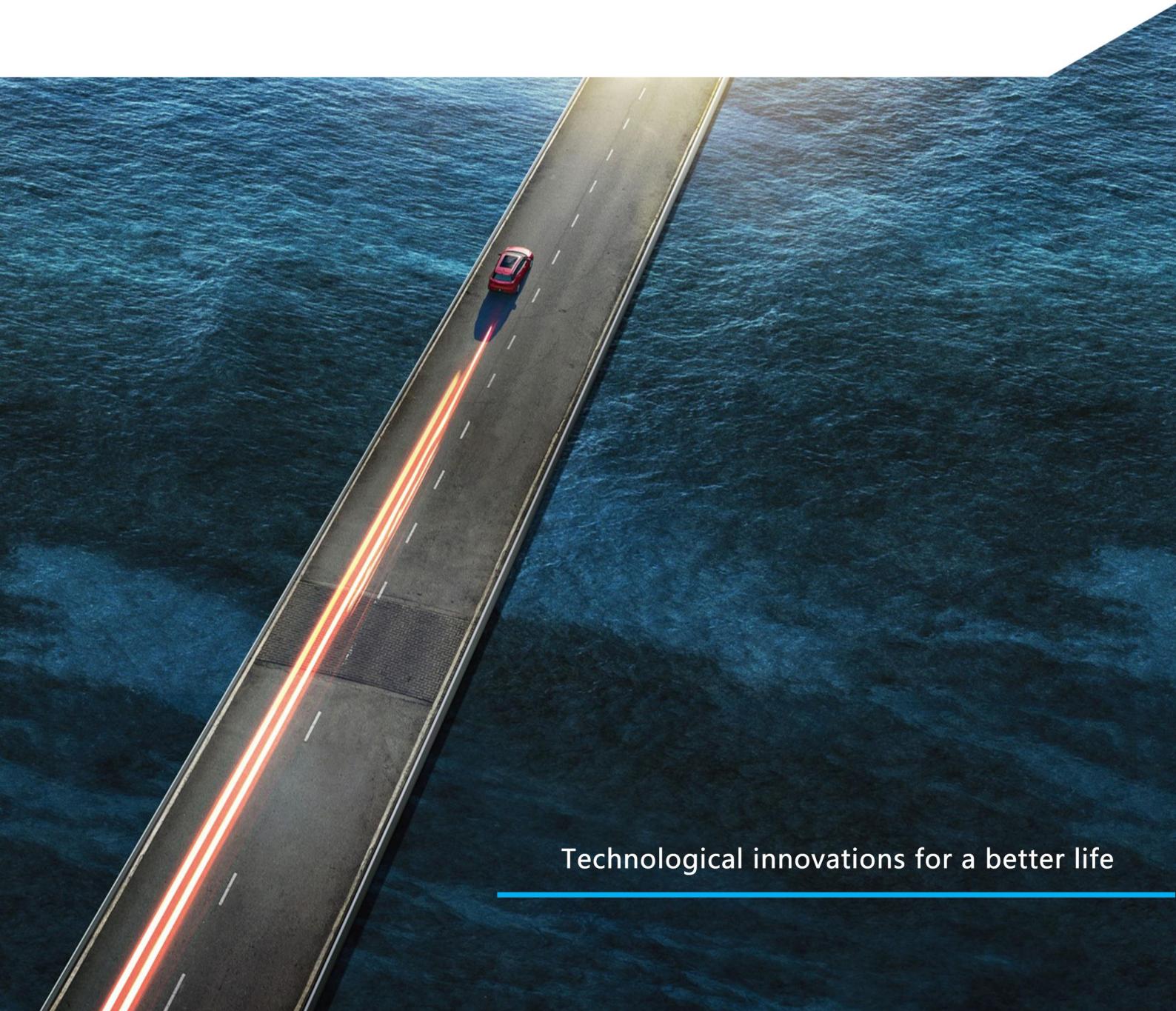


A circular collage of blue-toned icons representing various industries and technologies, including vehicles, industrial equipment, and energy storage.

# BYD CSR REPORT



Technological innovations for a better life

# ABOUT THIS REPORT

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

## Scope of Report

This report covers BYD Company Limited and its subsidiaries, with a time range from January 1 through 31 December 2021. Certain content may involve earlier dates. Data as the basis of this report has been collected following our current management procedures. The unit for financial records featured in this report is Renminbi (RMB), unless otherwise specified.

## Basis of Report

This report is primarily based on the ESG Reporting Guide and FAQs (Main Board Appendix 27) by the Stock Exchange of Hong Kong Limited that came into effect in July 2020, and Guidelines of Shenzhen Stock Exchange on Self-Regulatory Supervision by Listed Companies No.1 — Standardized Operation of Main Board Listed Companies. In the process, we also referenced G4 Sustainability Reporting Guidelines by the Global Report Initiative (GRI) and CASS-CSR Guidelines. Please refer to the indicator index at the end of this report for how disclosure for each specific indicator is covered in the report.

## Reporting Timeline

October 2021	Established report panel and commenced training sessions for the CSR report
November 2021	Initiated key interviews and stakeholder research
November 2021-January 2022	Finalized report structure and content for each section, and started to collect material
February 2022-March 2022	In preparation of report, as well as report content review and confirmation
March 29, 2022	Approved and issued by BYD CSR management committee and board of directors

## Confirmation and Approval

Upon confirmation by the BYD CSR management committee, this report was approved by the board of directors on 29 March 2022.

## Access to the Report

BYD advocates environmental protection, therefore this report is not provided in physical form. Please view or download BYD's CSR report online, either at the "Sustainable Development" of BYD's official website ([www.byd.com](http://www.byd.com)), or the official website of HKEXnews (<https://www.hkexnews.hk>) or the "DISCLOSURE/Company Announcements/Company Profiles" of SZSE (<https://www.szse.cn/>). We hereby express gratitude to all stakeholders who provided us with advice and suggestions in the compiling of this report and promise to keep improving the quality of our reporting.

## Contact

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# CONTENTS

## LETTER FROM THE PRESIDENT-4

## ABOUT US -----6

The Company -----7
Company Core Values -----9
Mission -----9
Performance of Year 2021 -----9
Responsibilities and Honors of BYD in 2021 -----10
Path of Innovation and Development of BYD in 2021 -----15

## BUSINESS OPERATION AND MANAGEMENT -----16

Corporate Governance -----17
Legal and Compliance -----18
Social Responsibility Management -----23

## PARTNER COOPERATION AND MANAGEMENT -----27

Protecting Shareholders' Interests -----28
Distributor Management -----30
Supplier Management -----33

## PRODUCT QUALITY AND SERVICE -----36

Product Responsibility -----37
Customer Interests and Services -----43

## CARING AND PROVIDING FOR EMPLOYEES -----47

Responsibility to Employees -----48
Caring for Employees -----53
Occupational Health and Safety in Production -----54

## GREEN OPERATION AND PRODUCTION -----57

Green Operation -----58
Response to Climate Change -----62
Green Products and Technologies -----64

## CONTRIBUTING TO THE COMMUNITY -----77

Fight Against the Pandemic and Disaster Relief -----78
Public Charity -----79
BYD Volunteers -----80

## KEY PERFORMANCE INDICATORS -----81

## CONTENT INDEX OF THE ESG REPORTING GUIDE -----83

## FEEDBACK FORM -----86

## FUTURE PROSPECTS -----87

# LETTER FROM THE PRESIDENT

Actively Perform Corporate Social Responsibility and Realize High Quality Development



Established in Shenzhen in 1995, BYD has been developing through solving problems oriented at social problem-solving and powered by technological innovation. Its businesses cover four main industries, across automobile, rail transit, renewable energy and electronics. Early in 2008, BYD has proposed the green vision of developing solar energy, energy storage stations and electric vehicles to establish a complete industry chain from energy absorption, storage to application. Through over ten years of hard efforts, we have finally ushered in an unprecedented development opportunity brought by the policy of "peaking carbon dioxide emission" and "achieving carbon neutrality". At present, BYD is shifting its business focus from basic capital accumulation and business expansion

to meeting the public's yearning for a better future with technological innovation out of social values and corporate responsibility. It is committed to turning technology into business, and business into wealth, to ultimately realize common prosperity. Driven by a strong sense of responsibility, BYD has never thought of giving up in spite of hardship and setbacks. Its persistence has enabled it to make achievements one after another and scale new heights.

In 2021, against the background of global changes and the accelerated automobile reform and evolution in the past century and in response to the goal of "peaking carbon dioxide emission and achieving carbon neutrality", BYD has realized a giant leap relying on its accumulated strength and has made a great breakthrough in four major industries, i.e. automobile, rail transit, renewable energy and electronics. In terms of passenger vehicle sector, particularly, BYD has made a historical stride leap by recording explosive development in technology, product and market size. With its superb technologies like Blade Battery, DM-i super hybrid system and E-platform 3.0, BYD adheres to the two primary sectors, i.e. pure electric vehicles (PEVs) and plug-in hybrid electric vehicles (PHEVs). It realized an annual delivery of 740,000 vehicles and approximately 604,000 new energy vehicles, ranking first in the sales of new energy vehicles in China for 9 years in a row. In this year, BYD led the accelerated reform of new energy vehicles and pulled LFP-powered vehicles and PHEVs back on the main track of the industry almost all on its own, providing solutions for safety concerns and resources tolerance

issues, and speeding up the replacement of traditional fuel vehicles with new energy vehicles. BYD masters core technologies in the whole industry chain covering battery, motor, electrical control, chip, etc, contributes to the development of upstream and downstream industry chains and supply chains, and shares its technological innovation achievements with worldwide peer companies to carve a path from independent innovation to comprehensive opening-up innovation.

Besides proactively undertaking the responsibility for sustainable development of economy, environment and society, BYD has always been focusing on and participating in various charity projects, including poverty alleviation, disaster relief, educational support and other charity work. In 2021, BYD Charity Foundation donated a total of RMB48 million fundings and supplies, mainly including: over RMB12 million worth of epidemic prevention and control supplies to support the epidemic control in Shenzhen; RMB20 million donated fundings to Zhengzhou immediately after the flood; support for educational development to show BYD's care for the next generation; assistance program for children with cerebral palsy and the commonweal "Beike Program" for women to show BYD's care for the health of social groups. In terms of epidemic prevention and control, particularly, BYD donated fundings and supplies totaling over RMB50 million and has aided over 80 countries and regions with their epidemic control, showcasing the sense of responsibility and international image of Chinese brands.

To achieve the development objective of "peaking carbon dioxide emission and realizing carbon neutrality" as well as perform the Paris Agreement that copes with climate change, BYD plays an exemplary role as a leading enterprise of new energy vehicles, reinforces its actions and management for carbon emission, and accelerates the low-carbon transition of the transportation industry and the manufacturing industry with green technologies, products and solutions. In the past year, BYD established a carbon emission control management committee and set specific working groups under it. At the beginning of the year, BYD announced the launch of plans and studies on peaking carbon dioxide emission and realizing carbon neutrality. In August, BYD launched the zero-carbon headquarters project. In November, BYD was granted the first SGS Declaration of Carbon Neutrality in China and it plans to complete the very first zero-carbon headquarters project of automobile enterprises by the end of 2022. In the meantime, BYD was also invited to attend the UN COP26 climate summit and took the lead to sign the Global Memorandum of Understanding (MOU) for Zero-Emission Medium- and Heavy-Duty Vehicles (ZE-MHDVs) to accelerate the development of zero-emission medium- and heavy-duty vehicles. By the end of this year, BYD has sold over 1.5 million new energy vehicles and cut down over 8.92 million tons of CO<sub>2</sub> emission, which equals to the effect of planting 750 million trees. In addition, it achieved the commercial operation of the world's first SkyShuttle demonstration line, contributing effective solutions to global air pollution and traffic jams.

Active performance of corporate social responsibility represents competitiveness and sustainability of an enterprise, and is promoting BYD high-quality development. BYD holds on to a philosophy of technological innovation-motivated philanthropy by creating a better life with technologies and driving the development of charity cause with technological innovation, with an aim to promote the sustainable development and consistent advancement of the human society.

Wang Chuanfu  
Chairman&President



1

# ABOUT US



## 1.1 The Company

Founded in February 1995, BYD Company Limited is headquartered in Shenzhen, Guangdong, with over 280,000 employees. It is engaged in four major industries, i.e. automobile, rail transit, renewable energy and electronics, and has been listed on both Hong Kong and Shenzhen stock exchanges. With a strong sense of social responsibility and historical mission, BYD has established a green traffic system by popularizing electric vehicles to control pollution and launching the SkyShuttle to relieve traffic jams, in a bid to help realize the objective of "peaking carbon dioxide emission" and "realizing carbon neutrality". By the end of 2021, BYD has cumulatively applied for around 34,000 patents and about 23,000 authorized patents worldwide.

**Automobile.** BYD insists on independent innovation and has mastered the core technologies for the whole industry chain of new energy vehicles in terms of battery, motor, electrical control and chip. In 2008, it launched the world's first mass-produced plug-in dual-module electric vehicles, marking the commencement of the reform of global new energy vehicles. BYD proposed the world's first public traffic electrification solution in 2010, which later became a national strategy agreed by countries around the globe. In 2020, BYD launched the Blade Battery to address consumers' concerns about safety. In 2021, it launched the DM-i super hybrid technology to accelerated the replacement of fuel vehicles with new energy vehicles. In 2021, BYD delivered a total of 740,000 vehicles, including around 604,000 new energy vehicles, with a year-on-year growth of 220%, ranking first in China for 9 years in a row. BYD has sold its new energy vehicles to more than 400 cities in over 70 countries and regions across the six continents of the world.

**Rail transit.** At the forefront of technological innovation of global rail transit, BYD exerted its integrated innovation advantage and extended its electric vehicle industry chain to rail transit by launching the medium-capacity "SkyRail" and low-capacity "SkyShuttle" for which it has proprietary intellectual property rights, filling the technological and industrial gap in rail transit and providing effective solutions to traffic jams in cities all over the world. In April 2021, the world's first autonomous SkyShuttle demonstration line was launched in Chongqing, marking the commencement of a new era of commercial application. SkyShuttle is a new product of cutting-edge technology and a green means of transportation. It serves not



only as a product and a systematic solution but also as exploration for future living space and lifestyle. By fitting modern innovative technologies into cities, nature, economy, humanity and culture, BYD strives to increase urban competitiveness, improve the well-being of citizens and help create a prototype of future cities.

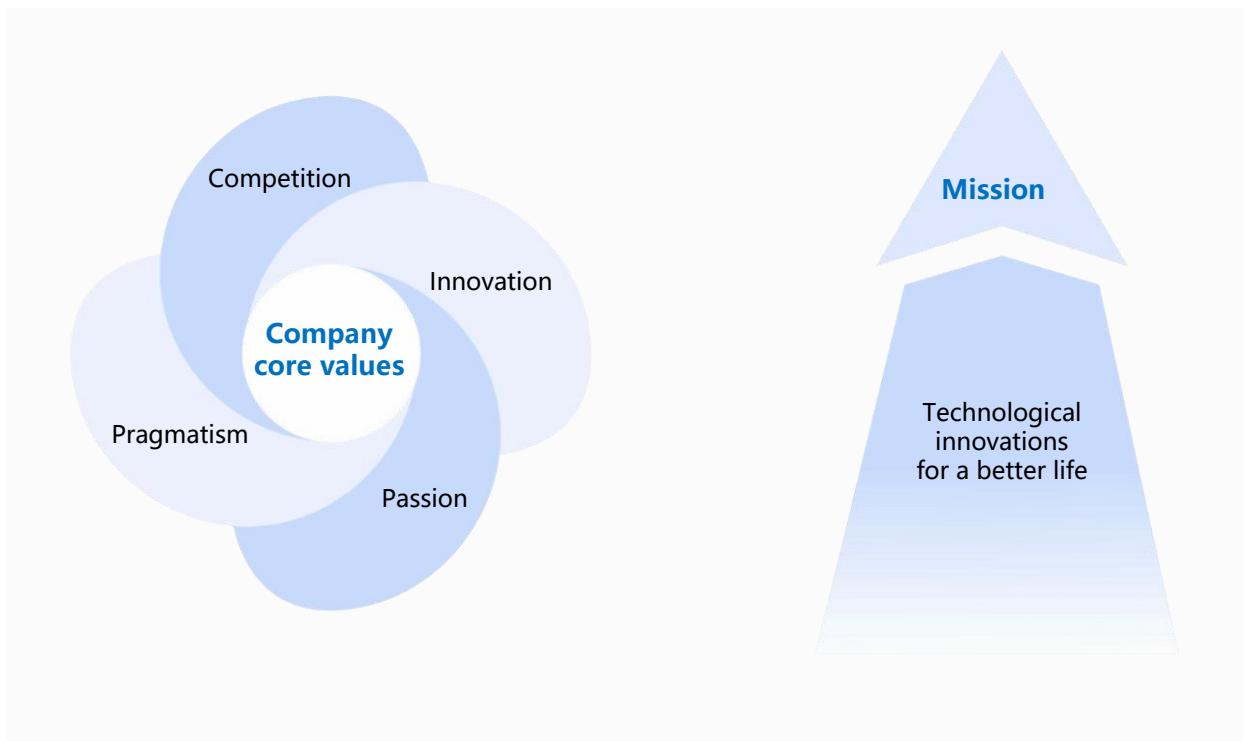
**Renewable energy.** As a provider of integrated renewable energy solutions, BYD produces relevant products like batteries, solar energy products, energy storage products, building a complete industry chain from energy absorption, storage to application. The Company' s renewable energy products cover consumer 3C battery, power battery, photovoltaic-storage integration, and other fields. BYD' s complete industry chain has enabled it to stay ahead trends in the industry. Featuring high safety, long service life and long duration and free of nickel or cobalt, Blade Battery has been tested in the market and highly recognized by the industry. Relying on its Blade Battery , the Company pulled LFP-powered vehicles back on the main track of the industry almost all on its own. At present, BYD provides solar energy and energy storage solutions in America, Germany, Japan, Switzerland, Canada, Australia, South Africa and other developed and emerging markets of renewable energy.

**Electronics.** BYD Electronics (International) Company Limited (hereinafter "BYD Electronic" )was independently listed on the Hong Kong Stock Exchange in 2007. The Company is a global leader in smart solutions, with products in key sectors such as smartphones, laptops, new-type smart products, smart vehicle systems and medical health. BYD Electronic is the one and only company in the world that can provide full series of structural parts such as metal, glass, ceramic, plastic and sapphire and whole machine design and manufacturing solutions on a large scale. With all-round R&D capability, super large-scale precision manufacturing capability and industry-leading intelligent information system and automation solutions, BYD Electronic provides global first-class brand customers with one-stop services covering product R&D, innovative materials, precision molds, components, EMS and ODM, supply chain management, logistics and after-sales.

For 27 years, BYD has been advocating a sustainable strategy on a global scale with powerful market planning. Our efforts have been widely recognized by the international community and have received accolades such as the Zayed Sustainability Prize, the UN Powering the Future We Want Energy Grant, and featuring on Fortune magazine's "Companies that Change the World" list. Our objective is to deliver "Technological innovations for a better life, by adhering to down-to-earth entrepreneurship and dedicated innovation".

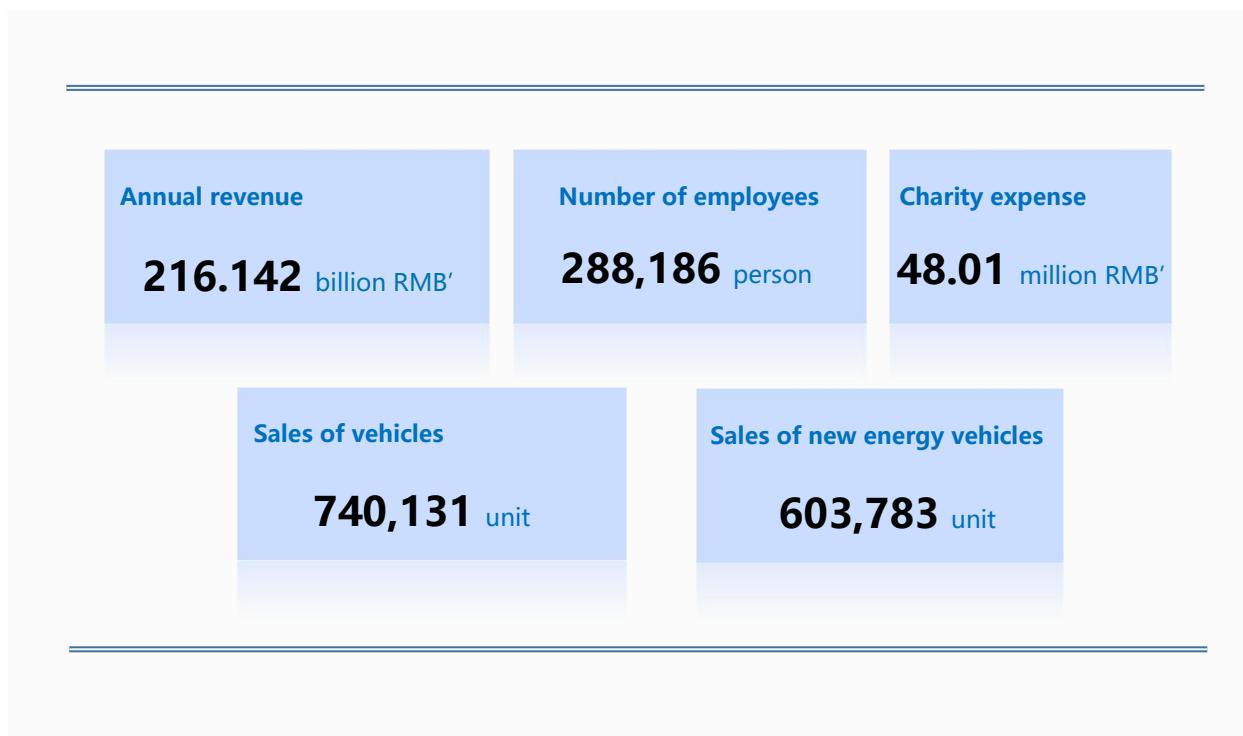


## Company Core Values



## Mission

## Performance of Year 2021



## Responsibilities and Honors of BYD in 2021



In February 2021, Wang Chuan-fu, Chairman and President of BYD, won the title of "2020 China's Top Ten Economic Figures of the Year".



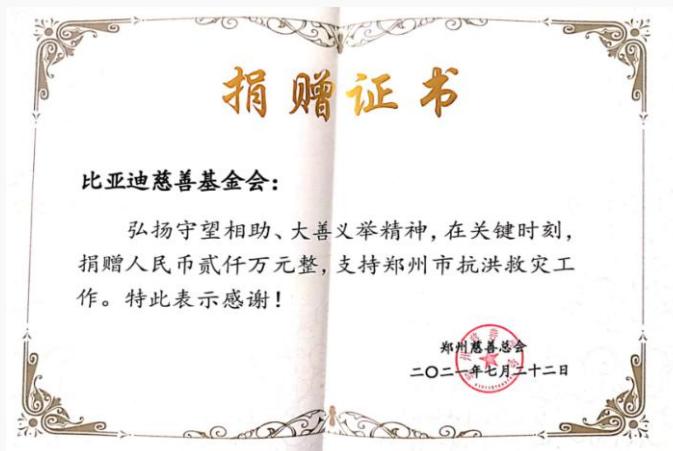
In May 2021, the World-renowned Brand Ranking List "Top 50 of Chinese Global Brand of BrandZ of KANTAR" was announced, and BYD ranked first among vehicle brands.



In June 2021, BYD Charity Foundation donated RMB12 million of epidemic prevention materials to support the epidemic control in Shenzhen.



In July 2021, a devastating flood occurred in Zhengzhou, Henan Province. BYD Charity Foundation donated RMB20 million to Zhengzhou Charity Federation to support emergency disaster relief and post-disaster recovery. In addition, BYD opened an emergency rescue service channel for its car owners, and opened all 4S stores in Zhengzhou as emergency shelters.



In October 2021, BYD was listed as "The Most Admired Chinese Company in 2021" by Fortune, becoming the only enterprise that covers the whole industry chain of new energy in the list.

On 11 October 2021, the Opening Ceremony of the 17th China International Design Expo and the 22nd China Patent Award (Design) Award Conference were held in Wuxi. BYD Song Max was awarded the Gold Award of Appearance Design in China.



On 14 October 2021, Premier Li Keqiang visited the BYD booth of the Canton Fair to inspect the innovative technological achievements of BYD in Blade Battery, DM-i super hybrid, E-platform 3.0, etc.



On 3 November 2021, the Key Technology and Industrialization of High-performance of Power System of Electric Vehicle project led by BYD Company Limited won the National Award for Science and Technology Progress.



On 3 November 2021, the semiconductor SiC power module of BYD won the 2021 "Global Electronic Achievement Award".

In November 2021, BYD's zero-emission pure electric bus served as the official designated shuttle bus for global leaders and the public and a show vehicle at the main conference venue during the 26th United Nations Climate Change Conference.



In November 2021, BYD was granted the first SGS Declaration of Carbon Neutrality in China, marking that the efforts made by BYD Industrial Park in carbon neutrality have been recognized by an internationally authoritative third-party organization.



## Summary of Awards of Brand and Social Responsibilities of BYD in 2021

S/N	Award	Awardee	Presenter
1	Gold Award of Appearance Design in China	BYD Company Limited	China National Intellectual Property AdministrationWIPO
2	Second Prize of National Award for Science and Technology Progress	BYD Company Limited	Office of National Science and Technology Awards
3	Top 10 Excellent Brands of China Commercial Vehicle in 2021	BYD Auto Industry Co., Ltd.	China Bus Information Website China Truck Information Website
4	2021 Top Energy Storage Brand	BYD	EUPD Research
5	Guangdong "Trustworthy" Enterprise	BYD Company Limited	Guangdong Administration for Market Regulation
6	2021 Supplier Gold Medal	BYD Electronic	Honor Device Co., Ltd.
7	Excellent Supplier Award	Huizhou BYD Electronic Co., Ltd.	OPPO Guangdong Mobile Communication Co., Ltd.
8	Best Corporate Governance (G) Responsibility Award of 2021 ESG "Golden Responsibility Award" for Chinese Enterprises	BYD	Sina Finance
9	2021 Social Responsibility Pioneer Award of Enterprises in Chengdu-Chongqing Double-city Economic Circle	BYD Company Limited	Sichuan Provincial Chamber of Commerce and Industry CSR Research Center of Chinese Academy of Social Sciences
10	Global Electronic Achievement Award	BYD Semiconductor Co., Ltd	ASPENCORE
11	No. 147 of Top 500 Chinese Enterprises	BYD Company Limited	China Enterprises Confederation China Enterprise Directors Association
12	No. 7 of Top Hundred Electronic Information Corporations of China	BYD Company Limited	China Federation of Electronics and Information Industry Electronic Information Department of the Ministry of Industry and Information Technology
13	No. 7 of Top 500 Manufacturing Enterprises in Guangdong	BYD Company Limited	Guangdong Provincial Enterprises Confederation Guangdong Enterprise Directors Association
14	No. 11 of Hurun China Top 500 Companies in 2021	BYD	Hurun Research Institute
15	China's 500 Most Valuable Brands in 2021	BYD	GYbrand
16	The Most Admired Chinese Company in 2021	BYD	Fortune
17	Top 50 of Chinese Global Brand of BrandZ	BYD	KANTAR

## Path of Innovation and Development of BYD in 2021



On 7 April 2021, BYD announced to equip all its pure electric vehicles with Blade Batteries.



On 11 January 2021, BYD released DM-i super hybrid technology.



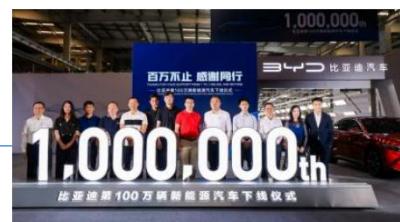
On 16 April 2021, the world's first autonomous SkyShuttle demonstration line was launched in Chongqing.



On 8 April 2021, the world's first cross-sea SkyRail - Bahia Cross-sea SkyRail in Brazil, rolled off the production line. BYD has become the first private enterprise in China going overseas in the field of rail transit equipment.



On 12 August 2021, the first BYD's Tang EV was delivered and sold in Norway, indicating that BYD opened up the European passenger vehicle market. BYD shipped 1,500 Tang EVs to Norway in 2021, which was a milestone step taken by BYD in the overseas market.



On 19 May 2021, the 1,000,000th new energy vehicle of BYD rolled off the production line, marking BYD has become the first Chinese brand with a million of new energy vehicles rolling off the production line.



On 8 September 2021, E-platform 3.0, an exclusive platform for pure electric cars, was released.

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## BUSINESS OPERATION AND MANAGEMENT

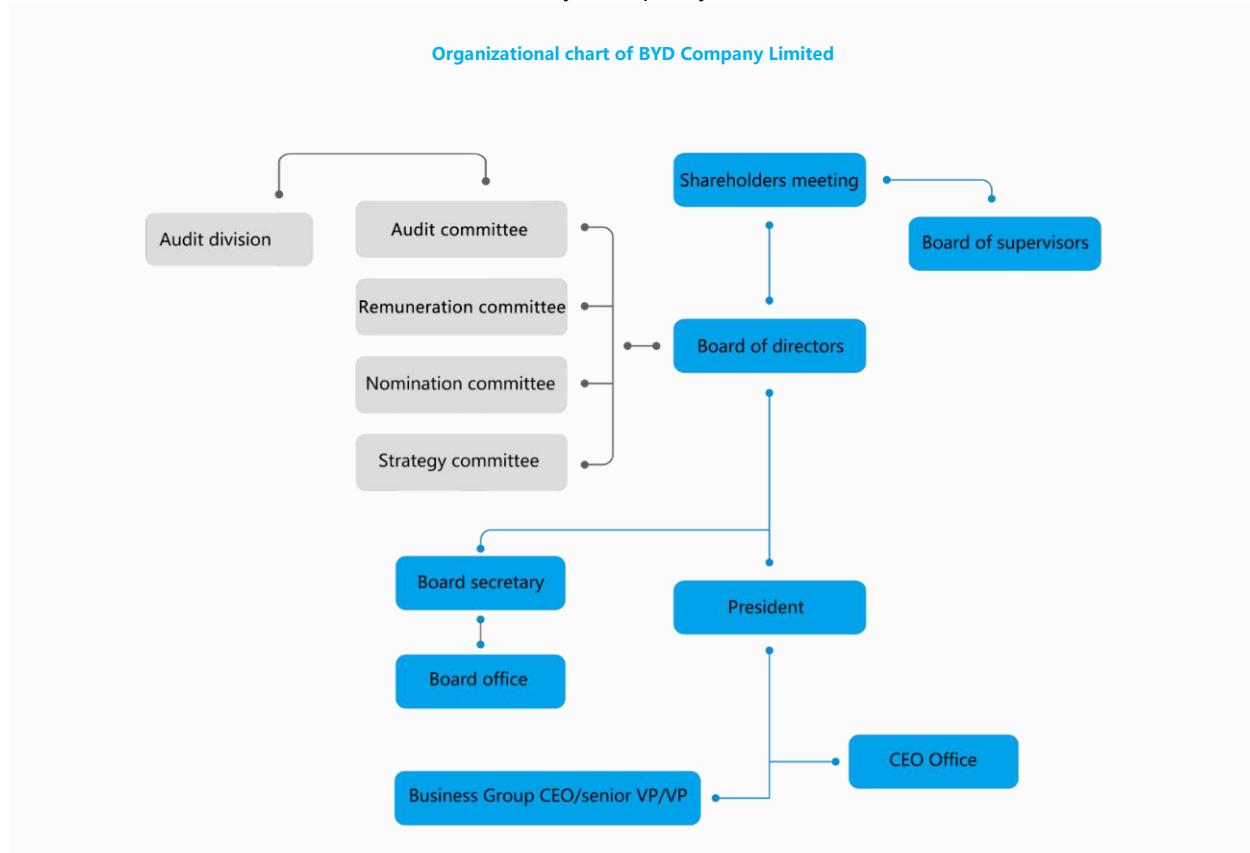


## 2.1 Corporate Governance

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

BYD's board of directors convened a general meeting of shareholders in accordance with laws, regulations and company rules, to report recent work progress and formulate/execute shareholder decisions, to supervise the overall operation and strategic development of the company, and to make decisions on operation and investment plans. Such meetings also provide guidance to the executive team to further improve corporate regulations and decision-making mechanisms, and regulate the workflow and approval procedures. The objective is to establish and maintain a modern, well-regulated corporate structure, to facilitate investment decisions of better efficiency and quality.

Organizational chart of BYD Company Limited



### Decision-making Mechanism

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

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

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

## 2.2 Legal and Compliance

### Abide by Laws

The requirement for social responsibility is imbued into the entire operation and daily management of BYD. The improvement of existing management systems is an ongoing process, as we constantly seek to meet the expectations and demands of corporate stakeholders. The BYD Code of Conduct explicitly requires compliance with laws and regulations on antitrust, competition, and fair-trade in countries of operation, and prohibits activities of unfair competition.

We have dedicated intellectual property and legal departments to encompass relevant intellectual property and legal affairs throughout the entire group. Business divisions have their own legal units or specialists to inspect and review legal management and execution within the division on a regular or irregular basis. An effective internal control mechanism has been established with corporate-scale policies such as the BYD Legal Dispute Management Policy, the BYD Contract Management Policy and the BYD Anti-monopoly and Fair Competition Compliance Management Regulations updated in a timely manner; supporting procedures have also been established to ensure that all operations abide by laws and regulations. In order to timely and effectively support business development, to curtail legal risks from the source, and to ensure secure operations, we initially set up a legal team for dual matters in 2019 and promoted the implementation of a model where the legal adviser has dual responsibilities in 2020, deeply participating in business operations and providing legal solutions based on demand.

In September 2019, the Company officially launched the full-process contract management platform and by July 2020, all contract management businesses were switched to the platform in batches. The platform can run through management of the whole life cycle of the contract and seamlessly connect various nodes such as contract review, approval signing/printing and fulfillment to solidify the risk prevention and control measures of the whole life cycle of the contract into the system through technical means, thereby effectively avoiding the risk of personnel operation or fraud. In 2021, we have completed the optimization and transformation of electronic procurement contracts on the contract management platform, helped realize the electronization of procurement contracts and reduce legal risks.

### Compliance Operation

As a commercial entity, BYD adheres to the principle of operating in good faith, abides by business ethics, and abides by all applicable laws and regulations, regulatory provisions, industrial norms, rules and regulations, as well as relevant international treaties and rules in China and the countries and regions where its businesses are located. BYD formulates compliance management system, integrates compliance requirements into all business and management processes, and standardizes all activities of production, operation and management. BYD attaches importance to and continues to create a culture of compliance and honesty, requires employees to strictly abide by national laws and regulations, business code of conduct and the company's rules and regulations, seriously study and abide by the compliance requirements related to their responsibilities, receive compliance training, actively identify, report and prevent and control compliance risks, refuse violations, take responsibility for the compliance of their own behaviors, and take the initiative to report violations at the same time.



## Intellectual Property Protection

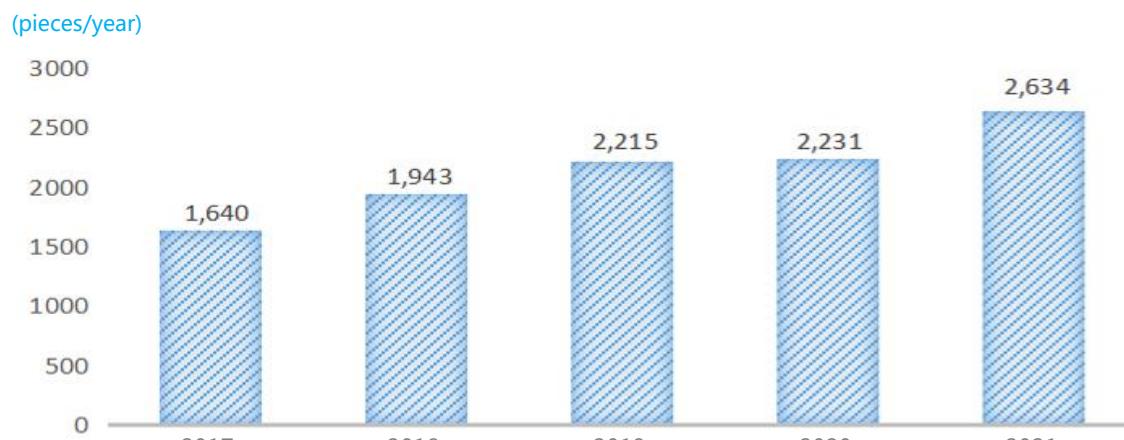
BYD has formulated the intellectual property strategy of "continuous accumulation, flexible use, reasonable layout, and effective defense". After years of exploration, accumulation and development, the Company has realized the accumulation of proprietary intellectual property, strengthened the quality of patents, and formed a mixed strategy for intellectual property with offensive and defensive features. BYD has completed three phases of "quantity doubling", "quality improvement" and "patent layout". It has realized the accumulation of a number of original patents, the improvement of patent quality and the intellectual property protection of related patent portfolios. At present, the Company has entered a value-oriented patent phase, with the focus on patent quality improvement and value-oriented patent exploration. Through the working orientation of this stage, we guide the R&D department to carry out in-depth, multi-dimensional and all-round technological innovation, explore and arrange a more complete and higher-value patent portfolio, and realize the creation and application of high-value patents, so as to bring intellectual property rights to a new level.

### Intellectual Property Rights Protection Policies

Based on the philosophy of "institutionalization of policies, proceduralization of systems and electronization of procedures", BYD manages intellectual property rights with a holistic approach encompassing the creation, protection and application of intellectual properties. The system of intellectual property rights protection is constantly optimized to facilitate the healthy development of intellectual properties protection in the Company. In 2020, under the guidance of the principle of institutional system development, the Company has sorted out and formulated the new management systems to meet its development needs, including BYD Company Patent Classification Measures, BYD Patent Distribution Fund Management Regulations, BYD Company Patent Work Management Regulations and Patent Early Warning Management Regulations, which have comprehensively improved the Company's intellectual property management in terms of creation, protection and application of intellectual property. Through the operation of a series of systems, the Company made clear its intellectual property related duties and goals and established a long-term mechanism for the application, management and utilization of the Company's intellectual property rights. On 26 April 2021, BYD officially launched the intellectual property management platform to realize the full-life management of intangible assets such as patents, trademarks and copyrights, making the management of the Company's intangible assets more centralized, efficient and safe.

### Quantity of Patents

By 31 December 2021, BYD has accumulatively filed for 28,148 patents in China (13,987 inventions, 11,550 utility models, 2,261 appearance designs and 350 patents in Hong Kong/Macau/Taiwan), and 6,845 patents overseas. A total of 19,837 patents have been awarded in China. 2,337 patents were awarded in China in 2021. A total of 3,411 patents have been awarded overseas. 297 patents were awarded overseas in 2021.



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

## Intellectual Property Rights Training

Intellectual property culture is an important part of company culture. The Company regularly organizes training and exchange activities, builds a comprehensive training system for employees at different levels, and strengthens the promotion and implementation of intellectual property concepts and business cooperation. In 2021, nearly 40 intellectual property training sessions were held, with a total number of participants exceeding 2,000. The Company builds its intellectual property culture through the establishment of an innovation system, intellectual property publicity and intellectual property training, to enhance the intellectual property awareness of all employees.



## Anti-corruption and Anti-commercial Bribery

BYD regulates all commercial activities with the highest integrity standard, strictly prohibiting corruption, extortion and fraud in all forms. Offending personnel will be punished and prosecuted in accordance with rules. We strictly prohibit offering, accepting or claiming bribery, gifts, hospitality and any other form of activity intended to affect BYD's relevant business decision in order to acquire abnormal or inappropriate advantages. BYD complies with overseas anti-bribery laws and regulations, and will not offer bribes to or demand bribes from local governments in overseas regions. BYD implements a series of anti-corruption and anti-commercial bribery measures.

### Organization Setting

BYD sets up an audit supervision division as the Company's specialized anti-corruption department. Oriented at risk management and with compliance as the basic requirement, the division independently carries out audit and supervision, and reports to the president (chairman) of the Company without interference from other departments or personnel, which ensured the independence, objectivity and authority of efforts in anti-corruption and other audit supervision.

### Anti-corruption and Bribery Policies

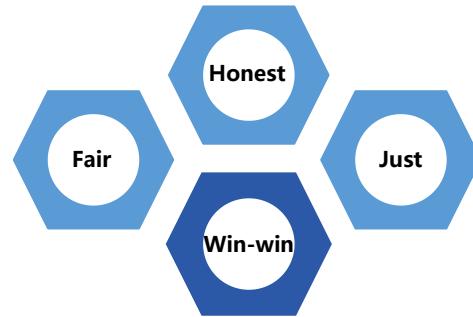
In order to ensure the standardization, normalization and systematization of anti-corruption work, BYD has formulated a series of rules and regulations which also apply to its partners in accordance with relevant laws and regulations, international standards and the actual business needs, strictly prohibiting any form of corruption, and providing comprehensive institutional support for the Company's anti-corruption work. For example, such policies such as BYD Code of Conduct, BYD Employee Professional Ethic Guidelines, BYD Guidelines for Employee Business Activities with External Entities, BYD Executive Economic Activity Guidelines, BYD Corporate Punitive Measures, BYD Whistleblower Protection and Incentive Measures, BYD Company Compliance Management, Regulations on Compliance Management of BYD's Commercial Partners, Internal Communication Rules for BYD Employees and BYD Internal Investigation Management Regulations has ensured that there are standards for enforcement, procedures for investigation and grounds for punishment. Meanwhile, according to business practices and regular review, BYD constantly improved its system construction.

## Upright Communication and Cooperation

In business contacts with personnel of external units, upon the principle of openness and transparency, employees of BYD are required to protect the interests of the Company, promote the Company's integrity communication regulations, do not engage in improper contacts with personnel from external units in pursuit of personal gains, do not offer or ask for benefits in any name or way, and do not offer or accept gifts and hospitality beyond the scope of laws and business practices. According to statistics, employees rejected bribes 417 times in 2021. Since 2017, when the anti-corruption filing process went online, employees rejected bribes for a total of 2,386 times.

BYD regards partners as business partners, regards honesty as an important prerequisite for cooperation, and strives to jointly create a fair, just,

honest and win-win cooperation environment. We sign integrity cooperation agreements with our partners to clarify BYD's anti-corruption stance and requirements. We hope that our partners and BYD will maintain a common anti-corruption attitude and determination, be honest and self-disciplined, supervise each other, and jointly build an "anti-corruption fence". For units that violate the principle of integrity, BYD shall, in accordance with the contract or relevant agreements, hold cooperative units liable for breach of contract, such as claiming liquidated damages, canceling the cooperation qualification, and putting them on the blacklist of cooperative partners. In 2021, a total of 28 suppliers were prosecuted for breach of contract by BYD for violating the integrity cooperation agreement.

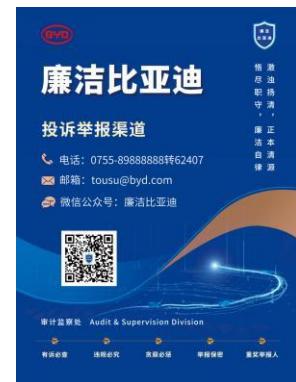


## Anti-corruption Publicity and Education

BYD has been focusing on integrity publicity and education for employees and insists on promoting the construction of Company's integrity culture. The senior managers of the Company practice their words and actively practice and pass on the value of integrity. For employees, BYD sets up an "Integrity BYD" website, WeChat official account and WeCom account for the daily publicity of anti-corruption of the Company, publishing the integrity system and news, case reports, warnings during festivals about integrity, as well as laws and regulations related to integrity. We educate employees to consciously abide by laws and regulations and the Company's rules and regulations, work impartially and honestly without favoritism or seeking personal gains, and resist temptations consciously. In 2021, via platforms such as "Integrity BYD" WeChat official account, we issued more than 60 original feeds through text, pictures, videos, cartoons and so on to spread its integrity culture. Meanwhile, as a compulsory course for new employees, over 500 Honesty and Self-discipline training sessions were organized in 2021. January of each year is the "Integrity Month"

for BYD, and a series of integrity-related activities are held. An integrity lesson was held in 2021, in which senior managers gave speeches on compliance and honesty and took the lead to take an oath to abide by relevant regulations and sign a letter of commitment on integrity and self-discipline. Moreover, prize contests on integrity knowledge were held and articles related to integrity and compliance were solicited with awards.

BYD carried out integrity publicity and education activities through various approaches, continuously improved employees' awareness of integrity and self-discipline and built a solid defense line of ethics for employees, so as to create a good atmosphere of integrity, compliance and discipline and serve for the steady development of the Company.



## Reporting, Supervision and Accountability

BYD takes a zero-tolerance attitude toward corruption, implements anti-corruption policies that apply to all staff, and rewards the whistleblower. We will ensure strict punishments for fraud and corruption, and hold accountable dereliction of duty, such as neglect of duty and abuse of duty. In order to give full play to the supervisory role of all employees and relevant parties, BYD has opened special channels for honesty issues reporting (including via telephone, email, WeChat official account) to encourage employees, employees from other units and insiders to perform the honesty supervision system of BYD, and actively report cases of embezzlement, corruption and other violations of laws, regulations and the rules and regulations of BYD and actions that damage the interests of BYD. Whistleblowers shall be protected and rewarded in accordance with the BYD Whistleblower Protection and Incentive Measures. In order to ensure efficient, standardized and fair handling of the information reported, case management procedures will be established, and ad hoc personnel will be assigned to accept the cases reported and investigation situation follow-up, closure, assessment and archiving, so as to achieve the closed-loop management of the information reported. Meanwhile, every link, such as case acceptance, registration, investigation, maintenance, is strictly confidential, to prevent revelation or loss.

### Contact BYD to report corrupt activities:



**Email:** tousu@byd.com



**Phone:** 86-0755-8988 8888 Ext.62407



**WeChat official:** lianjiebyd

For employees who violate integrity discipline, BYD will terminate the employment contract with them in strict accordance with the rules and regulations, and those who are suspected of violating laws and committing crimes will be handed over to judicial organs. In 2021, 94 persons were investigated and punished for dishonesty issues and serious violations, and 7 cases were transferred to judicial organs (2 cases have been closed).

BYD has set up a de-registration inquiry system on its official website, which contains a list of offenders of integrity discipline, professional ethics and other offences for reference by internal and external personnel; BYD has joined the enterprise anti-fraud alliance, to share information about offenders of professional ethics. Employees involved in corruption and other violations will be blacklisted in the industry.

In its anti-corruption efforts, BYD will continue to establish an anti-corruption system that combines both prevention and punishment through establishing and improving systems as well as attaching equal importance to education and supervision, and actively practice its integrity culture featuring "conscientiousness, honesty, self-discipline, eliminating the impure from the pure and making radical reform" .

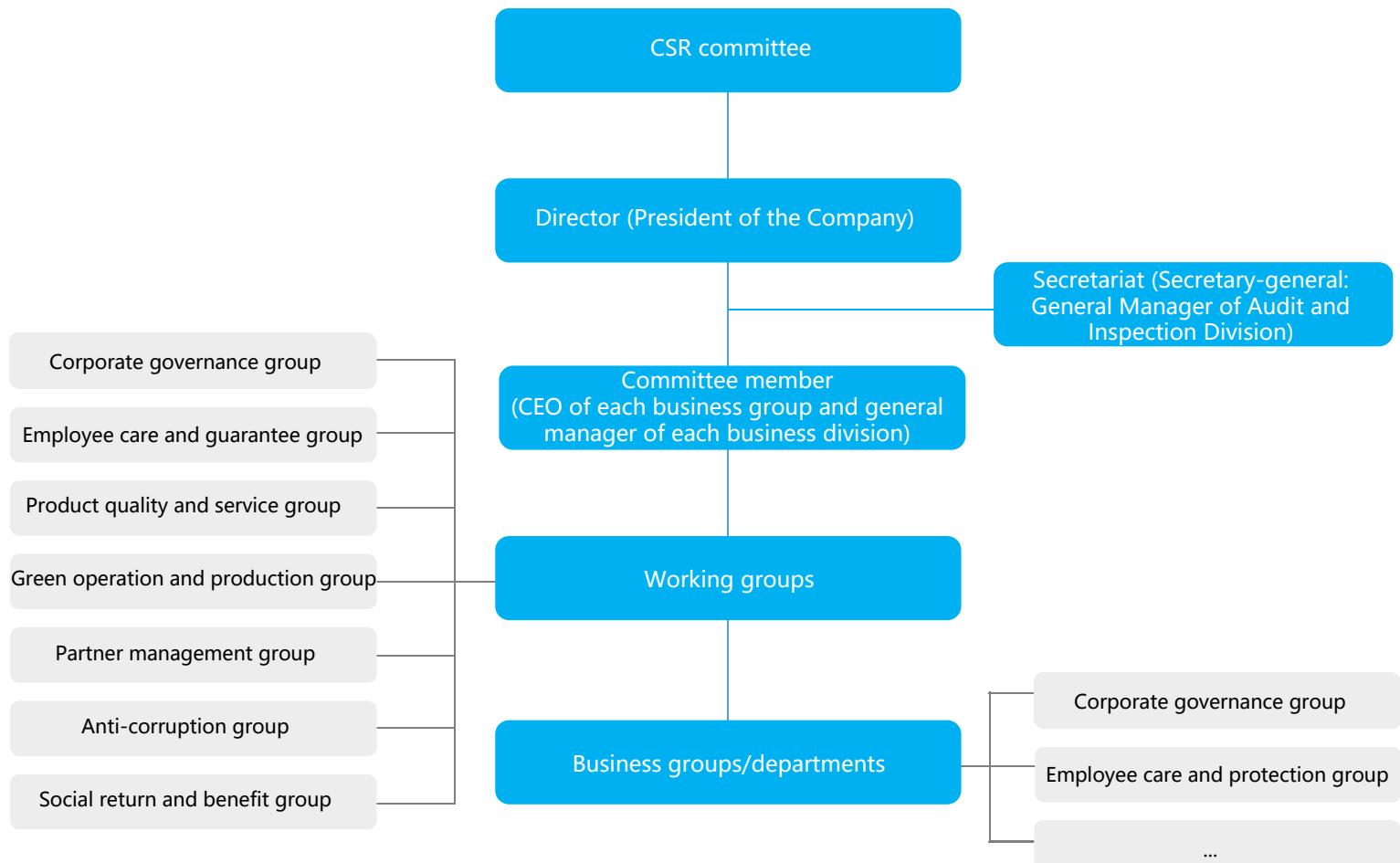
## 2.3 Social Responsibility Management

### Board Statement

BYD's Board of Directors takes full responsibility for ESG strategies and reporting of the Group and is responsible for overseeing the setting of the Group's corporate social responsibility strategic goals and work plan, and identifying, evaluating and managing important topics related to corporate governance, society and the environment. BYD's Board of Directors reviews the implementation of the Group's corporate social responsibility efforts annually.

In 2021, in order to promote the effective operation of the Company's social responsibility management system and continuously improve the Company's ability and level of fulfilling social responsibility, the organizational structure of BYD Corporate Social Responsibility Committee (CSR Committee) was re-established, responsible for the implementation of daily work and coordinating working groups to carry out work according to the plan. After the reorganization, the division of the corporate social responsibility and duties of BYD Group were clearer, and the corporate social responsibility was better carried out. On 29 March, 2022, the Board of Directors approved 2021 BYD Corporate Social Responsibility Report.

**CSR Organization Chart of BYD**



## Social Responsibility Vision

BYD is committed to the harmonious and sustainable development of enterprise and society, and strives to enhance the rights and interests of government, shareholders, customers, employees, suppliers, partners and other stakeholders through technological innovation, product innovation and management innovation as well as sound business operation, and to become an enterprise worthy of the trust and respect of all stakeholders.

## Social Responsibility Communication

### Internal Communications

BYD has continuously improved its internal communication mechanism for social responsibility. BYD CSR committee has carried out multiple meetings and trainings related to social responsibility work, and continuously promoted the implementation and execution of all modules of corporate social responsibility.



### External Communications

Since 2010, BYD has issued its social responsibility reports for 11 consecutive years, fully demonstrating its efforts in fulfilling economic, environmental and social responsibilities, and promoting the development of the industry. In 2021, BYD further strengthened external exchanges, actively participated in corporate social responsibility activities in the industry, and participated in the preparation of the Social Responsibility Guide for China's Automobile Industry as a member of the working group.

## Participation of Stakeholders

BYD has actively worked closely with stakeholders and listened attentively to their needs as an important input of management optimization. In 2021, we communicated with stakeholders through multiple channels and responded actively and quickly.

Stakeholders	Primary Topics	Method/Channel of Communication	
 Clients and consumers	<ul style="list-style-type: none"> <li>Product quality</li> <li>Customer privacy</li> <li>Green product</li> <li>Green technology</li> </ul>	<ul style="list-style-type: none"> <li>Online promotion: WeChat official account/Weibo/Phone/BDY fans club</li> <li>Offline trade fair and promotion activities</li> <li>New product release</li> <li>Customer satisfaction survey</li> </ul>	
 Staff	<ul style="list-style-type: none"> <li>Employment</li> <li>Salaries and benefits</li> <li>Occupational health and safety</li> <li>Staff training and development</li> </ul>	<ul style="list-style-type: none"> <li>Staff training</li> <li>Union activities: Happy Family Month, basketball league, etc.</li> <li>Others: Complaint mailbox, telephone, WeChat official account</li> </ul>	
 Shareholders/investors	<ul style="list-style-type: none"> <li>Results of operations</li> <li>Compliance operation</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' meeting</li> <li>Performance announcement</li> <li>Investors forum</li> </ul>	<ul style="list-style-type: none"> <li>Major reverse roadshow</li> <li>Regular information disclosure</li> <li>Email and phone</li> </ul>
 Supplier	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Green procurement</li> <li>Product liability</li> </ul>	<ul style="list-style-type: none"> <li>Supplier audit</li> <li>Technical and product communication &amp; quality communication</li> <li>Contract signing</li> <li>Supplier investigation</li> <li>Supplier training</li> </ul>	<ul style="list-style-type: none"> <li>Field visiting by supplier</li> <li>Supplier conference</li> <li>WeChat official account</li> </ul>
 Government sectors	<ul style="list-style-type: none"> <li>Green production</li> <li>Green operation</li> <li>Compliance operation</li> <li>Product quality and safety</li> </ul>	<ul style="list-style-type: none"> <li>Government-enterprise forum</li> <li>Field research</li> <li>Work report</li> </ul>	
 Industry/standards association	<ul style="list-style-type: none"> <li>Product liability</li> <li>Green production</li> <li>Green technology</li> </ul>	<ul style="list-style-type: none"> <li>Participating in developing industry standards</li> <li>Attending industry conference</li> <li>Participating in industrial information exchange and sharing</li> <li>Offering suggestions on industrial planning</li> </ul>	
 NGOs and communities	<ul style="list-style-type: none"> <li>Social benefits</li> <li>Volunteer service</li> <li>Green production</li> </ul>	<ul style="list-style-type: none"> <li>Participating in meetings of NGOs</li> <li>Developing projects in cooperation with public welfare organizations</li> <li>Participating in other public welfare activities</li> </ul>	

## Analysis of Substantial Topics

### Identifying Topics

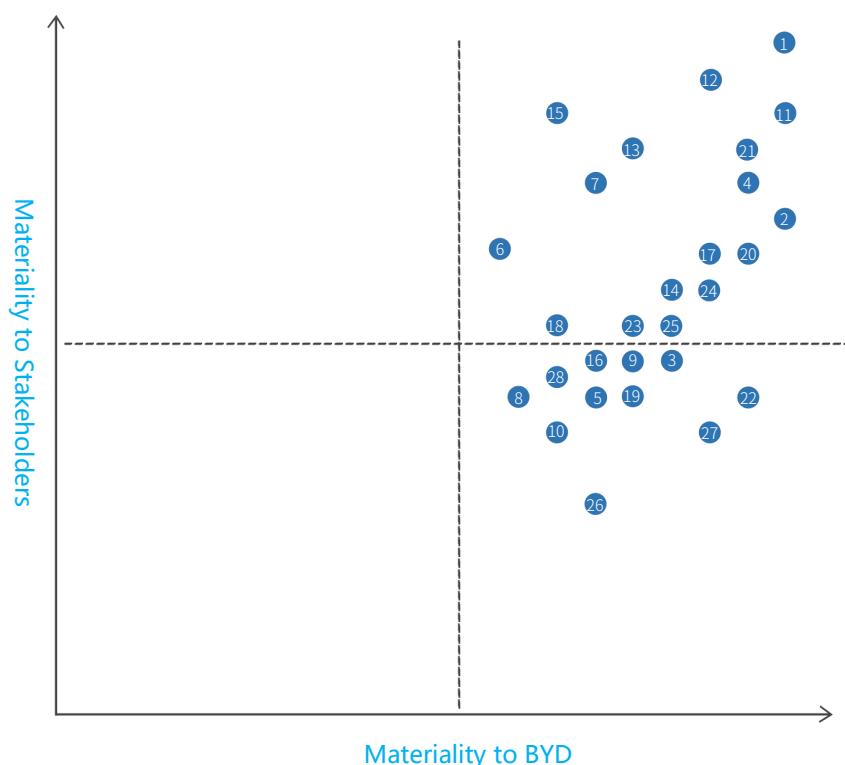
We have preliminarily identified the list of 2021 substantial topics based on the Company's substantial topics over the years, the Company's development in 2021 and stakeholders' attention to the topics.

### Reviewing and Finalizing Topics

Through stakeholders' survey, we have determined the importance of stakeholders to the relevant topics. The expert panels formed by the CSR committee and the Board of Directors carried out comprehensive reviews and finally determined the core 28 substantial topics.

### Materiality Matrix of Topics

We have developed the materiality matrix of substantial topics, taking into account "how important it is to the stakeholder(s)", and "how important it is to BYD", and have made corresponding responses to the identified topics in the report.



- |   |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| 1.Results of operations                       | 10.Supplier evaluation & selection    | 20.Green technology                   |
| 2.Innovations and R&D                         | 11.Product safety and quality         | 21.Green product                      |
| 3.Intellectual property rights                | 12.After-sales service guarantee      | 22.Green operation                    |
| 4.Compliance operation                        | 13.Protection of customers' rights    | 23.Salaries and benefits              |
| 5.Anti-corruption and anti-commercial bribery | 14.Customer service and satisfaction  | 24.Occupational health and safety     |
| 6.Participation of stakeholders               | 15.Customer privacy protection        | 25.Personnel training and development |
| 7.Shareholder equity and return               | 16.Waste management                   | 26.Equal employment and localization  |
| 8.Distributor management                      | 17.Greenhouse gas emission management | 27.Care for employee                  |
| 9.Supplier management                         | 18.Energy and resources management    | 28.Charity                            |
|   | 19.Climate change                     |                                       |

3

# PARTNER COOPERATION AND MANAGEMENT



## 3.1 Protecting Shareholders' Interests

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

### Investor Relationship Management



Investor promotion seminar

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

BYD protects legal interests of medium and small shareholders in strict accordance with the listing rules and securities market regulations. We are constantly perfecting our articles of association, rules of procedure for shareholder meetings, and dividends distribution policies according to the requirements of the listing rules for the equal protection of shareholder interests. Company information is furnished to medium and small shareholders through performance presentations, investor surveys, and regular Email/phone contacts, where shareholders' questions will be answered. In doing so, we hope to achieve positive interaction with medium and small shareholders.

In 2021, BYD held a total of three shareholders meetings.

The shareholders meeting for the year of 2020 was held on 8 June 2021, where a total of 175 shareholders and shareholder representatives owning and representing 1,308,200,586 shares, accounting for 45.7230% of the Company's total shares, attended the meeting.

2021 first extraordinary general meeting was held on 16 June 2021, where a total of 169 shareholders and shareholder representatives owning and representing 1,283,193,571 shares, accounting for 44.8490% of the Company's total shares, attended the meeting.

2021 second extraordinary general meeting was held on 30 November 2021, where a total of 381 shareholders and shareholder representatives owning and representing 1,423,174,924 shares, accounting for 48.8872% of the Company's total shares, attended the meeting.

From the attendance of the shareholders meeting, more medium and small shareholders participated in our meeting during the Reporting period, contributing inputs to company governance and business operation.

In 2021, 51 groups visited BYD for field research, including investors from trust funds, brokerages, insurers, private equity, and QFII. We attended over 30 investment bank and broker conferences both domestically and overseas and organized multiple performance presentations and domestic/overseas roadshows.

## Return to Shareholders

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

To share the benefit of business growth with all shareholders, we have taken factors such as overall operations, financial conditions, and shareholder interests. As reviewed and approved on the 2020 shareholders meeting on 8 June 2021, the equity distribution plan for the year of 2020 is: taking the total capital stock of the company, 2,861,142,855 shares (1,813,142,855 A-shares, 1,048,000,000 H-shares) as the base, dividends will be paid to all shareholders at a cash rate of RMB 1.48 (tax included) per 10 shares. With no bonus shares, no reserve fund converted into share capital, total cash of RMB423,449 thousand was to be paid to shareholders as dividends.

### 2018-2020 Equity Distribution Plan of BYD

Category	2018	2019	2020
Total capital stock on which the distribution is based	2,728,142,855	2,728,142,855	2,861,142,855
Basic earnings per share as disclosed in the annual report (RMB)	0.93	0.5	1.47
Amount of equity per share (RMB)	0.204	0.06	0.148

The 2020 Equity Distribution Plan of the Company was executed on 6 August 2021.

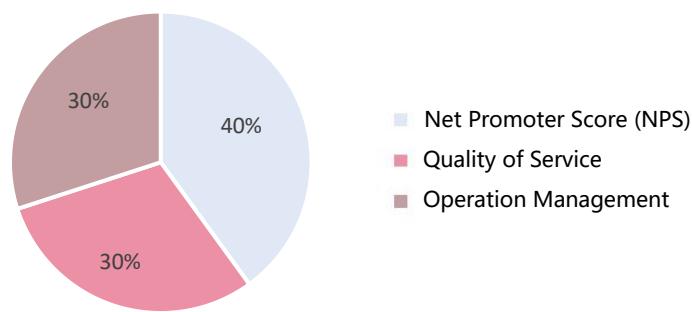
## 3.2 Distributor Management

### Wisdom to Enjoy Service

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

"Wisdom to Enjoy Service" comprehensively innovates the user experience from the brand to the store image and to the sales process. At present, it has cooperated with distributors to create a number of demonstration stores. With elevated sales scenarios, BYD distributors are now able to provide their customers with more considerate services with even better intelligence and flexibility.

#### Composition of "Wisdom to Enjoy Service":



#### Consumer Satisfaction (NPS)

The customer satisfaction is the prerequisite of good brand image, word-of-mouth, and customer loyalty. In order to improve the service level and quality of BYD distributors, encourage distributors to pay attention to customer experience, BYD has established the concept of service in full life cycle and standardized the definition of distributor sales satisfaction and the direction for improving sales satisfaction.

In 2021, BYD introduced the Net Promoter Score (NPS), an index that measures the likelihood that a customer will recommend a brand or service to others, to comprehensively evaluate each distributor's ability and contribution in sales and service.

BYD sends NPS survey questionnaires to customers in an oriented way so that the customers can participate in the survey and score the sales services provided by distributors (0-6 points, detractors; 7-8 points, passives; and 9-10 points, recommenders). BYD provides incentives to service personnel with high customer recommendations and strengthens the service awareness of terminal service personnel; distributes orders to the distributors to which customers give low scores. The distributors with low scores shall contact the customers for communication and settlement within five working days after receiving the work order of low score, and apply for settlement in the system, so as to achieve a closed loop to solve the customer's demands and pain points. Through online publicity, training and management assessment, the NPS value of customer satisfaction continued to increase in 2021, and the NPS value of BYD Ocean Series increased from 78.8 points in April 2021 to 89.6 points in December 2021. The NPS value of BYD Dynasty Series increased from more than 70 points in April 2021 to 90 points in December 2021.

## Special Assessment of Service Quality

BYD continues to carry out special assessment of service quality, so as to strengthen the management of terminal service quality, improve the level of terminal service quality and form a good state of common improvement of sales volume, service and brand image. The special assessment of service quality is mainly conducted via inspection by mystery shoppers, which is calculated every month. The assessment objects include distributors and front-line personnel. The assessment objects will be negatively motivated and rewarded according to the inspection results of mystery shoppers.

## Distributor Training

BYD organizes and guides the distributor sales service procedures and ideas, analyzes and summarizes the problems often encountered in the process of sales service, constantly develops new ideas and methods in service, and provides different types of special training, such as Iron Army Training Camp and In-store Guidance for Distributors, to help distributors improve operation management ability and jointly create a better brand image.

### Iron Army Training Camp

Since 2020, BYD has launched the "Iron Army Training Camp" training program for terminal sales, with trainees including mainly terminal pre-sales, after-sales management and sales personnel, aiming to build an invincible sales team with excellent service and professional sales skills. In 2021, the scale of Iron Army Training Camp continued to expand, and more than 16,000 distributors were trained in the Iron Army Training Camp. The distributors' training in the Iron Army Training Camp covers five aspects: brand power, service power, sales power, management power, product power. Through multiple forms of combination, we can continuously empower and improve distributors, continuously improve personnel quality and strengthen the management ability of distributors.

The Iron Army Training Camp has played an important role in reducing the distributors' turnover, maintaining the stability of distributors' employees and helping distributors' overall sales growth. In 2021, the average sales volume of distributors' stores increased rapidly from 67 in June to 97 in December, representing an increase of 45%.



## In-store Guidance for Distributors

As an important strategic project of the company, BYD supermarkets are an important carrier to show BYD's brand image and service quality. The in-store guidance for distributors was carried out through subject discussion, operation control, service experience, test drive route design and other dimensions, and outstanding store managers and salesmen were selected for recognition. Through a comprehensive combing of the basic situation of the store, BYD thoroughly identified the direction of improvement, improved the process, conducted 360 comprehensive diagnosis and evaluation of distributors, and carried out field research and rectification from five aspects: customer management, personnel management, reception management, internal training system and channel management. BYD aims to build an elite management team for the store to improve the service capability of sales personnel at BYD supermarkets.



Conducting "Sword Action" to improve the operation capacity of national supermarkets/urban exhibitions

## Promote Distributor to Fulfill Their Social Responsibilities

While performing our social responsibilities, BYD did not forget to motivate the distributors to contribute to the society at the same time. In July 2021, Henan suffered a natural disaster caused by heavy rainfall. BYD Auto launched the emergency rescue service channel for car owners and opened all 4S stores in Zhengzhou as emergency shelters to provide assistance for citizens to enter the stores nearby and tide over the difficulties hand in hand with the people in the disaster area.



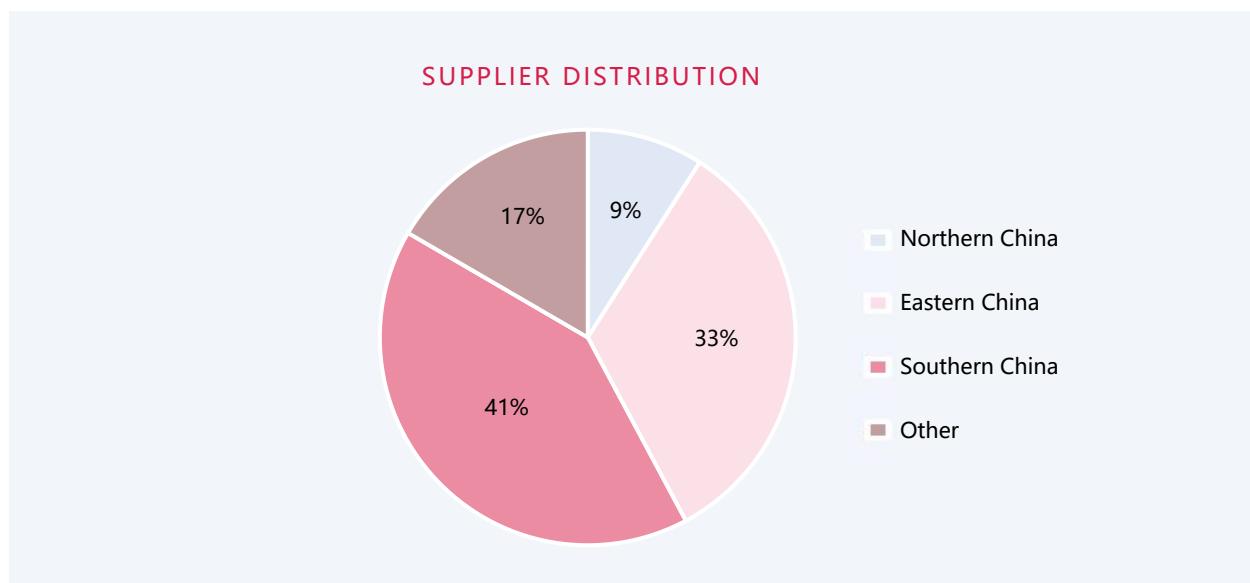
### 3.3 Supplier Management

With the aim of "prevention first, combined prevention and control", we implement comprehensive risk management. BYD has formulated a series of supplier management systems such as BYD Supplier Requirements, Specific Measures for BYD Suppliers Review, Specific Measures for BYD Supplier Corporate Social Responsibility Management, which are optimized and updated annually with new laws and regulations of international, national, local and industry associations, as well as the latest requirements of customers included. The supplier management system defines the social responsibility requirements for supply chain partners from the aspects of labor standards, occupational health and safety, environmental management, trade safety, anti-corruption and anti-commercial bribery. The relevant documents explicitly prohibit suppliers from purchasing conflict minerals. The same prohibition extends to downstream suppliers, whom will be investigated by BYD. We have publicized BYD's corporate social responsibility requirements and BYD's high attention to corporate social responsibility to all suppliers through various ways.

BYD has established a risk management committee and a procurement taskforce, and formulated the BYD Company Procurement Risk Management Procedure. The procurement taskforce of the risk committee is responsible for collecting the risk management information of the supply chain and conducting risk assessment, setting risk thresholds and devising corresponding countermeasures, regularly summarizing and analyzing the effectiveness and reasonability of the existing risk management strategies, and constantly revising and improving them according to the actual situations. Risk management has been transferred from offline manual control to online control to ensure closed-loop risk management through information system. In 2021, the procurement taskforce identified 15 risks, analyzed the causes and effects of these risks, and formulated risk strategies and countermeasures.

#### Number of Suppliers

BYD implements procurement localization and selects nearby suppliers, and the priority order are local companies - companies within the province - domestic companies (including foreign investment companies) - foreign companies. BYD has more than 10,500 cooperative suppliers, 41% of which are located in Southern China, 33% in Eastern China, 9% in Northern China and 17% in other regions until the end of 2021. In recent years, due to the increased demand and the expansion of passenger vehicles, batteries, tracks and other businesses, BYD has added factories in many places, and the number of suppliers in other regions (such as Guiyang, Jinan, Bengbu, etc.) is on the rise.



## Selection of Suppliers

### Convention of Contracting Suppliers

BYD has always adopted strict labor practice standards, human rights standards and environmental standards for screening our suppliers, required suppliers to establish a management system that meets the requirements of ISO14001, promised to apply and promote a

Suppliers are required to ensure that they do not use any form of forced labor, bonded labor (including debt mortgage) or indentured labor. They shall not use child labor at any stage of the business process. They shall treat employees fairly and offer equal pay for equal work, and do not discriminate against employees because of race, color, age, gender, ethnicity, religion, belief, etc. Suppliers must provide employees with a safe, healthy and pollution-free environment to minimize potential hazards in the workplace.

corporate social responsibility management system that meets the requirements of SA8000, and abided by BYD's Corporate Social Responsibility Clauses in the "Supplier Access Agreement" and "General Purchasing Rules".

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

### Selection of New Suppliers

Before introducing new suppliers, BYD will conduct an investigation for their necessary credentials, and record Responsibility of BYD Supplier Investigation Form. The suppliers will not be selected if they don't meet the required standards.

Before introducing new suppliers, BYD will sign the relevant cooperation agreement which contained CRS provisions (supplier access agreement and general procurement rules) with such suppliers to guide and supervise the suppliers to respect human rights, treat employees preferentially, and protect the environment.

The BYD Supplier Review Sheet is the basis of such investigation. The Sheet features dedicated

sections such as "corporate social responsibility", "safety, information, and intellectual property rights", "hazardous substance control", comprehensively rating suppliers and their downstream supply chains in terms of humanity, environment, safety, compliance, hazardous substance control, and trade safety. All information will be verified on site, with multiple provisions of veto power.

For materials with HSF requirements, we confirm the compliance of the supplier's HSF data at the sample certification stage, and require the supplier to submit relevant questionnaires, test reports, analysis reports, etc. Those that do not meet the requirements will not be used.

## Routine Review and Evaluation of Suppliers

We regularly investigate and review our suppliers' corporate social responsibility performance and compare against CSR provisions of the BYD Suppliers Review Sheet on site. Those failing the review will be provided with interviews, tutoring, and training from BYD to facilitate improvement. Suppliers failing to rectify to the standard within the given time may be severed from BYD's supplier network, depending on the actual situation.

Subjects of the annual review are selected from

qualified suppliers. BYD drafts a list based on the nature of source materials, such as those with high pollution and energy consumption, like PCB, FPC, and connectors. Suppliers of listed materials will be reviewed as per BYD Annual Report on Important Performance Indicators of Environment and Humanities. If the investigation results do not meet the requirements or the energy consumption of the supplier increases significantly, the supplier will be asked to implement rectifications, a process that will be followed up by BYD.

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

For materials that have HSF requirements, the HSF compliance of the materials is confirmed during incoming inspection. After change or

expiration of HSF data, the supplier is required to provide HSF data again.

BYD regularly goes to the government website to check whether any BYD suppliers are included in the blacklist, or there are violations. If any, BYD will require the supplier to rectify in time. If the rectification does not meet the requirements, BYD will stop its cooperation.

## Supply Chain Platform

In recent years, BYD has undergone a pivot in the procurement of production materials, from price-oriented to value-oriented. Risk and strategy management is now under the spotlight. Certain key components and parts are provided entirely by industry-leading suppliers. All manufacturers of BYD's productive materials have passed the quality system certification, those of electronic, battery and other materials are required to pass the ISO9001 system certification, those of automotive

S/A materials are required to pass the IATF16949 certification, and those of track materials are required to pass the ISO/TS22163 certification.

BYD continues to vigorously promote transparent procurement and green procurement, and its life-cycle management is conducted in a closed-loop feedback mechanism to create a highly efficient, collaborative and mutually-beneficial supply chain platform.

## Transparent Procurement

As we push forward the "transparent procurement" initiative, new suppliers onboard now must sign an "Access Agreement" containing transparent procurement terms. As a member of the Anti-Fraud Alliance, BYD puts suppliers violating its "transparent procurement" policy on a blacklist, and as the case may be, makes it public to other members of the Alliance. Employees violating the "transparent procurement" policy will be removed, and even be transferred to the public security organs or judicial authorities in severe cases. The company prioritizes public tendering, which is to be supplemented by other forms of competitive procurement. System operation has been realized to achieve traceability in key stages of the procurement process, improving efficiency and transparency.

BYD has set up two organizations/departments under the direct control of the president, namely the Purchasing Committee and the Audit Inspection Division, for in-house supervision over supply chain management. Notices have been deployed at multiple BYD facilities to remind employees to report violating activities through hotline, email, WeChat, and other means. All procurement activities in violation of the transparency policy, if verified, will face harsh punishment. We want everyone in the company to take part in the supervision of supply chain management and procurement, so that "transparent procurement" will be effectively implemented and monitored.

## Green Procurement

In terms of supply chain and raw materials, BYD always adheres to green procurement, establishes a sound green procurement system of "green suppliers and green raw materials", and

standardizes various environmental management in procurement, to ensure that every purchased component meets the green environmental requirements.

**Green logistics:** BYD is committed to providing more environmental-friendly modes of transportation. For example, we are actively promoting low-carbon marine transportation and increasing the proportion of railway transportation. The low-carbon marine transportation reduces carbon dioxide emissions by 46% per container by using new carbon neutral fuels (such as methanol) instead of fossil fuels.

**Green packaging:** BYD actively promotes the recycling of logistics packaging boxes. For example, we have gradually replaced the cartons, wooden packaging boxes and iron frames used in the transportation of battery pack products with the recyclable blister box with a service life cycle of more than 3 years and an annual recycling cycle of over 900 times, greatly reducing resource consumption.

4

## PRODUCT QUALITY AND SERVICE



## 4.1 Product Responsibility

### Quality Vision: Share quality development, Enjoy quality life

The foundation of BYD is quality, and the high-quality work of all BYD employees can ensure a continuous supply of high-quality products and services to customers and the market, allowing individuals, companies, customers, and industries to share high-quality development. BYD adheres to the spirit of "All for one, one for all", and join hands with everyone to provide high-quality products and services for the society, and share the high-quality life brought by high-quality products and services.

### Quality Values

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

Customer first	People before product	FMEA	Principle of refusal	Leave no loose ends
Constantly find out our customers' needs and exceed their expectation.	Respect processes and disciplines, implement the 5S standard, and cultivate a spirit of craftsmanship.	Thoroughly grasp mechanisms and pay close attention to prevention.	Refuse to accept, produce, and issue any defective product.	Pursue every accident under investigation, every unpunished person of liability, any unimplemented rectification plan and every undisciplined party of liability to the last step.

### Product Quality Management System

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

3.2% of all factories have achieved 5-star rating (ideal). 41.1% have received 4-star rating (excellence), with the rest deemed acceptable. It effectively ensured the operation of the quality management system, strengthened the competitive atmosphere and promoted the continuous improvement of backward factories.

So far within the BYD Group, 77 factories have passed ISO9001:2015 quality management system certification; 57 factories have passed IATF16949:2016 system certification; in particular, 16 BYD automobile factories have passed the ISO9001:2015 quality management system certification, and 1 factory has passed the IATF16949:2016 system certification, and each of the 48 first-level assembly parts factories passed the IATF16949 system certification.

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

Our quality control measures include special quality inspections, in-depth analysis of product failure, and prioritized risk identification. After finding the root cause of issues, we will improve the system accordingly. Preventive measures are also highlighted using FMEA tools and error prevention methods. Our systematic planning incorporates IQS vehicle evaluation, with WDI, PDI, and VDS supporting IQS new vehicle quality inspection, to further improve design precision and development quality.

The quality control process of BYD starts from actual products. The philosophy of CAPD review is further implemented through systematic star rating review and special quality inspections. We will first find the root cause of issues, and then optimize the process accordingly. We are one of the first vehicle manufacturers to implement a “quality system competitiveness index”, which can be related to the overall performance as well as the performance of business units and factories. It has been currently applied in 5S star rating, quality culture and service quality evaluation of industrial parks.

## Research and Development Quality Control

To manage product research and development and ensure the quality of new products, we have established the product research and development management process and developed the PLM management system, specifying relevant procedures for early concept, project proposal, proofing, trial production and mass production transfer. We first understand what customers need and then develop products based on their needs to avoid any change to the products at a later stage.

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

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

## Processing Quality Control

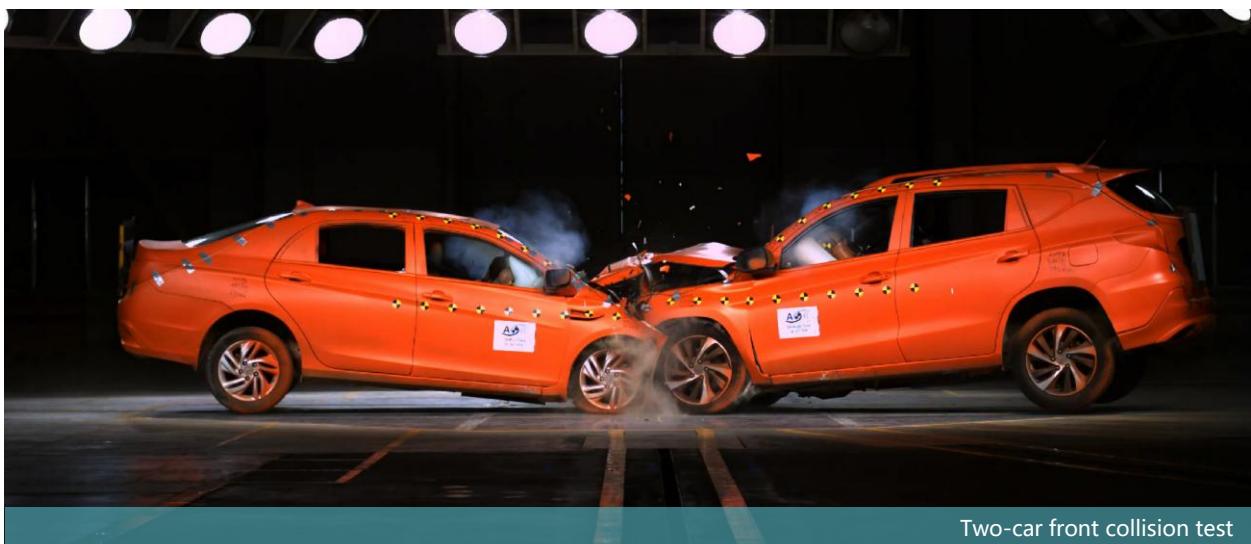
### Process-oriented, Multi-staged control

The principle of quality control is in-depth understanding of mechanisms, systematic planning, thorough execution, full accountability, company-wide participation, fast response, closed loop management, and positive cycle. Employees are encouraged to report potential issues, replay failure, and counter unknown risks through trial and error. The Company is pushing forward automated manufacturing with the utilization of SPC and MSA tools and error proofing means, with the objective of delicate manufacturing facility management, intelligent on-site quality control, legal compliance, and meeting customer demands.

## Ensuring Zero Defects Based on Effective Inspection and Strict Control

BYD strictly controls the whole process from incoming materials to delivery, inspects materials, semi-finished products and finished products according to the product quality planning requirements, and conducts various performance and function tests, so as to ensure that the products can meet the requirements of customers. Relevant management procedures and inspection standards are in place for each stage.

BYD's Automobile Industry Cluster Product Inspection Procedure ensures that all products conform to regulatory requirements through standardized inspections, particularly in terms of inspection preparation (inspector credential, equipment, environment, basis, and procedure), product inspection requirements, shipping inspection requirements, handling of anomalies during inspection, analysis of inspection data, and archiving of inspection records. All vehicles are sufficiently inspected before they leave the factory.



Two-car front collision test

BYD rigorously inspects all manufactured vehicles, with zero tolerance to defects. The inspection process is empowered by state-of-the-art equipment and intelligent monitoring systems, such as headlight examination machine, dynamic rotating hub test platform, braking test platform, sideslip test platform, exhaust analyzer, four-wheel aligner, malfunction diagnosis tester, panoramic chamber, four pillar test rig, and enhanced road performance tester. Vehicles are tested in a comprehensive manner for quality before they leave the factory.



Vehicle NVH test

## Aftersales Service

BYD has a comprehensive product tracing and rapid complaint system to avoid product responsibility risks throughout the whole process from raw material sourcing to manufacturing, shipping, and delivery. For product safety, we follow the Automobile Industry Cluster Product and Responsibility Control Procedure, identifying management requirements of product safety and responsibility related to design, procurement, approval, manufacturing, sales and aftersales service processes.

### Sound Recall System

We have strictly followed the relevant requirements of Defective Vehicle Product Recall Management Regulations in respect of vehicle quality control and recall of defective products. Our Automobile Industry Cluster Defective Product Recall Procedure clearly defined requirements for information filing, creation and maintenance of databases for every stage, conditions of recall, domestic recall (verification of information, voluntary recall, ordered recall), and international recall, so that defective vehicles will be disposed of effectively and properly in order to contain any resulting damages.

In 2021, the data available for early warning in vehicle-mounted terminals under certain charging conditions failed to be updated in a timely manner, which was not conducive to timely discovery of any changes of some vehicle parameters through the remote data platform, and as a result, timely warning could not be given for any possible security risks through the remote data platform and BYD planned to recall 22,581 vehicles, accounting for 3.1% of its total vehicle sales that year. BYD Automobile Co., Ltd. entrusted authorized dealers to upgrade the vehicle-mounted terminal software for the recalled vehicles free of charge to eliminate potential safety hazards. As of 31 December 2021, 16,476 vehicles had been upgraded, with a completion rate of 72.96%.

Users can call the customer service hotline of BYD Automobile Co., Ltd.: 4008-303-666 for details of this recall. In addition, users can also visit the government websites dpac.samr.gov.cn and www.recall.org.cn, or follow the WeChat official account (SAMRDPAC) for more information.

Product liability	2019	2020	2021
Percentage of products recalled for safety and health reasons	0%	0%	3.1%

## Quality Culture

Quality is the foundation for BYD's growth. To enhance a quality culture and create serious and pragmatic working attitude that always seeks to excellence, we are inspiring employee awareness and passion and helping them possess necessary skills through a series of measures, such as quality month, skill competitions, QCC rating, quality cultural corridor, writing competition and craftsman appraisal.

## Everyone is a Quality Officer

In September 2021, BYD's third quality month campaign was launched under the theme that "everyone is a quality officer". Relevant activities were carried out at the Group and business divisions from four aspects of "speaking for quality", "promoting quality", "exerting strength for quality" and "strengthening quality foundation", emphasizing the main role of people in quality assurance throughout the Company, improving everyone's awareness of being responsible for their own work quality and results, and developing the habit of doing things right the first time.

During the quality month campaign, the first BYD Quality Culture Manual was released, which clarified the framework of BYD's quality culture, displayed BYD's characteristic quality culture, and actively guided the development direction of the Company's quality culture and contributed to the creation of quality culture atmosphere, pointing to the increasingly professional and systematic quality culture. With quality culture development, employee's quality awareness and literacy were improved, contributing to the formation of the cultural atmosphere that "everyone values quality and everyone creates quality" and the fulfilment of the quality vision of "sharing quality development and sharing quality life".



Kick-off meeting of the quality month under the theme that "everyone is a quality officer"



Quality Culture Manual

## Construction of Craftsman Spirit

BYD has established the "BYD Company Craftsman Spirit Construction Management Regulations", and with the skills competition as the starting point, the selection of bronze emblem, silver emblem and gold emblem craftsmen is carried out every year to strengthen employees' craftsmanship spirit of "love, focus, responsibility and innovation". Four steps to promote employees to develop the craftsman spirit of "ingenuity and quality, excellence".

In 2021, after 3 months of craftsman selection, 8 company gold emblem craftsmen finally be selected from the 51 selected silver emblem craftsmen. At the same time, we also actively participate in the selection of external craftsmen, and a total of 13 employees have won the titles of Shenzhen Quality Craftsman, Pingshan District Julong Artisan, Shenzhen/Changsha Baiyou Craftsman, etc.



## Quality Achievement

BYD persisted in improving QCC in depth. In 2021, there were 6,133 filed QCC projects, with 5,560 projects completed, and the annual revenue was RMB380 million. The Company actively participated in the external QCC appraisal activities and achieved the following excellent results: the QCC project of Xi'an No.1 Factory of the Seventh Division won the first prize of "Demonstration Level" of China Association for Quality; the Company won one gold, one silver, three bronzes and three excellence awards at the QCC evaluation competition held by Shenzhen Association for Quality; The QCC project of the second factory of the Precision Mould and Equipment Division won the second prize of "professional level" in China's quality innovation and quality improvement; The QC team of Xi'an Association for Quality won 9 first prizes, 13 second prizes and 3 third prizes for its achievements; the Company won 2 first prizes and 5 second prizes at the Hunan Machinery and Equipment Industry Quality Management Achievement Competition.



## 4.2 Customer Interests and Services

BYD is dedicated to the protection of customer interests through a holistic system. Under the broad canopy of the Company's management system, divisions and subsidiaries have tailor-made customer management policies and measures based on characteristics of their business scopes and target customer groups. BYD conducts business under the philosophy of "service with absolute sincerity" and improves service quality by iteratively improving service standards and requirements and optimizing its service lineup and scope to achieve maximum customer satisfaction. The requirements for distributors' credit management were issued to strictly crack down on any acts detrimental to customers' interests.

### Management of Customer Relationship

To maintain and manage the relationship with our customers, BYD has established a customer relationship management system - CSCC customer relationship management platform covering the needs of customers in different stages such as car purchase, car use and replacement. The platform includes information management, customer

management, project management, product management and service management. The Company has formulated rules and regulations and management measures to meet and exceed customer demands, so as to improve customer satisfaction.

### Protection of Customers' Rights and Interests

BYD customers are informed of the Company's true technological capability and product features through technical guidelines, product brochures, and informative animations. Upon product delivery, customers will be provided with a User Manual, a Warranty Booklet and product certifications, which contain detailed and comprehensive vehicle guidance and maintenance information. Considering the use characteristics of hybrid vehicles and battery electric vehicles, BYD continuously optimized the maintenance period to

reduce customers' maintenance costs. In addition, depending on the native language of customers, those in overseas markets may receive said documents in English or local language. We ensure that all customers will be sufficiently informed of products features, operating instructions, and their rights. Meanwhile, we invite customers to visit our factories to help them gain in-depth knowledge about our production process and quality control process and establish benign interaction relationship with our customers.

### Protection of Customers' Privacy

All employees are required to sign our Non-Disclosure Agreement when they join BYD. Customers' private information are under strict protection. In order to protect both parties, suppliers and service providers participating in business activities also have to sign a NDA. We sign privacy policy agreements with customers to give them sufficient personal rights. Private information of customers is stored in our CRM, DMS systems, and background system of BYD Automobile APP,

which are augmented with strict access control. At the same time, a whole process management system covering collecting, processing, applying and deleting customer information has been established to strictly protect sensitive personal information of customers and manage customer information files scientifically. The information security of the system is managed by the Group' s information center, the Institute of Product Planning and New Automotive Technology.

## Management of Customer' Satisfaction

Our comprehensive customer satisfaction management system tracks customers through the entire life cycle primarily in the form of phone, C-CAR and WeChat interviews, checking their satisfaction about our service attitude, process, quality, delivery, and price. Interview results are reviewed to find out the cause of dissatisfaction and key needs. Insufficient services will be rectified accordingly, and key customer needs will be added to the list of critical metrics of internal performance reviews. We want to serve our customers to the maximum extent and make them happy.

In September 2021, at the news conference of China Automotive After-sales Service Customer Satisfaction (CAACS) Survey convened in Beijing, BYD Automobile's after-sales service achieved fruitful results. In particular, BYD Automobile ranked third among domestic automobile brands with 86.89 scores of customer satisfaction. In the sub-model project, BYD Han EV stood out among the luxury models, securing the second place in Class C passenger cars. BYD Song MAX also made brilliant achievements, winning the first place in terms of MPV.

## Management of Customer Complaints

### Channels of Complaint

BYD has formulated a series of administrative measures for customer complaints such as the BYD Customer Service and Communication Management and BYD Auto After-sale Customer Complaint Management Process to ensure constant improvement in service quality and solve customer complaints rapidly and effectively. In 2021, a total of 28,764 complaints were received for the Dynasty Series, with a complaint closure rate of 80% and prompt resolution rate of 90%; in 2021, a total of 13,377 complaints were received for the Ocean Series, with a complaint response rate of 90.5% and prompt resolution rate of 90.4%.

**Prompt Resolution Rate of Customer Complaints**

Type \ Year	2020	2021	Year-on-year Growth
Presales (Dynasty Series)	86%	90%	4%
Presales (Ocean Series)	90%	90.4%	0.4%
Aftersales	94.07%	94.45%	0.38%

## Care for Customers

BYD's customer retention activities are conducted on an occasional basis throughout the entire life cycle of customers. Centered on the WeChat official account of "BYD Automobile Sincere Service" and "BYD Automobile" APP, online activities feature car service inquiry and reservation modules, supplemented by activities such as information sharing, after-sales mall, car owner recruitment, topic collection and welfare distribution, etc. For certified car owners, incentive measures such as posting points and interactive points are implemented.

Offline activities mainly include provision of customers with aftersales services such as maintenance and repair through service stores, and service quality tracking and return visits. At the same time, BYD provides personalized car services such as pick-up and delivery, loaner vehicle service and valet parking, and carries out a series of actions such as "Sincere Home", "Sincere Starlight", "Sincere Forum" and "Great Love and Sincerity" to create and share brand with customers.

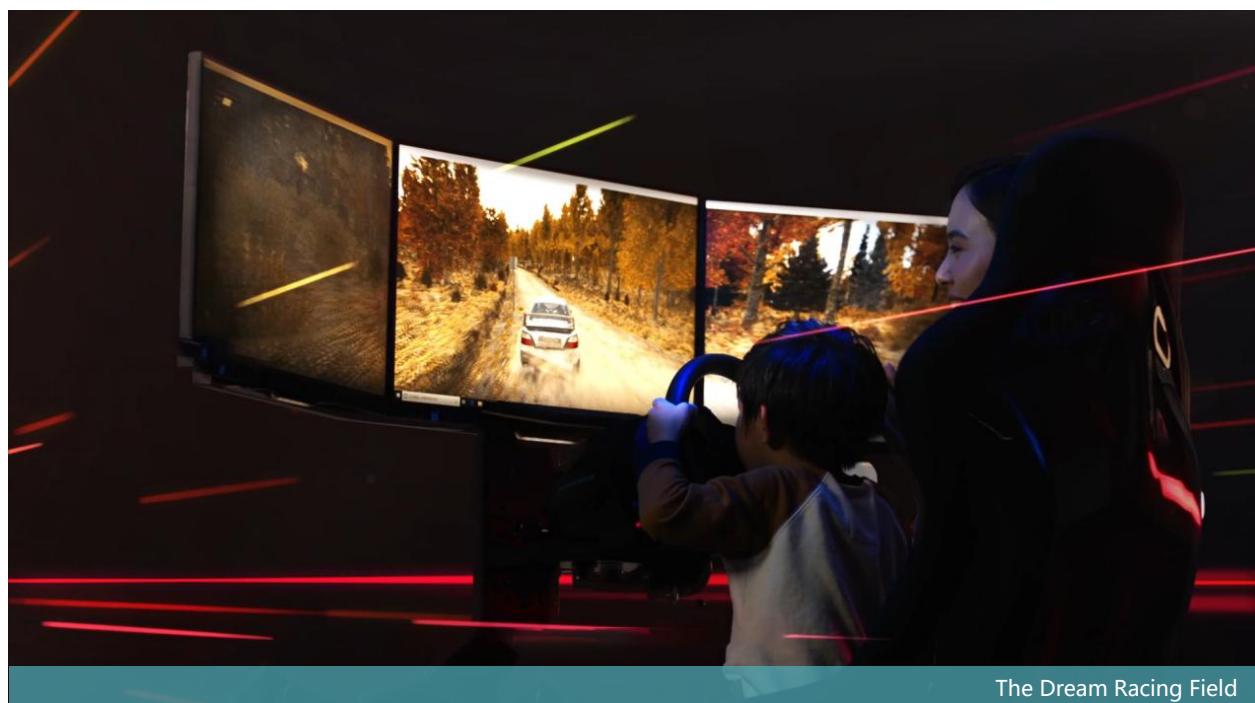


"Sincere Forum" brand theme activity



On 28 December 2021, at the 16th China Automobile Golden Wrench Award jointly sponsored by China Auto Market, Auto Driving and Service and auto.sohu.com, BYD's Sincere Service won the "2021 China Automobile Golden Wrench Award-Service Recommendation Award" for its outstanding performance in service system, service quality, professional technology, innovation ability, customer satisfaction and reputation. Eleven BYD official service stores won the title of "Top 100 Selected Stores of Quality for Golden Wrench Service in 2021" for their professional, normative and caring aftersales services and good reputation.

BYD Automobile has established more than 1,000 service outlets at present, and this number will increase exponentially in the future. Relying on the increasingly intensive service network, we will provide customers with more diversified and comprehensive services featuring cultural and social value, and build the brand circle of owner culture.



5

## CARING AND PROVIDING FOR EMPLOYEES



## 5.1 Responsibility to Employees

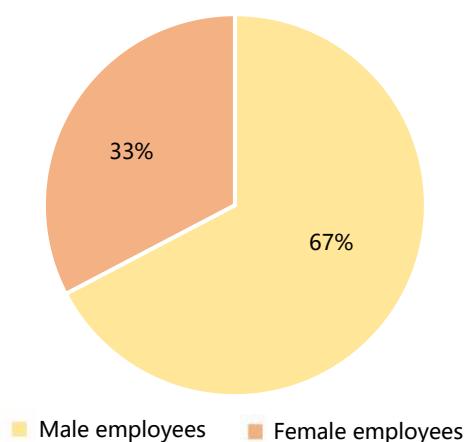
BYD's HR approaches are guided by the principle of "employees first". We respect every employee's rights, help them to grow, and encourage technological innovation. We are trying our best to create an environment that is fair, just, and open, for our employees to work in and develop a career.

As of 31 December 2021, BYD had over 280,000 employees worldwide, with 4,693 graduates, 1,327 interns, and 887 disabled recruited through the year to work in BYD's various units. About 14% of senior executives are female.

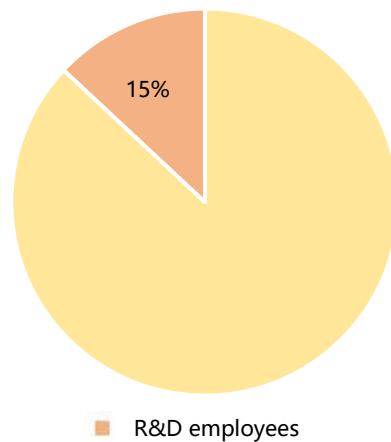
Under the influence of the pandemic, "promoting employment and ensuring growth" has become an important indicator to measure the harmonious development of society. BYD is good at developing itself in solving social problems to fulfil its brand mission. As a responsible national enterprise, BYD actively cooperated with the human resources and social security bureau, employment bureau and other government authorities and set up various employment channels and platforms to absorb local workforce. In 2021, BYD recruited as many as 150,000 people. In China, the proportion of local employees reached 41%, and in major overseas bases, the proportion of local employees came to 96%, which greatly promoted the harmonious development of society and economy.

Category	Number of people	Proportion
R&D employees	40,382	14%
Male employees	193,983	67%
Female employees	94,203	33%
Total number of employees	288,186	

Gender Proportion of Employees



Proportion of R&D employees



## Employment System

Based on the Labor Law, the Labor Contract Law and other laws and regulations as well as standards such as ISO9001, ISO14001, OHSAS18001, and SA 8000, we have developed the BYD Human Resource Management policy. BYD follows the guideline of "equal opportunity, recruitment based on capability". Discriminations based on age, gender, geographic location, ethnic group, tradition, social caste, religion, physical disability, and political tendency are strictly prohibited in the recruitment process. Child and forced labor are prohibited. When employees go through the entry formalities, their identity documents will be automatically identified by the system and then verified by the staff, so as to prevent use of child labor. If an employee is found to have concealed his/her true age and is under the age of 16, BYD will immediately cease his/her employment according to the procedural requirements, and provide all necessary assistance until he/she reaches the age of 16. In order to standardize the resignation management, BYD has defined the resignation process, and protects the legitimate rights and interests of resigned employees according to relevant laws and regulations.

According to the Regulations of BYD on Prohibiting Forced Labor and Punitive Measures, all employees must be recruited on a voluntary basis. BYD does not employ children or support any forced labor. BYD has established multiple communication channels to facilitate employees' reporting of any forced labor so that such illegality can be found and corrected in a timely manner.

During the Reporting Period, BYD did not use any child labor, nor did it violate laws and regulations pertaining to the use of child labor and forced labor.

## Talent Training and Development

### Training and Development

Talent training and development has long been valued at BYD. The Talent Development and Training Department, centering on the core goal of "people before products", has been committed to building a multi-level learning organization that targets new employees, professionals, management cadres and all the employees on the technology, marketing, operation and comprehensive posts and takes various innovative forms such as face-to-face courses, online live broadcasts, case discussions and development activities. At the headquarters level, various projects have been organized, such as the training project called "Star of Tomorrow, Transforming in 100 Days" for new graduates, the orientation training for new employees recruited through social media, the strategic management seminar for senior executives, the "Iron Army Training Camp" for auto sales, quality management personnel professional ability certification; at the business division level, great importance has been attached to the orientation training, certification training, education promotion, and quality safety training of front-line workers, technical seminars and exchange activities have been frequently carried out for R&D personnel and, correspondingly, abundant resources have been invested in the external and internal training of professionals at all levels. At the same time, BYD has also been actively promoting the construction of a digital talent training platform, and built an E-learning online learning platform which allows employees to acquire knowledge anytime and anywhere, and also provides a good carrier for BYD's knowledge extraction and experience inheritance.



The 2021 "Star of Tomorrow, Transforming in 100 Days" training project for new graduates



The 2021 "Star of Tomorrow, Transforming in 100 Days" training project for new graduates

In 2021, the total training course length reached 20,000 hours for top talents, 1,273,000 hours for mid-level talents, and 14,042,000 hours for junior-level talents; in particular, the proportion of employees completing learning tasks on the E-learning platform exceeded 80%; the Company has 85,137 on-the-job lecturers, more than 100 self-developed courses and over 1,000 online courses, and has established partnerships with external top universities and professional colleges, with remarkable results achieved in the construction of both internal and external lecturer teams and course libraries.



2021 level certification exam site of skilled talents

In terms of employee development, the Company, through the post-competition approach, has established an employment mechanism in which competent employees will be promoted to leadership roles, ordinary employees can only become their subordinates and incompetent employees will be kicked out. This mechanism is designed to select outstanding talents for the relevant posts to achieve the optimal allocation of the Company's human resources and have talents give full play to their capability at their posts; besides, the awareness of "position based on competition, remuneration based on performance; employment based on ability, reward based on contribution" is established to increase the sense of urgency and mission of employees, fully mobilize their enthusiasm and creativity, further adapt to the development needs of the Company, and thus provide a powerful talent guarantee for the Company's development. Meanwhile, under the framework of the "Rising Dragon Program", the Company has designed and established a multichannel talent training, development and management system for employees, covering management, technology, skills and so forth. At present, the channels for cultivation of technical talents (technology R&D positions) and skilled talents (front-line technician positions) have been established, providing employees with a clear career development direction to encourage them to continuously improve their professional skills and create greater value.

## Rising Dragon Program: Talent Management System of BYD

- The program, originated in BYD's competition culture, fully embodies BYD's basic concept of talent selection and talent training, which is in alignment with the Company's development strategy;

- Based on the results of performance appraisal, the program evaluates talents through effective evaluation methods, establishes talent pools at different levels, performs pool management, and matches them with the corresponding rank management and training system, with an aim to identify the best of the best;

- Altogether six pools are set up, including green dragon, hiding dragon, raising dragon, swift dragon, leaping dragon and flying dragon, corresponding to the six stages of employees' career development;

- The talent management model in which talents are ready to accept a higher or lower post is designed to dynamically manage the talents of each pool, and fully tap and utilize human resources under the performance-oriented guidelines, thus vitalizing the organization.

## Salary and Providing for Employees

Abiding by relevant laws and regulations such the Labor Law, we encourage employees to exercise their talents and pursue their dreams. Incentives, monetary and otherwise, are provided to elevate employee happiness.

### Salary

Under BYD's sound salary regulations, the bonus an employee receives is closely tied to the Company's operation condition, the performance of the employee's business unit, and the contribution of the very employee. To maximize each employee's interests and benefits, we review and revise our salary regulations on a yearly basis. We have management and production awards, such as the President Award (the top award of BYD), Contribution Award, Patent Award and Technological Innovation Award, granted annually to winners from hundreds of projects. In every region we operate in, we strictly adhere to local laws and regulations regarding work hours and holidays. Employees are entitled to annual paid leave, maternity leave, and other leaves as part of our benefit package. As required by laws, we thoroughly advocate contracted labor. Throughout the year of 2021, as ever, BYD has signed labor contracts with 100% of our employees.

## Providing for Employees

We care about the life quality of our employees, especially their immediate needs in housing, transportation, child education, health care, etc., for which we have provided attentive and normalized care services to enhance their sense of belonging and happiness.

	<b>Nutrition</b>	All BYD production bases across the country are equipped with cafeterias to provide diversified food for employees three times a day, making it convenient for employees to eat nearby and also ensuring the healthy diet based on strict food safety control.
	<b>Housing</b>	Dormitories are built within BYD plants. Since 2000, BYD has constructed employee housing in Kuichong (Shenzhen), Daya Bay (Huizhou) and Pingshan (Shenzhen), offered at prices much lower than the market level to those eligible.
	<b>Transportation</b>	BYD has made arrangements for daily shuttle services with multiple shifts and routes so that employees can get to and from work easily. Employees are entitled to zero down payment for purchasing BYD vehicles and subsidiaries for using cars for official affairs. Besides, a large number of new energy vehicle charging piles are laid for employees to charge their vehicles for free.
	<b>Health care</b>	As BYD constantly supplements employee benefits, we pay various social security funds for our employees according to the Labor Law, with a dedicated healthcare fund for those with medical needs. In 2021, BYD's healthcare fund paid almost RMB9.37 million for the medical treatment of 3,508 employees, and provided a total of nearly RMB2.61 million in medical aid to 112 employees with serious illness.
	<b>Child education</b>	BYD incorporated the Shenzhen Yadi School in joint force with Shenzhen Middle School. The Company is also forging partnerships with schools in the vicinity of production plants, to secure education for the employees' next generation.
	<b>Protection of special population</b>	At BYD, special care is also provided for pregnant or breastfeeding females in the form of pregnancy rooms, breastfeeding leaves. They are not allowed to work extra hours or night shifts.

## 5.2 Caring for Employees

Based on actual employee needs and corporate value, BYD organized a series of caring activities in 2021 in multiple forms, levels and channels to remind employees that a happy, passionate life is the basis of hard work. We held the singles hangout, mobile game competition, basketball match, family month, New Year's Day party and various club activities to enrich the employees' spare-time cultural life. Besides, the Company also built football fields, basketball courts, badminton courts, etc. to satisfy employees' increasing needs for spiritual and cultural life.



## 5.3 Occupational Health and Safety in Production

BYD adheres to the people-oriented development philosophy, and considers the safety in production as the basic requirement for the Company's sustainable development. Embracing a highly responsible attitude towards employees and society, BYD has been committed to protecting the health and safety of employees. We constantly improve the occupational health management system and emergency management system, enhance the level of safety management, standardize corporate behavior in compliance with laws and regulations, realize the standardized management, solidly perform the safety production management, and establish a long-term mechanism to guarantee the occupational health and safety of employees.

Based on construction of the occupational health and safety management system and the safety culture, BYD has been continuously improving the working environment of employees, protecting their health and safety, and solidly promoting the management of safety production liability system, hazard identification and assessment, personnel ability and awareness training, operation control, occupational health, emergency response, accident investigation, etc., to eliminate potential safety hazards and prevent accidents.

**The Company's responsible occupational death number and proportion for occupational death and occupational injury in the past three years:**

Year	Number of Occupational Death	Occupational Death Proportion	Number of Lost Days due to Occupational Injury	Lost days due to occupational injury rate (LDR)
2019	0	0	—	—
2020	1	0.00039%	7 680.625	3.03
2021	0	0	8 182.25	2.10

Notes:

- (1) The 2019 system temporarily did not record the number of lost days due to occupational injury;
- (2) Calculation method: occupational death proportion=number of occupational death/annual average number of staff;
- (3) Lost days due to occupational injury rate (LDR)=number of lost days due to occupational injury/annual average number of staff\*100

### Construction of an Occupational Health Management System

BYD has established a sound occupational health and safety management system, as well as an EHS safety production management committee, under which a safety and environmental office was set up. Additionally, the Company established a safety production responsibility system, built and improved a safety and environmental management system covering the hazard identification, assessment, inspection, accident investigation, etc., actively examined workplaces, and took occupational health protection measures, providing employees with three-staged occupational health examinations. Since 2006, the Company has established an occupational health and safety management system, which passed the review of DNV-GL. On 11 January, 2007, the first system certificate was obtained. Since then, we have received the review by professional organizations on a yearly basis.

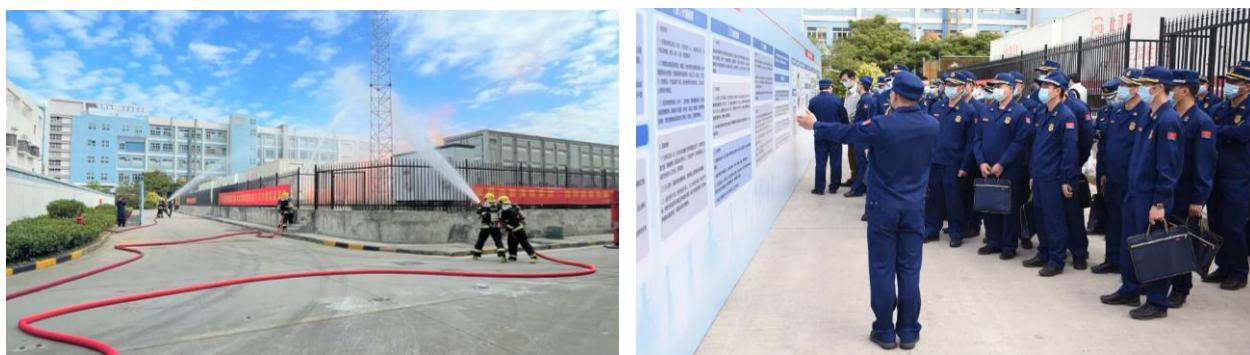
### Construction of Safety Culture

The EHS committee of BYD organized the preparation of the BYD Safety Culture Manual, clarifying the Company's safety concept of "reverence for life and safety in development", and putting forward the core safety values covering "responsibility, capability, prevention and implementation". Through continuous exploration and practice, it has gradually formed a safety culture with BYD's characteristics - "Di An" culture. Centering on the "Di An" culture, the Company has brought forward six first-level safety behavior concepts, including "prevention, responsibility, practice, learning, degree and thinking", together with 15 second-level safety behavior standards.

In June 2021, BYD carried out various activities of the Safety Month, with the theme of "Implementing Safety Responsibility and Promoting Safety Development", including the "Safety Lecture", "Di An Cup" online quiz, and "Risk Scanning, Targeted Elimination" online and offline activities. The Safety Month was designed to promote the safety culture, strengthen employees' safety awareness, implement safety values, and achieve the "safety after realizing it".



In November 2021, with the theme of "Implementing Fire-fighting Responsibilities and Preventing Safety Risks", BYD carried out publicity activities in four stages: "creating the atmosphere - promoting the progress - strengthening the foundation - focusing on the actual effect"; each region actively responded to the call of the Group and launched the kick-off meeting for fire-fighting month, striving to achieve the goal of "all valuing the fire safety, mastering self-rescue skills of fire hazard, achieving the safety, and understanding the safety" through joint defense exercises, fire knowledge contests, fire-fighting skills competitions, fire safety inspections, special training for fire control, etc.



Fire Fighting and Rescue Drills

BYD spreads the successful experience, which originates in the training and education base, to industrial parks in Xi'an and Changsha, so that employees can combine theory with practice and, through experiential and situational methods, recognize safety risks, understand safety regulations, master safety skills, and strengthen safety awareness. In addition, the first-aid knowledge training on CPR and AED defibrillation was also carried out, with more than 1,500 participants throughout the year. Efforts have been taken to improve learners' safety awareness and emergency capability, disseminate public safety, and popularize safety knowledge. Embracing the tenet of openness and service sharing, the training base is open to surrounding enterprises, public institutions, schools and communities for free. In total, it has received more than 80 exchange visits and trained over 3,500 people.



Safety Education Training

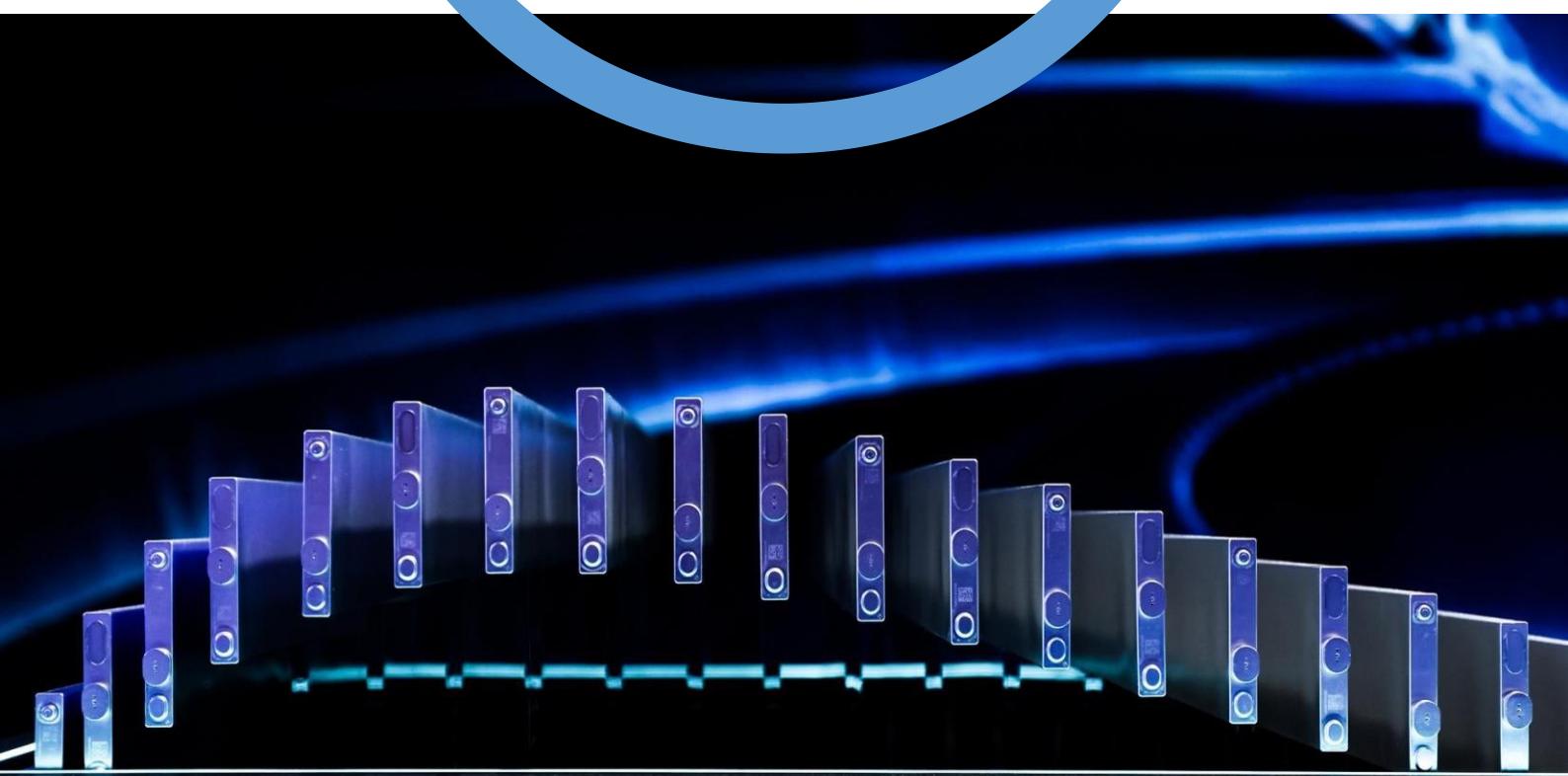
BYD has availed itself of the safety evaluation fund for incentives. Through the awards such as top ten EHS leadership, special safety teams, dangerous chemical guards, special elites and guardian stars, the establishment of a summary and appraisal platform, and the advanced safety evaluation organized in stages, the Company has managed to discover and accumulate effective safety management experience and methods, create a safety culture atmosphere of "comparing, learning, overtaking and surpassing", set up an advanced benchmark for safety production, and stimulate the enthusiasm of grassroots for safety culture, through which the safety awareness of employees has been significantly improved.



"The Bravest Cup" Fire-fighting Skills Competition

6

# GREEN OPERATION AND PRODUCTION



## 6.1 Green Operation

As an active advocate for environmental protection, BYD, while helping society cut down energy consumption by the production of green products, also focuses on reducing our own direct impact on the environment. The energy conservation/emission reduction objective of BYD was even more demanding in 2021 as we invested over RMB500 million in projects related to environmental protection for technology and equipment upgrades, and all the new projects had undergone environmental impact assessment. We reported and investigated into accidents, held those responsible for accidents accountable, and prevented and rectified further accidents in accordance with the BYD Company Environmental Accident Investigation and Responsibility Handling Measures. During the reporting period, no major environmental accidents happened in BYD.

BYD regularly reviews the data of greenhouse gas emissions, hires a third party to check the carbon emission, and keeps monitoring and improving the greenhouse gas management performance. By strengthening the energy management, reinforcing the energy-saving transformation, reducing the pollutant discharge, etc., we continue to reduce our own energy resource consumption and carbon dioxide emission per unit.

### Greenhouse Gas Emissions in 2021:

Category	Unit	2020	2021
Scope I- greenhouse gas emission (carbon dioxide equivalence)	Tons	199 406.48	315 610.31
Scope II- greenhouse gas emission (carbon dioxide equivalence)	Tons	3 945 773.38	4 903 502.49
Total greenhouse gas emission (carbon dioxide equivalence)	Tons	4 145 179.86	5 219 112.8
Greenhouse gas emission intensity	Tons/RMB10,000 revenue	0.2647	0.24147

#### Notes:

(1) Scope I is fixed combustion source emission; Scope II is indirect emission. The report only discloses carbon dioxide emissions, and no other calculation method of greenhouse gas emissions is available so far.

(2) It is calculated in accordance with the provisions of Guidance for Verification of the Organization's Greenhouse Gas Emissions of Shenzhen.

Calculation method:  $E = Q \times EF$

(E: carbon dioxide emission Q: electricity purchased/natural gas consumption/gasoline consumption/diesel consumption EF: emission coefficient)

Emission category	Emission coefficient	Emission coefficient unit
Natural gas	0.0022	Ton/m <sup>3</sup>
City electricity	0.9489	Ton/MWh
Diesel	3.1	Ton/ton
Gasoline	2.92	Ton/ton

## Management of Energy

BYD has remained dedicated to reducing energy consumption and carbon emissions throughout the entire company. The Company has formulated the BYD Energy Conservation and Consumption Reduction Management Procedures to continuously optimize the effectiveness of energy management system through measures including energy audit, internal review, and energy-saving technology upgrade, thereby reducing energy consumption and improving energy use efficiency. BYD has established dedicated energy consumption management departments at every level from the headquarters down to each business division, manned by professional management teams. In 2021, BYD has continued to transform the technology and upgrade the equipment, promote the replacement of traditional energy with renewable one, and perform energy saving in technology and management, keeping reducing the energy consumption.

During the Reporting Period, a total of 43 major energy-saving and emission-reduction technology transformation projects have been completed in the Shenzhen-Huizhou area of BYD. These projects include the Energy Saving Project of BYD Auto Industry Co., Ltd. by Utilizing the Power System Test Bench for Power Recovery, the Project of Shenzhen BYD Electronics Co., Ltd. by Utilizing Product Capacity Test Cabinets on Huawei's Product Line for Energy-saving Optimization and Transformation, the Energy Conservation and Emission Reduction Transformation Project of BYD Semiconductor Co., Ltd. for Implementing the Power Module Welding Process, the Transformation Project of Huizhou BYD Electronics Co., Ltd. for Implementing Centralized Vacuum Supply System and the Transformation Project of Injection Molding Machine Servo, etc. 3,332 tons of standard coals in total were saved, and 13,370 tons of carbon dioxide emissions were reduced.

### Energy Conservation and Emission Reduction in Shenzhen-Huizhou Area



## Management of Water Resources

Attaching great importance to the protection of water resources, BYD has formulated the Management Regulations on Water Conservation. Additionally, we develop a water-saving development plan on a yearly basis, abide by the principles of "water conservation, total amount control, water use plan, comprehensive utilization and focusing on efficiency", and continuously strengthen the water management. We determine the water quota based on the actual water consumption of the unit, and conduct strict supervision and implementation. Besides, we adjust the water consumption structure in a bid to improve the way we use the water and thus to avoid the waste of water resources.

- **Reduction:** The water consumption is reduced in line with the water-saving development plan. We conduct regular maintenance and management on the water supply network, water facilities, equipment and appliances to lower the leakage rate.
- **Recycling:** The Company recycles and reuses component cooling water and condensate water. In Pingshan, Huizhou and Xi'an plants, we have built the reclaimed water recycling system and recycled water resources through waste water treatment stations and reclaimed water facilities.
- **Reusing:** The treated domestic and industrial wastewater is used by the Company for washroom rinsing in staff dormitories, industrial park landscaping and road cleaning.

## Management of “Three Wastes”

In strict accordance with the Water Pollution Prevention and Control Law, the Air Pollution Prevention and Control Law and other laws and regulations, BYD Group has established the ISO14001 environmental management system and related environmental management regulations. In 2021, BYD strictly controlled the discharge of various types of wastes, and effectively reduced pollutant emissions through control from the source of the process and upgrading governance at the end.

### Management of Solid Waste

Waste management has always been a focus at BYD. For the management of various types of wastes and the responsibilities of relevant departments, we have also formulated strict regulations. BYD advocates for disposing of solid waste by category. The toxic or harmful substances are handled by accredited external units entrusted by the safety & environmental engineering office of the quality division; domestic garbage and non-harmful industrial waste are disposed by external environmental sanitation departments; most of the recyclable waste is reused, with a portion recycled and handled by professional units. The Company designs and replaces the product packages to increase the recycling rate, and adds lining to the packaging barrels of raw and auxiliary materials using coatings and sealants to avoid contact with pollutants for reusing and reduce the amount of waste packaging barrels.

### Management of Wastewater and Waste Gas

Paying attention to the prevention and control of water pollution and waste gas, BYD has formulated relevant management regulations, which are continuously improved and perfected. Pollution prevention and control facilities follow the “three simultaneities” system of environmental protection for construction projects, that is, they are designed, constructed and put into use simultaneously with the production projects. The design of various pollution prevention and control facilities implements various policies as required, and complies with the Environmental Protection Law, Water Pollution Prevention and Control Law, Air Pollution Prevention and Control Law and other national laws and regulations as well as various regulations announced by local governments.

BYD's emission targets are currently the most stringent standards in China. We publish the environmental information of key pollutant discharge units on the company's official website every month, and test the discharge outlets regularly according to the regulations. All the outlets reach the standard. The types of waste gas generated from BYD's workshops mainly include dust, acid mist and volatile organic compounds (VOCs). Each industrial park has built waste gas treatment facilities to discharge the waste gas after reaching the standard.

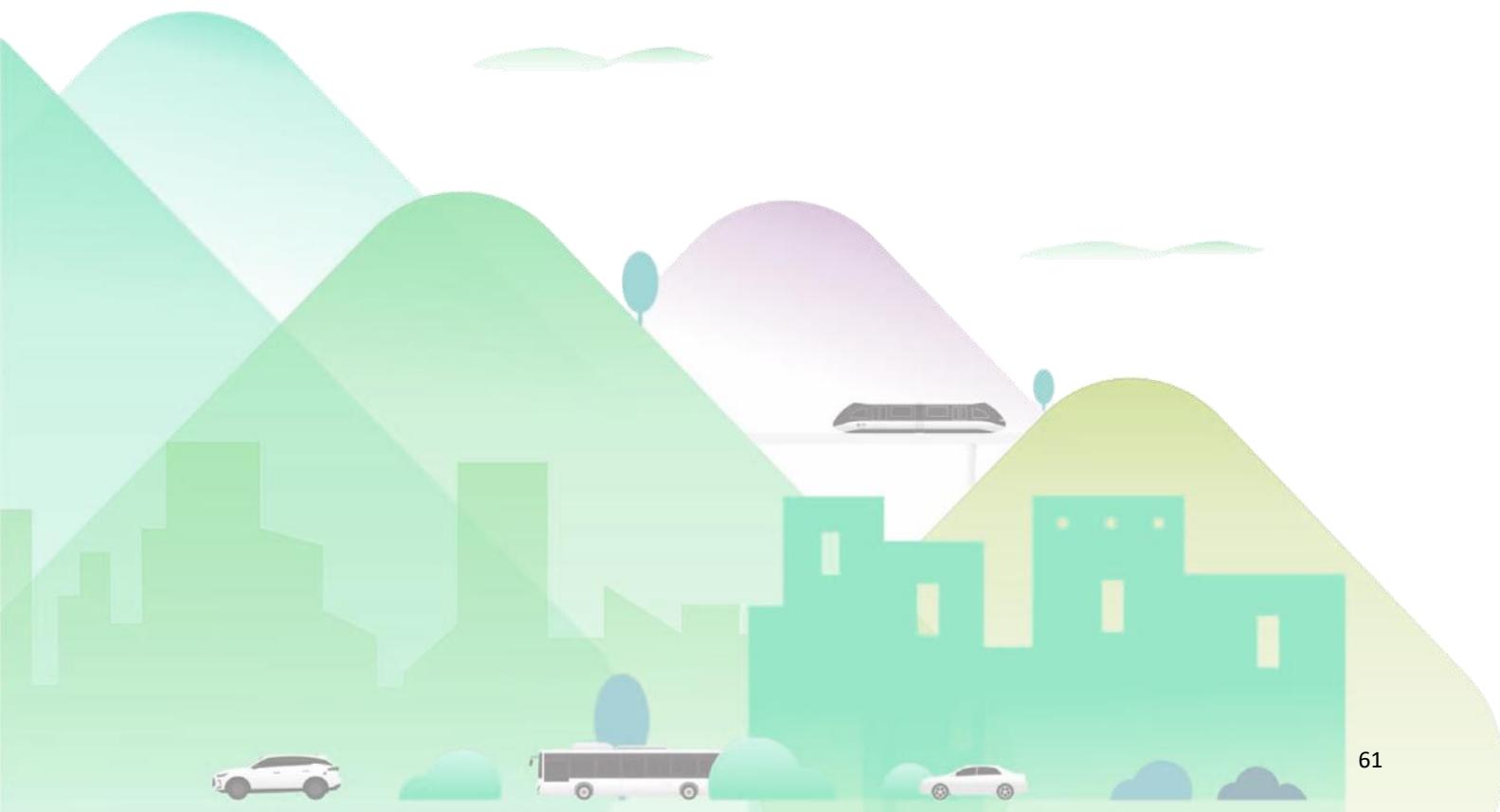


During the Reporting Period, BYD upgraded the wastewater and waste gas treatment facilities to improve the treatment efficiency of pollution prevention and control facilities and effectively reduce the external discharge of pollutants.

- **Wastewater Discharge:** The coating pretreatment of the whole vehicle under the Group adopts the thin-film process instead of the traditional phosphating process to achieve zero discharge of heavy metal nickel, reducing nickel discharge by 0.54 tons throughout the year;
- **Waste Gas Emission:** The degreasing-sintering organic waste gas treatment process of Huizhou BYD Electronics Co., Ltd. has been upgraded from the original treatment process of “UV photolysis + activated carbon adsorption” to the treatment process of “condensation + water spray + condensation + dry filtration + electrostatic oil mist purification + UV photolysis + activated carbon adsorption + low temperature plasma”, further reducing the concentration of pollutants emitted from the waste gas outlets. After the upgrade and transformation, the accounting of monitoring data shows that the emission concentration of VOCs has dropped by 71%, and the total emission has decreased by 0.285 tons per year. Low-nitrogen transformation has been made for the supporting gas-fired heat-conducting oil furnaces in BYD’s industrial parks for producing new energy batteries, effectively reducing nitrogen content in waste gas emissions.

## Management of Noise

In order to live in harmony with the surrounding communities, BYD Huizhou Phase I Industrial Park has taken a series of measures such as technically optimizing the noise of the ancillary facilities, environmental protection facilities, air compressor stations, cooling towers and other equipment around all the plants in the park, and installing sound insulation and noise reduction facilities. The overall noise emission standard of the park has been significantly improved on the basis of the standard approved by the EIA (Environmental Impact Assessment), and has been recognized by the surrounding residents.



## 6.2 Response to Climate Change

Climate change is related to the survival and development of all human beings. BYD launched the "Cooling the Earth 1°C" initiative as early as 2016 at the C40 Mayors Summit in Mexico. Wang Chuanfu, Chairman and President of BYD, called on everyone to pay more attention to global climate change at the conference and to reduce the warming of the earth. Over the years, BYD has firmly taken a path of green development and made every effort to deal with climate change.

In 2020, after China announced to the world that it would strive to achieve carbon peak by 2030 and carbon neutral by 2060, BYD made quick response by launching a carbon neutral planning study in February 2021 to explore carbon footprint standards for the new energy vehicle industry. On 10 August 2021, BYD established the Carbon Emission Control Committee, officially starting the company-wide management and control journey to achieve carbon peak and carbon neutral targets. On 19 August 2021, BYD launched the first "zero-carbon park" project in Pingshan Industrial Park, building the first zero-carbon park headquarters of a Chinese auto brand. In addition, BYD has taken an active part in international conferences to discuss with the international community on addressing climate change.

### Build a Zero-carbon Park and Create a Green Ecological Environment for the Whole Park

BYD Pingshan Global Headquarters Industrial Park is located in Pingshan District, Shenzhen, with a total area of about 2.3 million square meters and about 50,000 employees. In August 2021, BYD launched the zero-carbon park project, using its unique advantages in the new energy field to apply green products such as electric vehicles, energy storage systems, solar power stations, electric forklifts, LED lights and SkyShuttle to all aspects of production and life in the park. It is expected that in April 2022, BYD's first "zero-carbon park" will be realized.

BYD expands zero-carbon work into the daily production and life of each park, and strives to create a green ecological environment through the internal green circulation system. In 2021, BYD uses a total of 1,035 new energy vehicles for business travel and employee transportation, and 3,415 electric forklifts to replace traditional fuel forklifts for workshop logistics in the park. BYD's industrial parks in Shenzhen Kuiyong, Shenzhen Baolong, Shenzhen Pingshan, Huizhou, Shanghai, Shangluo, and Changsha generate a total of 44,004,400 kWh electricity by using solar energy. In 2021, SkyShuttle in BYD Pingshan and Xi'an Park carry a total of 3,639,874 passengers. In addition, BYD focuses on improving employees' awareness of environmental protection, and promotes environmental protection knowledge to employees through daily training, meetings, publicity boards, activities and competitions to practice green office.

On 6 November 2021, we obtained China's first SGS certificate for commitment to carbon neutral compliance statement. During the reporting period, BYD Shenzhen, Huizhou, and Shaanxi have won the title of national-level green factories.

**Summary of the Application of BYD's Green Products in Parks in 2020-2021**

Green product	Unit	2020	2021	Year-on-year growth rate
New energy official vehicle	Vehicle	884	1,035	17.1%
Park logistics forklift	Vehicle	2,851	3,415	19.8%
Solar energy generation capacity	10,000 kWh	4 311.1	4 400.44	2.1%
Annual passenger capacity of SkyShuttle in the park (Pingshan)	Passenger	102,771	1,738,093	1,590%
Annual passenger capacity of SkyShuttle in the park (Xi'an)	Passenger	356,003	1,901,781	434%



Rooftop Solar Energy in BYD Park

## Participate in the UN Climate Conference and Help Achieve Zero Carbon Emissions

In November 2021, BYD was invited to attend the 26th United Nations Climate Conference (hereinafter referred to as COP26). On Transport Day of COP26, representatives of relevant governments, businesses and other organizations jointly issued a declaration on accelerating the transition to zero-emission vehicles and trucks, with the goal of achieving 100% of sales of zero-emission vehicles and trucks by 2040 or earlier. BYD actively participated in it and signed the Global Memorandum of Understanding on Zero Emission Medium and Heavy Vehicles. In addition, BYD pure electric buses also served as official shuttle vehicles to provide green travelling services for representatives from more than 190 countries and regions, helping to realize the common vision of global zero carbon emissions with practical actions.



## 6.3 Green Products and Technologies

### Green Layout of the Whole Industry Chain

Guided by solving social problems and driven by technological innovation, BYD is committed to promoting the sustainable development of human society with technological innovation. Early in 2008, BYD has proposed the green vision of utilizing solar energy, energy storage station and electric vehicle to establish a green layout of the whole industry chain from energy absorption, storage to application. BYD has established a complete set of new energy ecological closed loop, which can provide safe and reliable one-stop solutions and services, such as controlling air pollution with electric vehicles, and controlling traffic congestion with SkyRail and SkyShuttle, and provide comprehensive three-dimensional green transportation solutions for global cities.



## Energy Storage Products

Relying on advanced iron battery technology, BYD Energy Storage is specialized in the research and product development of battery energy storage technology to meet the service needs of energy storage, peak load shifting, and peak load and frequency regulation, and provide efficient and clean new energy solutions. At present, BYD Energy Storage has successfully entered many global markets such as the United States, the United Kingdom, Germany, France, Japan, Canada, and Australia, and has provided nearly 100 industrial-grade energy storage solutions for global partners, with a total global sales volume of 2.6GWh.

Since its establishment, BYD Energy Storage has maintained a safety record of zero accident for 14 consecutive years. BYD Cube, independently developed by BYD Energy Storage, has become the first product in China to incorporate thermal runaway safety test into the integrated energy storage product test and pass the international thermal runaway and technical evaluation of energy storage products. It took the lead in the industry to carry out the UL9540A thermal runaway test at the level of battery cell, battery pack, and battery system, and there was no fire, no explosion, and no spread. The safety of the system was further verified. Compared with the traditional air-cooled battery module without fan, the liquid cooling system will save more space, reduce energy loss, greatly save operating costs, so as to ensure that the battery operates within the optimal temperature range, and provide guarantee for the long-term reliability of the energy storage system. It has the characteristics of high safety, high reliability and long service life.

In 2021, BYD launched BMS-active, a new third-generation battery pack management scheme with independent intellectual property rights. It can effectively control the current of the battery pack, ensure the battery utilization rate at more than 99.9%, and support parallel connection and capacity expansion of multiple strings of batteries. This technology has won several awards including the "TOP10 Models for Energy Storage Technology Innovation in 2021" presented by the 10th Energy Storage International Conference and Expo (ESIE2021). BYD is committed to continuous technological innovation. In the future, the energy storage system equipped with BYD blade batteries will further improve the safety of the energy storage system and reduce the cost of the whole life cycle, providing better solutions for the market.





BYD Cube energy storage system has successively won the "Terawatt Diamond Award" in the 14th and 15th SNEC Ten Highlights selection.



In May 2021, BYD was awarded the "2021 Best Enterprise for System Integration Solution in China's Energy Storage Industry" and "2021 Most Influential Enterprise in China's Energy Storage Industry" by the Organizing Committee of China International Energy Storage Conference and [www.escn.com.cn](http://www.escn.com.cn).



In October 2021, BYD won the "2021 Golden Vine Award for Best Energy Storage Technology Innovation" and "2021 Best Provider for System Integration Solution" at the 8th China International Optical Storage and Charging Conference.



In December 2021, BYD won the "2021 Technology Innovation Award in China's Energy Storage Industry" and "2021 Highly Influential Enterprise Award in China's Energy Storage Industry" issued by the Organizing Committee of the Global Energy Storage and New Energy Impact Summit.



## Solar Products

Solar energy is one of the important layouts of BYD in the field of clean energy, with a complete industry chain layout of silicon wafer processing, cell and photovoltaic module manufacturing and photovoltaic system. Its business covers China, the United States, Japan, the United Kingdom, Brazil, India, Australia and other countries. At the same time, BYD Solar Power has jumped to the 8th place in the world in terms of the financeable value of photovoltaic modules, and has been listed as global Tier 1 module manufacturer by Bloomberg for many consecutive years.



For a long time, BYD Solar Power is committed to changing human lifestyle with clean energy, and aims to realize the sustainable development of human energy. We have excellent R&D teams, perfect technological innovation systems, and high-quality products and services. These unique advantages have laid a solid foundation for creating outstanding values for our customers.

BYD Solar Power's high-power modules cover a full range of 166mm, 182mm, and 210mm silicon wafers, and are designed based on mainstream technologies in the industry such as half-cell, double-sided, and multi-busbar technologies. The output power is up to 665W, and the average cell efficiency is 22.8%. While ensuring the optimal module reliability, BYD Solar Power's product R&D team has developed modules with humanized design. As compared with the mainstream products of the same specification in the market, these modules reduce the leveled cost of energy (LCOE) by up to 3.5% and the system cost by up to 5.7%. The products have been supplied to the world in batches, creating more values for the end customers.





BYD Solar Power's integrated solution for optical storage ensures the balance of power supply and demand, guarantees the continuous and stable output of clean power, and realizes revenue growth. It is suitable for household PV power stations, distributed PV power stations for industrial and commercial purposes, large-scale ground power stations, agriculture-solar complementary PV power stations, and fishing-solar complementary PV power stations and other application scenarios. BYD Solar Power has always focused on scientific and technological innovation and practical actions to build a clean and efficient energy system, and strive to achieve harmony between man and nature.



In 2021, BYD's "large-size half-cell module technology" and "Swiss Renova double-glass project" won the "Megawatt Jade Award" issued by the Organizing Committee of the SNEC 15th (2021) International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (SNEC2021).

## New Energy Automobile

New energy vehicles are BYD's "pollution control" solutions for the society. At present, BYD's new energy vehicles have covered seven conventional fields such as private cars, taxis, urban buses, road passenger vehicles, urban commodity logistics, urban construction logistics, and sanitation vehicles, and four special fields such as special vehicles for warehousing, ports, airports, and mines, realizing the overall market layout.



### Passenger Vehicle

In 2021, BYD sold 593,745 new energy passenger vehicles (including 272,935 plug-in hybrid electric vehicles and 320,810 pure electric vehicles), ranking the top of new energy passenger vehicles in terms of annual sales for the ninth time in China, which has further consolidated its position as the industry leader. By 2021, the cumulative total production and sales of BYD's new energy passenger vehicles exceeded 1.51 million units.

In 2021, the Han and Tang flagships continued to make progress, leading BYD's new energy vehicles to a higher end: during the year, BYD Han had recorded a monthly sales volume over 10,000 units for six times, with the cumulative annual sales volume exceeding 117,000 units, ranking firmly at the top in terms of sales volume for medium/large sedans among Chinese brands; the Han EV became the first pure electric medium/large sedan with a monthly sales volume over 10,000 units in China. The Tang series recorded a sale volume of 54,204 units, with comprehensive subversion in the RMB200,000-SUV market under the leadership of Tang DM-i. In 2021, Tang DM has entered the TOP 3 list of new energy SUV over RMB200,000 for several consecutive months.





### Commercial Vehicle

BYD commenced its commercial vehicle business in 2008. Adhering to the development philosophy of "technology-focused and innovation-oriented", with the purpose of "green for a better life", BYD is determined to revitalize the national automobile industry, continue to lead the global industry transformation of new energy commercial vehicles, to build more green and ecological civilization cities around the world. At present, BYD's commercial vehicle business has formed a complete industrial chain of product planning, research and development, manufacturing, sales and service for new energy commercial vehicles, with a product line covering a full range of pure electric buses from 6 meters to 27 meters in length, and pure electric trucks with carrying capacity from 2.5 tons to 32 tons, involving urban public transportation, road passenger transportation, urban logistics, sanitation, ports, airports, mines and other fields. More than 85,000 pure electric commercial vehicles have been delivered globally, with a total operating mileage of over 5.5 billion kilometers.



## Rail Transit

SkyRail and SkyShuttle are BYD's "congestion control" solutions for the society. China's urban rail transit is faced with the problem of single structure, so it is necessary to promote the coordinated development of large-, medium- and small-volume rail transit. BYD's SkyRail and SkyShuttle are small- and medium-volume rail transit, and will be developed to the air in the future, reducing the pressure of ground transportation. BYD's SkyRail and SkyShuttle fill the gap in China's rail transit technology and industry, provide solutions for urban traffic congestion control and transportation microcirculation, and contribute "Chinese wisdom" to traffic congestion control for global urban governance.

In the field of rail transit, BYD gives full play to its advantages in integrated innovation. It has spent five years developing the mid-volume straddle monorail "SkyRail" and seven years developing the new small-volume rail transit "SkyShuttle". "SkyRail" and "SkyShuttle" have completely independent intellectual property rights and are provided with the core technologies of the whole industry chain, contributing to the control of traffic congestion in global cities. Both "SkyRail" and "SkyShuttle" are equipped with high-tech configurations such as unmanned driving system, comprehensive dispatching system deeply integrated with many functions and face recognition, with the advantages of high intelligence, high safety, high adaptability, low energy consumption, low construction cost, short construction period and attractive appearance, which can provide passengers with more intelligent and convenient travel experience and help the new upgrade of urban transportation.



On April 8, 2021, BYD Rail Transit reached a new milestone as the Bahia SkyRail vehicle rolled off the production line at BYD's global headquarters in Shenzhen. The Bahia SkyRail, which was launched this time, is the world's first cross-sea SkyRail vehicle, and BYD has also become the first private enterprise in China to go overseas in the field of rail transit equipment.

On April 16, 2021, SkyShuttle, the world's first new energy unmanned small-volume rail transit system, was officially opened in Bishan, Chongqing.

In the future, BYD will continue to work hard to provide three-dimensional solutions for cities around the world with leading new energy technologies and high-quality rail transit products. We will strive to create low-carbon transportation and achieve sustainable development!



## Technological Innovation, Green sharing

Technological innovation is in BYD's DNA. BYD has mastered the core technologies of the whole industry chain, including batteries, motors, and electrical controls. In 2021, BYD leads the transformation of new energy vehicles to accelerate the replacement of traditional fuel vehicles by new energy vehicles, shares the achievements of scientific and technological innovations with global peers, and strives to find a way from independent innovation to comprehensive and open innovation.

At present, BYD has established 10 technical research institutes, covering materials research, electronics, battery, automobile, new energy, rail transit, semiconductor and other fields. The Group currently has more than 40,000 R&D engineers engaged in various technology development, comprehensively supporting the coordinated development of the Group's four major industries.

### Dedicated LFP Starter Battery and Power Management System for New Energy Vehicles

The lead-acid battery used in traditional automobiles has low energy density, large volume and weight, short life, and heavy metal containing lead (which is harmful to human body and the environment). BYD is a global pioneer in the dedicated LFP starter battery and power management system for new energy vehicles.

**This technology has the following advantages:**

1

More advanced technology, and lighter weight than traditional lead-acid starter batteries. Lower self-discharge loss, and higher charge-discharge efficiency, overall, the fuel consumption of the vehicle reduced 0.1L/100km.

2

Same life as the vehicle. The circulating charge and discharge times of the battery cell are more than 3,000 times, and the theoretical life is more than 10 years, with lifetime warranty and free maintenance.

3

Customers have a good experience in saving time and money. LBMS has the function of battery charge and discharge management, which effectively ensures the safe use of batteries. In addition, it has the function of intelligent charging, and the battery can be automatically charged when the power is low, avoiding breakdown and towing caused by battery loss.

4

Complete lead-free and RoHS-compliant. Put an end to the serious environmental pollution caused by the lead in the traditional starter battery, and carry out comprehensive environmental protection to the end to protect the clear water, green mountains and blue sky for later generations.

**Application:** It has been applied to many BYD models since November 2013.

## DM-p Technology Platform

DM-p has two major power architectures, twin-engine four-wheel drive and three-engine four-wheel drive. The twin-engine four-wheel drive architecture consists of core components such as engine, transmission, P0 motor, rear three-in-one motor, power battery system and two-in-one power supply assembly, and the three-engine four-wheel drive adds a front motor on this basis.

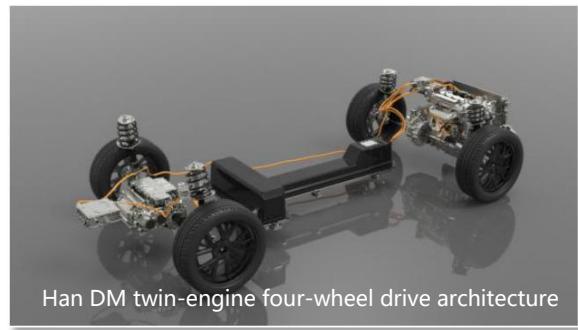
The biggest highlight of DM-p architecture is the addition of P0 motor. P0 motor with high voltage, high power and strong power protection capability has four functions: intelligent power generation, intelligent start and stop, rapid acceleration assistance and auxiliary shifting, which helps the vehicle achieve a qualitative leap in power, ride comfort and quietness.

◆ In terms of power, the dual-mode vehicle equipped with DM-p can accelerate from 0-100km/h in only 4.3s, which is comparable to the V8-class engine;

◆ In terms of ride comfort, EV has excellent ride comfort during travel, and in HEV hybrid mode, there is no setback in starting and shifting with P0 motor;

◆ Under the newly upgraded architecture, combined with advanced NVH simulation, detection and optimization solutions, NVH is ahead of its peers, creating a library-level quiet space for users.

**Application:** The DM-p is now carried with the new-generation Tang DM, Han DM, Song Pro DM, Song Max DM, Qin Pro DM and other models.



Han DM twin-engine four-wheel drive architecture



## DM-i Super Hybrid

DM-i super hybrid is an electricity-based hybrid technology. It is an electric hybrid architecture centering on drive by high-power motor and power supply by large-capacity power battery, supplemented by engine, which subverts the oil-based design architecture of traditional hybrid technology.

The core components of DM-i super hybrid include: 1.5-L high efficiency engine dedicated for Xiaoyun-plug-in hybrid, achieving the highest thermal efficiency of 43.03% in global mass production; turbocharged 1.5Ti high efficiency engine dedicated for Xiaoyun-plug-in hybrid, achieving the ultra-high thermal efficiency of 40% in global mass production; EHS electric hybrid system with ultra-high efficiency and the world's first dedicated power Blade Battery of DM-i super hybrid, AC / DC charger and other core components, which have been achieved 100% independent research and development. At the same time, it also covers corresponding control systems for the whole vehicle, engine, motor and battery. Comprehensive independent research and development capabilities give DM-i super hybrid a strong vitality!

The super hybrid equipped with DM-i has a low fuel consumption of 3.8 liters per 100 km on a loss of electricity, which is infinitely close to the driving experience of EV. Moreover, its 0-100 acceleration capability is 2-3s faster than that of fuel vehicles of the same level. It has a near-perfect vehicle performance such as ultra-low fuel consumption, quietness and smoothness, and excellent power.

**Application:** The DM-i super hybrid is now used in many models of BYD, including Qin PLUS DM-i, Song PLUS DM-i and Tang DM-i.



Song PLUS Super Hybrid Chassis Architecture



## Blade Battery Technology

The Blade Battery is a new generation of LFP battery launched by BYD, with more than 500 patents. It has five advantages of super safety, super life, super endurance, super strength and super power.

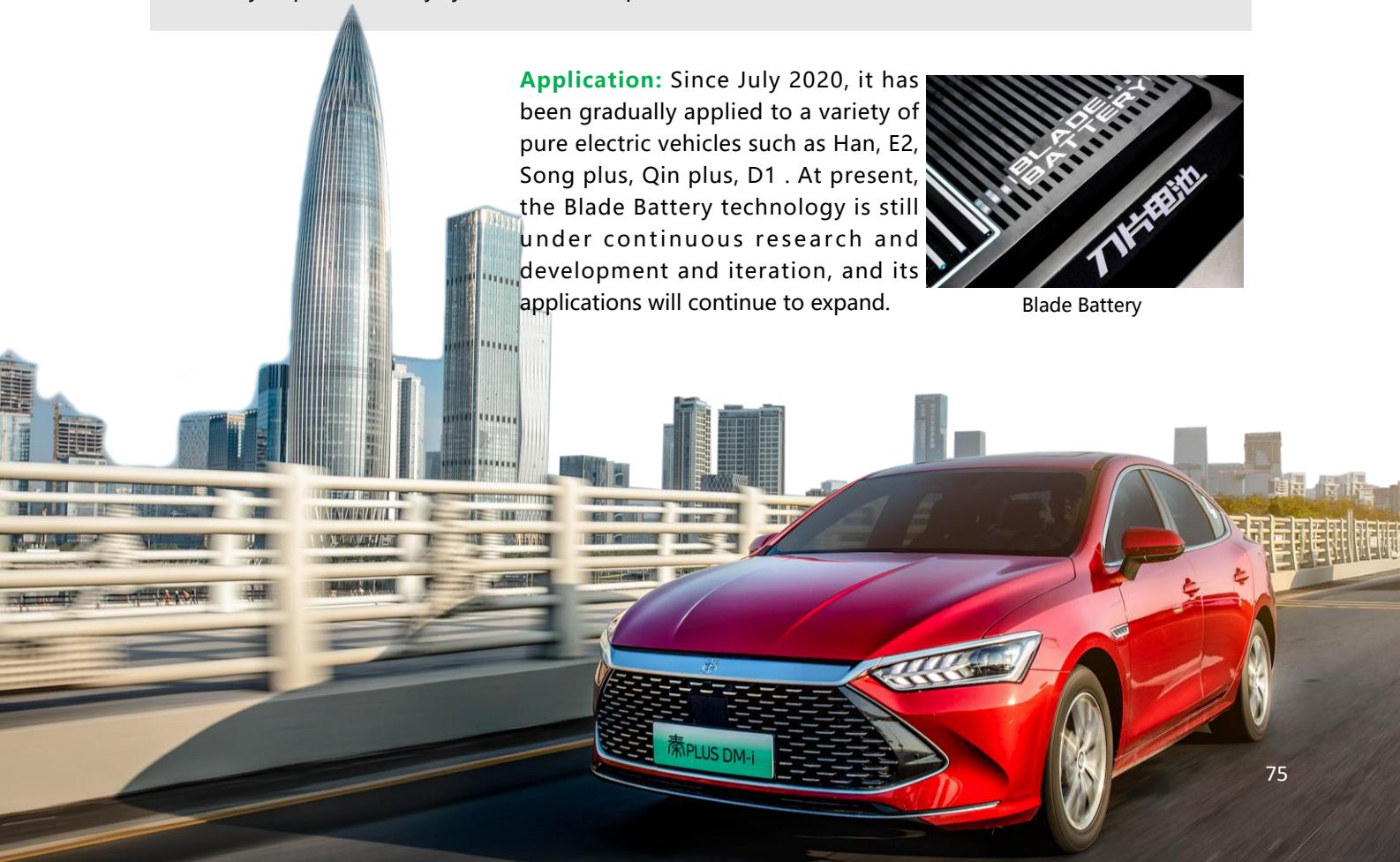
In March 2020, the Blade Battery was born, becoming the only power battery in the world that can pass the acupuncture experiment (known as the "Mount Everest" in the power battery industry). The Blade Battery ends the safety pain point of new energy vehicles and sets a safety benchmark for new energy vehicles.

- The Blade Battery condenses BYD's nearly 20 years of R&D and application experience in the field of power batteries, and integrates BYD's advantages in the whole industry chain from the production of battery raw materials to the manufacture of power battery packs. It is the world's first power battery technology with high volume utilization and high safety protection.
- The Blade Battery adopts the original blade design, with flexibility (various lengths and thicknesses are available) and integration (flat shape and compact design greatly saves space). This technology breaks through the constraints of traditional drawing/extrusion process and solves the welding technology of ultra-thin aluminum shells. With this technology, we have successfully developed ultra-long and ultra-thin aluminum shell blade batteries of 960\*90\*13.5mm and other sizes, breaking the module concept of traditional battery systems, and taken advantage of the unique aspect ratio of the Blade Battery to realize tight arrangement of the ultra-long cells, and achieve a volume utilization rate of more than 60%.
- Compared with the 40% volume efficiency of the traditional battery system, the volume utilization rate of the Blade Battery is increased by 50%, enabling the recharge mileage of the pure electric vehicle equipped with LFP system to reach more than 600km. Moreover, based on the innate safety advantages of lithium iron phosphate (LFP), the compact arrangement design, multi-functional integrated envelope design and system sandwich structure design of the Blade Battery can ensure the safety of power battery system from multiple levels and dimensions.

**Application:** Since July 2020, it has been gradually applied to a variety of pure electric vehicles such as Han, E2, Song plus, Qin plus, D1. At present, the Blade Battery technology is still under continuous research and development and iteration, and its applications will continue to expand.



Blade Battery



## E-platform 3.0

E-platform 3.0 is committed to solving the pain points of pure electric vehicles with innovative technologies. It has four characteristics of safety, efficiency, intelligence and aesthetics to provide a choice of intelligent electric vehicle for customers to buy without worries and drive with confidence.

In terms of safety	E-platform 3.0 continues to use the ultra-safe Blade Battery, and integrates the Blade Battery with the vehicle body to create a force transmission path exclusive to pure electric vehicles, which further strengthens the rigidity of the whole vehicle. Models built based on E-platform 3.0 have the capability of five-star safety under global regulations.
In terms of efficiency	through the standard configuration of the world's first eight-in-one electric powertrain, the volume is reduced by 20%, the weight is reduced by 15%, and the overall efficiency is up to 89%; based on the electricity-driven boost fast charging technology initiated in the industry, the maximum driving range can reach 150km after charging for 5 minutes; with the initiated direct-cooling and direct-heating technology for power batteries, the energy loss is reduced, and the thermal efficiency can be increased by up to 20%; through the heat pump system with wide temperature range and high efficiency, and innovative thermal management integrated module with high integration, a wide range of operating temperature from -30°C to 60°C is achieved, and the recharge mileage in winter can be increased by up to 20% by making full use of the ambient heat source and powertrain waste heat; the new synchronous + asynchronous four-wheel drive architecture realizes the power of four-wheel drive with the energy consumption of two-wheel drive.
In terms of intelligence	E-platform 3.0 integrates the traditional distributed electronic and electrical architecture into a domain control architecture, which is divided into four domains: intelligent power domain, intelligent vehicle control domain, intelligent cockpit domain and intelligent driving domain, thus improving the system interaction efficiency. As for software, BYD OS, an automotive operating system with decoupled software and hardware, has been independently developed by BYD to provide a high-standard collaboration system for high-level intelligent driving.
In respect of aesthetics	through the efficient integration of parts and components, more space is released to the modeling aesthetics, so as to reserve more space for the aesthetic design of pure electric vehicles; based on the integrated design of electric drive and power battery, the pure electric vehicle has shorter front and rear overhangs and a larger wheelbase, which greatly expands the passenger room; the lower vehicle body attitude and longer wheelbase also provide more space for aerodynamic design of the entire vehicle, and the coefficient of drag (Cd) of the entire vehicle can be as low as 0.21.



E-platform 3.0

**Application:** Yuan Plus, the first SUV of the E-platform 3.0, has entered pre-sale stage, and a series of models will be launched successively in 2022.



7

# CONTRIBUTING TO THE COMMUNITY



## 7.1 Fight Against the Pandemic and Disaster Relief

In 2021, countries around the world have been fighting against the COVID-19 pandemic for the second full year, but the pandemic lingered. Due to its rapid spread, widespread infection, and the difficulty in prevention and control, there is no sign of disappearance of COVID-19. In 2021, BYD continued to support the fight against COVID-19. When the pandemic recurred in Shenzhen in June, BYD urgently mobilized RMB12 million of pandemic prevention supplies to support the pandemic prevention . By the end of 2021, BYD has donated more than RMB50 million of supplies in the world.



In July 2021, a severe flood occurred in Zhengzhou, Henan Province. BYD immediately responded and provided RMB20 million for emergency relief and post-disaster recovery. At the same time, BYD Auto has opened the emergency rescue service channel for car owners, and offered all 4S stores in Zhengzhou as emergency shelters, so that nearby citizens can enter the stores for assistance.

### 感谢信

比亚迪慈善基金会：

衷心感谢贵单位对郑州防汛救灾工作的关心和支持！  
辛丑仲夏，郑州遭遇了有记录以来最强降雨，全市人民经受了一场重大汛灾考验。在我市抢险救灾的关键时刻，贵单位第一时间伸出援助之手，对我市抗洪抢险救灾工作给予了极大支持。你们慷慨相助，彰显同舟共济无价情义；你们无私奉献，传递世间美好爱心接力；你们与郑州人民守望相助，共同凝聚起战胜洪灾的必胜信心和磅礴力量！郑州市委、市政府和千万郑州人民向你们表示衷心的感谢，致以崇高的敬意！

当前，郑州各项灾后恢复重建工作正在有力推进。我们坚信，有以习近平同志为核心的党中央坚强领导，有河南省委、省政府有力调度，有包括你们在内的各级各界支持帮助和全社会的共同努力，我们一定能够夺取防汛救灾和灾后恢复重建的全面胜利！

再次向你们表示感谢！祝事业发展蒸蒸日上，取得更好更大成绩！



## 7.2 Public Charity

BYD donated funds to set up the BYD Charity Foundation in 2010. Since its establishment, adhering to the concept of "Technological Charity", the foundation has used technology to help poverty-stricken areas, and technical products to provide disaster relief, to support educational development and help disadvantaged groups in society. In 2021, the BYD Charity Foundation donated a total of RMB48.01 million for public welfare programs.

In 2021, BYD provided targeted poverty alleviation in two regions (Shaanxi and Guangxi). Up to now, it has provided targeted assistance to 20 poverty-stricken counties in nine provinces and municipalities. It consolidated and expanded achievements in poverty alleviation, contributed to the objectives of rural revitalization, and further strengthened cooperation and support for poverty alleviation.



To support education, BYD continued to focus on three major areas: school aid, scholarships and improvement of educational facilities. In 2021, BYD's Dream Realization Action Scholarship supported 147 poor students with a total scholarship of RMB305,200; donated RMB400,000 to carry out a reading aid project for rural children in Mengzi city, Yunnan Province, and set up 200 class book corners; donated RMB60,000 to support 20 outstanding rural teachers in Rangtang County, Sichuan Province. So far, the education program has benefited more than 150 schools in 23 provinces and regions across the country, helping nearly 30,000 students realize their dreams for the future.



In addition, BYD pays attention to special groups and continues to show concern for children with cerebral palsy. So far, we have supported 911 families with cerebral palsy children.

## 7.3 BYD Volunteers

BYD has set up 13 volunteer stations in mature industrial parks and living areas across China, with a total of 5,050 registered volunteers serving 41,184.83 hours. During the outbreak of the pandemic in 2021, BYD volunteers actively assisted the Group in anti-pandemic activities, including delivery of donated anti-pandemic supplies and nucleic acid testing assistance; actively promoted environmental protection and carried out voluntary environmental protection actions at home and abroad.



BYD volunteers in Xi'an participated in nucleic acid testing assistance for pandemic prevention and control



BYD Japan's volunteers participated in environmental protection activities



BYD volunteers in Pingshan participated in anti-pandemic assistance activities



BYD's volunteer hiking activity for environmental protection themed on "Go Beyond Yourself and Care for the World"

# KEY PERFORMANCE INDICATORS

Key Performance Indicators		Unit	2020	2021
<b>A Environmental</b> (the intensity is calculated according to the annual operating revenue of the enterprise (RMB10,000)				
Aspect A1: Emissions				
Range 1 greenhouse gas emissions	Tons		199 406.48	315 610.31
Range 2 greenhouse gas emissions	Tons		3 945 773.38	4 903 502.49
Total greenhouse gas emissions	Tons		4 145 179.86	5 219 112.8
Intensity of greenhouse gas emissions	Tons/ RMB10,000 revenue		0.26470	0.24147
Total domestic waste	Tons		36 316.38	55 368.66
Intensity of domestic waste	Tons/ RMB10,000 revenue		0.00232	0.00256
Total non-hazardous production waste	Tons		335 435.15	416 430.92
Intensity of non-hazardous production waste	Tons/ RMB10,000 revenue		0.02142	0.01927
Total hazardous solid waste	Tons		29 085.46	41 446.53
Intensity of hazardous solid waste	Tons/ RMB10,000 revenue		0.00186	0.00192
Total industrial wastewater	Tons		4,003,635	3 955 638.35
Intensity of industrial wastewater	Tons/ RMB10,000 revenue		0.25566	0.18301
Total domestic sewage	Tons		14 648 672.7	20 541 783.0
Intensity of domestic sewage	Tons/ RMB10,000 revenue		0.93543	0.95038
Total waste gas	10,000 m <sup>3</sup>		4 777 096.14	8 990 645.18
Waste gas intensity	10,000 m <sup>3</sup> / RMB10,000 revenue		0.30506	0.41592
Total COD	Tons		379.38	838.24
COD intensity	Tons/ RMB10,000 revenue		0.00002423	0.00003878
Total ammonia-nitrogen	Tons		33.85	46.91
Ammonia-nitrogen intensity	Tons/ RMB10,000 revenue		0.000002162	0.000002170
Total VOCs	Tons		87.11	233.22
VOCs intensity	Tons/ RMB10,000 revenue		0.000005563	0.000010790
Aspect A2: Resource use (data of Guiyang, Changzhou, Ningxiang, Huai'an and Zhongshan were added for 2021)				
Total electricity consumption	10,000 kWh		415 826.05	516 756.51
Electricity consumption intensity	10,000 kWh/RMB10,000 revenue		0.02655	0.02391
Total natural gas consumption	10,000 m <sup>3</sup>		8 961.57	14 222.72
Natural gas consumption intensity	10,000 m <sup>3</sup> /RMB10,000 revenue		0.00057220	0.00065803
Total gasoline consumption	10,000 L		82.78	90.27
Gasoline consumption intensity	10,000 L/RMB10,000 revenue		0.000005286	0.000004176
Total diesel consumption	10,000 L		14.45	31.84
Diesel consumption intensity	10,000 L/RMB10,000 revenue		0.000000923	0.0000014731
Total water consumption	10,000 m <sup>3</sup>		2 940.49	3 591.89
Water consumption intensity	10,000 m <sup>3</sup> /RMB10,000 revenue		0.000187774	0.000166182
Total packaging materials	Tons		979,897	764,024
Packaging material intensity	Tons/ RMB10,000 revenue		0.06257	0.03535
<b>B Social aspect</b>				
Aspect B1: Employment				
Total number of employees	People		224,745	288,186
Number of employees by gender				
Male	People		147,966	193,983
Female	People		76,779	94,203
Number of employees by employment type				
Production personnel	People		148,634	216,674
Sales personnel	People		6,157	11,342
Financial personnel	People		35,843	44,318
Technical personnel	People		1,295	1,588
Administration personnel	People		32,816	14,264
Number of employees by age				
Age ≤ 30 years old	People		112,593	140,738
30 < age ≤ 50 years old	People		110,406	144,045
Age > 50 years old	People		1,746	3,403

Continued from the above table

Key Performance Indicators	Unit	2020	2021
<b>Number of employees by geographical region</b>			
Domestic	People	224,709	288,135
Overseas	People	36	51
<b>Employee turnover rate by gender</b>			
Male turnover rate	%	51.6%	40.5%
Female turnover rate	%	44.8%	38.4%
<b>Employee turnover rate by age group</b>			
Age ≤ 30 years old	%	61.3%	50.8%
30 < age ≤ 50 years old	%	32.6%	26.9%
Age > 50 years old	%	5.9%	6.7%
<b>Employee turnover rate by geographical region</b>			
Domestic	%	49.5%	39.8%
Overseas	%	1.2%	5.9%
<b>Aspect B2: Health and Safety</b>			
Work-related deaths	People	1	0
Lost days due to occupational injury	Day	7 680.625	8 182.25
<b>Aspect B3: Development and training</b>			
<b>Percentage of employees trained by gender</b>			
Male	%	100%	100%
Female	%	100%	100%
<b>Percentage of employees trained by employee type</b>			
Senior manager	%	100%	100%
Intermediate manager	%	100%	100%
General staff	%	100%	100%
<b>Average hours of training for employees trained by gender</b>			
Male	Hour/person	61.05	48.54
Female	Hour/person	67.34	57.09
<b>Average hours of training for employees trained by employee type</b>			
Senior manager	Hour/person	17.96	12.41
Intermediate manager	Hour/person	20.17	24.58
General staff	Hour/person	67.24	57.26
<b>Aspect B5: Supply Chain Management</b>			
<b>Number of suppliers by geographical region (main distribution areas)</b>			
Northern China	Supplier	879	956
Eastern China	Supplier	4,017	3,497
Southern China	Supplier	5,241	4,347
<b>Aspect B6: Product Liability</b>			
<b>Percentage of products recalled for safety and health reasons</b>			
Recall percentage	%	0	3.1
<b>Aspect B7: Anti-corruption</b>			
Number of closed corruption-related lawsuit	Lawsuit	1	2
<b>Aspect B8: Community Investment</b>			
Investment in cash	RMB10,000	2,190	4,801
Investment in poverty alleviation	RMB10,000	463	329
<b>Other</b>			
<b>Number of patents</b>			
Patents applied for	Patent	4,653	3,142
Patent licensed	Patent	2,231	2,634

# CONTENT INDEX OF THE ESG REPORTING GUIDE

## Environmental

Aspect	Indicator No.	Indicator Content	Section
A1: Emissions	General Disclosure	Information on:(i) the policies; and(ii) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6. Green Operation and Production
	A1.1	The types of emissions and respective emissions data.	Key Performance Indicator
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
	A1.5	Description of emissions target(s) set and steps taken to achieve them	6.1 Green operation
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	6.1 Green operation
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources (including energy, water and other raw materials).	6.1 Green operation
	A2.1	Direct and/or indirect energy (e.g. electricity, gas and oil) consumption by type (in thousand kWh) in total and intensity (e.g. per unit of production volume, per facility) by type.	Key Performance Indicator
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
	A2.3	Description of energy use efficiency targets set and the steps taken to achieve them.	6.1 Green operation
	A2.4	Description of whether there is any issue in sourcing water that is fit for the purpose, and the water use efficiency targets set and the steps taken to achieve these targets.	6.1 Green operation
A3: Environment and Natural Resources	A2.5	Total amount of packaging materials used for the finished goods (in tons) and (if applicable) with reference to per unit produced.	Key Performance Indicator
	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6.1 Green operation
A4: Climate Change	A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage relevant impacts.	6.1 Green operation
	General Disclosure	Policies on identifying and responding to significant climate-related issues that have and may have an impact on issuers.	6.2 Response to climate change
	A4.1	Description of the significant climate-related issues that have and may have an impact on issuers the issuer and the actions to be taken to respond to them.	6.2 Response to climate change

Continued from the above table

## Social

Aspect	Indicator No.	Indicator Content	Section
B1: Employment	General Disclosure	Information on:(I) the policies; and(II) 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.	5.Caring and providing for employees
	B1.1	Total workforce by gender, employment type (full-time or part-time), age group and geographical region.	Key Performance Indicator
	B1.2	Turnover ratio of employees by gender, age group and geographical region.	Key Performance Indicator
B2 : Health and Safety	General Disclosure	Information on: (I) the policies; and(II) 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.	5.3 Occupational health and safety production
	B2.1	Number and rate of work-related fatalities in each of the past three years (including the reporting year).	5.3 Occupational health and safety production
	B2.2	Lost days due to work injury.	5.3 Occupational health and safety production
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.3 Occupational health and safety production
B3 : Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.1 Responsibilities of employees
	B3.1	Percentage of employees trained by gender and employee type (such as senior management, middle management, etc.).	Key Performance Indicator
	B3.2	Average training hours completed per employee by gender and employee type.	Key Performance Indicator
B4: Labour Standards	General Disclosure	Information on:(I) the policies; and(II) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child labor and forced labor.	5.1 Responsibilities of employees
	B4.1	Description of measures to review employment practices to avoid child labor and forced labor.	5.1 Responsibilities of employees
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Responsibilities of employees

Continued from the above table

<b>Social</b>			
<b>Aspect</b>	<b>Indicator No.</b>	<b>Indicator Content</b>	<b>Section</b>
B5 : Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.3 Supplier management
	B5.1	Number of suppliers by geographical region.	3.3 Supplier management Number of suppliers
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	3.3 Supplier management Selection of suppliers
	B5.3	Description of practices relating to identifying environmental and social risks in each segment of the supply chain, how they are implemented and monitored.	3.3 Supplier management Routine review and evaluation of suppliers
	B5.4	Description of the practices for promoting the use of environmentally friendly products and services in the selection of suppliers, how they are implemented and monitored.	3.3 Supplier management Selection of suppliers
B6: Product Liability	General Disclosure	Information on:(I) the policies; and(II) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.1 Product responsibility
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4.1 Product liability After-sales service guarantee
	B6.2	Number of product and service related complaints received and how they are dealt with.	4.2 Customer interests and services Customer complaints management
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.1 Corporate Governance Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures.	4.1 Product liability After-sales service guarantee
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.2 Customer interests and services Protection of customer privacy
B7: Anti-corruption	General Disclosure	Information on:(I) the policies; and(II) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	2.1 Corporate Governance
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2.1 Corporate Governance Anti-corruption and anti-bribery
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	2.1 Corporate Governance Anti-corruption and anti-bribery
B8: Community Investment	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.	7. Contributing to the Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	7.2 Public charity
	B8.2	Resources contributed (e.g. money or time) to the focus area.	7.2 Public charity

# FEEDBACK FORM

Dear reader:

To make our CSR reports even better, we are grateful for your advice and suggestions. Please kindly fill out the following questionnaire and send it back to us.

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

## Your Information

Name	Employer	Position	Telephone	Fax	Email

## Multiple choice questions (Please check the corresponding box)

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

Very good  Good  Fair  Bad  Very bad

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

Very good  Good  Fair  Bad  Very bad

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

Very good  Good  Fair  Bad  Very bad

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

Very good  Good  Fair  Bad  Very bad

## Open questions

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

2. What further information would you like to have?

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

# FUTURE PROSPECTS

2022 will be a crucial year for the development of new energy vehicles. The automobile industry has entered a new development stage given the trend of accelerated changes. With huge development potentials, new energy vehicles are promoting the deep integration and development of the industrial chain and innovation chain, and have become an important engine for stable economic growth.

In the future, BYD will continue to remain clear-headed, seek progress while maintaining stability, and insist on using technological innovation to solve economic and social development problems, so as to help people realize the dream for a better life.





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