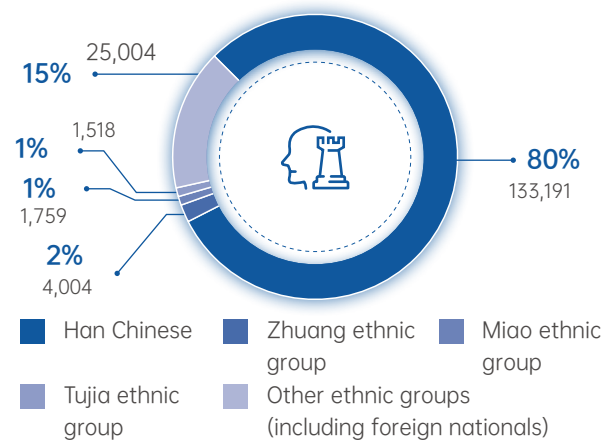
by Age



by Work Location



by Ethnicity



Talent recruitment

Based on workforce planning and business development needs, we conduct systematic human resource planning and demand forecasting, actively explore diversified recruitment channels, and enhance our independent recruitment capabilities and talent density. We actively collaborate with government institutions—such as human resources and social security bureaus and employment service agencies—to expand employment channels and build platforms for attracting local talent.

In 2025, we achieved positive outcomes across all recruitment channels:

Social recruitment

We recruited high-calibre professionals globally, selecting talent based on industry expertise and specialisation. In 2025, a total of 262 professionals were recruited through social recruitment channels.

Campus recruitment

We collaborate with universities to strengthen talent development across four major industry segments and address specialised talent needs. During the 2025 campus recruitment cycle, we participated in 31 recruitment programmes covering 55 events, recruiting across more than 95 job categories and over 150 academic disciplines, with a total of 851 hires (520 male and 331 female).

Internal recruitment

The Company has established an internal talent pool to cultivate multi-skilled professionals and promote effective internal mobility, supporting sustainable talent development and organisational flexibility. In 2025, internal talent mobility involved 741 employees, reducing the need for external recruitment by 306 positions.

Blue-collar recruitment

We conducted systematic analysis of skill requirements across industries, collaborated with vocational and technical institutions to promote the development of scarce skill sets, and leveraged multiple online recruitment platforms to overcome regional information barriers. In 2025, we created more than 107,714 employment opportunities, including 89,246 in China and 18,468 overseas.



Case: Industry-Academia Collaboration in Talent Recruitment

In 2025, the Vietnam factory strengthened local talent acquisition through industry-academia collaboration, signing agreements with eight institutions (with two additional agreements in progress). During the year, 402 applications were received, 234 candidates were interviewed, 180 candidates passed interviews, and 129 were employed.



Case: BYD Awarded the 2025 CHIRC Best Employer Award

BYD was awarded the 2025 Best Employer Award by the China Human Resources Industry Council (CHIRC). The relevant selection activities of this award began in 2006. As the earliest public platform in China that focuses on employer brand release, promotion, and research, its selection results have both professional credibility and broad social influence. This recognition reflects strong industry acknowledgement of BYD's excellence in talent strategy, corporate culture, and employee development.



BYD Awarded the 2025 CHIRC Best Employer Award



Case: BYD Electronics (M) Awarded "Best Companies to Work for in Asia"

BYD Electronics (M) Sdn. Bhd. was awarded the HR Asia 2025 Best Companies to Work for in Asia, recognising its outstanding performance in talent development, corporate culture, and employee care by HR Asia and Business Media International. We consistently regard employees as our most valuable asset and are committed to creating a workplace environment that fosters care, growth, and a strong sense of belonging.



Best Companies to Work for in Asia Award

Building an inclusive workplace

BYD Electronics is committed to building a diverse and inclusive workforce. We adhere to the principles of equal opportunity and ability-based recruitment, striving to eliminate discrimination based on nationality, race, gender, religion, or other characteristics throughout recruitment and employment processes. As stated in the *BYD Electronics Human Rights Policy Statement*, we support employees' rights to freedom of association and respect diversity, ensuring that no employee or candidate is treated unfairly based on ethnicity, race, gender, region, religion, or employment type. We provide equal employment opportunities, oppose all forms of discrimination, and foster an inclusive workplace that respects diverse perspectives and beliefs.



Case: Employment of Persons with Disabilities and Accessible Facilities

The Chengdu factory actively supports public welfare initiatives and fulfils its social responsibilities through inclusive employment practices. Since 2016, the factory has implemented a disability employment programme, with a peak of over 500 employees with disabilities, and currently employs more than 300. We provide a range of suitable roles for employees with disabilities, including equipment operation, inspection, and safety patrol positions. To support their daily work and well-being, we have continuously upgraded accessible facilities within the factory and regularly organise care initiatives, enabling employees with disabilities to integrate into the workplace and realise their personal value.



Accessibility Improvements for Disabled Employees

| Human Rights Protection

BYD Electronics has established a routine human rights management system, safeguarding employee rights through systematic risk identification, assessment, and remediation mechanisms. Leveraging trade unions and employee representative congress systems, we ensure employees' rights to information, participation, and consultation in major matters. We have also established multi-channel grievance mechanisms to fairly address employee concerns, strictly prohibit any form of retaliation, and continuously foster harmonious and equitable labour relations.

Human rights management system

BYD Electronics adheres to the fundamental principle of respecting human rights, strictly complies with applicable laws and regulations in all operating regions, and has established a regular due diligence mechanism for labour and human rights. Identified issues are promptly rectified, forming a systematic closed-loop mechanism for fulfilling human rights responsibilities.

Potential risk identification

We systematically identify labour and human rights-related topics, refine assessment indicators in our own operations, and formulate targeted prevention, mitigation, and remediation measures to effectively minimise and address potential human rights risks and impacts.

Risk assessment and classification

We conduct comprehensive and in-depth assessments of human rights risks through multiple approaches, including on-site inspections, key data monitoring, document sampling, and employee representative interviews. The general risk rating criteria have been adopted, which classify topics based on their severity, frequency of occurrence, and urgency.

Mitigation and remediation mechanisms

Based on assessment results, we develop targeted mitigation and remediation measures for identified high- and medium-risk topics, while proactively addressing other human rights topics to reduce potential adverse impacts and provide timely remedies to affected employees.

Human rights training

BYD Electronics integrates human rights awareness into employee onboarding and career development processes. Mandatory human rights training is included in onboarding programmes. In 2025, the coverage rate for new employees reached 100%, with training content covering ESG governance, human rights protection, and occupational health and safety. In addition, we provide ongoing human rights training to employees and management, covering topics such as SA8000, the RBA Code of Conduct, occupational health and safety, and the proper use of personal protective equipment (PPE), aiming to enhance awareness of human rights, social responsibility, and workplace standards. Furthermore, to strengthen management accountability, we have implemented a human rights capacity-building programme to enhance managers' capabilities in identifying, preventing, and responding to human rights risks, integrating human rights considerations into daily decision-making processes. In 2025, we conducted human rights training for 662,875 people (person-times), with cumulative training hours reaching 1,340,038 hours.

In 2025 



We conducted human rights training for
662,875 people (person-times)



Cumulative training hours reaching
1,340,038 hours

Democratic management and employee participation

To safeguard employee rights, BYD Electronics regularly enters into collective agreements with employees. Through collective bargaining, formal agreements are established on key matters such as remuneration, working hours, rest and leave, occupational health and safety, vocational training, social insurance, and employee benefits. We comply with the *BYD Trade Union Management Measures*, strengthening standardised and systematic trade union operations to ensure effective functioning and protection of employees' legitimate rights and interests. The BYD Trade Union Federation actively participates in decision-making on major matters affecting employee interests and establishes platforms for labour dispute mediation. Employee representatives engage in open and direct communication with management, regularly discussing working conditions and employee concerns. Policies and major matters affecting employee interests are subject to deliberation and approval by the employee representative congress.

We fully safeguard employees' rights to information, participation, and supervision by widely soliciting employee feedback and encouraging participation in democratic management. Adhering to principles of fairness, transparency, and openness, we enhance employee engagement and continuously improve the effectiveness of democratic governance. We actively undertake responsibilities such as legal awareness promotion, employee communication, and dispute resolution. These functions are carried out through tripartite mechanisms involving employee representatives, Company representatives, and trade union representatives, promoting harmonious labour relations through structured and effective governance.



Case: Relocation of Outdated Dormitories

At the Wuxi factory, issues related to outdated employee dormitory facilities were incorporated into regular communication agendas between frontline employees and trade union representatives. Through site visits and Net Promoter Score (NPS) surveys, we collected employee feedback and developed a detailed relocation plan. A follow-up survey conducted one week after relocation showed a response rate of 91.41% and an overall satisfaction rate of 93.86%. The new dormitories fully meet employees' living needs, reducing average commuting time by five minutes and increasing employee satisfaction by 35.5% compared to pre-relocation levels.

Employee complaint mechanisms

BYD Electronics places strong emphasis on employees' right to voice opinions and safeguard their legitimate rights and interests. We have established comprehensive and accessible grievance and feedback mechanisms, encouraging employees to promptly report any human rights-related concerns, including discrimination or harassment. Multiple grievance channels are available, including email, suggestion boxes, telephone hotlines, and "HR Face-to-Face" communication platforms, both online and offline. Through the corporate WeChat platform, we ensure full accessibility of grievance mechanisms, enhancing the confidentiality, convenience, and timeliness of employee feedback.

We have clearly defined responsibilities and standardised procedures for grievance handling, ensuring that all concerns are addressed fairly, promptly, and confidentially. A whistleblower protection mechanism is in place, with a strict prohibition against any form of retaliation. Depending on the nature of the whistleblowing and complaint, the responsible department conducts independent investigations and implements appropriate corrective and disciplinary measures based on the findings and severity of the case.

| Employee Compensation and Incentives

BYD Electronics has established a value-driven compensation system that combines fixed and variable components. This includes base salary and performance-based bonuses, supplemented by medium- and long-term incentive mechanisms such as profit-sharing and equity incentives, ensuring alignment between employee rewards and Company performance.

Compensation system and incentive mechanism

In accordance with the *BYD Employee Performance Management Regulations*, we have established a fair, transparent, and performance-oriented compensation system. This system strictly adheres to the principle of equal pay for equal work, without discrimination based on gender, age, ethnicity, nationality, race, or skin colour. We regularly monitor and analyse employee compensation data, including gender pay gap indicators, to ensure effective and equitable implementation.

We have implemented a performance-based variable compensation system covering all employees globally. Employee compensation consists of base salary and performance bonuses, with additional variable components including profit-sharing incentives and equity-based rewards. We continuously refine our compensation growth mechanism, closely linking it to business performance and individual contributions to create a positive performance-reward feedback loop. At the same time, we continue to strengthen our profit-sharing mechanism, fostering a supportive working environment and providing broader development opportunities for employees.

We provide all employees with competitive living wages to ensure a decent standard of living for employees and their families, and regularly adjust wage standards across regions to ensure compliance with local regulations. To address limitations of traditional reward cycles, and in accordance with the *BYD Competitive Bonus Management Measures*, we provide timely, flexible, and transparent recognition and rewards to individuals and teams demonstrating outstanding performance in key projects and evaluations. We strictly comply with local regulations regarding working hours, overtime limits, and compensation. Where extended working hours are required due to operational needs, overtime is conducted on a voluntary basis within legal limits, with appropriate overtime pay or compensatory leave provided in a timely manner, ensuring employees are paid for overtime work.

Short, medium, and long-term incentives

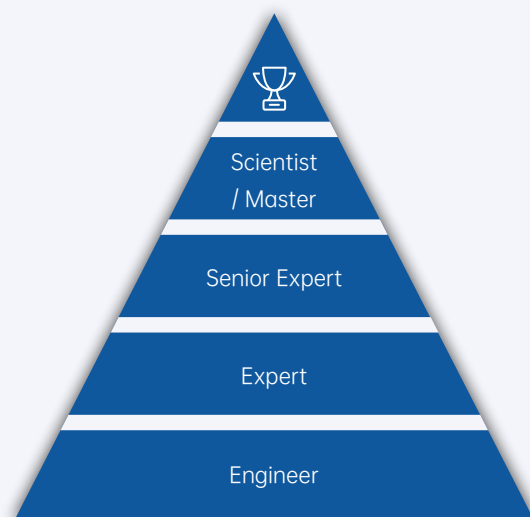
BYD Electronics has established a comprehensive incentive framework spanning short, medium, and long-term horizons, closely linking performance evaluation, compensation incentives, and talent development. We have implemented equity incentive plans to attract, motivate, and retain key talent, encouraging long-term value creation and sustainable growth. We link long-term employee incentive plans with sustainability performance, guiding and motivating employees to actively integrate sustainable development principles into their daily work. In 2025, the employee shareholding plan covered 2,535 participants. In addition, we have established long-service awards to recognise and reward employees for their sustained dedication and outstanding contributions.

Talent Development

| Employee Promotion

BYD Electronics is committed to building diversified talent development pathways and maintaining transparent and fair promotion mechanisms, providing employees with an equitable environment in which their performance and capabilities are appropriately recognised. We place strong emphasis on career development and have established a structured promotion system designed to fully motivate employee engagement and initiative.

To support the development of technical talent, we have established an internal professional title system that provides differentiated career advancement pathways. Promotion criteria are primarily based on technical achievements, expertise, and innovation capabilities. At the same time, we continuously provide frontline employees with opportunities for learning and professional certification, expanding the coverage of skill categories and improving certification success rates. We also offer well-defined transition pathways for technical professionals among technical, managerial, and skilled career tracks, supporting employees' long-term career progression and development. Some of the talent development paths are as follows:



Technical Talent Development Pathway



Skilled Talent Development Pathway

In 2025, the Company promoted a total of 1,808 employees of whom 33% were female. We will continue to review our promotion mechanisms to ensure the fairness and effectiveness of the promotion system, thereby unlocking employee potential.

| Talent Development

Based on multiple career pathways—including management, technical, skilled, and professional tracks—BYD Electronics has established a tiered and classified talent development system covering new employees, high-potential talent, management personnel, skilled talents, and postdoctoral researchers.

Performance management and talent growth

BYD Electronics follows the *BYD Employee Performance Management Regulations*, deeply integrating target management concepts with key performance indicators (KPIs) to build a comprehensive assessment mechanism combining monthly, quarterly, and annual evaluations, accounting for the process control stage and result application; this system centres on personal goals, covering work performance, professional conduct, and competence in its assessment dimensions. Employees set annual key objectives aligned with team and organisational strategies and actively participate in the full performance management cycle. During implementation, we establish regular communication and feedback mechanisms based on agile performance dialogues, enabling timely and focused interactions between managers and employees. Continuous improvement is driven through the Plan-Do-Check-Act (PDCA) cycle. The entire performance management process is supported by digital systems, enabling efficient documentation and full traceability. Through dynamic optimisation of goal setting, process control stage, and feedback mechanisms, the system supports the simultaneous development of both organisational and individual capabilities. At the same time, we implement a performance-linked compensation system covering all employees, directly linking performance evaluation outcomes with compensation incentives to effectively enhance organisational vitality and employee motivation. We support employee capability enhancement and career development through four core mechanisms:

Management by objectives

We establish a cascading goal alignment mechanism from the Company-level to departmental-level and individual-level objectives. Through clearly defined and quantifiable key outcomes, employees are guided to focus on strategic priorities and align their development pathways with organisational goals.

Team-based performance appraisal

We establish team-level performance indicators to move beyond individual-centric evaluation, strengthen collaboration awareness, and promote collective value creation as a driver of individual growth. Team performance is directly linked to individual performance outcomes, fostering intrinsic motivation for collaboration and shared success.

360-degree feedback

As a complementary performance evaluation tool, comprehensive feedback provides multi-dimensional insights into employees' competencies and behaviours, helping them identify strengths and areas for improvement. Assessment results are systematically applied to the development of individualised development plans, enabling targeted capability enhancement.

Agile conversation mechanism

We replace traditional single annual evaluations with a more dynamic system of monthly and quarterly assessments, enabling real-time feedback and timely course correction to support continuous improvement. Managers and employees maintain frequent and structured communication, engaging in in-depth discussions on work progress, capability gaps, and career development pathways.

Tiered and categorised employee development system

Graduate development

We have established the "Future Star" graduate development programme, creating a four-tier onboarding system covering business group, business division, department, and position levels. Through the mentorship learning methods graduates receive comprehensive guidance to facilitate a smooth transition from academia to the workplace. Each graduate is assigned a dedicated mentor, supported by personalised development plans and regular progress reviews to ensure effective development outcomes. In 2025, we organised visits for graduates to the BYD History Museum to deepen their understanding of the Company's development journey and corporate culture, enhancing engagement and organisational identity.

High-potential employee development

For high-potential and high-performing former graduates in production and operations, we implement targeted development programmes structured around three core modules: theoretical foundation, leadership development, and innovation practice. By assigning key projects and critical roles, high-potential employees gain hands-on experience and accelerated development opportunities. In 2025, a total of 38 high-potential employees were identified, and 11 specialised training programmes (both online and offline) were conducted, covering strategic thinking, innovation methodologies, and leadership development.

Management talent development

We provide continuous and structured training programmes for frontline, middle, and senior management personnel, including initiatives such as the Shift Pioneer Training Camp, Section Chief/Workshop Manager Training, Engineering Development Programmes, and Factory Manager Programmes. The Section Chief/Workshop Manager Training focuses on on-site management and team leadership; the Engineering Development Programme strengthens technical management and project coordination capabilities; and the Factory Manager Programme emphasises strategic thinking and operational leadership. In 2025, the "Shift Pioneer Training Camp" was upgraded to a "4+N: Core + Elective" curriculum framework, enabling shift leaders to select courses based on job requirements and individual development needs. A total of 51 sessions were conducted, certifying 1,360 participants, and 87 leadership capability enhancement sessions were delivered, covering 3,985 participants.

Skilled talent development

Based on industry characteristics and job requirements, we have established dedicated development pathways for skilled talent, focusing on critical and scarce skill sets. Through mentorship programmes, specialised training courses, and industry-academia collaboration, we have built a comprehensive development system for skilled talent, supporting continuous capability enhancement and workforce sustainability. We have established a skills certification mechanism to ensure that employees possess the professional competencies required for their roles, covering key areas such as precision machining, mould manufacturing, and equipment maintenance. Certification outcomes are directly linked to compensation, incentivising continuous skill development and professional advancement. In 2025, we provided internal training to more than 5,000 skilled talents.

Postdoctoral talent development

A postdoctoral innovation practice base was established in 2017, followed by the establishment of a national-level postdoctoral research workstation in 2022. We collaborate with leading universities and academic supervisors to cultivate high-level research talent. We provide sufficient research funding and advanced laboratory resources for postdoctoral researchers, focusing on frontier fields such as new materials, advanced manufacturing processes, and intelligent manufacturing technologies. As of the end of the reporting period, a total of 36 postdoctoral researchers have been trained, including 17 who have completed their programmes and 19 currently in residence. A total of 36 research projects have been completed, with 72 patent applications filed. Many research outcomes have been successfully translated into production applications, driving technological innovation and industrial upgrading.

Diversified talent development programmes

BYD Electronics provides comprehensive development support through diversified talent programmes, fostering a culture of continuous learning and growth:

Skills and knowledge development training for employees

In 2025, we conducted more than 90,000 in-person training sessions for all employees (including part-time employees⁸), with over 10 million participant attendances, and more than 450,000 participants engaged in online learning programmes. Specialised training programmes included: 1,680 hazardous chemical safety training sessions (100,319 participants), 1,301 hazardous substance management training sessions (81,408 participants), 21 R&D and innovation training sessions (513 participants), and 106 integrity training sessions (8,165 participants). These training initiatives covered multiple dimensions—including safety compliance, technological innovation, and professional development—effectively addressing the diverse learning needs of employees.

Further education for employees

Through the “Education Dream Support Programme”, BYD Electronics, in collaboration with local trade unions, provides educational resources and financial support to employees (including part-time employees), enabling them to pursue higher education and facilitating the transition from entry-level workers to mid- and high-skilled talent. In 2025, a total of 22 employees benefited from this programme.

Employee recognition system

BYD Electronics has established a multi-dimensional star rating system covering key indicators such as employee satisfaction, turnover rate, and target achievement rate. This system systematically evaluates the comprehensive management capabilities of shift leaders and their team-building effectiveness, while recognising outstanding employees and shifts leaders.



⁸ The Company currently does not employ part-time employees





Case: Lean Six Sigma Training Programme

Since 2018, we have continuously implemented Lean Six Sigma training programmes, covering modules such as Work-Out, lean production, Six Sigma Green Belt and Black Belt certification, and TRIZ innovation methodologies, significantly enhancing employees' lean management capabilities. As of the end of 2025, a total of 504 major Black Belt projects and 7,467 sub-programmes have been completed, with 151 Black Belts and 110 Green Belts certified. In 2025, we further enhanced our Lean Six Sigma training system, certifying 40 Black Belts and 35 Green Belts, delivering 70 hours of theoretical training and 217 hours of project review and coaching, and completing 40 major Black Belt project reports.

The Chengdu factory organised a dedicated Six Sigma Green Belt training programme in 2025, with active participation across multiple departments. Following the launch of the first theoretical training session on March 15, participants completed five months of structured training and project coaching, and all trainees successfully graduated on July 16, with 44 Green Belts certified. During the training period, participants initiated 24 lean improvement projects tailored to the Chengdu factory's operational needs. All projects were successfully completed, resulting in a significant improvement in overall yield rates at the factory. At another Chengdu factory, 20 trainees participated fully in both theoretical training and project coaching, achieving tangible benefits of over RMB 2 million. Through continuous Lean Six Sigma talent development, we have cultivated a cohort of lean management professionals with systematic improvement capabilities, transforming lean expertise into tangible operational benefits and injecting sustained momentum into the high-quality development of our manufacturing system.



Lean Six Sigma Training Courses

Employee turnover rate

BYD Electronics places strong emphasis on addressing the career development needs of different employee groups. We continuously optimise talent retention mechanisms, focus on workforce stability and long-term development, and foster an inclusive and growth-oriented workplace environment. In 2025, the overall employee turnover rate was 35.37%.

Total employee turnover rate	By gender		By age			By work location	
All employees	Female	Male	≤ 30 years old	30 to 50 years old	>50 years old	Mainland China	Overseas
35.37	31.23	37.78	47.86	25.51	17.73	34.21	42.89

Occupational Health and Safety

BYD Electronics places occupational health and safety as a core priority and is committed to achieving the ultimate goal of zero accidents. We place employee health and safety at the centre of our operations, strictly comply with applicable occupational health and safety laws and regulations, and continuously improve our occupational health and safety management system. Through institutional safeguards, technological empowerment, and a strong safety culture, we provide a safe, healthy, and supportive working environment for all employees.

Occupational Health Management

BYD Electronics strictly complies with occupational health and safety laws and regulations and, based on the Plan-Do-Check-Act (PDCA) framework, has established a comprehensive environmental and occupational health and safety management system. We systematically conduct occupational health risk assessments and implement dynamic management of workplace hazards.

Management system and institutional safeguards

BYD Electronics complies with applicable laws and regulations, including the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. In alignment with international standards such as ISO 45001, we implement internal policies applicable to the company's entire operations, employees, and contractors, including the *BYD Safety and Health Policy*, the *Group Work Safety Responsibility System*, the *Group Occupational Health Management Measures*, the *Electronics Business Group Environmental and Occupational Health and Safety Management Manual*, the *Electronics Business Group Occupational Health Management Measures*, and the *Group Occupational Health, Safety, and Environmental Inspection and Hazard Rectification Management Measures*. These policies establish a comprehensive management system led and supported by board of directors.

We have clearly defined our occupational health and safety policy, committing to compliance with applicable laws and regulations and integrating it into our overall corporate strategy. Dedicated occupational health and safety management functions have been established at all organisational levels, responsible for formulating and implementing relevant strategies and measures. Each unit is equipped with full-time safety management personnel responsible for daily safety supervision and management. Training and certification status of both full-time and part-time EHS personnel are reviewed on a quarterly basis. At the same time, contractors are required to demonstrate their occupational health and safety performance, as well as the qualifications, experience, and capabilities of their personnel, prior to commencing work.

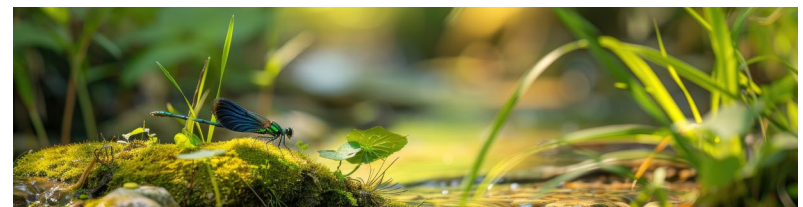
BYD Electronics has set the occupational health and safety management target as KSI (calculated based on the number of minor injuries, major injuries, and fatalities, as well as the total number of employees) with a target of ≤ 5 . In 2025, the company recorded a KSI of 4.41, with no major injuries or fatalities occurring.

Stakeholder engagement

In terms of government engagement, during the reporting period, we actively cooperated with supervision and inspections conducted by emergency management authorities and other regulatory bodies, maintained regular and institutionalised communication with regulators, and ensured that all occupational health and safety activities strictly complied with national laws, regulations, and local policy requirements. During regulatory inspections, we systematically presented our management measures and implementation outcomes in areas such as occupational disease prevention, safety training, and emergency management. Regulatory authorities affirmed the effectiveness of our EHS management system and provided recommendations for further enhancement. Through coordinated supervision and two-way communication with regulatory authorities, we further strengthened our compliance foundation and continuously optimised our EHS management system and operational procedures. Going forward, we will continue to enhance employee training, improve emergency response systems, and strengthen process monitoring capabilities, thereby driving continuous improvement and upgrading of our EHS management system. In 2025, regulatory authorities issued a total of 78 improvement recommendations, all of which were fully implemented with a 100% closure rate.

In terms of contractor and third-party management, we strengthen safety and environmental management for external parties involved in activities such as engineering projects, maintenance, technical upgrades, and production services. In accordance with Group-level requirements, we standardise qualification reviews, site access control, process supervision, and performance evaluation to effectively prevent safety and environmental risks.

We conduct both special inspections and routine supervision of relevant parties across five key dimensions: safety and environmental agreements and management records, qualification reviews, entry training, independent safety management, and on-site operational supervision. In 2025, we completed EHS qualification reviews for 201 contractors, identified and rectified 240 on-site safety and environmental hazards, achieving a 100% rectification rate and significantly enhancing safety and environmental management across the value chain.

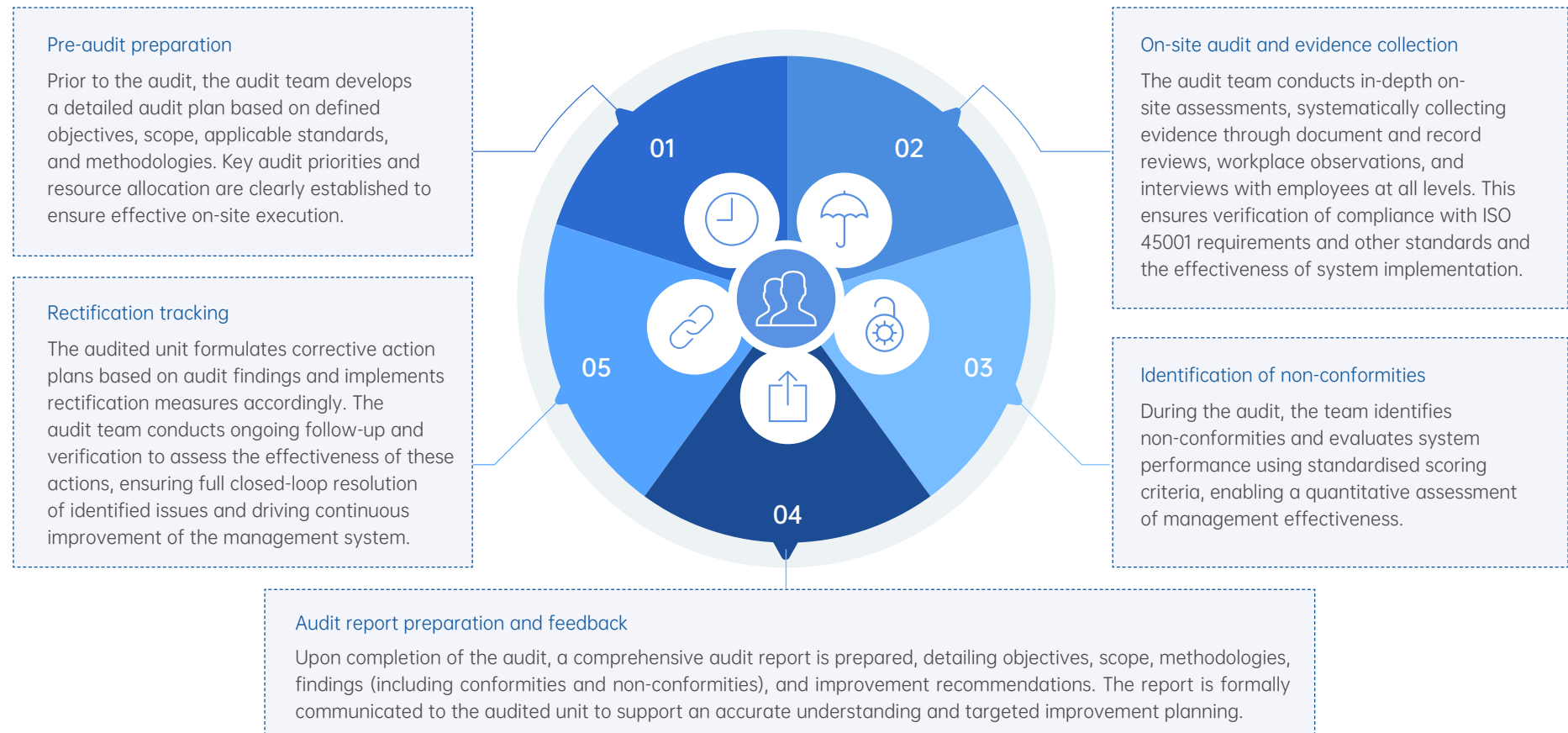


Certification coverage

BYD Electronics continues to advance ISO 45001 Occupational Health and Safety Management System certification. During the reporting period, ISO 45001 certification covered 93.3% of all production and operational sites. In addition, 100% of factories signed safety responsibility statements, reinforcing accountability and supporting the effective implementation of the occupational health and safety management system.

Internal inspection of the occupational health and safety management system

BYD Electronics conducts comprehensive occupational health and safety management system audits across all factories, using these audits as a core mechanism to verify system effectiveness and drive continuous improvement. We develop an annual audit plan and quarterly audit schedules, and conduct audits in accordance with these structured plans. In 2025, audits were conducted in an orderly manner following a standardised five-step process:



In 2025, we completed 22 internal audit projects covering ISO 14001 and ISO 45001 requirements, identifying 719 non-conformities, all of which were rectified, achieving a 100% closure rate. To strengthen positive incentives, we recognised ten factories and seven outstanding auditors for exemplary annual audit performance, promoting the evolution of system audits from compliance verification toward value creation.

OHS risk and hazard assessment

In accordance with the *Hazard Identification, Risk Assessment, and Risk Classification Management Measures*, we regularly conduct safety and health risk identification across all business operations, covering environmental aspects and hazard sources to establish a comprehensive risk inventory. We perform systematic risk assessments to identify hazards and potential risk factors that may cause harm. Risk scores and assessment results are recorded in the EHS system for dynamic tracking and management. Based on assessment outcomes, we prioritize risks and define corresponding action plans, integrating these action plans with quantified targets in alignment with our key safety indicator (KSI) targets. Risk control measures are formulated with clearly assigned responsibilities at both departmental and individual levels. Risk control measures include engineering controls, administrative controls, training and awareness programmes, and personal protective measures to ensure effective risk mitigation. At the same time, we have established a risk monitoring mechanism to regularly evaluate the effectiveness of implemented control measures. Based on monitoring results, risk control measures are adjusted in a timely manner to ensure that risks remain within acceptable and controllable levels. Through periodic reviews of risk assessment and control practices, we capture lessons learned and continuously improve our OHS management system.

Occupational health protection measures

Supervision and evaluation of high-risk positions

BYD Electronics conducts supervision and evaluation of high-risk positions in accordance with standards such as the *Criteria for Identifying Major Accident Hazards in Industrial and Trade Enterprises* and the *Classification Standard for Employee Injury and Fatality Accidents*. In 2025, a total of 194 categories of high-risk equipment and operational areas were included within the scope of supervision and evaluation. These include high-risk operations such as coating processes and oil mixing involving flammable and explosive materials. During the year, supervision and evaluation were conducted across six key dimensions: safety technical measures, routine safety management, emergency management, air emissions, wastewater, and hazardous waste. A total of 614 non-conformities were identified, all of which were rectified, achieving a 100% rectification rate.

Occupational disease prevention and control

BYD Electronics actively implements the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, strengthening occupational disease prevention and control measures. We continuously enhance our occupational disease prevention and control system and supporting documentation framework. For new, expanded, modified, or relocated projects, we conduct pre-assessments of occupational hazards and safety risks, design occupational health protection facilities and safety systems, and perform post-implementation evaluations and acceptance inspections to ensure compliance with work safety and regulatory requirements.

Prevention category	Prevention measures
Workplace environment monitoring	We conduct regular monitoring of dust exposure and toxic substance concentrations at designated points. Control measures are implemented to eliminate leaks, spills, and emissions, while continuously upgrading occupational health protection facilities to ensure that workplace conditions meet applicable standards.
Source control of chemicals	We strengthen source control of chemical usage by clearly identifying occupational hazard factors associated with chemicals, assessing their hazard levels, and determining whether they contain substances restricted by national regulations. Wherever feasible, we promote the substitution of high-toxicity substances with lower-toxicity or non-toxic alternatives. We also evaluate whether on-site protective measures—such as ventilation systems, personal protective equipment (PPE), and hazard communication—are adequately implemented to meet occupational health protection requirements.
Occupational health examinations	We conduct planned occupational health examinations for employees at three key stages: pre-employment, during employment, and upon departure. Occupational health examination requirements are reported in a timely manner through management channels. Employees with abnormal results are subject to follow-up monitoring, and compliance with work-related injury insurance regulations is ensured. Particular emphasis is placed on increasing the coverage rate of exit medical examinations to mitigate occupational health risks associated with employee turnover. Documentation related to employee health and departure is properly maintained to ensure traceability and compliance.
Personal protective equipment (PPE) management	We strengthen the management of PPE across all operations. PPE allocation standards are defined based on risk levels, incoming inspection procedures are reinforced, and employees are supervised and guided to properly wear and use PPE in accordance with established requirements.
Emergency and first aid assurance	In accordance with the <i>Emergency Personnel and First Aid Kit Management Measures of the Electronic Business Group</i> , we have established first aid kit zones in each workshop. Weekly inspections are conducted to monitor usage, and medical supplies are promptly replenished to ensure a timely response to workplace injuries. Each workshop or production area is equipped with at least two qualified first aid personnel, ensuring that at least one trained responder is available during both day and night shifts. A total of 2,416 employees hold first aid certifications, with 167 employees newly certified in 2025.

| Work Safety

BYD Electronics has established a comprehensive work safety management system covering hazard inspection, intelligent monitoring, emergency response, and incident management. We strengthen risk prevention at the source through routine hazard inspections, case-based safety education, and employee engagement initiatives such as the "Hazard Reporting by All Employees" initiative. At the same time, we leverage the E-AI platform for intelligent hazard monitoring and tiered response management, and regularly conduct emergency drills.

Hazard identification

In accordance with the *BYD Hazard Identification, Risk Assessment, and Risk Classification Management Measures*, hazards are classified into five levels (Levels I to V), and comprehensive hazard identification is conducted at the factory level. For Level II and above risks, major risk control plans are developed and formally approved. We also encourage employee participation by soliciting suggestions for safety improvements and enhancements to hazard identification processes. In 2025, a total of 534 hazards were identified, including four major risks (Level I), 267 high risks (Level II), 244 medium risks (Level III), 11 low risks (Level IV), and eight acceptable risks (Level V). All major and high risks were incorporated into key risk supervision and control programmes.

Hazard inspection

BYD Electronics has established a diversified hazard inspection mechanism aligned with production safety management requirements to systematically prevent safety risks. In 2025, a total of 57,118 hazards were identified, including 46,214 safety hazards, 4,150 environmental hazards, 5,184 fire hazards, and 1,570 occupational health hazards, all of which were rectified, achieving a 100% rectification rate.

To strengthen source-level prevention of recurring hazards, we prepare the monthly *Hazard Early Warning and Non-compliance Report*, summarising internal incident cases and external inspection findings, and communicate these across the organisation to enhance risk awareness and prevention capabilities. At the same time, we compile and distribute the monthly *Accident Case Alert*, summarising recent safety and environmental incidents from both internal operations and industry sources. Based on these insights, cross-site hazard inspections are conducted to identify similar risks in comparable processes and strengthen preventive measures. In addition, since 2022, we have continuously implemented the "Hazard Reporting by All Employees" initiative. In 2025, a total of 29 Class C hazard reports were submitted, all of which were rectified, achieving a 100% closure rate.



Case: Monthly *Accident Case Alert* Safety Training

Through the *Accident Case Alert* training sessions, BYD Electronics systematically reviews and analyses recent safety and environmental incidents from both internal operations and industry benchmarks. Typical cases—such as confined space poisoning, battery explosions, vehicle-related injuries, electrical cabinet smoke incidents, and mechanical injuries—are analysed to identify both direct and root causes, transforming them into actionable safety learning materials.

For example, in training related to an electrical cabinet smoke incident, we analysed a June 2025 case in which multiple smoke detectors were triggered in a control room. The incident was caused by overheating and sparking due to damaged power cable insulation contacting a ground wire. The direct cause was identified as damage at the incoming terminal of a circuit breaker, leading to arcing and short-circuiting, resulting in heat accumulation and smoke generation. Indirect causes included abnormal wiring conditions that compromised insulation integrity. Corrective measures included establishing a dedicated electrical hazard inspection team, conducting comprehensive risk reassessments of secondary distribution cabinets, performing infrared thermographic inspections across all electrical cabinets, and standardising procedures for equipment installation and removal. These corrective actions were incorporated into training programmes to enhance employee learning and prevention awareness.



Case: Rectification of Electrical Safety Hazards in Functional Laboratories

During the 2025 "Hazard Reporting by All Employees" initiative, employees at BYD Electronics' Chengdu factory identified a safety hazard involving a 380 V electrical control box in a functional laboratory. The electrical box controlled ventilation fans and required daily manual operation; however, exposed live screws presented a potential electric shock risk. Upon receiving the report, the EHS and facility management teams conducted an immediate on-site assessment. While the equipment met baseline safety requirements, additional corrective measures were implemented immediately to further reduce operational risk, including installing clear warning signage and strengthening employee training on safe operating procedures. In addition, the Chengdu factory plans to upgrade existing air circuit breakers to touch-operated switches, enabling operation without opening the electrical box. Insulating gloves and mats are also provided, enhancing electrical safety through both engineering controls and personal protective measures.

In 2025, BYD Electronics further leveraged artificial intelligence technologies to establish a safety hazard detection system featuring “intelligent detection, instant alerts, and rapid response”, achieving phased implementation results. Through the E-AI intelligent application management platform, real-time data on personnel behaviour and fire risks—such as failure to wear PPE, smoking, blocked fire exits, and smoke or flame detection—are collected and analysed via monitoring systems. The platform automatically identifies anomalies and triggers graded alerts: Level 1 alerts are sent to on-site EHS management personnel, while Level 2 alerts activate on-site control systems for emergency shutdowns. This enables early detection, early warning, and early intervention in safety risks.

During the year, the E-AI intelligent management platform was deployed in five pilot factories, establishing benchmark sites for intelligent safety management and accumulating experience for broader implementation across the Group. Following the deployment of the platform, a total of 7,491 potential Class C hazards and 68 Class B hazards were accurately identified and resolved through closed-loop management, achieving a 100% rectification rate. In the next phase, BYD Electronics will further deepen the integration of intelligent technologies with safety management, continuously optimise algorithm models, and expand application scenarios tailored to specific factory needs, thereby building a more comprehensive and efficient intelligent safety management system.

Emergency management and drills

We integrate actions to prepare for and respond to emergency situations by establishing comprehensive occupational health and safety emergency management systems and plans, including the *General Emergency Management Measures for the Electronic Business Group*, the *Special Emergency Response Plans for Special Equipment Accidents of the Electronic Business Group*, the *Emergency Response Plans for Hazardous Chemicals of the Electronic Business Group*, and the *Emergency Personnel and First Aid Kit Management Measures of the Electronic Business Group*. This year, we issued the 2025 EHS Emergency Drill Planning Requirements, specifying that drills should cover 15 categories, including fire evacuation and firefighting, mechanical accidents, hazardous chemical incidents, and special equipment failures.

In accordance with these requirements, annual emergency drill plans were developed and implemented in an organised manner, including fire drills and earthquake evacuation exercises. Emergency drill plans and execution reports are tracked throughout the entire process via the EHS management system, ensuring full traceability and effectiveness evaluation. In 2025, we conducted a total of 1,185 emergency drills, achieving a 100% completion rate, with participation from 228,980 employees.

In addition, in accordance with the *Law of the People's Republic of China on Work Safety* and the *Management Measures for Occupational Health, Safety and Environmental Protection Education and Training of the Group*, we implement a three-tier safety training system. Employees are required to pass examinations through the training system, with minimum passing scores of 80 for low-risk positions and 95 for medium- and high-risk positions (out of 100). Personnel who have not completed training or failed to meet the required standards are not permitted to commence work, ensuring strict compliance with safety competency requirements.

Equipment management

To ensure that all equipment and facilities undergo rigorous safety and environmental assessments prior to procurement and commissioning, reduce safety and environmental risks, and minimise personal injury and impact on the environment, BYD Electronics has established the *Regulations for Safety and Environmental Assessment of Equipment and Facilities in the Electronic Business Group* based on the *Safety Requirements for Industrial Robots*, the *Safety Standards for Machinery Guards*, *Code for Construction and Acceptance of Grounding Installations for Electrical Equipment*, and the *Group Equipment and Facility Safety Management Measures*. We also conducted systematic equipment safety assessments, established evaluation models for equipment protection performance, and promoted the development of intrinsically safe equipment.

In 2025, we conducted 22 training sessions on equipment safety assessment management, with 874 participants successfully passing examinations and obtaining equipment safety assessment certification. A total of 5,629 equipment safety and environmental assessments were conducted, of which 4,237 passed; equipment that did not meet requirements was prohibited from being commissioned.

We also strengthened the management of special equipment—including boilers, pressure vessels, pressure pipelines, and lifting machinery—ensuring timely inspection and maintenance of safety accessories. Equipment with identified defects during inspections is promptly taken out of service or subject to restricted operation under enhanced supervision, with corresponding maintenance and rectification plans implemented. The Company implements a principal responsibility system for special equipment safety. Based on equipment quantity, usage, and operating environment, designated safety directors and sufficient safety personnel are assigned, with each piece of equipment assigned to a responsible safety officer. The special equipment safety director is required to organise at least one weekly risk and hazard inspection, producing a *Weekly Safety Inspection and Rectification Report* to ensure continuous monitoring and improvement. We formulate *Special Equipment Risk Control Lists* for various categories of special equipment and conduct systematic supervision and management to ensure compliance and reduce operational safety risks.

In 2025, a total of 820 non-conformities related to special equipment management were identified, all of which were rectified, achieving a 100% closure rate.

Incident management

BYD Electronics has established the *Group Safety and Environmental Incident Investigation and Accountability Measures*. All work-related safety and environmental incidents are managed through a centralised incident investigation platform, enabling full lifecycle tracking. We implement the "13131" closed-loop management principle: reporting within one hour of occurrence, escalation control within three hours, root cause identification within one day, investigation report issuance within three days, and completion of rectification within one month. At the same time, we conduct in-depth root cause analysis and strictly adhere to the "Four No's" principle—no closure without identifying the root cause, implementing corrective measures, assigning accountability, and completing employee education. This ensures systematic corrective action implementation and accountability enforcement. We further strengthen internal training and case-based learning, conduct regular internal reviews and external audits, and continuously enhance occupational health, safety, and environmental risk management to effectively prevent recurrence of similar incidents.

Health and Safety Culture Development

To strengthen accountability among safety leaders at all levels and enhance EHS management effectiveness, and reduce the occurrence of EHS accidents, BYD Electronics implements EHS integrity file management in accordance with the *EHS Target Guidelines, Plans, and Assessment Management Regulations for the Electronic Business Group* and the *Safety and Environmental Protection Management System for the Electronic Business Group*. Through the EHS management system, individual employee EHS integrity records are established and maintained, linking safety performance with personal accountability and embedding safety awareness into both mindset and behaviour.

In accordance with the *Law of the People's Republic of China on Work Safety* and the *Management Measures for Occupational Health, Safety and Environmental Protection Education and Training of the Group*, we implement a three-tier safety training system. Employees are required to pass examinations through the training system, with minimum passing scores of 80 for low-risk positions and 95 for medium- and high-risk positions (out of 100). Personnel who have not completed training or failed to meet the required standards are not permitted to commence work, ensuring strict compliance with safety competency requirements.

BYD Electronics continuously organises diversified safety culture initiatives, including firefighting competitions and company-wide safety knowledge campaigns, fostering a positive environment where "everyone values safety, and everything is done for safety". Through continuous safety education, emergency response training, and recognition programmes such as Safety Role Model Awards, we enhance employees' safety awareness and strengthen the foundation for work safety.



Case: "Safety Officers at the Shift Level" Initiative

To strengthen frontline safety management, BYD Electronics implemented the "Safety Officers at the Shift Level" initiative, embedding safety responsibilities and competencies into frontline production operations. In 2025, we established a monthly evaluation mechanism for outstanding shift leaders, incorporating emergency response capabilities as a key assessment criterion. Evaluation results are communicated through digital channels and on-site announcements, ensuring effective sharing of best practices across the organisation. In addition, quarterly evaluations of outstanding shift leaders are conducted, forming a bottom-up benchmarking and continuous improvement system. We also implement a dual certification system for shift leaders' safety management capabilities, requiring completion of mandatory safety and environmental training credits as well as the *Shift Leader Safety Management Capability Enhancement Programme*. Assessment results are recorded in the EHS management system and serve as a prerequisite for nomination as Company-level outstanding shift leaders.

Employee occupational injury indicators	2025	2024	2023
Number of work-related fatalities (persons)	0	0	0
Rate of work-related fatalities	0	0	0
Lost days due to work injury (days)	575	1,074	/
Lost time injury frequency rate (LTIFR) – employees	0.02%	0.045%	0.019%
Lost time injury frequency rate (LTIFR) – contractors	0	0	0



Case: "DIAN" Safety Culture – Establishing Benchmark Practices

In 2025, BYD Electronics further advanced the "DIAN" safety culture initiative by launching a Company-wide case collection campaign themed "Outstanding EHS DIAN Individuals / Technological Innovation and Equipment Improvement". Production sites actively participated, submitting a total of 315 exemplary cases covering areas such as safety culture practices, management excellence, and technological innovation. Through systematic case sharing and knowledge exchange, best practices were effectively disseminated across the Group, fostering a safety culture characterised by full participation, benchmark-driven leadership, and continuous improvement.



Case: Safety-themed Activities

In 2025, BYD Electronics further embedded safety culture into frontline operations through themed initiatives such as "Safety and Environment Month" and the "119 Fire Safety Month – Fire Hero Cup". Activities—including safety knowledge competitions, discipline awareness campaigns, and skills competitions—were organised to reinforce compliance with labour, process, safety, and environmental standards, while enhancing operational discipline and emergency response capabilities. During these initiatives, best practices in frontline safety were systematically summarised and promoted, leveraging benchmark cases to strengthen safety awareness and establish a solid cultural foundation for long-term safe operations.



"119 Fire Safety Month – Fire Hero Cup" Activity



Case: Safety Culture Promotion Activities

BYD Electronics actively conducted safety culture promotion initiatives, by developing standardised safety signage, warning boards, bulletin boards, and posters, as well as EHS knowledge empowerment programmes and safety training sessions, to foster a strong safety culture environment. In 2025, the Company conducted 12 EHS knowledge empowerment activities, reaching 1,552,597 employee participations.

We deliver tiered and targeted occupational health and safety training programmes to all employees, ensuring comprehensive coverage and effective capability enhancement:

Training programme	Number of sessions	Number of participants	Coverage rate
Training for Special Equipment and Special Operations Management Personnel	2	453	100%
Equipment Assessment Management Training	2	874	100%
Occupational Health Management Training	2	586	100%
EHS Change Management Training	2	415	100%
High-prone Work Approval Training	2	243	100%
Environmental Compliance Management Training	2	638	100%
Training on Preparation and Approval of "Three-regulation" Documents	2	873	100%

In addition, BYD Electronics places strong emphasis on occupational health and safety management for contractors and has established a dual training mechanism. Pre-operation training is conducted prior to each high-risk task (21,099 sessions in 2025), while unified EHS induction training is provided before project entry (1,591 sessions in 2025), ensuring that contractor personnel fully understand Company safety requirements and comply with operational standards.

Employee Care

| Employee Welfare System

BYD Electronics is committed to building a comprehensive and competitive employee welfare system covering all employees. Benefits span multiple dimensions—including daily living, children's education, healthcare, housing, and transportation—effectively improving employees' quality of life and enhancing their sense of belonging and well-being.

Housing support

The Company provides diversified housing support options, including employee home purchase programmes, staff dormitories, talent apartments, and housing subsidies, ensuring adequate residential support for employees in industrial parks. For overseas operations, the Vietnam factory provides company dormitories for employees residing more than 30 kilometres away. Employees with a spouse of Chinese nationality may apply for couple housing, while those not residing in Company-provided housing are eligible for rental subsidies.

Intelligent green commuting

In terms of employee commuting, the Company continues to increase the number of commuter buses, upgrade the infrastructure of commuter vehicles with intelligent systems, gradually phase out outdated vehicles, and fully replace them with new energy vehicles; queue barriers have been added to ensure orderly boarding; the "DiDi Bus" system allows employees to monitor vehicle positions in real time and includes station alert functions to enhance commuting convenience.

Children's education support

The Company places strong emphasis on employees' family needs by supporting children's education. We established Yadi School, integrating high-quality educational resources and embodying BYD's spirit of innovation, to provide employees' children with access to quality education. In addition, we provide information on local primary school enrolment in certain regions, assisting employees in addressing their children's educational needs.

Healthcare protection

BYD Electronics strictly complies with applicable laws and regulations in each operating region to provide comprehensive insurance coverage for employees. In China, employees with labour contracts are enrolled in statutory social insurance schemes, while consultants and interns are covered by commercial insurance. For overseas operations, the Malaysia factory provides supplementary commercial insurance for all regular employees in addition to the national healthcare system, covering both critical illness and outpatient services. The India factory provides commercial insurance for employees with monthly income exceeding a specified threshold, while other employees are covered under the Employee State Insurance (ESI) scheme.

To further enhance emergency preparedness, we have proactively deployed Automated External Defibrillators (AEDs), with a total of 184 devices installed across multiple facilities, including the Baolong, Zhongshan, and Changsha factories. In 2026, we will continue to expand AED deployment in high-density employee areas to further safeguard employee health and safety.

Diverse allowances and subsidies

The Company has established a diversified selection system to meet the varied needs of employees. Targeted allowances are provided for specific working conditions and roles, including night shift allowances, hardship allowances, relocation subsidies, housing settlement allowances, support subsidies, relocation allowances, communication subsidies, and transportation subsidies. To support employee development, we also provide skill-based allowances to encourage continuous professional advancement.

Flexible work arrangements

Based on job requirements, the Company implements flexible working hours and supports flexible clock-in arrangements. During extreme weather events—such as typhoons—work suspension and leave arrangements are implemented in accordance with local government policies to ensure employee safety.



Case: Flexible Work Arrangements During Typhoon "Ragasa"

BYD Electronics prioritises employee safety by implementing differentiated and human-centred protection measures. In response to the extreme weather caused by Typhoon No. 18 "Ragasa", we promptly activated standardised emergency management mechanisms. Employees in affected areas were managed based on role categories: frontline production employees were granted paid work suspension leave based on standard attendance policies, while all office employees were arranged to work from home, supported by established digital collaboration platforms to ensure business continuity. At the same time, we utilised internal communication channels—such as the OA system and enterprise WeChat—to promptly disseminate warning information, policy details, and operational guidelines, ensuring that all employees clearly understood response measures and their rights. In addition, we provided targeted safety guidance and established dedicated communication channels to offer timely and effective support to employees affected by the disaster.

Leave entitlements

BYD Electronics is committed to ensuring that employees fully utilise their annual leave entitlements through comprehensive institutional arrangements and service optimisation, safeguarding employees' right to rest and work-life balance. We stipulate that annual leave accrued within a given year should, in principle, be taken within the same year and not carried forward. For employees who have not utilised their leave, departments are required to provide explanations and develop catch-up leave plans within a specified timeframe. At the same time, we actively promote the benefits of taking leave through internal communications—including emails, announcements, and meetings—advocating a healthy work-life balance. Employees are encouraged to plan staggered leave schedules and take vacations during operational off-peak periods. Leave utilisation data is tracked on a quarterly basis to ensure effective implementation. In addition, "encouraging employees to take leave" is incorporated into business division management performance evaluations. Convenient digital tools—such as one-click leave applications via mobile platforms—are implemented to support leave management from institutional, cultural, and service perspectives.

Employee Care Measures

BYD Electronics places employee well-being and care for diverse employee groups at the core of its people-oriented approach, implementing multi-dimensional initiatives to ensure that every employee feels supported, respected, and valued.

Protection of female employees

BYD Electronics provides protections for female employees that exceed statutory requirements, offering comprehensive support during pregnancy, maternity, and breastfeeding periods. Employees in late pregnancy are entitled to one hour of paid rest during working hours, and all female employees are granted a half-day holiday on International Women's Day. The Company has established childcare and breast-feeding facilities across its factories to create a people-centred and supportive working environment. As of the end of 2025, a total of 25 childcare and breast-feeding facilities have been established across locations, including Baolong, Huizhou, and Xi'an. These facilities provide female employees with private, safe, hygienic, and comfortable spaces, significantly enhancing employee well-being, satisfaction, and sense of belonging, helping to build a more caring and cohesive workplace ecosystem. In addition, to safeguard the rights and comfort of female employees, we provide a RMB 50 subsidy for non-metal (metal-free) workwear to newly hired female employees in applicable positions, benefiting more than 10,000 employees annually.

We ensure that all employees are entitled to no less than 14 weeks of paid maternity leave. Additional childcare leave and benefits are provided in accordance with local regulations, supplemented by Company-specific childcare support policies. In 2025, female employees received a total of 216,084 days of paid maternity leave and 25,510 days of childcare leave, while male employees received 26,843 days of paid paternity leave. During the year, a total of 1,135 employees took maternity leave, 2,551 employees took childcare leave, and 1,551 employees took paternity leave.

Employee mental health support

BYD Electronics has established a diversified, digital, and responsive mental health support system, providing integrated services including psychological counselling, mental health education, and emotional support, forming a comprehensive one-stop mental health service platform.

Development of counselling facilities

In collaboration with local trade unions and professional third-party institutions, we have established high-standard counselling rooms across multiple sites, staffed by certified psychologists. In 2025, one-on-one professional counselling services were provided to 51 employees, achieving a satisfaction rate of 97.06%.

EAP Online Platform

We provide 24/7 AI-enabled mental health support services for all employees, including interactive psychological assessments, professional questionnaires, and regular dissemination of content on topics such as emotional regulation, interpersonal relationships, and stress management. The platform has reached 5,574 registered users.

EAP Ambassador Training

We cultivate employee representatives with foundational psychological knowledge and provide targeted training for managers, enhancing their capabilities in psychological support, emotional care, and stress management.



EAP Ambassador Training

Mental health survey

In 2025, a Company-wide mental health survey indicated that 81.26% of employees were aware of available mental health services, 63.57% had participated in related activities or utilised such services, and among users, 95.44% reported that the services were helpful, demonstrating strong effectiveness and employee recognition.

Cultural and sports activities and holiday benefits

BYD Electronics actively organises diverse cultural and sports activities to foster a positive and engaging workplace environment. In 2025, initiatives such as the “e Towards the Future” Spring Festival series, the “e Ignite” online sports games, and the “Lean Cup” sports competitions were launched, aligning with the national fitness initiative and enriching employees’ work-life balance.



Case: “Lean Cup” Sports Activities

Through cross-business-unit sports competitions, we enhance internal cohesion and strengthen teamwork. The ongoing “Lean Cup” series includes football, basketball, badminton, and other sports, with employees participating by business division, demonstrating teamwork, collaboration, and a spirit of excellence. These activities not only promote physical well-being but also strengthen organisational cohesion and collective identity.



“Lean Cup” Sports Activities

At the same time, BYD Electronics has established a comprehensive holiday care system, providing multi-dimensional welfare support during major festivals. In 2025, we organised themed holiday activities and distributed festive gift packages, including the "Si Si Ruyi" New Year gift set, International Women's Day gifts, Dragon Boat Festival gifts, and the "Full Moon e-Hometown" Mid-Autumn gift box.



Case: "Si Si Ruyi" New Year Gift Set

We integrate corporate culture into employees' daily lives through customised products that reflect our brand identity. Prior to the 2025 Spring Festival, BYD Electronics distributed the "Si Si Ruyi" New Year gift set, combining cultural and practical items to convey corporate values while expressing appreciation and festive greetings to employees.



"Si Si Ruyi" New Year Gift Set

Assistance mechanism for employees in need

We have established a structured support mechanism for employees facing difficulties, providing timely financial assistance, mutual aid, and human-centred care to those experiencing unexpected hardships, serving as a reliable support system for our workforce.

Employee Communication

BYD Electronics places strong emphasis on employee voice and participation, respecting and safeguarding employees' right to express opinions. We have established a multi-level and multi-dimensional communication system to enable effective two-way dialogue and foster an open, transparent, and inclusive communication environment.

Multi-level communication system

The Company has established a four-tier communication mechanism—shift leaders, workshop managers, department management and HR representatives, and business division HR leaders—to ensure smooth information flow and timely feedback across all organisational levels. By leveraging internal digital platforms and corporate social tools, we enhance communication efficiency, accelerate information sharing, and provide employees with a more transparent and accessible communication environment.

Multi-channel communication

BYD Electronics has established multiple online and offline grievance and communication channels—including email, suggestion boxes, telephone hotlines, "HR Face-to-Face" sessions, and dedicated human rights reporting channels. These channels are fully accessible to all employees through internal digital platforms, enhancing the confidentiality, convenience, and timeliness of employee feedback.



Face-to-face communication

We organise initiatives such as "Factory Director Reception Day", "Workshop Forums", and "HR Face-to-Face" sessions to build open communication channels and directly gather employee feedback and suggestions.



Written communication

Channels such as the "General Manager Mailbox", "Employee Suggestion Boxes", and "Message Boards" are established to encourage employees to freely express their views, submit work-related requests, and provide constructive feedback.



Online communication

Multiple QR code access points are widely deployed across factory sites to facilitate proactive communication. The "HR Face-to-Face" mini-programme embedded in enterprise WeChat ensures full coverage and accessibility of communication channels.

We have also established internal digital communication platforms and feedback systems covering all employees, accelerating information flow, improving communication efficiency, and fostering an open and transparent communication environment. To better understand employee needs and enhance satisfaction and well-being, in 2025, we further optimised the "HR Face-to-Face" communication platform. By leveraging digital technologies, frequently asked questions are identified through keyword analysis, enabling more efficient and targeted responses. High-frequency employee concerns are systematically analysed and addressed in collaboration with relevant business divisions, further improving employee satisfaction and engagement.



Case: Employee Communication Activities

The BYD Electronics Vietnam factory has established multiple feedback channels to collect employee input on management decisions and operational activities. Management engages in quarterly direct communication with employee representatives and organises regular initiatives such as "Factory Director Reception Day", "Face-to-Face Sessions", "New Employee Reception", "New Regular Employee Orientation Meetings", and "Employee Forums" to actively listen to employee feedback and resolve issues. In addition, multiple digital and social platforms—including ZALO feedback QR codes, Facebook, email, and the General Manager mailbox—are utilised to gather employee feedback. In 2025, the Vietnam factory handled 838 employee communication cases, of which 33% were proactively identified and 67% were submitted by employees, achieving a 100% response rate.

Employee satisfaction

In 2025, BYD Electronics continued to conduct employee satisfaction surveys covering dimensions such as job happiness, living conditions, compensation and benefits, policies and regulations, career purpose and development. The number of participants exceeded 92,000. Survey results indicated that satisfaction levels exceeded 80% across most factories, while employee recommendation rates exceeded 75%, both reflecting steady improvement compared with 2024. We use survey results as a key input for enhancing employee experience and workplace conditions, continuously responding to employee needs and promoting mutual growth between the organisation and its workforce.

Employee Satisfaction Survey Results

Year	Number of participants	Satisfaction rate	Recommendation rate
2025	≥ 92,000	≥ 80%	≥ 75%
2024	≥ 72,000	≥ 76%	≥ 58%



PART 5

Value Co-creation

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SDGs Covered in This Chapter



Annual Highlights

Supporting Customers

- One-stop Capabilities: We provide end-to-end services spanning R&D, manufacturing, and delivery, enabling customers to shorten product time-to-market
- Cross-domain Technology Integration: By integrating technologies across automotive, electronics, and artificial intelligence domains, we create differentiated competitive advantages for our customers
- Scale and Compliance Assurance: With world-class manufacturing capacity and a globally recognised certification system, we support customers' globalisation strategies and ESG objectives

Community Development

- We support public infrastructure development in Chongzhou, contributing to the improvement of local public service systems
- We empower youth development through educational support initiatives, promoting educational equity and fostering future talent
- We actively participate in community co-development initiatives, contributing to local social and economic development

Supply Chain Management

- Supplier Admission and Audit: We have established supplier admission standards requiring certifications such as ISO 9001, IATF 16949, ISO 14001, and ISO 45001. Audit coverage reached **100%** for suppliers involved in product manufacturing, ensuring full compliance with quality, environmental, and occupational health and safety requirements
- Due Diligence and Collaboration: Due diligence assessments were conducted for **1,297** qualified suppliers, achieving a **100%** response rate. We organised **2** supplier exchange conferences and **16** technical exchange events to strengthen supply chain collaboration and promote joint innovation and capability enhancement

Public Welfare and Charity

- Emergency Support: We establish rapid response mechanisms to demonstrate corporate responsibility and enhance emergency preparedness capabilities
- Ecological Protection: We actively fulfil our commitments to environmental protection and sustainable development
- Long-term Assistance: We build mutually beneficial relationships with local communities, promoting shared growth and resilience
- Educational Charity: We invest in long-term educational initiatives to create lasting value for future societal development

Supporting Customers

BYD Electronics leverages vertically integrated capabilities, full-stack R&D, precision intelligent manufacturing, and global delivery networks to provide one-stop solutions for customers in consumer electronics, automotive electronics, and AI computing sectors. Covering product design, R&D, component manufacturing, and final assembly, we support high-end product development through advanced R&D and process innovation. At the same time, we ensure stable delivery and cost optimisation through large-scale flexible manufacturing and robust quality control systems, strengthen supply chain resilience through global operations, and integrate green and low-carbon, and ESG compliance capabilities. These efforts enable customers to accelerate product iteration, enhance market competitiveness, and achieve both commercial success and sustainable development.

Sustainable Supply Chain

| Supply Chain Management

To advance sustainable supply chain management, BYD Electronics follows internal policies including the *BYD Procurement Management*, the *BYD Supplier Onboarding, Utilisation and Exit Management Measures*, the *Group Supplier Audit Management Guidelines*, the *BYD Supplier Requirements*, the *Code of Conduct for BYD Supplier*, and the *BYD Production Materials Supplier Performance Assessment Management Detailed Rules*. We define supplier requirements across admission, audit, evaluation, and exit stages, and have established a full lifecycle supplier management system to ensure compliance with environmental, social, and corporate governance (ESG) requirements, contributing to industry-wide sustainable development.

Supplier admission

BYD Procurement Management
BYD Supplier Onboarding, Utilisation and Exit Management Measures
BYD Supplier Anti-commercial Bribery Commitment
Corporate Social Responsibility Survey

Supplier audit

Group Supplier Audit Management Guidelines
BYD Supplier Requirements
Code of Conduct for BYD Supplier

Supplier evaluation

BYD Production Materials Supplier Performance Assessment Management Detailed Rules
Supplier Quality Performance Assessment
Communication Letter

Supplier exit and elimination

Supplier Exit and Elimination Mechanism

Responsible supply chain

BYD Supply Chain ESG Management Regulations
Group Supply Chain ESG Risk Management Regulations
Group Supply Chain Due Diligence Management Procedures
BYD Electronics Human Rights Policy Statement

Supplier empowerment

Supplier Awareness Programmes
Supplier Training
Supplier Guidance
Supplier Conferences

Supplier admission

During the admission stage, we require new suppliers to provide relevant certification documents based on material category thresholds, including ISO 9001 Quality Management Systems, IATF 16949 Automotive Quality Management Systems, ISO 14001 Environmental Management Systems, and ISO 45001 Occupational Health and Safety Management Systems. Compliance with customer-specific requirements and applicable laws and regulations is also verified to ensure robust supplier qualification. In addition, all suppliers are required to sign the *Code of Conduct for BYD Supplier* and the *BYD Supplier Anti-commercial Bribery Commitment*, and complete the *Corporate Social Responsibility Survey*, ensuring full alignment with BYD Electronics' supplier management requirements and behavioural standards.

For newly onboarded suppliers, we conduct on-site assessments covering product quality, labour practices, and environmental compliance. A "zero-tolerance" one-vote veto mechanism is applied for supplier misconduct, including failure to meet product quality standards, unfair labour practices (such as confiscation of identity documents), use of conflict minerals, or violations of environmental laws and regulations.

Supplier audit

To ensure supply chain compliance and high-quality development, BYD Electronics conducts comprehensive supplier evaluations through quality audits, annual audits, and key raw material audits. Audit scope covers critical ESG topics, including conflict minerals, prohibition of forced and child labour, working hours and overtime wages, minimum wage compliance, anti-discrimination, freedom of association, and occupational health and safety. The audit scope includes all suppliers involved in product manufacturing, covering both Tier-1 and Non-Tier 1 suppliers, ensuring consistent alignment with our sustainable development standards.



Suppliers are subject to monthly performance scoring and quarterly grading, with dynamic rating adjustments linked to eligibility for new project participation.



Through on-site or remote (video-based) methods, all production material suppliers are covered. We aim to achieve 100% audit coverage of qualified suppliers by 2026.



Suppliers of key minerals—such as tantalum, tin, tungsten, and gold (3TG)—are subject to mineral supply chain due diligence, ensuring compliance with responsible sourcing standards.



Based on audit results, suppliers are classified into four performance tiers, with differentiated management and engagement strategies applied accordingly.

In 2025, we conducted 370 on-site audits of suppliers within the qualified supplier directory. A total of 35.7% of suppliers were downgraded due to non-compliance with requirements related to quality systems, qualification standards, legal compliance, environmental performance, and labour and human rights.

Supplier evaluation

In accordance with internationally recognised frameworks such as the Responsible Minerals Initiative (RMI), BYD Electronics conducts regular quality and ESG performance evaluations of production materials supplied in bulk. Evaluations are conducted at the "supplier + material group + procurement entity" level, with monthly scoring and quarterly grading. For suppliers rated Grade C or below on a quarterly basis, we issue a *Supplier Quality Performance Assessment Communication Letter*, requiring submission of root cause analysis reports. These reports are reviewed and verified, and corrective actions are tracked through closed-loop management until full resolution is achieved.

Exit and elimination mechanism

For suppliers with identified audit issues, corrective actions must be implemented within a specified timeframe, followed by re-audits within six months. Suppliers that fail to meet rectification requirements or pass re-evaluation will have existing business relationships terminated and will be excluded from future project participation. We also enforce strict governance of supplier non-compliance or violations of the Code of Conduct, including annual disclosure of violations and implementation of targeted remediation measures, continuously strengthening supplier compliance management.

In 2025, BYD Electronics terminated or did not renew contracts with one supplier (accounting for less than 0.1%) due to corruption-related violations.



| Responsible Supply Chain

BYD Electronics actively promotes supply chain green transformation through its ESG-oriented supplier management system. As one of the core founding members, BYD participated in the joint establishment of the China Supplier ESG Rating Platform (CS-ESG). The platform integrates functionalities such as online ESG rating, data visualisation, and AI-enabled analytics, providing systematic support for supplier ESG management, supplier selection, and green transformation across the industry.

We align with international frameworks and standards, including the United Nations Global Compact (UNGC), the International Labour Organisation (ILO), the Organisation for Economic Co-operation and Development (OECD) Guidelines, and the Responsible Business Alliance (RBA) Code of Conduct. We continuously implement internal policies such as the *BYD Supply Chain ESG Management Regulations* to ensure alignment with global best practices. In 2025, we further strengthened supplier ESG oversight by introducing additional policies, including the *Group Supply Chain ESG Risk Management Measures* and the *Group Supply Chain Due Diligence Management Procedures*, enhancing systematic monitoring and risk management of supplier ESG performance.

We have established a comprehensive supplier management framework across four dimensions—environmental, social, governance, and business relevance—covering key areas such as business ethics, occupational health and safety, environmental protection, labour rights, prohibition of child labour and forced labour, and lifecycle management. This framework drives continuous improvement in supplier ESG performance. Suppliers demonstrating strong ESG performance are given priority in cooperation, creating positive incentives for the joint achievement of sustainable development goals.

ESG dimension	Key focus areas	Requirements for suppliers
Environmental	Environmental protection	Suppliers are encouraged to establish and continuously improve environmental management systems in accordance with standards such as ISO 14001. They are required to prioritise clean energy use, enhance resource efficiency, strengthen hazardous substance control, and ensure compliance with international regulations such as EU RoHS, REACH, POPs, and the US Toxic Substances Control Act (TSCA).
Social	Labour rights	Suppliers must comply with applicable labour laws and regulations in China and other operating regions, and abide by all applicable laws, regulations and rules that prohibit all forms of forced labour. Suppliers are required to ensure that no forced labour practices are used at any stage of operations. In accordance with the <i>BYD Electronics Human Rights Policy Statement</i> , suppliers must implement robust human rights management systems and ensure timely and full payment of overtime wages or provision of compensatory rest. Child labour is strictly prohibited, and suppliers must respect employees' rights to freedom of association and collective bargaining. Suppliers with inadequate labour rights performance will be disqualified from participation in new business opportunities.
	Equality and diversity	Suppliers must ensure fair treatment of all employees, promote equal employment opportunities, and prohibit discrimination based on race, skin colour, age, gender, ethnicity, religion, or beliefs.
	Occupational health and safety	Suppliers must provide a safe and healthy working environment, ensuring compliance with legal requirements for workplace conditions such as temperature, noise, and exposure levels, and actively minimising occupational hazards.
Governance	Business ethics	Suppliers must not engage in any form of improper benefit or misconduct in business interactions with BYD Electronics and must uphold the highest standards of integrity and ethical conduct.
	Conflicts of interest	Suppliers should strive to maximise the interests of both companies and avoid any conflicts between employees' personal interests and the interests of BYD Electronics. Any potential conflicts must be proactively disclosed and managed through appropriate internal controls.
Operations	Lifecycle management	Suppliers are required to implement lifecycle management across all stages of cooperation, including admission assessment, performance monitoring, evaluation, and exit mechanisms, ensuring effective risk control and compliant operations.
	Qualification review	Suppliers must demonstrate legal compliance, financial stability, technical capability, and commercial credibility, and are subject to regular qualification reviews to ensure ongoing compliance and performance.
	Signing of agreements	Suppliers are required to ensure that contractual agreements are complete, standardised, and compliant, covering key provisions such as rights and obligations, confidentiality, intellectual property protection, insurance, and dispute resolution.
	On-site audits	Suppliers are subject to regular on-site audits to ensure continuous compliance with contractual requirements and procurement standards. These audits enable timely identification and remediation of potential risks, ensuring supply chain stability and reliability.

BYD Electronics places strong emphasis on ESG risk assessment of suppliers, focusing on country-specific, sector-specific, and raw material-related risks. We have established a Risk Management Committee responsible for collecting and assessing supply chain risk information, defining risk thresholds and response mechanisms, and regularly summarising and analysing the effectiveness and adequacy of risk management strategies.

Risk category	Screening criteria
Country-specific risk	Whether suppliers operate in regions affected by geopolitical conflict or with high biodiversity sensitivity, which may present elevated risks
Sector-specific risk	Whether suppliers operate in industries with a higher likelihood of non-compliance in areas such as work safety standards, occupational health and safety, and environmental pollution
Raw material risk	Key raw materials—such as tantalum, tin, tungsten, and gold—are subject to key controls under relevant international guidelines

| Green Supply Chain

BYD Electronics is committed to collaborating with suppliers to build a green supply chain ecosystem. We always adhere to green procurement. To this end, we have established a sound green procurement system of “green suppliers and green raw materials”. Environmental protection and resource conservation principles are embedded throughout the procurement process. We prioritise low-carbon and high-efficiency logistics solutions, continuously optimise packaging reduction, strengthen the transmission of carbon reduction requirements, and promote circular economy practices across the supply chain.

As of 2025, BYD Electronics has established four national-level green factories and one national-level green supply chain management enterprise.

Supplier empowerment

BYD Electronics systematically enhances supplier capabilities through awareness programmes, training, technical guidance, and supplier conferences, continuously improving its ESG performance across the supply chain. We organise supplier exchange conferences at multiple levels annually and utilise digital management portals—such as the SRM supplier management system and cloud platforms—to fully communicate supply chain strategies, compliance requirements, and ESG program and requirements.

We also provide regular professional training on topics including supplier operation standards, lean production, ESG compliance, and labor-related issues, helping suppliers strengthen their management systems and sustainable development awareness. For suppliers with “yellow” or “red” performance ratings, the SQE (Supplier Quality Engineering) department establishes a special improvement team to provide targeted support. For suppliers with substandard yield performance in key materials, on-site expert teams are deployed to provide hands-on assistance and track improvement progress, ensuring simultaneous enhancement of both product quality and management capability. In addition, we provide specialised supplier ESG training for internal buyers to comprehensively strengthen their ESG-related capabilities.

In 2025, BYD Electronics organised two supplier exchange conferences and 16 supplier technical exchange conferences, with 105 suppliers participating in the supplier conferences. We have also established efficient and transparent supply-demand coordination platforms and online communication channels to promptly respond to supplier needs, resolve collaboration challenges, and promote coordinated development across the supply chain.

In 2025 ▶



BYD Electronics has established

4 national-level green factories



1 national-level green supply chain management enterprise

Green assessment mechanism

- Require suppliers to provide ISO 14001 and other relevant system certificates based on material characteristics and applicable legal and regulatory requirements.
- Include the inspection of incoming materials for Hazardous Substance Process Management (HSPM) and the signing of environmental management material standards in the performance evaluation criteria.

Green raw materials

- Require suppliers to preferentially use environmentally friendly materials and reduce the use of hazardous substances. For example, plastic particles have been gradually changed to materials that do not contain formaldehyde and are environmentally friendly and odourless.
- Support suppliers in researching sustainable circular materials and recycling technologies.

Green packaging

- Promote the recycling of logistics packaging boxes. For example, gradually replace the cartons and wooden packaging boxes used in the transportation of battery pack products with the recyclable blister box to reduce resource waste.

Green logistics

- Promote environmentally friendly transportation methods and fuels, such as utilising low-carbon maritime transport, new energy vehicles, and clean LNG dual-fuel systems.

Green carbon reduction

- Organise and carry out carbon verification activities, set supply chain carbon reduction targets, promote energy efficiency technology improvement projects, and increase the use of clean energy across the supply chain.
- Develop a carbon reduction plan for our supply chain, integrating carbon management requirements into supplier lifecycle management and embedding them into supplier management policies, thus radiating our influence among upstream suppliers of the value chain to advocate "low-carbon" practice.

Conflict Minerals Management

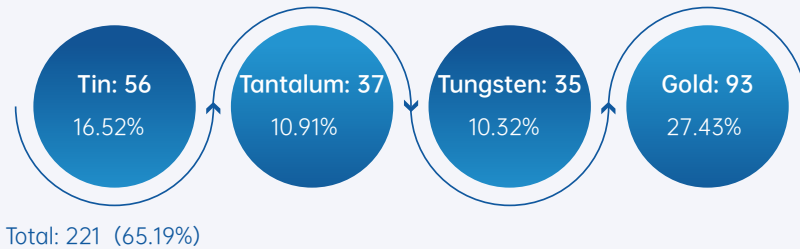
BYD Electronics has established a dedicated ESG Management Committee, with responsible departments strictly implementing internal policies such as the *Group Supply Chain ESG Management Regulations* and the *Group Supply Chain Due Diligence Management Procedures*. During the year, we introduced the policy *Controversial Sourcing of BYD Electronics*, which defines requirements for conflict minerals management, establishes a due diligence and risk management framework, and extends requirements to suppliers and their upstream smelters, refiners, and raw material sources. This ensures that minerals sourced from conflict-affected or high-risk areas are prohibited and eliminated from the supply chain.

At the same time, we actively collaborate with industry associations, non-governmental organisations, and other external stakeholders to promote sustainable raw material strategies, systematically managing environmental and social impacts associated with suppliers' use of raw materials and actively preventing and mitigating potential negative impacts. We encourage suppliers to use materials certified by third-party initiatives such as the Responsible Minerals Assurance Process (RMAP) and the Aluminium Stewardship Initiative (ASI), increase the use of recycled raw materials where feasible, avoid sourcing from biodiversity-sensitive areas, and enhance the proportion of raw materials independently verified by third parties, thereby strengthening responsible supply chain practices.

Due diligence

BYD Electronics conducts due diligence on suppliers of tin, tantalum, tungsten, and gold using customised questionnaires aligned with the Conflict Minerals Reporting Template (CMRT) from the Responsible Minerals Initiative (RMI). In 2025, due diligence assessments were conducted for 1,297 qualified suppliers, achieving a 100% response rate. Based on supplier responses, upstream supplier participation also reached 100%. As of the end of the reporting period, 65.19% of conflict mineral raw materials used in all our products were sourced from SORs certified as conformant by RMAP.

Details about the Certification of SORs Involved in Conflict Mineral Suppliers of BYD Electronics



Based on traceability system data, we have determined the countries of 339 SORs providing mineral raw materials for the Company's suppliers, and identified the potential countries of origin of conflict minerals within the supply chain of BYD Electronics. In 2025, 100% of conflict mineral raw materials used in all BYD Electronics' products were traced to their countries of origin, demonstrating full traceability across the supply chain.

Potential Countries of Origin

Potential countries (regions) of origin for tin include

the United States, China, Australia, Uganda, Congo, Myanmar, Rwanda, Spain, Belgium, the Philippines, Taiwan Province, Thailand, Peru, Malaysia, Poland, Germany, Brazil, Bolivia, Japan, and Indonesia.

Potential countries (regions) of origin for tantalum include

the United States, Estonia, Japan, India, Brazil, China, Rwanda, Germany, Thailand, Mexico, and Kazakhstan.

Potential countries (regions) of origin for tungsten include

Brazil, Taiwan Province, the Philippines, Germany, Vietnam, Austria, China, the United States, and Japan.

Potential countries (regions) of origin for gold include

the United States, Germany, Japan, Tanzania, Colombia, Chile, the Netherlands, Poland, India, the Czech Republic, Australia, Belgium, Taiwan Province, Spain, South Africa, Indonesia, Mexico, Singapore, Kazakhstan, Türkiye, China, South Korea, Italy, Canada, Sweden, the Philippines, Switzerland, Brazil, and Uzbekistan.

To ensure full compliance of the sources of mineral raw materials used in the Company's products, BYD Electronics has established the procurement targets of conflict minerals for 2026. All the Company's products are subject to full traceability, with a 100% supplier response rate. All smelter information identified through supplier questionnaires is in accordance with the list of smelters or refiners certified qualified by RMAP that is published by RMI.

The Company has established a "one item, one code" digital traceability system, enabling full lifecycle traceability from raw material sourcing to final product delivery, thereby strengthening supply chain risk prevention and control, and compliance management.

Risk identification

In alignment with the OECD five-step due diligence framework and RMI (Responsible Minerals Initiative) standards, BYD Electronics has established a full-process risk control system covering identification, assessment, mitigation, and monitoring of key minerals, including tin, tantalum, tungsten, and gold. During the risk identification procedures, we assess the necessity of using conflict minerals and their functional role in products. Where product requirements allow, priority is given to conflict-free and traceable mineral materials to minimise supply chain risks at the source.

Risk management

Based on due diligence results, we precisely assess and define the risk level of suppliers, accompanied by on-site verification and document cross-checking. For suppliers demonstrating willingness to improve and with controllable risk levels, we collaborate with them to develop risk mitigation plans, requiring them to promote non-compliant SORs to obtain RMAP certification within a defined timeframe. At the same time, we provide targeted support for them and further conduct CSR review incorporating conflict mineral evaluation indicators, continuously tracking, assessing and reviewing suppliers' progress in SOR certification and mineral traceability. Following rectification, suppliers are required to provide traceability documentation, international certification evidence, and third-party verification in line with global standards for risk response verification. Cases are closed only after all SORs within the supply chain are verified as compliant. For suppliers that refuse to cooperate or fail to complete rectification within the agreed timeframe, the Company will initiate alternative procurement strategies and immediately suspend cooperation.

For suppliers involved in severe human rights violations or other unacceptable high-risk issues that cannot be eliminated through rectification, the Company will decisively terminate cooperation and fulfil the obligation to notify relevant industry associations and stakeholders.

Community Development

BYD Electronics places strong emphasis on the pillar role of community management under the sustainability framework, and adopts a structured mechanism to identify, evaluate, and manage the impacts, risks, and opportunities within our communities. We continuously promote the development of a community that embodies inclusivity, equality, compassion, and harmony, ensuring alignment between corporate activities and local community needs. Through three key pillars—public infrastructure development, inclusive education, and ecosystem co-development—we have established a mutually beneficial and sustainable relationship with local communities.

| Public Infrastructure

BYD Electronics actively contributes to the development of public infrastructure, including sports and recreational facilities, enhancing access to cultural and health resources, improving residents' quality of life, and supporting the advancement of local public service systems.



Case: Donation and Construction of the "Linyu School: Aidi Sports Field"

BYD Electronics supports special education groups through targeted assistance by funding the construction of sports facilities and improving community environments. With the support of the Company's leadership, we donated and constructed the "Linyu School: Aidi Sports Field" at Linyu School in Pujiang County, Chengdu—an institution dedicated to supporting disadvantaged children and promoting inclusive education. This initiative eliminated existing safety hazards and provided students with a safe and comfortable sports environment. It not only fulfilled our corporate social responsibility but also strengthened our positive social impact and brand reputation.

| Inclusive Education

Through initiatives such as the "Reading Corner in Every Classroom" public welfare programme and the "e Journey for Children" educational tours, BYD Electronics enhances access to educational resources and experiential learning opportunities, promoting educational equity and long-term talent development.



Case: "Reading Corner in Every Classroom" Public Welfare Activity

BYD Electronics is committed to improving the distribution of educational resources in rural areas by donating books and establishing reading spaces to broaden students' knowledge horizons. The Company donated 11 reading corners to Xishan Town Central Primary School in Lianping County, aiming to broaden students' knowledge horizons through improving the learning environment, while practising corporate social responsibility.



"Reading Corner in Every Classroom" Public Welfare Activity



Case: "e Journey for Children" Museum Visit Activity

Through organised family-oriented educational tour activities, we foster curiosity and exploration among young people while strengthening family engagement. In 2025, BYD Electronics organised four "e Journey for Children" visits to the BYD Museum, involving more than 60 families. These activities help employees' children better understand the Company's development journey, stimulate curiosity, strengthen parent-child relationships, and enhance a sense of belonging and pride among employees' families.



"e Journey for Children" Museum Visit Activity

Ecological Co-development

BYD Electronics actively participates in local ecological and community development initiatives, transforming corporate resources into public value, strengthening the emotional connection and responsibility binding between the enterprise and the local area, and reinforcing its role as a responsible corporate citizen. Since 2019, the Baolong Factory of BYD Electronics has collaborated with the Longgang District Water Affairs Bureau to implement a rainwater and wastewater separation project within the industrial park. The project focuses on upgrading the factory parking area. By installing drainage systems, reinforcing surfaces, laying grass pavers and planting greenery in the brick holes, the project aims to transform traditional parking areas into permeable ecological parking spaces, thus enabling rainwater infiltration, resource utilisation, and effective separation of rainwater and wastewater through green infrastructure. This transformation covers approximately 40% of the parking area. Through integrated ecological and functional design, the project has improved water management capacity and enhanced the overall environmental quality of the site, demonstrating the Company's commitment to green development and proactive social responsibility.



Public Welfare and Charity

BYD Electronics is actively engaged in public welfare initiatives, fulfilling its social responsibilities as a private enterprise and promoting the values of "dedication, friendship, mutual assistance, and progress". Through these efforts, we contribute to the sustainable development of public welfare undertakings. Going forward, we will continue to actively participate in public welfare activities, fulfil our corporate social responsibilities, and contribute to social harmony and long-term development.

| Emergency Support

BYD Electronics has established a rapid emergency response mechanism and proactively fulfils its responsibilities during public emergencies such as pandemics. We coordinate material support, pandemic prevention measures, and livelihood guarantee, safeguarding public health and social stability through efficient and coordinated actions, thus demonstrating strong corporate responsibility and emergency response capability.



Case: Recognised for Anti-pandemic Contributions, Remaining Committed to Responsibility and Funding Mission

During the critical period of COVID-19 prevention and control in 2020, BYD rapidly mobilised its manufacturing capabilities—completing design within three days and equipment deployment within seven days—to transition production to pandemic prevention materials. This ensured supply continuity, protected employee health, and maintained stable operations. In recognition of these contributions, BYD Electronics CEO Wang Nianqiang was awarded the title of "Advanced Individual in Shenzhen's Fight Against COVID-19". Through these concrete actions, the Company fulfilled its corporate social responsibility, while working together with society to safeguard public health and community stability.



BYD Electronics CEO Wang Nianqiang Awarded the Title of "Advanced Individual in Shenzhen's Fight Against COVID-19"



Case: Supporting Fire-affected Residents in Hong Kong: BYD Electronics Rushed to the Rescue of the Residents Affected by the Fire in Wang Fuk Court

In November 2025, a major fire occurred at Wang Fuk Court in Tai Po, New Territories, Hong Kong, causing significant losses of life and property to residents. BYD Electronics, together with BYD (Hong Kong), donated HKD 10 million through local charitable organisations to support medical assistance, emergency resettlement, and post-disaster reconstruction, in an effort to actively fulfil our corporate social responsibility and assist in the post-disaster recovery and livelihood security of the community with concrete actions.



Case: Uniting in Emergency Support for Tibet, and Jointly Building an Earthquake Defence Line

On 7 January 2025, a 6.8-magnitude earthquake struck Dingri County in Xigaze, Tibet. BYD Electronics promptly responded in coordination with the BYD Charity Foundation, donating RMB 1 million to the Tibet Charity Federation to support emergency rescue, resettlement of affected populations, assistance for rescue teams, and post-disaster reconstruction, demonstrating solidarity with affected communities.

| Ecological Protection

BYD Electronics actively conducts environmental protection initiatives such as “Picking & Saving” Beach Cleanup Campaign and “E-Together Outing” Campaign. These initiatives focus on marine ecosystem protection and environmental governance, promote green and low-carbon lifestyles, and demonstrate our commitment to sustainable development through concrete actions.



Case: “Picking & Saving” Beach Cleanup Campaign

The Company actively promotes environmental volunteerism, encouraging employees to participate in ecological protection through concrete actions. In 2025, we organised the “Picking & Saving” Beach Cleanup Campaign, mobilising employees to translate environmental awareness into practical actions, promote ecological civilisation concepts, jointly safeguard our planetary home, and fulfil the commitment to sustainable development with concrete actions.



“Picking & Saving” Beach Cleanup Campaign



Case: E-Together Outing for Carbon Reduction

We believe that while individual actions may be limited, collective efforts can generate meaningful impact. BYD Electronics launched the “E-Together Outing for Carbon Reduction” initiative, encouraging more than 6,000 employees to collectively walk approximately 655,000 kilometres over 16 days. Upholding the concept of “Cool the Earth by One Degree”, this initiative strives to create a better environment and a better planet.

| Long-term Assistance

BYD Electronics has implemented a long-term community assistance programme in Meicun Community, Wuxi, focusing on livelihood needs and care for vulnerable groups. Through sustained and targeted support initiatives, we foster a mutually beneficial and enduring relationship between the Company and the local community.



Case: Long-term Assistance Programme in Meicun Community, Wuxi

Through the establishment of a structured long-term assistance mechanism, we provide continuous support to the assisted area in the form of essential living supplies. In collaboration with the Meicun Subdistrict Office and Xinwu District, Wuxi, and the local Disabled Persons’ Federation, we regularly distribute essential items—such as rice, cooking oil, and milk—to elderly individuals living alone. We also conduct regular on-site visits to understand the evolving needs of these elderly people and plan continued care initiatives during major holidays, demonstrating our commitment to social responsibility.



| Education-related Charity

Education serves as the cornerstone of national development and the source of community prosperity and technological advancement. "Education Charity" is the new focus of BYD Electronics' public welfare and charity efforts. The Company plans to donate a total of RMB 3 billion to support the education charity initiative, which is designed to benefit both college students and the public. These efforts aim to aid the country in nurturing more scientific and technological talents, and foster the flourishing of China's scientific and educational endeavours.

The Company organises both online and offline charity sales, encouraging broad employee participation and bringing together collective philanthropic efforts. Through small acts of kindness, the Company fosters a culture where all employees share social responsibility, support educational equity and the improvement of overall competencies, and contribute long-term value to society's future development.



Case: Executive Charity—Donation of Over RMB 11 Million by Wang Nianqiang

Mr Wang Nianqiang—CEO of BYD Electronics, Executive Vice President of BYD Group, and Vice Chairman of the BYD Charity Foundation—attaches great importance to education charity. In December 2024, on the centennial anniversary of his alma mater, Fushan Middle School in Zongyang County, Anhui Province, he personally donated over RMB 11 million through the BYD Charity Foundation. Of this amount, RMB 1.67 million was allocated to a five-year teacher excellence award programme (targeting annual outstanding teachers), while RMB 10 million was dedicated to the construction of a school history museum. This initiative supports rural teacher retention, preserves educational heritage, and promotes high-quality development in education.



Mr Wang Nianqiang's Donation to Fushan Middle School in Zongyang County, Anhui Province



Case: Empowering Higher Education, Mr Wang Nianqiang Attended the Opening Ceremony for New Students at Central South University and Delivered a Speech

On 14 September 2025, the opening ceremony for the Class of 2025 at Central South University was held at the Xiaoxiang Campus Gymnasium. As an alumnus from the Class of 1983, Mr Wang Nianqiang—CEO of BYD Electronics, Executive Vice President of BYD Company Limited, and Vice Chairman of the BYD Charity Foundation—attended the ceremony and delivered a keynote speech, sharing his professional experience and encouraging students to pursue ambition with purpose, build strong foundations through practical application, and face future challenges with resilience.

As the Chair Unit of the University-Enterprise Alliance at Central South University, BYD has maintained long-term, in-depth cooperation with Central South University. Since 2009, BYD has established the “Central South University-BYD Scholarship” and has continuously empowered education in areas such as talent cultivation, scientific research and innovation, as well as internships and practical training.



Mr Wang Nianqiang at the Opening Ceremony of Central South University



Case: “Dream Market” Charity Sales and Donations

We actively participate in charitable fundraising activities coordinated by the Group, providing sustained financial support for long-term educational assistance programmes. In response to the Group-organised 2025 online “Dream Market” charity sale activity, BYD Electronics actively mobilised employee participation, resulting in a total of 131 charity sale orders. All funds raised from the activity were fully transferred to the BYD Charity Foundation and designated for the “Dream Fulfilment Education Support” programme, supporting beneficiaries in completing their education.

Appendix I Table of Key Performance

Environmental

Emissions

Indicator	Unit	2025	2024	2023
Greenhouse Gas Emissions				
Scope 1 GHG emissions	tCO ₂ e	33,696	37,070	14,665
Scope 2 GHG emissions	tCO ₂ e	1,809,256	1,786,596	1,404,836
Scope 1 + Scope 2 GHG emissions	tCO ₂ e	1,842,952	1,823,666	1,419,501
Scope 3 GHG emissions	tCO ₂ e	217,986	598,113	/
Scope 3 GHG emissions (employee travel)	tCO ₂ e	15,998	12,351.44	
Scope 3 GHG emissions (employee commuting)	tCO ₂ e	334.20	/	/
Scope 3 GHG emissions (fuel and energy related activities)	tCO ₂ e	168,641	585,761.63	
Scope 3 GHG emissions (downstream transportation and distribution) (excluding intra-group transportation)	tCO ₂ e	33,013	/	/
Total GHG emissions (Scope 1 + Scope 2 + Scope 3)	tCO ₂ e	2,060,938	2,421,779	1,419,501
GHG emission intensity	tCO ₂ e /RMB 10,000 revenue	0.1148	0.1366	0.1136

Indicator	Unit	2025	2024	2023
Waste				
Total domestic waste	Tonne	35,447.02	39,539	14,807
Non-hazardous waste intensity	Tonne/RMB 10,000 revenue	0.001975	0.02216	0.00118
Total hazardous solid waste	Tonne	64,163	63,429	33,350
Hazardous solid waste intensity	Tonne/RMB 10,000 revenue	0.003575	0.003577	0.00267
Wastewater Discharge				
Total industrial wastewater	Tonne	8,325,550.45	5,610,378	1,874,206
Industrial wastewater intensity	Tonne/RMB 10,000 revenue	0.4639	0.3164	0.1500
Exhaust Emissions				
Total exhaust emissions	10,000 m ³	17,560,815.408	16,780,425.50	15,078,257.7344
Exhaust emission intensity	10,000 m ³ /RMB 10,000 revenue	0.9784	0.9464	1.2062
By Exhaust Emissions Category				
Nitrogen oxide emissions	Tonne	51.83	63.88	38.28
Sulphur oxide emissions	Tonne	24.38	18.91	15.61
Suspended particulate emissions	Tonne	143.03	130.51	101.00

Indicator	Unit	2025	2024	2023
Ammonia emissions	Tonne	0.064	0.04	0.13
Volatile organic compounds (VOCs) emissions	Tonne	301.52	211.42	169.02

Use of Resources

Indicator	Unit	2025	2024	2023
Indirect Energy				
Total electricity consumption	MWh	3,391,610	3,329,470	1,726,350
Electricity consumption intensity	MWh/RMB 10,000 revenue	0.1890	0.1878	0.1381
Total steam consumption	MWh	24,416.11	/	/
Steam consumption intensity	MWh/RMB 10,000 revenue	0.0014	/	/
Total indirect energy consumption	MWh	3,416,026.11	/	/
Indirect energy consumption intensity	MWh/RMB 10,000 revenue	0.1903	/	/
Direct Energy				
Total natural gas consumption	MWh	151,570.72	166,877.83	34,585.99
Natural gas consumption intensity	MWh/RMB 10,000 revenue	0.0084	0.001951	0.002767

Indicator	Unit	2025	2024	2023
Total gasoline consumption	MWh	417.77	/	254.95
Gasoline consumption intensity	MWh/RMB 10,000 revenue	0.00002328	/	0.00002039
Total diesel consumption	MWh	169.95	/	/
Diesel consumption intensity	MWh/RMB 10,000 revenue	0.000009469	/	/
Water Resources				
Total water withdrawal	m ³	21,925,462.87	/	/
Total water consumption	m ³	11,528,223.58	21,164,050	10,544,570
Total water discharge	m ³	10,397,239.29	/	/
Water withdrawal intensity	m ³ /RMB 10,000 revenue	1.2216	/	/
Water consumption intensity	m ³ /RMB 10,000 revenue	0.6423	1.1937	0.8436
Water discharge intensity	m ³ /RMB 10,000 revenue	0.5793	/	/

Environmental Policies and Management

Indicator	Unit	2025	2024	2023	2022
Environmental Management System Certification					
Proportion of EMS Verified by International Standards	%	93.3	73.3	/	/

Indicator	Unit	2025	2024	2023	2022
Environmental Violations					
Number of major environmental penalties	Time	0	0	0	0
Amount of major environmental penalties	RMB	0	0	0	0

Product Management

Indicator	Unit	2025	2024	2023
Hazardous Substance Exposure				
Revenue from products containing hazardous substances as a percentage of total revenue	%	/	/	/
Revenue from products subject to (health/environmental) risk assessment as a percentage of total revenue	%	/	/	/

Social

Employment

Indicator	Unit	2025	2024	2023
Employment				
Total number of employees	Person	165,476	150,043	150,300
By gender				
Female	Person	64,514	52,064	40,907
Male	Person	100,962	97,979	64,094
By employment type				
Full-time	Person	/	/	/
Part-time	Person	/	/	/
By age				
Age ≤ 30	Person	60,349	47,724	50,499
30 < Age ≤ 50	Person	100,864	59,969	53,694
Age > 50	Person	4,263	42,350	808

Indicator	Unit	2025	2024	2023
By work location				
Mainland China	Person	146,171	139,530	96,267
Overseas	Person	19,305	10,513	8,734
By ethnicity				
Han	Person	133,191	126,754	129,499
Zhuang	Person	4,004	3,834	3,614
Miao	Person	1,759	1,782	1,800
Tujia	Person	1,518	1,512	1,412
Other ethnic groups (including foreign nationals)	Person	25,004	16,161	8,018
Employee Turnover Rate				
Total employee turnover rate	%	35.37	/	/
Voluntary employee turnover rate ⁹	%	35.37	/	/

⁹ In 2025, the industry in which the Company operates achieved stable development and the business continued to expand. No large-scale layoffs were caused by external development factors, and most employee turnover was voluntary resignations due to personal reasons.

Indicator	Unit	2025	2024	2023
By gender				
Female	%	31.23	/	/
Male	%	37.78	/	/
By age				
Age ≤ 30	%	47.86	/	/
30 < Age ≤ 50	%	25.51	/	/
Age > 50	%	17.73	/	/
By work location				
Mainland China	%	34.21	/	/
Overseas	%	42.89	/	/
Employee Care				
Number of employees covered by ESOP/ESPP	Person	2,535	/	/
Proportion of employees covered by ESOP/ESPP	%	1.60	/	/
Employee satisfaction survey participation rate	%	58.26	48.52	43.24
Proportion of employees covered by independent trade unions or collective agreements	%	27.05	/	/

Health and Safety

Indicator	Unit	2025	2024	2023
Occupational Health and Safety				
Number of work-related fatalities	Person	0	0	0
Rate of work-related fatalities	%	0	0	0
Lost days due to work-related injury	Day (s)	575	1074	0
Employee injury rate (working hours-based) ¹⁰	%	0.347	0.71	0.47
Contractor employee injury rate (working hours-based)	%	0	0	0
Lost Time Injury Frequency Rate (LTIFR)				
Employee lost-time injury frequency rate (LTIFR) (per million working hours)	Cases/million working hours	0.02%	0.045%	0.019%
Contractors lost-time injury frequency rate (LTIFR) (per million working hours)	Cases/million working hours	0	0	0

Career Development and Training

Indicator	Unit	2025	2024	2023
Employee Training and Development				
Average hours per employee of training and development	Hour	/	/	/

¹⁰ Injury frequency rate = (Lost days due to work injury / Total number of employees) × 100

Indicator	Unit	2025	2024	2023
Percentage of trained employees by gender				
Female	%	100	100	100
Male	%	100	100	100
Percentage of trained employees by position level				
Senior management personnel	%	100	100	100
Middle management personnel	%	100	100	100
Grassroots employees	%	100	100	100
Percentage of trained employees by age				
Age ≤ 30	%	100	100	100
30 < Age ≤ 50	%	100	100	100
Age > 50	%	100	100	100
Percentage of trained employees by location				
Mainland China	%	100	100	100
Overseas	%	100	100	100

Indicator	Unit	2025	2024	2023
Average training hours by gender				
Female	Hour	79	117	125
Male	Hour	172	115	125
Average training hours by position level				
Senior management personnel	Hour	36	33	43
Middle management personnel	Hour	75	69	78
Grassroots employees	Hour	127	112	138
Human Capital Return on Investment				
Total employee-related costs, including training and development programmes, pensions, recruitment, etc.	RMB	/	/	/
Return on investment in human capital	%	/	/	/

Supply Chain Management

Indicator	Unit	2025
Number of Suppliers by Region		
South China		2,356

Indicator	Unit	2025
East China		1,324
Others		1,168

Product Responsibility

Indicator	Unit	2025	2024	2023
Product Quality and Safety				
Number of product and service complaints	/	0	0	0
Total amount of electronic waste collected through takeback programmes	Tonne	/	/	/
Proportion of takeback electronic waste recycled or reused	%	/	/	/
Proportion of takeback electronic waste disposed or landfilled	%	/	/	/
Revenue generated from products certified under Type I eco-label (ISO 14024)	RMB 10,000	/	/	/
Revenue generated from products certified under single or multiple eco-labels	RMB 10,000	/	/	/
Revenue generated from other sustainable products or services	RMB 10,000	/	/	/
Proportion of sustainable revenue to total revenue	%	/	/	/

Indicator	Unit	2025	2024	2023
Innovation and R&D				
Revenue from topics under clean technology opportunities				
Revenue from topics under clean technology opportunities related to production or distribution of batteries as a percentage of total operating revenue	%	0.4	0.7	0.6
Revenue from topics under clean technology opportunities related to production or distribution of energy storage technology as a percentage of total operating revenue	%	2.6	3.0	7.7
Revenue from topics under clean technology opportunities related to the development of energy solutions for household products as a percentage of total operating revenue	%	0.2	0.9	1.5
Revenue from topics under clean technology opportunities related to the development or distribution of hybrid or electric vehicles as a percentage of total operating revenue	%	13.7	11.0	9.7
Revenue from topics under clean technology opportunities related to the application of green materials and lightweight design within the clean technology sector as a percentage of total operating revenue	%	57	56	49
Revenue from topics under clean technology opportunities related to the development and distribution of optimisation technologies and systems as a percentage of total operating revenue	%	0.8	0.1	0.5
Total revenue share of clean technology products and services	%	74.7	71.7	69.0

Governance

Anti-corruption

Indicator	Unit	2025	2024	2023
Compliant Operations				
Number of concluded corruption litigation cases	/	1	4	/
Average number of anti-corruption training sessions per director	/	1.57	5.5	/
Average hours of anti-corruption training per director	Hour	1.71	5.5	/
Number of directors receiving anti-corruption training	Person	4	4	/
Proportion of directors receiving anti-corruption training	%	57.14	57.14	/
Number of anti-corruption training sessions for employees	/	/	110	/
Total hours of anti-corruption training for employees	Hour	14,855	15,373	/
Number of employees participating in integrity training	Person	10,129	/	
Proportion of new employees receiving anti-corruption training	%	100	100	/
Reporting of Misconduct				
Number of corruption or bribery cases	/	1	4	/
Number of discrimination or harassment cases	/	0	0	0

Indicator	Unit	2025	2024	2023
Number of data security incidents involving customer privacy leakage	/	0	0	/
Number of conflict of interest cases	/	0	0	0
Number of money laundering or insider trading cases	/	0	/	/
Fines related to corruption and bribery cases in the latest fiscal year	RMB	/	/	/
Number of convictions related to corruption and bribery cases in the latest fiscal year	/	/	/	/

Appendix 2 SEHK *Environmental, Social and Governance Reporting Guide* Index

<i>Environmental, Social and Governance Reporting Code</i>		Sections and/or explanations
A. Environmental		
A1 General Disclosure	Information on: (a) the policies; and (b) 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 Operations and Production
A1.1	The types of emissions and respective emissions data.	The table of Key Performance
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The table of Key Performance
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The table of Key Performance
A1.5	Description of emission target(s) set and steps taken to achieve them.	Green Operations and Production
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 Operations and Production
A2 General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operations and Production
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and density (e.g. per unit of production volume, per facility).	The table of Key Performance
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	The table of Key Performance
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operations and Production
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 Operations and Production

<i>Environmental, Social and Governance Reporting Code</i>		Sections and/or explanations
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Operations and Production
A3 General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Operations and Production
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations and Production
B. Social		
B1 General Disclosure	Information on: (a) the policies; and (b) 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.	Employee Rights and Interests
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	The table of Key Performance
B1.2	Employee turnover rate by gender, age group and geographical region.	The table of Key Performance
B2 General Disclosure	Information on: (a) the policies; and (b) 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.	Occupational Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	The table of Key Performance
B2.2	Lost days due to work injury.	The table of Key Performance
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	The table of Key Performance
B3.2	The average training hours completed per employee by gender and employee category.	The table of Key Performance

<i>Environmental, Social and Governance Reporting Code</i>		Sections and/or explanations
B4 General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee Rights and Interests
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Rights and Interests
B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Rights and Interests
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain
B5.1	Number of suppliers by geographical region.	The table of Key Performance
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.	Sustainable Supply Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain
B6 General Disclosure	Information on: (a) the policies; and (b) 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.	Product Quality and Safety
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The table of Key Performance
B6.2	Number of products and service related complaints received and how they are dealt with.	Product Quality and Safety
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Compliant Operations
B6.4	Description of quality assurance process and recall procedures.	Product Quality and Safety
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Compliant Operations

Environmental, Social and Governance Reporting Code		Sections and/or explanations
B7 General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
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 table of Key Performance
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
B8 General Disclosure	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.	Community Development
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Development Public Welfare and Charity
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Development Public Welfare and Charity
D. Climate-related Disclosures		
D19 (a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Tackling Climate Change - Governance
D19 (b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities,	Tackling Climate Change - Strategy
D20 (a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Tackling Climate Change - Strategy
D20 (b)	Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a <i>climate-related physical risk</i> or climate-related transition risk;	Tackling Climate Change - Strategy

<i>Environmental, Social and Governance Reporting Code</i>		Sections and/or explanations
D20 (c)	Specify, for each <i>climate-related risk and opportunity</i> the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Tackling Climate Change - Strategy
D20 (d)	Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Tackling Climate Change - Strategy
D21 (a)	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain;	Tackling Climate Change - Strategy
D21 (b)	A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Tackling Climate Change - Strategy
D22 (a)	Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	Tackling Climate Change - Strategy
D22 (b)	Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Tackling Climate Change - Strategy
D23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Tackling Climate Change - Strategy
D24 (a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Tackling Climate Change - Strategy
D24 (b)	The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Tackling Climate Change - Strategy
D25 (a)	How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration.	Tackling Climate Change - Strategy
D25 (b)	How the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Tackling Climate Change - Strategy

<i>Environmental, Social and Governance Reporting Code</i>		Sections and/or explanations
D25 (c)	Provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the issuer determines that quantitative information about the combined financial effects would not be useful.	Tackling Climate Change - Strategy
D26 (a)	The issuer's assessment of its climate resilience as at the reporting date.	Tackling Climate Change - Strategy
D26 (b)	How and when the climate-related scenario analysis was carried out.	Tackling Climate Change - Strategy
D27 (a)	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks.	Tackling Climate Change - Strategy
D27 (b)	The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	Tackling Climate Change - Strategy
D27 (c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Tackling Climate Change - Strategy
D28 (a)	Scope 1 GHG emissions.	The table of Key Performance
D28 (b)	Scope 2 GHG emissions.	The table of Key Performance
D28 (c)	Scope 3 GHG emissions.	The table of Key Performance
D29 (a)	Measure its <i>greenhouse gas</i> emissions in accordance with the <i>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)</i> unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions.	The table of Key Performance
D29 (b)	Disclose the approach it uses to measure its greenhouse gas emissions.	Tackling Climate Change - Metrics and Targets
D29 (c)	For <i>Scope 2</i> greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based <i>Scope 2</i> greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's <i>Scope 2</i> greenhouse gas emissions.	Tackling Climate Change - Metrics and Targets

Environmental, Social and Governance Reporting Code		Sections and/or explanations
D29 (d)	For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the <i>Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)</i> .	Tackling Climate Change - Metrics and Targets
D30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Tackling Climate Change - Strategy
D31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Tackling Climate Change - Strategy
D32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Tackling Climate Change - Strategy
D33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Tackling Climate Change - Strategy
D34 (a)	An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis).	The Company has not yet applied carbon pricing in its decision-making.
D34 (b)	The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	The Company has not yet applied carbon pricing in its decision-making.
D35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Tackling Climate Change - Governance
D36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular <i>business models</i> , activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the <i>IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures</i> and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Tackling Climate Change - Metrics and Targets
D37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation.	Tackling Climate Change - Metrics and Targets
D38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	Tackling Climate Change - Metrics and Targets

<i>Environmental, Social and Governance Reporting Code</i>		Sections and/or explanations
D39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Tackling Climate Change - Metrics and Targets
D40 (a)	An issuer shall disclose which greenhouse gases are covered by the greenhouse gas emissions target.	Tackling Climate Change - Metrics and Targets
D40 (b)	An issuer shall disclose whether <i>Scope 1, Scope 2 or Scope 3 greenhouse gas emissions</i> are covered by the greenhouse gas emissions target.	Tackling Climate Change - Metrics and Targets
D40 (c)	An issuer shall disclose whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target.	Tackling Climate Change - Metrics and Targets
D40 (d)	An issuer shall disclose whether the target was derived using a sectoral decarbonisation approach.	Tackling Climate Change - Metrics and Targets
D40 (e)	The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.	Tackling Climate Change - Metrics and Targets
D41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the (i) applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	The table of Key Performance



FEEDBACK FORM

Dear readers: To continuously improve the compilation of this report, we particularly hope to hear your opinions and suggestions. Please help us complete the following relevant questions and send an email to: BE.ESG@byd.com

Your Information

Name	Workplace	Position	Contact Phone Number	Fax	Email

Open-ended questions

1. What aspects of this report satisfy you the most?
2. What other information do you need to know?
3. What suggestions do you have for our future ESG Report (Environmental, Social and Governance Report)?

Multiple-choice questions (Please tick ✓ in the corresponding box)

1. This report comprehensively and accurately reflects the company's significant impacts on the economy, society, and environment.

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

2. This report's response and disclosure of the issues that stakeholders are concerned about.

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

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

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

4. The readability of this report, including its logical framework, content design, language, and layout design.

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

