Environmental, Social and Governance Report

Together, Journey to Blue Sky

NIO 2022 ESG Report

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About this Report

Overview

Welcome to the *NIO 2022 Environmental, Social and Governance Report* (hereinafter referred to as the "ESG Report" or "Report"). This Report is intended for all stakeholders of NIO, focusing on its management, practices and performance in the areas of environmental, social and governance (hereinafter referred to as "ESG").

Time frame

This Report covers the period from January 1, 2022 to December 31, 2022 (i.e., the reporting period), with some retrospective references to previous years and 2023.

Business scope

This Report covers the business scope under the direct control of NIO Inc. (hereinafter referred to as the "Company", "we" or "NIO").

Compilation basis

In light of its current development stage and ESG realities, the Company has prepared the Report with reference to the *Sustainability Reporting Standards* of the Global Reporting Initiative (GRI Standards), *Environmental, Social and Governance Reporting Guide* (ESG Guide) set out in Appendix 27 to the Listing Rules issued by the Stock Exchange of Hong Kong Limited, *Singapore Exchange Core ESG Metrics* (Core ESG Metrics), *Sustainability Accounting Standards Board* (SASB) Standards, while also referring and responding to the issues of concern of the Sustainable Development Goals of the United Nations (UN SDGs).

To ensure the integrity, materiality, authenticity and balance of the content, the Report follows a set of preparation steps, including identifying and ranking major stakeholders and important ESG related topics, determining the scope of the ESG report, collecting relevant information and data, drafting the Report, and reviewing the information in the Report.

Sources of information

The information and data disclosed in this Report are cited from statistical reports and official documents of the Company that have been reviewed by relevant departments. The Company guarantees that the Report does not involve any false records or misleading statements, and is responsible for the authenticity, accuracy and integrity of the content. Unless otherwise stated, this report adopts RMB as the monetary unit.

Language and access

This Report is available in electronic form in simplified Chinese, traditional Chinese, and English. For more details on NIO's background, business development and approach to sustainable development, please feel free to visit the official website of NIO.

Report preparation

The preparation process of this Report covers the establishment of the working group, information collection, interviews with stakeholders, framework determination, report writing, report design, review by business departments and senior management team, etc.

Confirmation and approval

The Report was approved in September 2023 by the Board of Directors after the confirmation by the management.

Disclaimer

This Report contains forward looking statements involving future development targets and investment plans that only target at events or information as of the date on which the statements are made, and are based on the current expectations, assumptions, estimates and projections of the Company in accordance with the existing industry and regulatory environment. These statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results to be materially different from any of those expressed in the forward-looking statements, many of which are beyond our control. These statements can be recognized by the use of words such as "expects", "plans", "will", "estimates", "prospect", "intends", "anticipate", "believes", "confident", or words of similar meaning. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events, except as required by applicable law.

Feedback

We value the suggestions and opinions of our stakeholders greatly, and welcome you to share your views through the contact information below. Your inputs will help us further improve our reporting and enhance our overall ESG performance.
Email: ESG@nio.com

Reflections

In 2022, the 27th Conference of the Parties to the *United Nations Framework Convention on Climate Change* (COP27) and the 15th Conference of the Parties to the *Convention on Biological Diversity* (COP15) have achieved fruitful results, reflecting the global consensus for sustainable development and the ambition to tackle climate change together. NIO is well aware that the smart electric vehicle (EV) industry is an important powerhouse for the green and low-carbon transformation of the economy and society. We have continuously strengthened ESG management and practice, respond to the United Nations Sustainable Development Goals with practical actions, and take solid steps towards the vision of Blue Sky Coming.

NIO is committed to creating sustainable value through responsible governance. We've established a scientific and efficient corporate governance structure with high standards, continuously improving governance efficiency, and steadily creating sustainable value. As a member of the United Nations Global Compact (UNGC), we continue to practice the concept of sustainable development and have set up the Nominating and ESG Committee under the Board of Directors, as well as the ESG Steering Team, to systematize NIO's ESG work. In 2023, we've conducted substantial research on ESG topics, extensively listened to the voices of internal and external stakeholders, understood the expectations of various sectors for our sustainable development, and continued to power the ESG management of NIO.

NIO aspires to be a user enterprise. From product development to after-sales service, we always prioritize users' interests and experience. NIO insists on the in-house research and development of core technologies of the powertrain and digital systems, and incorporates user feedback into product definition and design, so as to create a joyful product experience through continuous innovation. We provide users with innovative services such as NIO Power, NIO Service, Battery as a Service (BaaS), and battery flexible upgrades to create a more time-saving and worry-free ownership experience. Meanwhile, NIO is committed to building a community starting with smart EVs, where it shares joy and grows together with users. With the NIO House and NIO Space offline, NIO app online, and the original lifestyle brand NIO Life, we have built an innovative service ecosystem that allows NIO to closely connect with its users through diverse experiences, so as to share a joyful lifestyle and create wonderful memories.

NIO originated from the vision of Blue Sky Coming. We always keep in mind our original aspiration and attach great importance to low-carbon development, environmental protection, and ecological co-construction. In 2023, we became the first new energy vehicle company in China to join the Science Based Targets initiative (SBTi) and will set decarbonization targets and roadmaps in accordance to the SBTi standards in 2025. At the same time, we deeply cultivate the lifecycle carbon reduction of our products, grasp every stage from product design and development to manufacturing and logistics, and implement the decarbonization targets of the vehicle through the mechanism of internal carbon pricing (ICP). In terms of ecological co-construction, we've initiated the global ecological co-construction plan Clean Parks, and in 2022, we reached cooperation with many international organizations such as the World Wildlife Fund for Nature (WWF), the United Nations Development Programme (UNDP), and the Danish Society for Nature Conservation to jointly support the use of smart EVs in nature reserves worldwide, guarding the authenticity and integrity of ecosystems.

NIO works with employees and partners to push the boundaries of the industry. We are committed to achieving a value-driven organization, fostering mutual growth and prosperity with our employees. We practice NIO's values of "Honesty, Care, Vision, and Action", establish a diverse, equal, and inclusive workplace for employees, provide various training resources and flexible development options, and listen carefully to employees' feedback through various channels to continuously improve employee satisfaction. At the same time, NIO continues to build a responsible and innovative supply chain. With strict admission mechanisms, meticulous daily management, and comprehensive risk control, we work hand in hand with partners to practice sustainable development. In addition, we drive continuous innovation in supply chain management by fostering flexible collaboration models and diverse empowerment activities, pushing the boundaries of our industry together with our partners.

In this era of global challenges, the automotive industry, which has come into being for more than a century, is undergoing a fundamental energy transformation and starting a new round of marathon competition. NIO knows well that only by working closely with users, shareholders, employees, partners, and the public, can it achieve sustainable development of the Company and the entire society. We also firmly believe in the longtermism of creating sustainable value. Blue Sky Coming, we will continue to work with all stakeholders in a responsible manner and practice, to contribute to global sustainable development, and jointly embrace a blue sky.

Letter from NIO ESG Steering Team

Blue Sky Coming is our guiding philosophy since our inception and our vision for a brighter future. We deeply understand that the enduring prosperity and growth of a business are inseparable from the considerations about its users, employees, shareholders, and partners, as well as a genuine concern for society and the environment. Therefore, we focus on examining and managing the impact of our operations on all stakeholders and are committed to becoming a high-quality company that combines sustainable development and market appeal.

Over the past year, we have continuously strengthened our ESG management, further integrated sustainable development concepts into our internal values, and translated them into concrete corporate actions. With a sustained commitment to sustainable development, NIO was listed among the “2023 Global 100: The World’s Most Sustainable Companies” by the Corporate Knights and was awarded the “Grade 5A Enterprise Under the 2022 Green Development Index of the Automobile Industry” by the Energy Saving and Green Development Assessment Center for Automobile Industry, continuing to exert a positive social impact.

Fostering continuous innovation to drive excellence in product delivery

Smart, reliable, and high-quality products are the cornerstone of our efforts to shape a joyful lifestyle for our users. Therefore, we regard continuous innovation as a long-term development strategy, persist in in-house research and development, and spare no effort in improving every aspect of safety. As of July 2023, the EC6 and ET5 have obtained the highest safety rating from the China Insurance Automotive Safety Index; the ES8, EL7(ES7), ET7 and ET5 have received Euro NCAP five-star safety ratings. Additionally, through quality management covering all employees, end-to-end processes and comprehensive dimensions, NIO continues to practice the concept of “Quality is a belief” and delivers high-quality products and joyful experiences to our users.

Providing responsible services to shape a joyful lifestyle

Adhering to a user-centric approach, we diligently develop our service team, innovate service models, and continuously optimize the layout and capabilities of NIO Service Center. We are committed to shaping a joyful lifestyle for users throughout the entire lifecycle of vehicle configuration, test drive, usage, and maintenance. In 2022, we provided users with more than 2.69 million after-sales services. We place a strong emphasis on user satisfaction throughout the product lifecycle by utilizing full-scenario user satisfaction surveys and a closed-loop optimization mechanism to promptly respond to users’ feedback, continuously optimizing and iterating our products and services, and establishing long-term and close connections with our users.

Promoting diversity and inclusion, empowering employee development

Employees stand as our most important business partners. We uphold rigorous standards for occupational health and safety, institute responsive emergency protocols, and conduct long-term safety training to build a safe environment for our employees. Based on a value-driven talent management mechanism, we’ve established a clear and transparent growth framework for our employees. Leveraging the NIO Academy, we integrate internal and external training resources to empower employee development. Furthermore, we continuously enrich the employee benefit system and maintain open and diverse communication channels to foster interaction with our employees. In 2023, we further strengthen the reporting channels and management mechanisms for combating discrimination and harassment, committing to building an equal, diverse, and inclusive workplace for all employees.

Creating low-carbon products, establishing a circular ecosystem

NIO deeply recognizes that the development of a company is closely linked to the environment. We take sustainable design as our guiding principle and have made breakthroughs in multiple areas such as light-weight vehicle design, energy efficiency improvement, and sustainable material application, integrating the environmental protection concept into our products. In 2022, the NIO ET7 received a five-star rating from the European automotive emissions testing agency Green NCAP and was also awarded the “Platinum Eco-Car” by China’s Automotive Industry Energy Conservation and Green Development Evaluation Center. As one of the first Chinese automakers to establish an Internal Carbon Pricing (ICP) mechanism, we focus on reducing carbon emissions throughout the entire lifecycle of our products and have set a target for the carbon emissions of our vehicles. In the production process, we continuously increase our investment in clean energy by purchasing green electricity and building photovoltaic power plants, while making efforts to establish a low-carbon logistics system within our facilities. The NIO Second Advanced Manufacturing Center has obtained the LEED Gold certification issued by the U.S. Green Building Council. In the transportation phase, we set and promote green logistics goals, focusing on green packaging, green warehousing, and green transportation routes. In addition, we’ve conducted corporate carbon footprint assessments to lay the foundation for establishing carbon emission baselines and setting scientific carbon reduction targets. Guided by the “recyclable and traceable” circular economy concept, we have initiated the NIO Circular Car Lab project, proactively planning the utilization of end-of-life vehicles in advance, and promoting the circular economy.

Building a responsible supply chain, advancing value chain transformation

We have gradually extended the requirements of sustainable development to the admission and daily management processes of partners. In 2022, we conducted ESG special risk assessments for more than 300 vehicle parts partners, identified ESG risk points, and helped improve the overall sustainable development performance of the supply chain. Based on our influence, we actively promote the participation of the supply chain and industry partners in energy conservation and carbon reduction. Through the implementation of a “localized supply chain” layout and carbon reduction training for partners, we continuously strengthen the synergistic effect with partners, jointly building high-level carbon management capabilities linked to the value chain.

Mutual trust and support, enabling positive transformation

Giving back to the community and building a green and beautiful future is our unremitting effort. Since 2021, NIO has continuously promoted the Clean Parks ecological co-construction initiative and developed the “Citizen Scientist” project, jointly participating in national park protection activities with users. Through close cooperation with users and employees, we focus on ecological protection, caring for vulnerable groups, and conducting public welfare education, letting ecological environments and broader social groups benefit from long-term, diversified public welfare activities.

Reflecting on the past, we have continuously explored the potential for sustainable development in various aspects of our business operations, while continuously spreading a positive influence outward. As we look to the future, we will steadily deepen our ESG management capabilities, comprehensively integrate ESG issues into NIO’s development agenda, promote ESG strategies and target planning, build a systematic and long-term sustainable action force, and contribute to building a warm and green society with NIO’s strength.

ESG Steering Team

Feng Shen, Wei Feng

[1,2,3] Data as of August 31, 2023.
[4,5,6,7] Data as of June 30, 2023.

ESG Highlights

NIO Power: Sustainable Mobility Driven by Innovative Energy Solutions

18,058

NIO has deployed 18,058 Power Chargers, becoming the car brand with the most chargers in China[1].

6 4 8 63

NIO's Power Swap Stations cover 6 north-south expressways, 4 east-west expressways and 8 metropolises, with 63 routes opened, including three routes to Tibet from Sichuan, Qinghai, and Yunnan, as well as routes to the Hexi Corridor, the Dushanzi-Kuqa Highway, the West Sichuan Ring Plateau, the Hulunbuir Grassland Route, and Harbin-Mohe Route[3].

22,167 140,000

NIO encourages its users to participate in sharing their private chargers through online and offline activities, such as NIO Points and rewards. 22,167 NIO users with home chargers had enabled the sharing mode, sharing a total of nearly 140,000 charging sessions, providing convenience for EV users who did not have home chargers[5].

977

NIO had 977 Power Swap Stations participating in off-peak charging, shifting peak-hour power consumption by 57.81 million kWh, and cutting peak-hour power consumption by 44.68 million kWh[7].

24,341

NIO has launched reverse battery swapping campaign, alleviating the pressure on the grid during peak hours. In 2022, 2,717 users had placed 24,341 orders of reverse battery swaps, contributing a total of 1.35 GWh to the grid.

"Global New Energy Vehicles Innovative Technology"

In 2022, NIO's battery safety technology based on the battery swapping system, the "All-Scenario Battery Safety Solution Based on Cloud-Edge Collaboration", was awarded "Global New Energy Vehicles Innovative Technology" in the selection of 2022 "Global NEVs Cutting-Edge & Innovative Technologies".

1,800

NIO has deployed 1,800 Power Swap Stations, including 500 Power Swap Stations along expressways[2].

110+ 78.97%

NIO had provided charging services for over 110 brands, and more than 78.97% of the electricity had been charged for other brands[4].

1.7

NIO had provided over 24 million battery swapping services and over 8,000 battery upgrade services. On average, every 1.7 seconds a NIO car leaves a Power Swap Station with a full charge[6].

10

In 2022, NIO had organized 123 Power Swap Stations and more than 8,000 home chargers to provide demand response and peak load shifting services for the grid in 10 provinces and cities across China. The total peak load shifting capacity reached 160,000 kW and the total peak load shifting electricity was close to 4.5 GWh.

First prize

In 2022, NIO's "Key Technology and Industrialization of Efficient and Safe Battery Swapping for Electric Vehicles" won the first prize of the Science and Technology Progress Award from the China Society of Automotive Engineers.

[1] Data as of June 30, 2023.
[2] Data as of December 31, 2022.

ESG Highlights

A Value-Driven Journey

100%

In 2022, the employee coverage rate for NIO's online training on business ethics and compliance reached 100%.

100%

In 2022, we conducted specialized and annual information security awareness training, achieving 100% coverage among all employees.

11 55 9,378

In 2022, we collaborated with internal and external experts to conduct 11 compliance training sessions for all employees, comprehensively enhancing their compliance awareness. We also conducted 55 in-person business ethics and compliance training sessions, covering a total of 9,378 people.

0

In 2022, NIO did not experience any concluded cases of violations related to business ethics.

The Innovation Journey of Creating Superior Products

The highest safety rating

NIO EC6 and ET5 models have received the highest safety rating from the China Insurance Automotive Safety Index (CIASI).

★★★★★

NIO ES8 and ET7 models have received a five-star safety rating from China's New Car Assessment Program (China NCAP), while the ES8, EL7(ES7), ET7 and ET5 models have received a five-star safety rating from European New Car Assessment Program (Euro NCAP).

5,000+ 21 132

NIO's quality inspection and monitoring for the entire vehicle products cover a total of 21 categories, 132 items, and 5,000+ control points to ensure quality at every step for users.

10.84 B RMB **136.0%**

In 2022, NIO invested RMB 10.84 billion in research and development (R&D) cumulatively, an increase of 136.0% compared to 2021, striving to provide users with a comprehensive experience that exceeds expectations through technological innovation.

95%

NIO's Enhanced Navigation Pilot service Navigate on Pilot plus (NOP+) has covered 95% of the major highways and urban expressways in China[1].

3,703

NIO held a total of 3,703 issued patents in the United States, China, Europe, and other jurisdictions[2].

[1] Data as of August 31, 2023.
[2] Data as of December 31, 2022.

ESG Highlights

A Joyful Lifestyle

134 (including 6 overseas)

NIO has built a total of 134 NIO Houses globally (including 6 overseas) and 286 NIO Spaces (including 8 overseas), providing convenient and comfortable purchase and test drive services to users in various regions[1].

286 (including 8 overseas)

34,632

In 2022, NIO organized a total of 34,632 user events with a participation of over 194,000 individuals.

194,000

4.88

We comprehensively prioritize customer satisfaction, dedicated to driving a continuous enhancement of the product and service experience for our users. In 2022, the average score of the five-star rating in different scenarios reached 4.88 out of 5.0.

Journey of Employee Care

14

In 2022, NIO has won 14 talent-related employer awards, gaining recognition in multiple dimensions in terms of global talent attractiveness and employer satisfaction evaluations.

100%

NIO has achieved 100% shareholding by all employees every year since the establishment of the Company until the end of 2022.

26

NIO values diversity and a global talent layout. Our 26,763 full-time employees come from 26 countries and regions worldwide[2].

[1,2] Data as of June 30, 2023.

ESG Highlights

The Green Journey towards a Blue Sky

SBTi First

On March 25, 2023, NIO announced its commitment to join the Science Based Targets initiative (SBTi), becoming the first new energy vehicle company in China to join the initiative for science-based carbon targets.

ICP First

NIO has become one of the first automotive companies in China to establish an Internal Carbon Pricing (ICP) mechanism. This mechanism allows NIO to monetize carbon emissions risks and helps control the Company's total carbon emissions and carbon intensity in the most efficient and cost-effective way.

25%

NIO ET5's rear floor uses an integrated casting process, helping to reduce 25% of weight.

98%

The proportion of recyclable packaging used in vehicle transportation reached as high as 98%.

First 600

NIO is the first car company to adopt closed-loop management for aluminum material from battery packs. Through the recycling of battery pack casings and re-melting allocation, NIO has obtained approximately 600 tons of die-cast aluminum alloy materials, which have been innovatively applied to other component systems[1].

Five-star "Platinum Eco-Car"

Thanks to its high efficiency and sustainability, the NIO ET7 model has been awarded a five-star rating by the European automotive emissions testing organization, Green NCAP. It has also received the "Platinum Eco-Car" title from the (China) Energy Saving and Green Development Assessment Center for Automotive Industry, receiving recognition for its environmentally friendly features.

CDP First

In July 2023, NIO completed the Climate Change questionnaire of the Carbon Disclosure Project (CDP). NIO became the first new energy vehicle company in China to participate in the CDP's environmental information disclosure.

A mechanism to reduce carbon emissions across the vehicle lifecycle

NIO has conducted a carbon footprint assessment for the past three consecutive years within the organizational boundary to establish the Company's carbon emission baseline. Simultaneously, it has identified energy-saving and emissions-reduction potential in various business scenarios, and established a mechanism to reduce carbon emissions across the vehicle lifecycle.

100% 37%+

NIO manufacturing bases are 100% equipped with distributed photovoltaic power stations. Among them, the photovoltaic power utilization rate in NIO's Second Advanced Manufacturing Center exceeds 37%.

136,723

We have launched the "NIO MR (Milk Run) Self-Pickup" project with 11 important partners. By optimizing transportation routes and improving vehicle loading rates, we have successfully shortened the transportation distance by a total of approximately 136,723 kilometers.

95% 85%

NIO's full range of vehicle models has achieved a recycling rate of 95% and a recoverability rate of 85%, providing the foundation for a complete "vehicle scrapping-dismantling-classified recycling-new vehicle" circular economy.

13

The Clean Parks project has contributed NIO power to 13 ecological co-construction sites domestically and internationally, with footprints spanning through Inner Mongolia, Xinjiang, Denmark, etc[2].

[1,2] Data as of December 31, 2022.

ESG Highlights

Journey towards a Sustainable Industry with Partners

169

Starting from August 2022, we have added a “sustainable development” module, which includes 169 specific requirements, to the Potential Partner Assessment evaluation.

300+

Over 300 partners of automotive parts participated in NIO’s 2022 ESG risk assessment. Based on the assessment results, we would assist partners to improve their sustainable development performance.

6,496

In 2022, NIO provided 6,496 hours of training for partners, helping them enhance capabilities in areas such as technology, efficiency, and management.

40%

We continue to promote a localized supply chain layout. Partners in Anhui province account for approximately 40% of our total purchase value from the parts and components partners.

Journey to a Heartwarming Society

8,000+

The NIO Users Trust officially launched the “Public Interest Footprints of NIO Users” and helped 16 user public interest projects on the platform, benefiting more than 8,000 households, covering multiple public welfare areas such as environmental protection, rural revitalization, children’s welfare, and emergency assistance[1].

8,888

A total of 8,888 NIO users and their children had joined the NIO volunteer group, dedicating their love and spreading hope through practical actions[2].

5,250

In 2022, the children of NIO users accumulated a total of 5,250 hours of social practices. They actively participated in public welfare activities such as charity bazaars and beach cleaning.

Response to United Nations Sustainable Development Goals (UN SDGs)

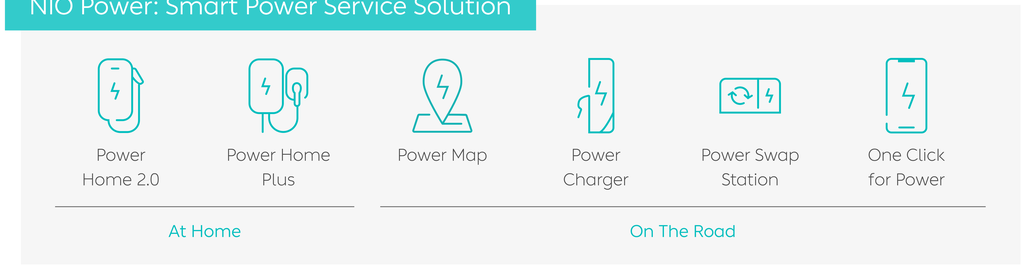
Chapter	UN SDGs	Response to UN SDGs
NIO Power: Sustainable Mobility Driven by Innovative Energy Solutions		NIO continues to expand its intelligent electric vehicle charging and swapping network, contributing to the green transformation of the social transportation energy structure through sustainable swapping models.
A Value-Driven Journey		Guided by integrity and honesty, NIO strengthens its compliance system, optimizes risk management capabilities, and accelerates the integration of sustainable development principles into its business strategy and operational practices, aiming to create long-term value for all stakeholders.
The Innovation Journey of Creating Superior Products		NIO connects various forces in society, promotes industry development through continuous innovation, and establishes comprehensive quality management systems and safety mechanisms to ensure users' health and enhance traffic safety.
A Joyful Lifestyle		Through an integrated online and offline direct sales and service system, NIO provides users with high-quality end-to-end services. We actively understand and respond to users' needs, safeguarding their rights and interests in vehicle usage and maintenance. We also strive to create a user community starting from a car, aiming to exceed users' expectations and create joyful experiences.
Journey of Employee Care		NIO adheres to the values of Honesty, Care, Vision, and Action. We are committed to safeguarding the occupational health and safety of our employees, creating a diverse, equal, and inclusive work environment, and providing employees with rich and diverse welfare benefits. We integrate care into every employee's professional growth journey.
The Green Journey towards a Blue Sky		NIO connects the industrial chain, users, and natural environment through green and low-carbon smart electric vehicles. Together with various stakeholders, we strive to address the challenges of climate change and build a more environmentally friendly future.
Journey towards a Sustainable Industry with Partners		NIO values the development and cultivation of its partners. Through various innovative and empowerment projects, we collaborate with high-quality enterprises to practice the philosophy of sustainable development. We have also established a responsible supply chain through strict access mechanism, meticulous daily management, and comprehensive risk control measures.
Journey to a Heartwarming Society		Utilizing its influence and appeal, NIO pays constant attention to fields such as environmental protection, care for vulnerable groups, and educational philanthropy. Through practical actions, we uphold corporate values and fulfill our social responsibilities, contributing to the spread of positive energy in society through goodwill and love.

NIO Power: Sustainable Mobility Driven by Innovative Energy Solutions

With the vision of “making recharging beyond refueling”, NIO continues to lay out a smart EV charging and swapping network and is committed to sharing charging and swapping infrastructure with the industry and other smart EV brands, contributing to the green transformation of society’s energy structure for transportation.

NIO Power is a mobile-internet-based power solution with extensive networks for battery charging and battery swapping facilities, providing various recharging solutions for both “at home” and “on the road” scenarios. Since the official operation of NIO Power in June 2018, we have continuously laid out the charging and swapping facilities network and built a “chargeable, swappable, and upgradable” energy service system based on innovative swapping mode, providing more worry-free trips to NIO users.

NIO Power: Smart Power Service Solution



As of the end of June 2023, NIO Power has been in operation for more than five years. During these five years, NIO has won multiple awards with NIO Power:

In 2020, NIO was included in *FORTUNE’s* “Change the World” list for its Battery as a Service (BaaS) enabled by the leading battery swapping technology, becoming the only car company on the list.

In 2020, NIO Power won the “Mobility Award” of the World Smart City Awards for China.

In 2022, NIO’s “Key Technology and Industrialization of Efficient and Safe Battery Swapping for Electric Vehicles” won the first prize of the Science and Technology Progress Award from the China Society of Automotive Engineers.

In 2022, NIO’s battery safety technology based on the battery swapping system, the “All-Scenario Battery Safety Solution Based on Cloud-Edge Collaboration”, was awarded “Global New Energy Vehicles Innovative Technology” in the selection of 2022 “Global NEVs Cutting-Edge & Innovative Technologies”.

Continuous Deployment of the Charging and Swapping Network

NIO continues to expand its swapping and charging network to provide a more convenient and enjoyable recharging experience for its rapidly growing user base. We are accelerating the construction of the Power Swap network and plan to build 1,000 new Power Swap Stations in 2023, continuing to lay out the network and making recharging beyond refueling.

As of August 31, 2023, NIO has:

deployed

18,058 (including 33 oversea)

Power Chargers, becoming the car brand with the most chargers in China.

deployed

1,800 (including 26 oversea)

Power Swap Stations,

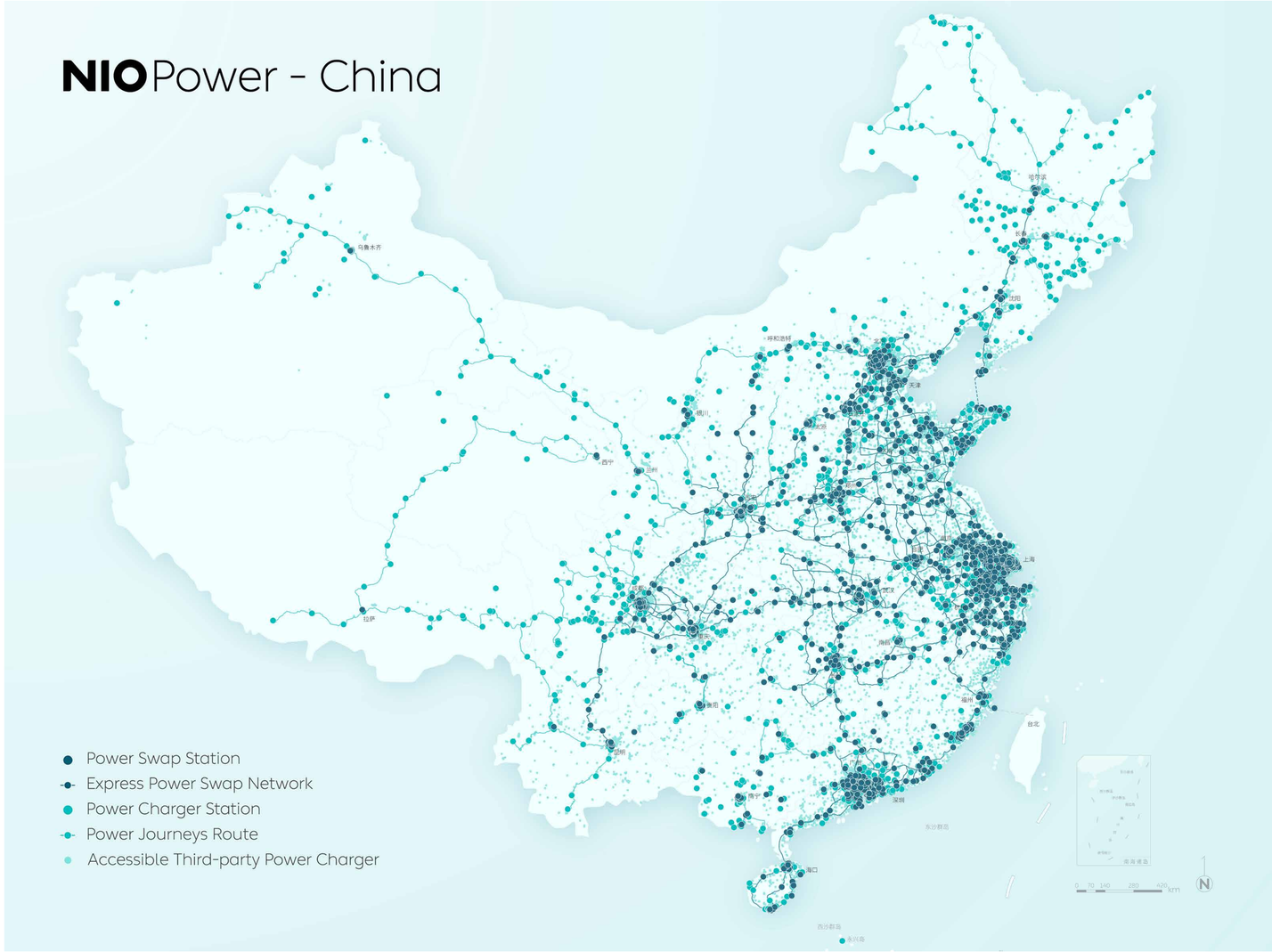
including

500

Power Swap Stations along expressways,

connecting 6 north-south expressways, 4 east-west expressways and 8 metropolises

NIO has launched the Power Journeys plan, deploying charging and swapping facilities in highly desirable destinations with inadequate infrastructure to meet users' demand of energy replenishment, so that our users can go anywhere the internal combustion engines (ICEs) can go. We create a classic or alternative driving routes for users and help them explore the beautiful scenery and splendid civilization as they wish. As of August 31, 2023, we have opened 63 routes, including three routes to Tibet from Sichuan, Qinghai, and Yunnan, as well as routes to the Hexi Corridor, the Dushanzi-Kuqa Highway, the West Sichuan Ring Plateau, the Hulunbuir Grassland Route, and Harbin-Mohe Route.



NIO Power's Charging and Swapping Network in China

Sharing the Infrastructure with Society

NIO understands that the infrastructure construction and development is critical to accelerate the green transformation of the global transportation and energy structure. Since 2021, NIO has fully opened up the NIO Power's charging and swapping system and shared NIO Power's achievements with the automotive industry and smart EV users from other brands. As of the end of June 2023, NIO had provided charging services for over 110 brands, and more than 78.97% of the electricity had been charged for other brands.

At the same time, for NIO users who have home chargers, we actively encourage them to participate in sharing their charging resources. As all EV models are compatible with NIO's home chargers, NIO users can make their private chargers available to others, benefiting EV users of various brands nearby and sharing the worry-free power solution.

Sharing private chargers to contribute to a resource-efficient society

As home chargers are often used only once every few days or even longer, their overall utilization rate is relatively low. The private charger sharing not only effectively improves the utilization rate of home chargers but also facilitate the construction of a resource-efficient society.

NIO encourages its users to participate in sharing their private chargers through online and offline activities, such as NIO Points and rewards. As of the end of June, 2023, 22,167 NIO users with home chargers had enabled the sharing mode, sharing nearly 140,000 charging sessions, providing convenience for EV users who did not have home chargers.

Private Charger Sharing
Refrigerator Stickers

Participate in the topic # Private Charger Sharing and get a limited refrigerator sticker for quality content

Private Charger Sharing
Charger QR Code Buckle

Complete the first order during the activity (both owners and users can get it)

Private Charger Sharing
Thanksgiving Seed Sheet

Start the green energy cycle

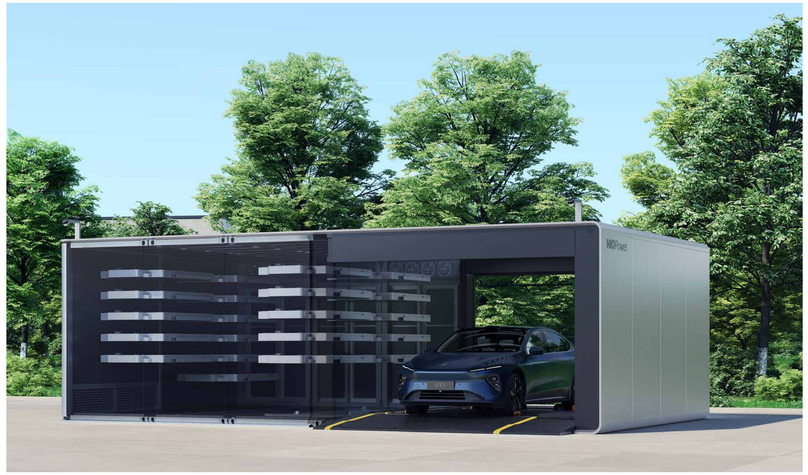
Private Charger Sharing
Sharing City Energy Eco-bag

Complete the first order during the activity (both owners and users can get it)

Online and offline activities to encourage private charger sharing

Sustainable Battery Swapping

As a convenient and innovative recharging solution, battery swap originated from NIO's relentless pursuit of improving user experience. During the reporting period, NIO officially released its Power Swap Station 3.0, further improving swapping efficiency, service capability, intelligence level, and capability of interaction with the power grid. As of the end of June 2023, NIO had provided over 24 million battery swapping services and over 8,000 battery upgrade services. On average, every 1.7 seconds a NIO car leaves a Power Swap Station with a full charge.



NIO Power Swap Station 3.0

Furthermore, the swappable architecture enables the vehicle-battery separation which has made the innovative BaaS, battery lifecycle management, and grid interaction possible, forming a sustainable business model that is user-friendly, eco-friendly, and grid-friendly.

User-friendly	
Time-saving recharging	It only takes two minutes and a half to swap a battery, and the entire process of automatic parking, swapping, and self-check of the powertrain system takes less than five minutes.
Hassle-free battery swap	The intelligent coordination between the vehicle and the swap station allows users to swap batteries without leaving the vehicle, and the Power Swap Station 3.0 is equipped with two LiDAR and two NVIDIA Orin X chips, better supporting intelligent swapping functions such as Power Swap Pilot for Highway.
Safe battery	After every swap, a health check will be conducted on the battery and electric drive system to ensure the vehicle and battery are always in a sound and safe state.
Lowering vehicle's initial purchase price and ownership costs	The battery is the most expensive component of an EV. BaaS separates the battery from the vehicle, giving users more purchasing options. Users can choose to subscribe to the battery pack rather than purchasing battery asset, which significantly lowers the vehicle's initial purchase price and relieve the burden of battery depreciation for users. In addition, because of the upgradeability of NIO's batteries, users do not need to pay for the permanent use of a Long Range Battery. Instead, they can use a Standard Range Battery for daily scenarios and choose to upgrade to a Long Range Battery for long-distance travel, thereby reducing the usage costs.
Lifetime warranty for batteries, zero worry about battery degradation	Within the NIO battery circulation system, batteries are guaranteed for life to users and can be swapped at any time.
Enjoying the advances in the battery technology	With the innovation of battery technology, users can easily upgrade their batteries through battery swapping and continue to enjoy the benefits brought by the advances in the battery technology.

Eco-friendly

Efficient use of electricity capacity and site, improving efficiency of resource utilization	As long as there are uncharged batteries at the station, the Power Swap Station can charge these batteries, effectively improving the utilization of electricity capacity of the power grid. In addition, the Power Swap Station 3.0 can provide up to 408 swaps per day, and the site utilization has also significantly improved.
Centralized battery management, helping to save resources	Users can choose batteries as needed, without having to use Long Range Batteries throughout the year. A small number of Long Range Batteries can fulfill most users' long-distance trips. According to calculations, this saves at least 17% of battery resources each year, helping to achieve more centralized utilization of natural resources. In addition, batteries used for different driving distances can be balanced at a larger scale through the swapping system, avoiding early retirement of batteries due to long driving distances within their service life.
Longer battery life to reduce resource waste	Generally speaking, the faster the charging speed, the greater the impact on the battery life. Without compromising users' need for an efficient charging experience, NIO's battery swap can adjust to the optimal charging power that is friendly to the battery which prolongs battery life and reduces the waste of natural resources.
Efficient dismantling of batteries for better resource recycling	With the swappable architecture, NIO has uniformly designed and standardized the geometry and dimensions of all its batteries. Such standardization can help establish unified battery dismantling standards and procedures, effectively improving the efficiency of dismantling, classification, recycling, and reuse of batteries, further improving resource utilization.
Improving the efficiency of battery recycling	NIO provides multiple battery retirement options through the swapping network. At the same time, we use a lifecycle monitoring platform to accurately obtain battery information such as battery types and real-time status. These measures remove the bottlenecks of battery recycling, such as scattered asset ownership, wide geographic distribution of batteries, and uncertain type or health status of retired batteries, improving the efficiency of battery recovery and recycling.

Grid-friendly

Natural energy storage facility, to reduce grid load	As a natural energy storage facility, Power Swap Stations can achieve off-peak charging, which means charging batteries at night and swapping them for users during the day. Off-peak charging can effectively reduce the grid load and help with grid peak shaving. As of the end of June, 2023, NIO had 977 Power Swap Stations participating in off-peak charging. The off-peak power consumption accounted for 13.6% of total power consumption, an increase from 7.6%, shifting peak-hour power consumption by 57.81 million kWh. The peak power consumption to total power consumption decreased from 38% to 33%, cutting peak-hour power consumption by 44.68 million kWh.

Grid-friendly

Grid interaction in load shifting and frequency regulation, promoting new energy consumption

Power Swap Stations can interact deeply with the grid through multiple measures, helping to shift grid peak load and regulate frequency, promoting new energy generation and consumption. In doing so, NIO contributes to the stable power supply in operating areas and the transformation of the energy mix in the society:

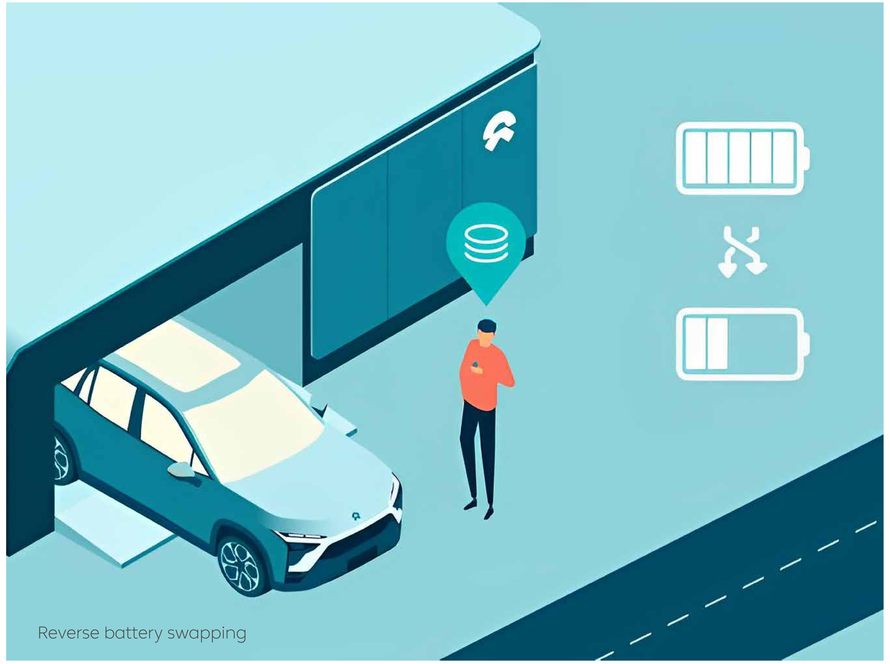
a) Participation in power grid demand response to alleviate power supply and demand tension

In the face of short-term power supply and demand tension, and difficulties in renewable energy consumption, etc., NIO actively responds to government initiatives to adjust electricity consumption behavior, helping to ensure the safe and stable operations of the power system. During the reporting period, NIO had organized 123 Power Swap Stations and more than 8,000 home chargers to provide demand response and peak load shifting services for the grid in 10 provinces and cities across China. The total peak load shifting capacity reached 160,000 kW and the total peak load shifting electricity was close to 4.5 GWh.

b) Pilot projects of reverse charging and swapping, exploring deep interaction with the grid

V2G (Vehicle to Grid) technology can realize the reverse charging from the EV's power battery to the grid when the grid load is high, helping to maintain the balance of power supply and demand. Since 2021, NIO has cooperated with State Grid Smart Internet of Vehicles Company, Ltd. and has conducted a pilot project of Power Swap Stations with V2G technology in Shanghai Automotive Innovation Park. During the reporting period, NIO further put into operation two second-generation Power Swap Stations that support V2G technology in Xi'an and Hefei. These two stations will be used to explore new energy consumption in parks and participate in distributed Power Swap Stations in the secondary frequency regulation, respectively. With the V2G technology, NIO Power Swap Stations will further deepen their assistance in real-time peak load shifting and frequency regulation of the grid, thereby improving energy efficiency.

In addition, since August 2020, NIO has launched reverse battery swapping campaign, which encourages users to swap batteries with high state of charge (SOC) back to the Power Swap Station during peak hours through rewarding NIO Points, alleviating the pressure on the grid. During the reporting period, 2,717 users had placed 24,341 orders of reverse battery swaps, contributing a total of 1.35 GWh to the grid.



Reverse battery swapping

Grid-friendly

Grid interaction in load shifting and frequency regulation, promoting new energy consumption

c) Becoming a “virtual power plant” and participating in grid secondary frequency regulation

In November 2022, the first unit of the Zhejiang Virtual Power Plant jointly built by NIO and the Zhejiang Branch of China Huaneng Group Co., Ltd. was officially put into operation, with 73 Power Swap Stations connected to achieve real-time power control in seconds, providing real-time peak load shifting and frequency regulation services for the grid. The operation of this facility marks the official launch of the first virtual power plant project in China that conducts large-scale verification of secondary frequency regulation at users’ side, helping to improve the flexibility of the power system and building a new power system in the context of carbon peaking and carbon neutrality.

d) Integrating photovoltaic storage with battery charging and swapping station and creating a local new energy consumption model

During the reporting period, NIO built a battery charging and swapping station integrated with photovoltaic storage in Lhasa, introducing distributed photovoltaic power generation into the Power Swap Station. The photovoltaic installations of such sites can store or use energy directly, promoting on-site consumption of clean energy. At the same time, the Power Swap Station is the first of its kind in the world that uses 100% clean energy. The electricity used comes from clean energy sources such as solar power and hydropower in Tibet, meeting the recharging needs of new energy vehicle users in Lhasa, and jointly building a green, low-carbon, safe, efficient, and open energy ecology.

The world’s first Power Swap Station that is 100% powered by clean energy

1.0
About NIO

As a global smart EV company, NIO's mission is to shape a joyful lifestyle by offering high-performance smart EVs and ultimate user experience.

1.1 Our Journey

1.2 NIO Values

1.3 Industry Awards

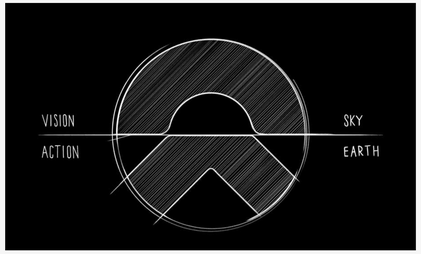
1.1 Our Journey

Founded in November 2014, NIO has become one of the world's leading premium smart EV companies after more than eight years of development. NIO was listed on the New York Stock Exchange (NYSE) on September 12, 2018, on the Hong Kong Stock Exchange (HKEX) on March 10, 2022, and on the Mainboard of the Singapore Exchange (SGX) on May 20, 2022.

NIO's milestones

2014

- Birth of NIO



2015

- NIO's Formula E team won the inaugural FIA Formula E Drivers' Championship

2016

- Launch of the NIO EP9, one of the fastest EVs in the world

2017

- Launch of the ES8, a smart electric flagship SUV

- Opening of the first NIO House in the world

2018

- Listed on NYSE

- Launch of the ES6, a smart electric all-round SUV

1.1 Our Journey

NIO's milestones

2019

- Launch of the EC6, a smart electric coupe SUV

2020

- Launch of BaaS

2021

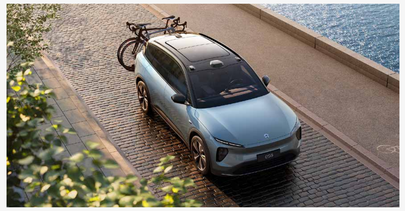
- Launch of the ET7, a smart electric flagship sedan
- Market entry in Norway
- Launch of the ET5, a mid-size smart electric sedan

2022

- Listed on HKEX
- Listed on SGX
- Launch of the ES7, a smart electric mid-large SUV
- Launch of the EC7, a smart electric flagship coupe SUV
- Launch of the All-New ES8, a smart electric flagship SUV

2023

- Launch of the All-New ES6, a smart electric all-round SUV
- Launch of the ET5T, a smart electric tourer



NIO is committed to forward engineering of core technologies. We have established an independent research and development (R&D) system that includes the battery, electric drive system, digital system, intelligent chassis controller, and battery swapping technology. NIO has set up R&D centers and manufacturing facilities in Shanghai, Hefei, Beijing, Nanjing, Shenzhen, Hangzhou, San Jose, Munich, Oxford, Berlin, Budapest, and Singapore, and has established sales and service networks in China, Norway, Germany, the Netherlands, Sweden, and Denmark, providing products and services to users in over 300 cities worldwide. By 2025, NIO plans to serve users in more than 25 countries and regions around the world.

NIO's global presence

While continuously expanding our business footprints, we continue to enrich our product portfolio, develop and manufacture more high-performance smart EV models to meet the diverse expectations of our users. NIO's lineup consists of the smart electric flagship SUV All-New ES8, smart electric flagship coupe SUV EC7, smart electric mid-large SUV ES7, smart electric flagship sedan ET7, smart electric all-round SUV All-New ES6, smart electric mid-size sedan ET5, and smart electric tourer ET5T. As of August 31, 2023, NIO had delivered a total of 383,908 new vehicles to users.

In addition to delivering a leading smart EV experience, NIO has also established a comprehensive innovative service model, including NIO Power, NIO Service, BaaS, flexible battery upgrade, and NIO Certified, our official used car service, to realize a closed-loop service throughout the lifecycle of NIO products.

NIO adopts a direct sales model, with NIO app as the unified portal for user experience and services. Through online and offline touchpoints such as NIO House, NIO Space, NIO Radio, our original lifestyle brand NIO Life, etc., NIO builds a community starting with smart EVs where we share joy and grow together with users.

1.2 NIO Values

NIO aims to become a value-driven user enterprise. We believe that only when we are driven by values will we deliver superior products, create experiences and community beyond expectations, enhance team cohesion, and achieve sustainable development.

NIO Value System

NIO's mission is to shape a joyful lifestyle. To define a clear path to achieve our mission, we have developed five enablers and four values based on the vision of "Build a User Enterprise", putting in place the NIO Value System.

Mission: Shape a joyful lifestyle

We aim to develop NIO into a community starting with smart EVs where we share joy and grow together with users.

Vision: Build a user enterprise

We exist to satisfy users. Our success contributes to the self-fulfillment of users.

Enablers:

Put users' interests first: Everything we do must create value for our users. We have zero tolerance for any actions that would undermine the interests of users.

Experiences beyond expectations: We strive to delight our users at every touchpoint by offering products and services of premium quality. Our experience principles: ultimate ease, joy through all senses, sense of freedom, know me, and deep reassurance.

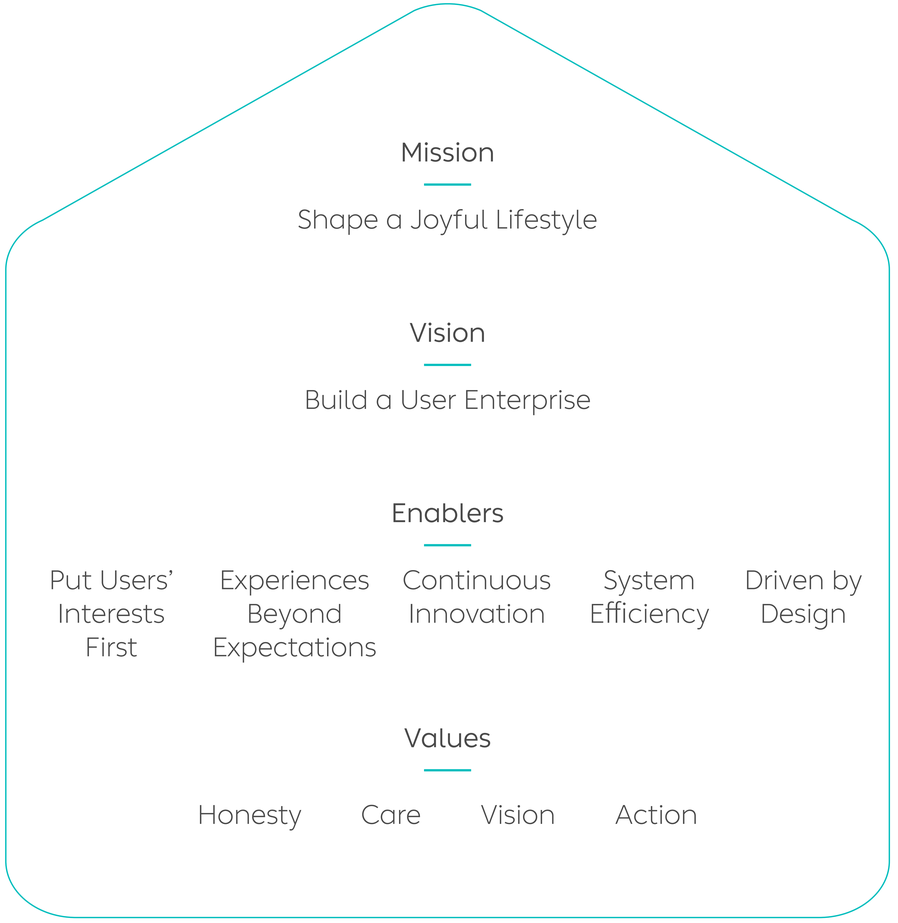
Continuous innovation: We set breakthrough goals, turn obstacles into opportunities, think out of the box, progress unceasingly to achieve industry leadership.

System efficiency: Balance the big picture and the details. We pay attention to specific, short-term costs and efficiencies, but focus more on holistic, end-to-end, and full-lifecycle costs and efficiencies.

Driven by design: We relentlessly pursue beauty and perfection.

Values:

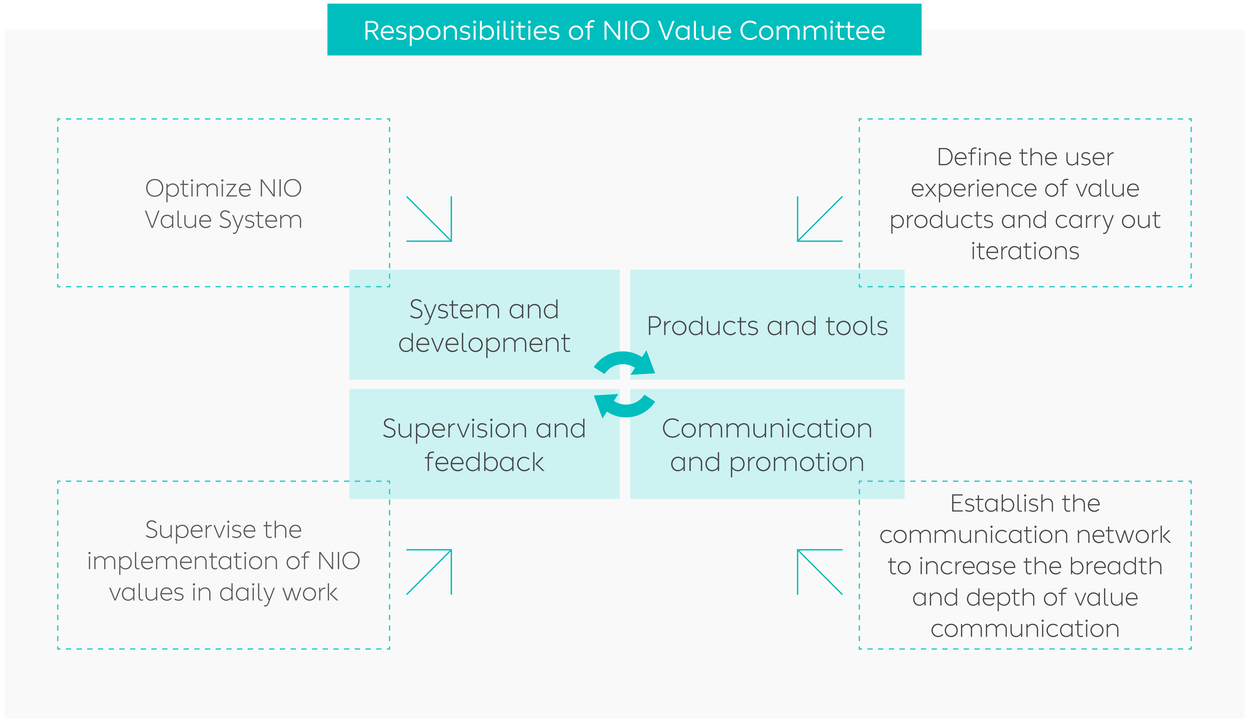
We adhere to the values of Honesty, Care, Vision, and Action, which drive us to continuously head towards our vision and mission.



Value Sharing

NIO Value Committee is an organization that defines, communicates and practices our values. NIO Value Committee consists of colleagues that are embodiments of NIO values, including our founders, head of Culture & Internal Communications department, NIO Stars, and role models that the Committee believes should be its members.

Meanwhile, we have set up a value team in each department as an extension of the Value Committee in the departments, which helps the business departments practice NIO values through care for employees, a good atmosphere, team cohesion, and value creation, making sure the entire NIO Value System can be authentically implemented.



1.3 Industry Awards

NIO Brand won the first place in the 2022 China Tech Experience Index (TXI) Study luxury new energy vehicle brand innovation index

August 2022

J.D. Power

NIO ES8 won the first place in the 2022 China New Energy Vehicle Automotive Performance Execution and Layout luxury electric

August 2022

J.D. Power

NIO ES6 won the first place of the 2022 China New Energy Vehicle Initial Quality Study

August 2022

J.D. Power

NIO BLUE SKY LAB was recognized as the "Sustainability Initiative of the Year"

September 2022

Business Intelligence Group

NIO won the "Green Development Award" in the "2022 Outstanding Case Study of Corporate Social Responsibility Practices in the Chinese Automotive Industry" selection

November 2022

China Association of Automobile Manufacturers (CAAM)

NIO BLUE SKY LAB won the 2022 Green Challenge Sustainable Fashion Green Crossover Collaboration Award

November 2022

Green Challenge Green Fashion Award Ceremony

NIO ET7 won the 2022 Golden Steering Wheel award in the Medium and Upper-Class category

November 2022

German Auto Magazine *AUTO BILD*

NIO was rated as 5A Enterprise in the 2022 Green Development Index of the Automobile Industry

December 2022

Energy Saving and Green Development Assessment Center for Automobile Industry

NIO was listed among the "2023 Global 100: The World's Most Sustainable Companies"

January 2023

Corporate Knights

2.0
A Value-Driven Journey

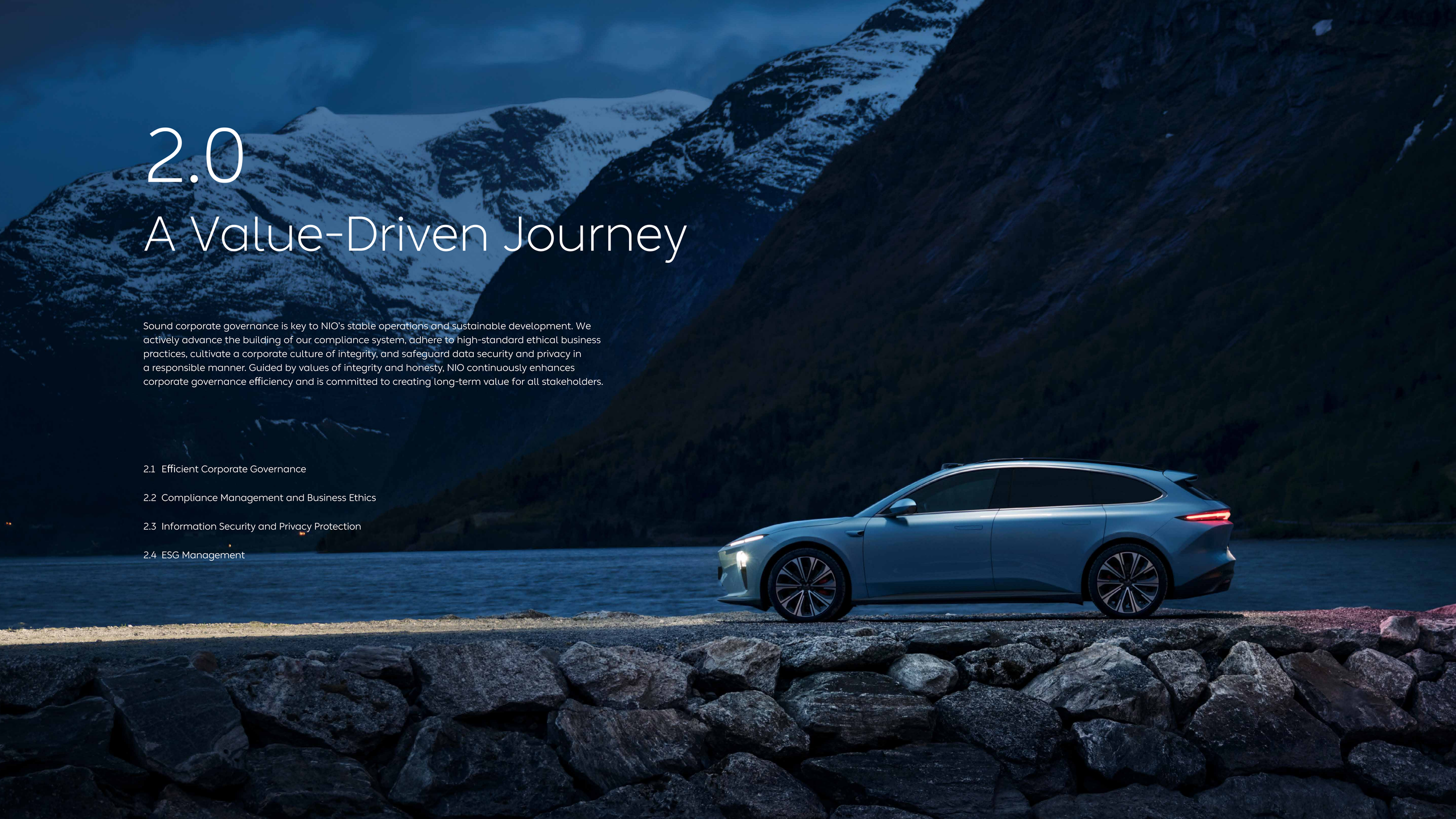
Sound corporate governance is key to NIO's stable operations and sustainable development. We actively advance the building of our compliance system, adhere to high-standard ethical business practices, cultivate a corporate culture of integrity, and safeguard data security and privacy in a responsible manner. Guided by values of integrity and honesty, NIO continuously enhances corporate governance efficiency and is committed to creating long-term value for all stakeholders.

2.1 Efficient Corporate Governance

2.2 Compliance Management and Business Ethics

2.3 Information Security and Privacy Protection

2.4 ESG Management



2.1 Efficient Corporate Governance

NIO consistently establishes a scientific and efficient corporate governance structure at high standards, continuously improves corporate governance efficiency, thoroughly evaluates and controls risks, and is committed to creating sustainable value for shareholders and society.

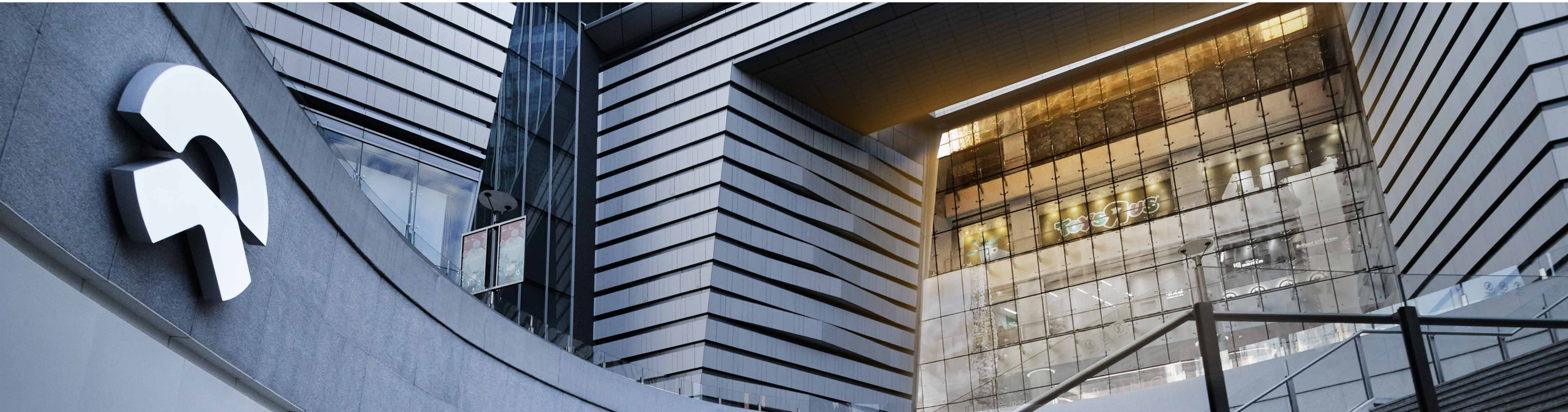
2.1.1 Governance Structure

A sound governance structure and clear management responsibilities are the safeguards for NIO's efficient operations. We have established an Audit Committee, Nominating and ESG Committee, and Compensation Committee under the Board of Directors to oversee various aspects of the Company.

We believe that diverse leadership is crucial to elevate corporate competitiveness and promote sustainable development. In our *Charter of the Nominating and ESG Committee*, we explicitly state that we factor in candidates' experience, skills, professional knowledge, and diversity when nominating candidates for the Board of Directors. Additionally, we will continue to seek suitable female director candidates both internally and externally, striving to enhance gender diversity among the Board of Directors.

As of the end of the reporting period, the NIO Board of Directors had a total of six board members, including three independent directors and one female director. The board members possess experience in industries such as automobiles, internet, real estate, and consulting, as well as professional skills in business management, law, finance, and investment management, enabling them to contribute diverse perspectives and insights to the Company's strategic decision-making.

Board governance structure

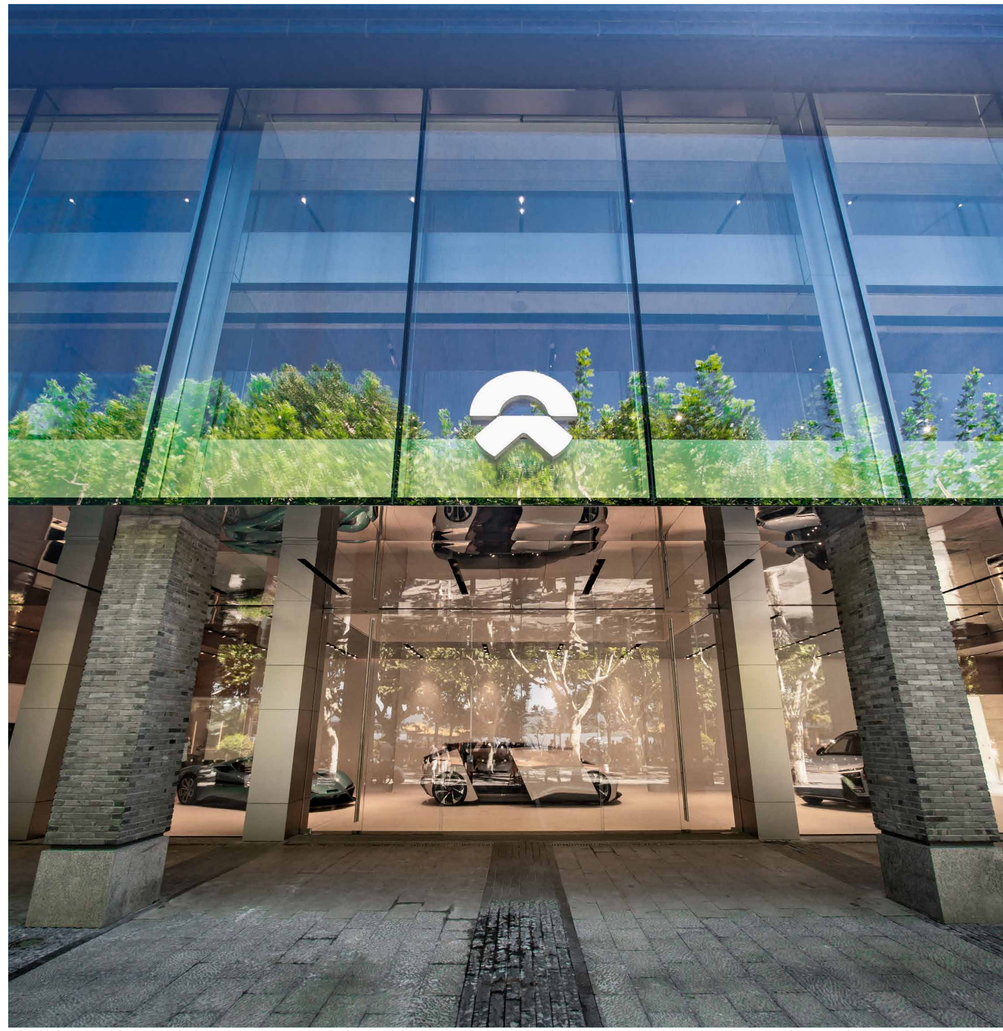


2.1.2 Risk Management

As a globally operating company, NIO continuously improves its risk management system and integrates it into various business areas to better prevent and address potential internal and external risks, enhance organizational resilience, and effectively ensure NIO's stable development. We have established a three lines of defense risk management framework based on the *COSO Enterprise Risk Management Framework*.

Three lines of defense risk management framework

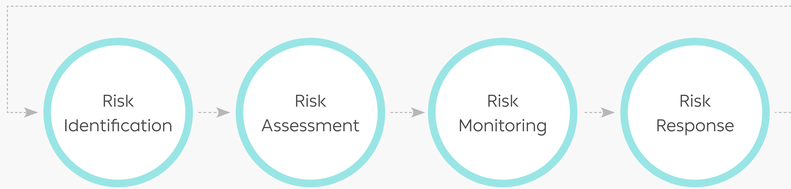
First Line of Defense:	Composed of various business departments, and is responsible for risk prevention and control in NIO's daily operations.
Second Line of Defense:	Composed of the Internal Control Department, and is responsible for overseeing and assisting various business departments in risk prevention and control.
Third Line of Defense:	Composed of the Internal Audit Department and the Compliance and Risk Management Department, and is responsible for ensuring the effective implementation of NIO's risk management work through internal audits and investigations, etc.

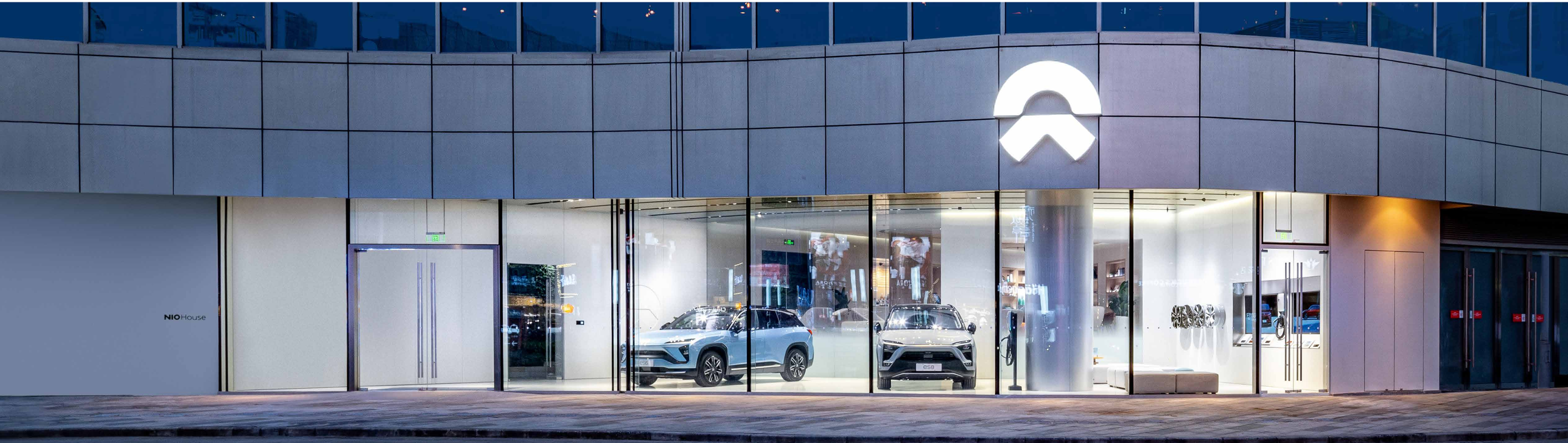


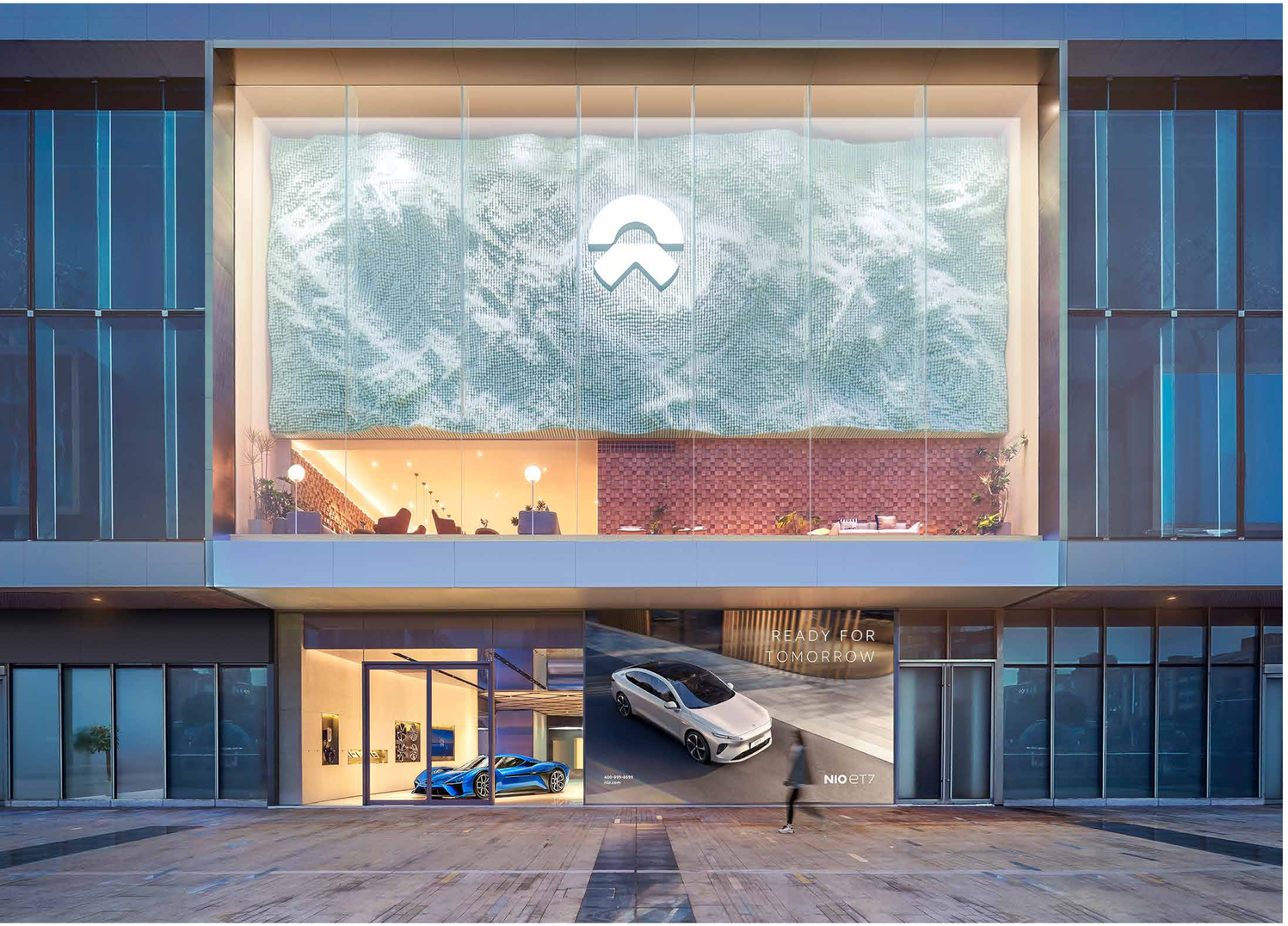
NIO conducts comprehensive risk assessments annually, focusing on identifying and assessing risk factors that could impact the Company's development, and continuously monitoring major risks and controlling situations. When necessary, we implement risk control measures to ensure our operational stability. We have incorporated ESG-related risks into NIO's risk management, including product quality risk management, supply chain risk management, data security risk management, etc., and continuously optimize relevant internal management mechanisms.

To ensure effective risk control, we formulate the next year's process audit plan based on the annual risk assessment results. Additionally, we engage in in-depth communication with the business departments regarding issues identified during the audit process and develop feasible solutions. For high-risk process audit projects, we also take measures such as follow-up audits and long-term communication to ensure effective and efficient execution at the operational level. During the reporting period, we conducted 7 audit projects for global business and proposed 218 action plans to effectively advance closed-loop risk management.

Risk management process







2.2 Compliance Management and Business Ethics

Compliance management capability is a backbone for NIO's international competitiveness. NIO is committed to establishing a comprehensive and transparent compliance governance system, taking effective actions on key compliance issues such as anti-money laundering, anti-unfair competition, and anti-corruption, and continuously enhancing the standardization and effectiveness of the Company's compliance management.

2.2.1 Compliance Management Enhancement

Compliance management is the foundation of the Company's long-term and steady development. In line with global market regulatory requirements, NIO comprehensively establishes compliance policies, enforces process control, and nurtures a culture of compliance with a focus on areas such as anti-corruption, anti-monopoly, anti-money laundering, and data privacy, and continually refines NIO's compliance management system. We have our Board of Directors appoint a Company Compliance Officer, establish a Compliance and Ethics Committee, and set up departments and personnel responsible for compliance management to ensure the efficient operation of the compliance management system throughout the entire company. We also joined the Trust and Integrity Enterprise Alliance to consistently contribute to the advancement of industry-wise compliance and integrity practices.

NIO has developed and publicly disclosed the *Global Code of Business Conduct*, integrating the Company's ethical standards into guidelines for both employees and partners and transparently shares its commitments and measures regarding anti-money laundering and anti-unfair competition with all stakeholders. At the same time, we have developed detailed internal regulations and embedded various compliance settings into our operating processes and related digital systems to effectively mitigate compliance risks and ensure timely detection and swift response to relevant compliance issues.

We integrate compliance concepts into our corporate culture through compliance campaigns and training activities to raise the awareness of all employees. During the reporting period, we collaborated with internal and external experts to develop a global compliance training series and conducted 11 compliance training sessions for all employees both online and offline. These training sessions covered a wide range of topics, including ESG and fair trade, compliance in the European region, etc.

To further expand the reach of compliance promotion and training and improve the penetration and effectiveness of compliance management throughout our business operations, we have introduced the Compliance Ambassador Program. Under this program, compliance ambassadors are appointed across various regional companies and factories to facilitate compliance training and communicate our compliance policies.

Compliance training poster in 2022

2.2.2 Business Ethics

Upholding principles of integrity and honesty serves as the cornerstone of NIO's operations and stands as a vital safeguard for our product quality and brand reputation. NIO has formulated and rigorously implemented the *Global Anti-Corruption Policy* to standardize employee behavior and prevent and address various forms of corruption and bribery incidents. We have established a clear business ethics management system. The Board of Directors oversees anti-corruption matters directly and authorizes the Audit Committee to carry out management tasks. The NIO Compliance and Ethics Committee collaborates monthly with the Board of Directors or Audit Committee to conduct ethics and compliance status reviews, ensuring the long-term efficacy of our business ethics management system. We also incorporate oversight of business ethics within our annual significant process audits, covering all global operations, to ensure timely control of corruption risks. During the reporting period, NIO did not experience any concluded cases of violations related to business ethics.

Additionally, we hold our collaborations with business partners to the same high standards. We have formulated and require partners to adhere to the *Code of Conduct for NIO Partners*, actively fostering an ethical and well-governed business environment, and collaboratively building a responsible value chain business ecosystem.

Whistleblowing Mechanism

NIO has developed and publicly disclosed the *NIO Whistleblowing Policy and Procedures*, outlining the Company's investigation steps and disciplinary measures for reported cases. To support and protect the reporting actions of all stakeholders, we strictly maintain the confidentiality of reported information and implement anti-retaliation measures to ensure the rights of whistleblowers. We continue to improve various reporting channels and make them accessible to employees, users, and partners across our global operations, fostering effective oversight of NIO's business ethics initiatives by all stakeholders. During the reporting period, we received a total of 14 reports with a verification rate of 100%.

Reporting Channels

Open-door discussion: Employees can directly raise any issues to their line managers. Any third-party partners can directly contact the relevant business managers of the Company, the Human Resources Department, the Legal Department, or the Compliance and Risk Management Department of the Company.

Online intake: Anonymous reporting can be made through the reporting page of the Company's official website.

Email: compliance@NIO.com

Ethics Helpline: China (GIS): 400-999-4530; or 400-661-2080 (NIO dedicated line)
United States: 855-229-9304; or 844-668-0635 (NIO dedicated line)
United Kingdom (ITFS): 0808-234-7287; or 0808-234-6075 (NIO dedicated line)
Germany (ITFS): 0800-180-0042; or Step 1: dial 0800-225-5288, Step 2: dial 844-668-0635 (NIO dedicated line)

Business Ethics Training

NIO clearly communicates its anti-corruption-related policies and procedures to every employee. We require all employees to sign the *Global Anti-Corruption Policy Agreement* and complete online anti-bribery and anti-corruption training courses. This training is linked with and serves as a prerequisite for employee promotion, ensuring their comprehensive understanding of and adherence to our business ethics requirements. To continuously enhance a culture of integrity and responsibility across the entire workforce, we have established a comprehensive and diverse business ethics training framework, including targeted business ethics and compliance training for all employees (including interns and part-time employees) at regional companies, key business departments at headquarters, middle and senior management personnel, and all new employees on an annual basis. During the reporting period, NIO's online business ethics and compliance training achieved 100% coverage of employees (including interns and part-time staff) . Additionally, we conducted 55 in-person business ethics and compliance training sessions, covering a total of 9,378 people.

Compliance training of the Business Resource Management department in 2022

We consistently conduct a variety of internal communication and training activities to raise employee integrity awareness. On June 30, 2022, we organized compliance training for all employees in the Business Resource Management department. This training provided a detailed introduction to NIO's *Code for Commercial Behavior and Ethics* and the *Code of Conduct for NIO Partners*, as well as the mechanisms for addressing employee corrupt behaviors. The training also performed the theme of "potential compliance risks in procurement functions" in the form of sitcom. Furthermore, we invited internal experts to analyze the compliance knowledge contained in each sitcom. This helped employees who undertake relevant functions to understand compliance precautions in depth and detail and raise their risk awareness.

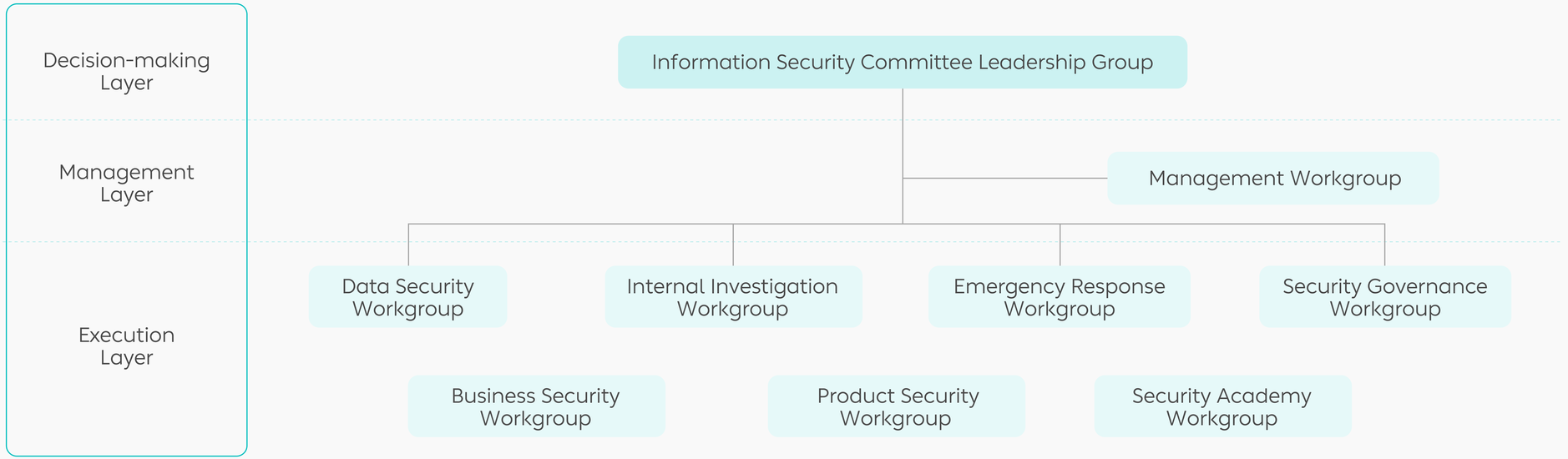
Compliance training of the Business Resource Management department in 2022

2.3 Information Security and Privacy Protection

The stable operations of NIO rely on the reliable functioning of critical information systems and information security and privacy protection. We continue to improve the information security management framework, optimize the Company's information security system, closely monitor potential information security risks, swiftly identify, and effectively respond to potential information security incidents, and spare no effort to protect the information and privacy security of the Company, employees, users, and partners.

Strictly in comply with the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China,* the *Several Provisions on the Management of Automobile Data Security (Trial Version)*, and the *European Union's General Data Protection Regulation (GDPR)* and other laws and regulations, NIO carries out information and privacy security work. We have established an information security management framework consisting of an Information Security Committee Leadership Group, a Management Workgroup, and 7 security workgroups, which are responsible for decision-making, management, and implementation functions respectively, comprehensively and systematically maintaining information security and privacy.

NIO information security management framework



We have comprehensively established an information security and privacy management system in accordance with the requirements of the ISO/IEC 27001 Information Security Management System and ISO/IEC 27701 Privacy Protection Management System. Through a comprehensive set of policies and procedures, we control potential information and privacy security risks. Additionally, we have developed over 10 information security management policies, including *NIO Information Security Management Policy* and *NIO Data Classification and Grading Strategy*, and have deployed corresponding technical tools to embed various information and privacy security requirements into relevant business processes. Furthermore, NIO regularly conducts certification audits on ISO 27001 and ISO 27701, as well as National Testing and Evaluation for Classified Protection of Information System, to continuously improve our information and privacy protection capabilities.

Information and privacy security certifications obtained by NIO	ISO/IEC 27001 Information Security Management System Certification
	ISO/IEC 27701 Privacy Protection Management System Certification
	Certification for Data Security Management Capability (DSMC)
	NIO app passed the “Mobile Internet Application (App) Security Certification” of the China Cybersecurity Review Technology and Certification Center
	NIO app, TSP system, OTA system, and Datasight system passed the “Level 3 National Testing and Evaluation for Classified Protection of Information System” approved and issued by the Ministry of Public Security of the People’s Republic of China
	Our portal website passed the “Level 2 National Testing and Evaluation for Classified Protection of Information System” approved and issued by the Ministry of Public Security of the People’s Republic of China

To further ensure that our partners fully understand and comply with NIO’s information security policies, we have established and strictly implemented the *Security Management System for NIO Partners*. This system sets clear requirements for our partners’ information security capabilities and establishes a capability assessment mechanism to ensure that they have comprehensive information security management capabilities. We further require suppliers involved in data processing to sign a *Data Processing Agreement*, so as to strictly restrain their data processing behaviors.

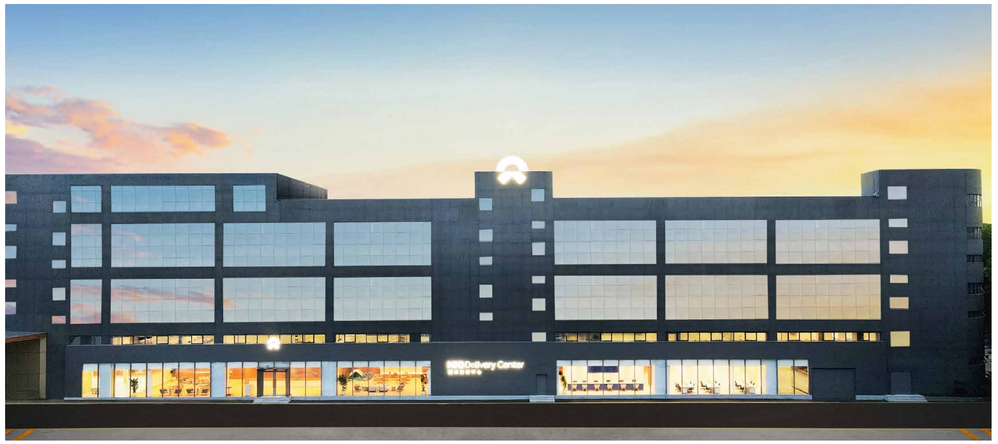
During the reporting period, NIO faced one information security incident involving the leakage of internal company data by a former employee. In response to the incident, NIO promptly initiated the information security emergency response mechanism, reported the situation to the local cyberspace administration, and assisted relevant parties in cracking the case in a timely manner. We also communicated with users regarding the specifics of the case and implemented corrective actions in information security systems, data encryption protection, and early warning monitoring mechanisms to effectively prevent various information security risks.

Information Security Culture Construction

Information security education and cultural development are important aspects of our information and privacy protection efforts. NIO has established a long-term information security training mechanism to raise the information security and privacy protection awareness and capabilities of all employees. We provide tailored training for the management, new employees, interns, and partners, and conduct annual training and assessment for all employees with a 100% participation rate in information security awareness training. Furthermore, we conduct quarterly simulated phishing email exercise and continue to employ diverse forms such as internal news report, thematic poster, and National Cybersecurity Awareness Week activities to disseminate and advocate the Company’s information security and privacy protection policies.

Information security consulting assistant

In 2022, we introduced an information security consulting assistant on our internal communication platform. Through targeted, personalized communication, this assistant delivers information security knowledge, training updates, and security reminders directly to employees. This approach ensures that messages related to information security reaches employees directly, helping them grasp relevant knowledge and skills. Additionally, the assistant offers features for reporting security incidents and seeking security-related advice, providing all employees with a gateway to participate in information security oversight. This has effectively facilitated the implementation of daily information security practices.



2.3.1 Information Security Protection

To improve the overall information security level of the group, we continue to strengthen data security infrastructure, enhance network security defenses, and implement a series of information security monitoring and emergency measures to achieve comprehensive information security throughout the operational processes.

Data security is crucial to the stable operations of NIO. We have drawn up and implemented the *NIO Data Classification and Grading Strategy*, which classifies data into four levels: highly confidential, confidential, internal, and public, according to the value of information, the sensitivity of content, and relevant legal and regulatory requirements for hierarchical control. Additionally, we have deployed a comprehensive data security compliance and governance platform and rigorously managed data usage permissions, promoting the standardization, automation, and visualization of information management work. Furthermore, we have developed an in-house data desensitization system, established a unified encryption and desensitization capability platform, and thereby enhanced the data security capabilities of various business lines.

Centering on network security protection, we actively construct and deploy essential network security protection platforms and tools such as firewall, host intrusion detection system, and email security gateway, and timely monitor, identify, and respond to network security-related incidents. To respond effectively to information security risks in business operations, we have established a comprehensive Information Security Response Standard Operating Procedure (SOP) and established the NIO Security Response Center (NIO SRC) and other tools to ensure 24/7 monitoring of information security risks and rapid response on an hourly basis. During the reporting period, we continuously strengthened the overall information security capabilities of the entire company by conducting specialized governance activities such as database auditing and specific investigation of database account permission, effectively mitigating data security risks and vulnerabilities.

2.3.2 Privacy Protection

Safeguarding the security of users' personal data and other sensitive information is a critical mission of NIO. We have introduced and implemented the *NIO Privacy Policy*, which provides clear provisions on the collection of user information in 17 scenarios such as account registration and login, purchasing consultation and test drives, and order placement, and explains to users how we use data. During the reporting period, we further improved the user authorization mechanism, and optimized privacy policy-related terms in the *Vehicle Purchase Agreement* and the user interface on NIO app, so as to increase the transparency of the privacy policy.

To follow through on privacy protection commitments, we have made sustained efforts to build up data security by integrating data classification and grading management, data compliance assessments, and other related technological deployments into the Company's business processes, digital systems, and products. NIO adheres to GDPR's data minimization principle and conducts personal information processing compliance assessments from the early design and development stage of new products and services to ensure that only necessary personal information is collected to realize the intended function. As for data storage, NIO has explicitly stated in the *NIO Personal Information Protection Management Policy* that "the retention period of personal information should be the minimum period needed to achieve the purpose", and has set the shortest retention period based on real business needs during operations to better protect personal information. In addition, we have also made a contingency plan for personal information security incidents to promptly take remedial measures and brief users on the incident in a timely manner.

Data desensitization and encryption of cameras

NIO is committed to meeting users' needs for data and privacy protection of automotive products in various functional scenarios by technological innovation. We have developed real-time data desensitization algorithm in-house which anonymizes data such as faces and license plates captured by cameras. In terms of real-time data transmission of the environment surrounding the car, we have further developed an end-to-end encryption solution to ensure that NIO only serves as a data transmission channel without any technical capability to access surround live videos remotely, thereby meeting users' needs for data and privacy protection effectively.

Camera data desensitization

NIO respects and values the privacy rights of its employees. NIO regards such personal information as employee identity information, health status and property as highly confidential data and treats it as the highest-level sensitive data in the Company's data classification and grading system. Furthermore, we actively carry out training sessions on personal information protection to impart privacy protection skills to employees and enhance their awareness of personal privacy protection.

2.4 ESG Management

As a responsible corporate citizen, NIO is wedded to incorporating ESG concepts into its core values and business decisions, improving its ESG governance framework, enhancing its own ESG management capability, and actively engaging in ESG initiatives amid its operations and industry value chain. Together with employees, users, partners, and others, we embark on a sustainable journey toward a blue sky.

2.4.1 ESG Governance Framework

NIO is dedicated to stimulating the initiative of all employees through a comprehensive and top-down approach to management and collaboration, steadily building the Company's capacities for sustainable development, actively advancing ESG work, and cooperating with a wide range of stakeholders to usher in a journey of sustainable development.

We have established an ESG governance framework with scientific decision-making, planning, and execution, so as to ensure that sustainable development concepts are converted into specific projects and then implemented into concrete actions at the operational level. We have drawn up and published the *Charter of Nominating and ESG Committee*, which prescribes the formation, procedures, responsibilities, and authorities of the NIO Nominating and ESG Committee, and provides clear guidance on the ESG management and essential conditions for the final implementation.

NIO ESG governance framework and responsibilities

Decision-making Layer	Board of Directors Nominating and ESG Committee	• Make decisions and oversee the formulation and updates of ESG strategies and objectives. • Supervise and evaluate the effectiveness of ESG workflow processes. • Make decisions regarding significant ESG matters for the Company and monitor the progress and effectiveness of major ESG initiatives, including ESG risk identification and response, targeted ESG enhancements, ESG information disclosure, stakeholder communication, etc. • The Board of Directors authorizes the Nominating and ESG Committee to conduct daily ESG oversight and management work.
Planning Layer	ESG Steering Team	• Formulate and update ESG strategies, objectives, policies, and procedures, ensuring their effectiveness. • Assess significant ESG issues, plan and advance work plans for major initiatives, and periodically review work progress and outcomes, including ESG risk identification and response, targeted ESG enhancements, ESG information disclosure, stakeholder communication, etc. • Regularly summarize the progress and effectiveness of significant ESG matters within the Company, and report to the Nominating and ESG Committee under the Board of Directors. • Drive, guide, and evaluate the implementation of various ESG tasks by the ESG Coordination Team.
Execution Layer	ESG Coordination Team and ESG responsible personnel in relevant departments	• Responsible for breaking down the Company's ESG objectives, devising work plans, and implementing them. • Implement the specific execution of the Company's ESG management systems and processes, promptly engaging in day-to-day ESG management tasks, and periodically reviewing progress. • Carry out specific tasks for significant ESG matters identified by the Company, in accordance with planning-level requirements. • Track, collect, and organize annual ESG progress, ESG-related information, and data to ensure the authenticity, accuracy, and completeness of information and data, thereby supporting the enhancement of ESG management capabilities and information disclosure. • Periodically summarize and report progress in ESG-related work to the ESG Steering Team.

2.4.2 Stakeholder Engagement

The identification and engagement of stakeholders are significant for NIO to carry out ESG management work. By virtue of diverse communication channels and activities, we maintain regular and transparent communication as well as close interactions with stakeholders. Collaborating with various stakeholders enables us to promptly understand their expectations for NIO's ESG initiatives and actively incorporate their input into our ESG strategic planning. This approach allows us to continuously optimize the overall ESG objectives and management capabilities, thereby improving NIO's overall ESG performance. During the reporting period, NIO collected stakeholders' feedback on the Company's ESG topics by the means of questionnaires.

Stakeholders	Topics of Concern	Communication and Feedback Channels
Shareholders and Investors	• Strategic Planning • Technological Innovation and R&D • Emergency and Crisis Management • Product Quality and Safety • Regulatory Compliance • Business Ethics • Corporate Governance	• Regular Reports and Announcements • Online and Offline Meetings • Email and Hotline • Shareholders' Meeting
Government and Regulatory Authorities	• Business Ethics • Corporate Governance • Regulatory Compliance • Occupational Health and Safety • Product Quality and Safety • Information Security and Privacy Protection • Water Resource Management • Emission Control Management • Waste Management • Biodiversity Conservation	• Security Incident Reports • Information Disclosure • Supervision and Inspection
Users	• Product Quality and Safety • User Services Beyond Expectations • Battery Lifecycle Management • Technological Innovation and R&D • Emergency and Crisis Management • Sustainable Products and Technologies	• Multi-Channels for User Feedback (exclusive service chat group on NIO app, tailor-made service application on the car, NOMI, NIO Fellows, and NIO service hotline, etc.) • Company Website and Social Media News • Offline Exhibitions and Sales Events • NIO User Events • User Satisfaction Surveys
Employees	• Employee Compensation and Benefits • Occupational Health and Safety • Talent Training and Development • Talent Attraction and Retention • Diversity, Equity, and Inclusiveness • Information Security and Privacy Protection • Corporate Culture and Values	• Multi-Channels for Employee Communication (NIO Home, Message, Speak Out, Listening Email, Morning 858, Internal Communication Meetings, etc.) • Online and Offline Training • Internal Office Systems • Mobile Office Systems • Internal and External Websites

2.4.2 Stakeholder Engagement

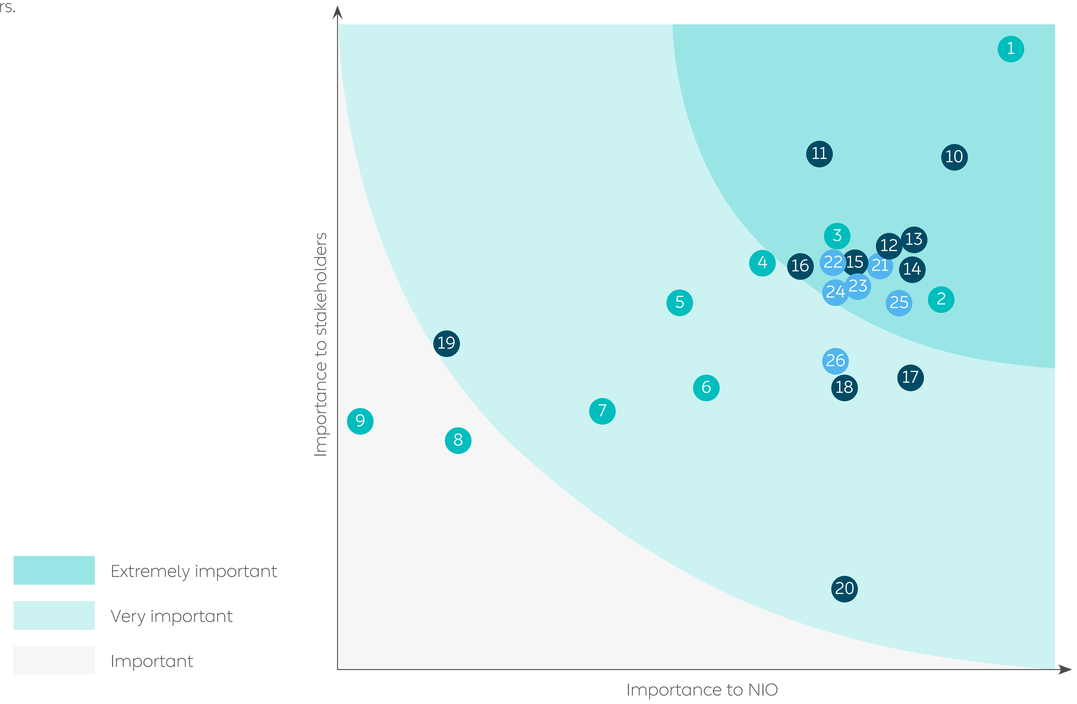
Stakeholders	Topics of Concern	Communication and Feedback Channels
Media	• Product Quality and Safety • Climate Change Mitigation • Diversity, Equity, and Inclusiveness • Sustainable Products and Technologies • Strategic Planning • Regulatory Compliance • Corporate Governance • Business Ethics	• Press Conferences • Media Communication Meetings • Media Experience Events
Partners	• Sustainable Supply Chain • Product Quality and Safety • Sustainable Products and Technologies • Energy Management • Technological Innovation and R&D • Battery Lifecycle Management • Business Ethics	• Partner Audits and Evaluations • Project Procurement • Partner Training • NIO Partner Day • Online and Offline Visits and Communications
Universities	• Scientific Research and Technological Innovation • Talent Attraction and Retention • Sustainable Products and Technologies • Sustainable Charging and Battery Swapping • Battery Lifecycle Management	• Campus Recruitment and Informative Talks • Talent Development Cooperation • Industry-Education-Research Cooperation
Non-Governmental Organizations (NGOs)	• Climate Change Mitigation • Biodiversity Conservation • Community Engagement and Public Welfare • Business Ethics • Regulatory Compliance • Corporate Governance • Sustainable Supply Chain	• Questionnaire and Communication • Public Welfare Activity Collaboration
Community	• Climate Change Mitigation • Water Resource Management • Emission Control Management • Waste Management • Biodiversity Conservation • Community Engagement and Public Welfare	• Community Projects • Public Welfare Activities

2.4.3 Materiality Assessment

In the first half of 2023, NIO conducted a new round of materiality assessment. Through proactive communication and research, we gathered feedback from our stakeholders, including shareholders, investors, employees, users, etc. With the insights gained, we identified and assessed ESG topics that are of significant importance to both our business development and all stakeholders.

Our materiality assessment mainly includes the following steps:

Step 1: ESG Issue Identification	Considering the characteristics of the smart EV industry and NIO's development plans, the domestic and international ESG disclosure standards, as well as the capital market's focus, we identified 26 ESG issues that are most relevant to our business activities and most important to our stakeholders.
Step 2: ESG Issue Materiality Assessment	We surveyed and interviewed internal and external stakeholders to assess how important the 26 ESG topics are to "NIO" and to the "stakeholders" and prioritize all the topics. Based on the research results, NIO's ESG materiality matrix was mapped out. In the first half of 2023, NIO's materiality assessment was predicated on 1,151 questionnaires, covering 9 internal and external stakeholder groups.
Step 3: Verification of Materiality Assessment Results	To ensure the accuracy, effectiveness, and relevance of the assessment results, NIO's Board of Directors and ESG management personnel reviewed the results of the materiality assessment, and the final ESG materiality matrix is as follows:



Environmental Topics	Social Topics	Governance Topics
1. Battery Lifecycle Management	10. Product Quality and Safety	21. Emergency and Crisis Management
2. Sustainable Charging and Battery Swapping	11. User Services Beyond Expectations	22. Business Ethics
3. Sustainable Products and Technologies	12. Technological Innovation and R&D	23. Regulatory Compliance
4. Power Management	13. Employee Compensation and Benefits	24. Corporate Governance
5. Waste Management	14. Occupational Health and Safety	25. Strategic Planning
6. Emission Control Management	15. Sustainable Supply Chain	26. Corporate Culture and Values
7. Climate Change Mitigation	16. Diversity, Equity and Inclusiveness	
8. Water Resource Management	17. Information Security and Privacy Protection	
9. Biodiversity Conservation	18. Talent Training and Development	
	19. Community Engagement and Public Welfare	
	20. Talent Attraction and Benefits	

3.0

The Innovation Journey of Creating Superior Products

“To shape a joyful lifestyle” is the mission that NIO continuously pursues. To this end, NIO keeps moving forward on the journey of creating superior products. We persist in the in-house development of core technology and provide users with experiences beyond expectations through continuous innovation. We have also built a comprehensive safety management mechanism and strive to improve safety across the board. Through all-encompassing and end-to-end quality management and inspection enabled by all employees, we aim to deliver high-quality products for user satisfactions.

On this innovation journey, NIO constantly pools the wisdom of all parties, collaborates with universities and research institutions to carry out forward-looking explorations, and actively participates in the cultivation of industry talent and the formulation of industry standards, so as to thrive and prosper together with the industry.

3.1 Innovation Driven

3.2 Creation of Safe Products

3.3 Product Quality Assurance

3.4 Industry Innovation

Model	Awards	Awarding Institution
NIO ES8	First place in the 2022 China New Energy Vehicle Automotive Performance Execution and Layout	J.D. Power
NIO ES6	First place of the 2022 China New Energy Vehicle Initial Quality Study	J.D. Power
NIO ET7	2022 Golden Steering Wheel Award in the Medium and Upper-Class Category	German Auto Magazine *AUTO BILD*
	2022 Technological Frontrunner of the Year	Danish Auto Magazine *DenMark Auto*
	2022 Innovation by Design Awards	American Business Magazine *Fast Company*
	Innovation, High Quality, Design Seals	Plus X Award

Story of the Chapter: NOMI Always by Your Side

Accompanying Users' Every Journey

Hi, I am your in-car AI companion, NOMI! Although I am small in size, I was born with NIO's first mass-produced model back in 2017. Starting with a simple greeting every day, I accompany users throughout their journeys, witnessing NIO's continuous progress on the innovative journey of creating superior products.

Driven by User Experience

Be it the assisted driving system or the seat experience, I carefully listen to every feedback from users and convey it to the R&D team to help them continuously explore and improve. Through daily interactions with users, I am constantly growing and evolving to become an AI companion that knows you better.

Delivering Exceptional Quality

Quality is a belief. Our quality teams and activities are the essential pillar for all business functions and make continuous optimization through closed-loop management.

For each vehicle product, we have established a comprehensive system covering 21 categories, 132 items, and 5,000+ control points. We strive to ensure excellence at every step and deliver products of exceptional quality to our users.

Ensuring Joyful Experiences through In-house R&D

We pursue continuous innovation and independently develop battery, e-powertrain and core intelligent technologies, providing users with a free and joyful driving experience.

Since 2022, with the full-stack in-house developed Navigate on Pilot Plus (NOP+), my driving skills have achieved significant improvement. I can provide users with a continuous assisted driving experience from point A to point B on expressways, and personalize adjustments based on users' habits. I have also learned to communicate with children and tell stories in "Child Mode". With "NOMI Memo", I can remember and remind users of every important task.

I hope that my continuous growth can bring more joyful and relaxing journeys for users.

Creating Safe Products

We always prioritize the safety and health of our users and strive to create safe products. NIO provides diverse safety and assisted driving features to help drivers avoid accidents. When encountering dangerous road conditions, I also send warnings to users, accompanying them to stay alert and go further.

In terms of health, NIO continuously optimizes cabin materials to provide users with a fresh, healthy, and comfortable driving experience. I constantly monitor the air quality inside the vehicle, and users can summon me to activate features such as air purification and seat ventilation, safeguarding their health during the journey.

Driving Industry Innovation

Innovation knows no bounds. We are actively engaged in continued communication and collaboration with universities, research institutions, and industry organizations as we keep exploring the future of smart EVs.

I also aspire to grow faster, accompanying users through every safe, relaxing, and joyful journey.

3.1 Innovation Driven

Since its establishment, NIO has always regarded continuous innovation as a long-term development strategy. We have independently developed battery, e-powertrain and core intelligent technologies, striving to provide users with experiences beyond expectations through technological breakthroughs and innovation. During the reporting period, we invested RMB 10.8363 billion in R&D cumulatively, an increase of 136.0% compared to 2021. As of the end of the reporting period, NIO had a total of 10,025 product and software developers, accounting for 37.5% of all employees.

3.1.1

Focusing on In-House Research and Development

Assisted and Intelligent Driving

NIO has established the Autonomous Driving Development (AD) department both in China and the United States, which continues to make advances and deliver fruitful results. As of the end of June 2023, NIO's AD department had more than 800 employees across the globe. From maps and localization to perception and algorithms, from the underlying system to the control strategy, NIO Assisted and Intelligent Driving (NAD) is enabled by NIO's full-stack intelligent driving capabilities.

All models based on NIO's latest second-generation technology platform, NIO Technology Platform 2.0 or NT2.0, are equipped with NIO Aquila super sensing system, NIO Adam super computing platform, AD algorithms, and vehicle platforms for AD. Based on the above software and hardware systems, NAD will gradually cover highways, urban areas, parking, charging and battery swapping scenarios to enable a safer and more relaxing driving experience from point A to point B.

Based on the full-stack in-house developed NAD technologies, we have delivered NOP+, an enhanced navigation assistance feature that enables a continuous assisted driving experience on highways, including navigation into NIO Power Swap Stations for autonomous battery swapping in service areas. As of the end of June, 2023, our NOP+ service had covered 95% of the major highways and urban expressways in China.

In addition to AD, NIO makes continued efforts to carry out independent R&D of software and intelligent systems, continuously providing users with rapidly iterative software products and optimizing their intelligent driving experience. During the reporting period, NIO's "Intelligent Chassis Controller (ICC)" project passed the Automotive Software Process Improvement and Capability Determination (ASPICE) Level 2 assessment, demonstrating its international-level R&D capabilities.

As the world's first carmaker to realize vehicle Firmware Over-the-Air (FOTA) updates at a large scale using proprietary technology, we can remotely upgrade the experience at the system level, such as power, handling, driving, and driver assistance through FOTA, and thereby provide users with an always-up-to-date driving experience and let them continuously enjoy the thrill of "driving a new car".

ASPICE CL2 Certification

As of the end of June 2023

93	16	600+	730+

NIO has released 93 versions of FOTA online upgrades worldwide to 16 models, covering three smart systems, Aspen, Alder, and Banyan, adding more than 600 new features and optimizing more than 730 features.

Battery and E-Powertrain Technology

NIO has been independently designing, developing, and manufacturing electric drive systems (EDS) since its first product. It is one of the few car companies in the world with full-stack in-house development and manufacturing capabilities for EDS. It is also the one of the only two car brands in the world with independent forward R&D capabilities for both permanent magnet and induction motors.

In the process of continuous improvement, NIO's full-stack in-house development and industrialization capabilities for EDS have obtained leading international certification for technology capability. As early as 2020, NIO's EDS development obtained the ISO 26262 Functional Safety Management Process certification, indicating that NIO has a product development process and development capabilities that comply with the highest level of automotive functional safety, "ASIL D" level. During the reporting period, NIO's 180kW EDS further obtained the ISO 26262 Functional Safety Component certification and was awarded the "Top Ten EDS in the World" by the CarBingo Academy, signifying that NIO's EDS R&D capabilities have been at the forefront of the industry. In addition, NIO has pioneered the large-scale application of high-performance silicon steel products in the EDS of premium smart EVs through the "Innovation and Application Technology Development of High-End Silicon Steel Products for New Energy Vehicles" project. This achievement has also earned NIO the first prize of the Metallurgical Science and Technology Award from the China Iron and Steel Industry Association and the Chinese Society for Metals.

"Top Ten EDS in the World" - NIO's 180kW permanent magnet synchronous motor

CERTIFICATE
No. Z10 117129 0001 Rev. 00

ISO 26262 Functional Safety Component

CERTIFICATE
No. G4S 110512 0001 Rev. 00

ISO 26262 Functional Safety Management Process for the Electric Drive System

中国钢铁工业协会 中国金属学会
冶金科学技术奖
证 书

First prize of Metallurgical Science and Technology Award

In terms of in-house development of batteries, NIO has established a development process that covers requirement analysis, development verification, product approval, and mass production. During the R&D process, NIO takes into consideration various factors, including safety, user experience, and sustainability, aiming to develop battery products that are user-friendly and eco-friendly.

Safety	User experience	Sustainability
Combining whole-vehicle collision safety and after-sales safety cases, and comprehensively considering safety design from different dimensions to achieve the goal of non-propagation of heat.	Comprehensively considering factors such as fast charging, 0-100 km/h acceleration, battery life that enhance the user experience, and conducting design verification.	Adopting integrated design and carrying out lightweight material development, low-carbon material and component process development, and developing designs that are easy to recycle.

Considerations of safety, user experience, and sustainability in the battery product development process

Intellectual Property Protection

Innovation and differentiation are the key to NIO's development and competitiveness. We attach great importance to the application and protection of intellectual property rights to continuously consolidate our competitive advantages. Based on the requirements of domestic and foreign intellectual property-related laws, regulations, and standards, NIO has established and been improving the process system for patent application and maintenance, as well as incentives for inventions created in the course of duty, so as to encourage R&D personnel to actively pursue intellectual property rights.

As of the end of the reporting period

NIO has a total of

6,041

issued and pending patents in the U.S., China, Europe and other jurisdictions

including

3,703

issued patents and

2,338

pending patents

In addition, NIO owns

4,723

registered trademarks and

1,739

pending trademarks

During the reporting period, NIO received recognition and honors for its intellectual property both at home and abroad. It has won two China Patent Excellence Awards, one China Design Excellence Award, as well as gold and silver awards at the Exhibition of Inventions of Geneva. Moreover, NIO has been honored as a National Intellectual Property Advantage Enterprise for its contributions to the field of intellectual property.

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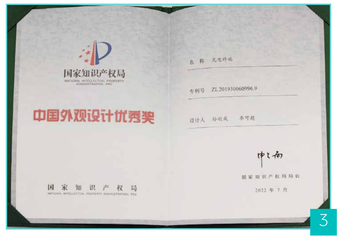

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1、2	NIO's "Lock Body Assembly, Battery, Its Locking Mechanism and Application, and Means of Transportation" won two China Patent Excellence Awards
3	The "Charging Terminal (NIO Power Charger)" won the China Design Excellence Award
4	The "NIO Power Cloud" and "NIO Power Swap Pilot for Highway" won a gold and a silver award respectively at the Exhibition of Inventions of Geneva
5	National Intellectual Property Advantage Enterprise

We have established the "NIO Excellence Innovation Award" internally to recognize and reward significant inventions which have made remarkable contributions to the Company, as well as outstanding inventors and designers. We have also set up an incentive mechanism for patents, providing monetary rewards to inventors or designers who have obtained patents. This serves to acknowledge and motivate our R&D staff to continue pushing the limits of innovation. During the reporting period, a total of 1,223 individuals had received rewards for their inventions and creations made in the course of duty.

At the same time, NIO pays close attention to preventing and controlling the risk of intellectual property infringement and comprehensively identifies relevant risks related to its own R&D work, as well as its partners, to avoid infringing on the intellectual property rights of others. In terms of independent R&D, we integrate intellectual property infringement risk management into the product and project development process. At multiple milestones like product concept, product definition, product validation, and product mass production, we proactively manage and control relevant patent infringement risks. In addition, during the procurement of parts and components, we actively empower partners to conduct patent infringement risk investigations. Once relevant risks are found in R&D or procurement, NIO will take swift measures such as stopping usage, replacing partners, and avoiding similar design to protect the intellectual property rights of others and help maintain a favorable R&D and innovation ecology. As for the illegal infringement of NIO's intellectual property rights, we continue to monitor and issue warning letters to companies involved to stop the expansion of infringement and effectively protect our own rights and interests.

3.1.2
Driven by User Experience

NIO takes a multi-faceted approach to driving product development based on user experience, with an aim to co-create with users. We regard user experience and satisfaction as part of product development targets and set up the position of experience manager in various processes throughout the product lifecycle to ensure that our focus on user experience runs through the entire product development process. In the meantime, we have developed a company-level user experience operation mechanism jointly participated and coordinated by user operations, product, and R&D teams at all levels to achieve the closed-loop management from user feedback to R&D activities and experience delivery.

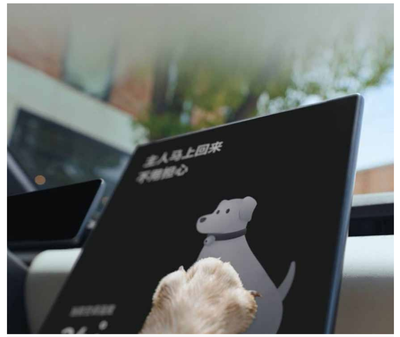
User Feedback
Collecting user feedback through various channels such as user questionnaires, UCLS closed-loop system data import, NOMI Debug, App Debug, user service groups, and one click to report.

Product Requirements
Establishing a common set of experience dimensions across all business functions within the Company to standardize the classification of user feedback and identify corresponding product requirements, and then conduct research.

R&D Activities
Mapping out long-term plans to meet users' needs, setting delivery targets and carrying out R&D activities based on them.

Experience Delivery
Conducting recaps of the delivered projects to learn about users' satisfaction ratings of the new features/products and check whether they have helped improve user experience.

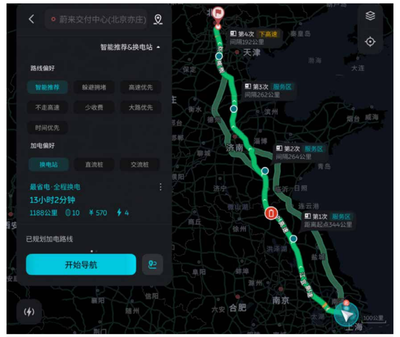
User-experience-driven product development



Pet Mode
When users leave their pets in the car temporarily, the Pet Mode can keep the air flow in the car and the internal and external circulation up and running, while the doors and windows automatically locked to prevent accidental triggering, thus protect the safety of pets.

NOMI Memo
NOMI supports voice-enabled creation and management of alarms and reminders, intelligent linkage with cellphones or navigation, as well as creating and managing get-off reminders. This helps users alleviate the burden of remembering trivial things in daily scenarios

Wet and Sand Modes
The Wet Mode can improve vehicle steadiness and smoothness on slippery or waterlogged roads. The Sand Mode can adjust the vehicle's power output to be more aggressive and intelligently allocate front and rear torque output to maintain forward capability while avoiding getting stuck or bottoming out.



Smart Trip Planner
The navigation will automatically plan a power charging route when the remaining range cannot sustain the car to the destination. After selecting the route and clicking to start navigation, the planned power charging resources on the route will be automatically added as waypoints. If the route includes a Power Swap Station along the way, an automatic battery swap order will be placed.

Always adding thoughtful new features

3.2 Creation of Safe Products

We believe that every opportunity for improving car safety is worth our utmost efforts. NIO develops all its products in line with relevant safety regulations in the target markets, China's New Car Assessment Program (China NCAP), the European New Car Assessment Program (Euro NCAP), and the China Insurance Automotive Safety Index (CIASI) requirements. Meanwhile, we have designed additional protection for scenarios not covered by the rating standards to further protect the safety of all occupants in the car.

As of August 31, 2023

the NIO EC6 and ET5 models have received

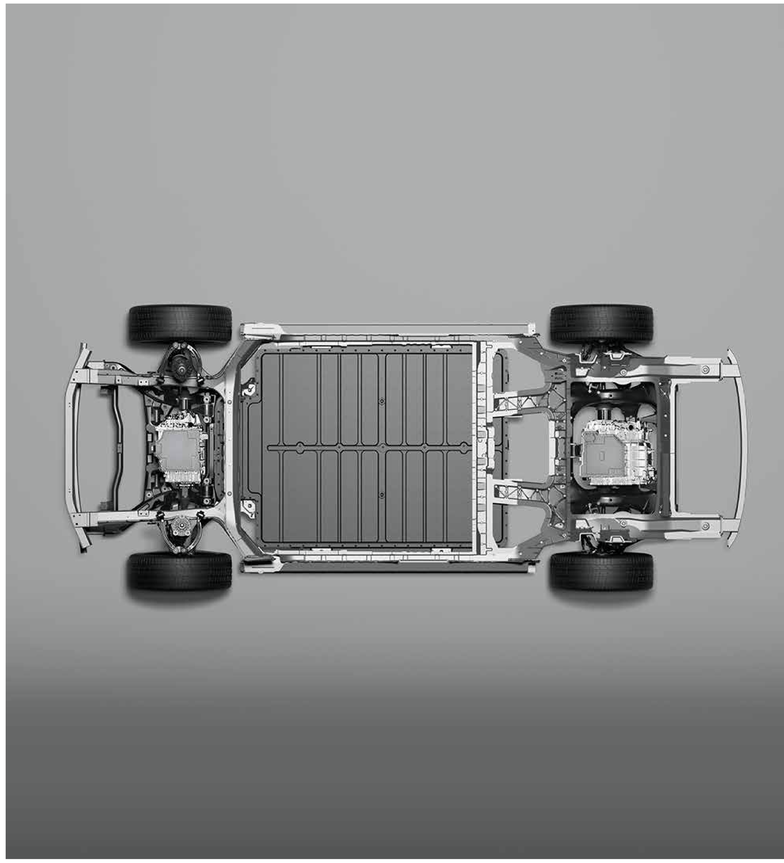
the highest safety rating at CIASI

the ES8 and ET7 models have received

the maximum five-star safety rating in China NCAP

while the ES8, EL7(ES7), ET7 and ET5 models have also received a

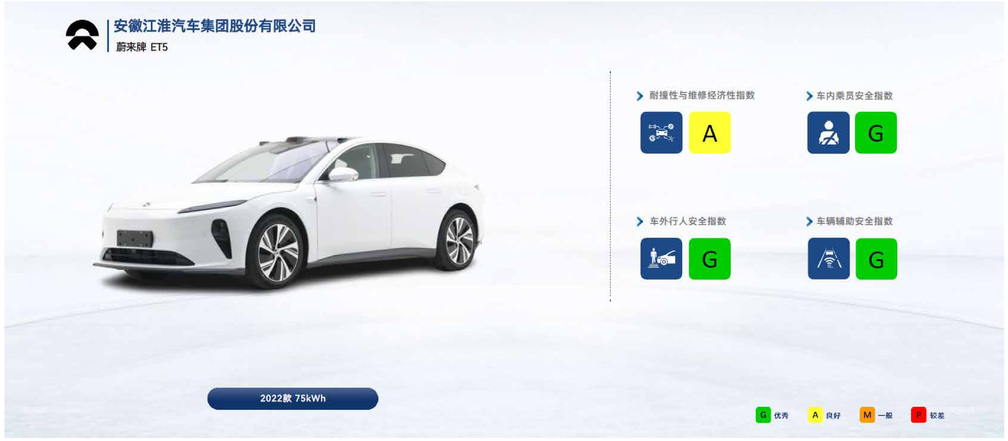
five-star safety rating in Euro NCAP



NIO ET5 Achieves the Highest Safety Rating at CIASI and Makes Multiple Breakthroughs

On April 24, 2023, the NIO ET5 smart electric mid-size sedan achieved an all-around excellent safety rating at CIASI. Among the four evaluation indexes, the ET5 received the top “G” (Good) rating in all 30 sub-indexes of the three core indexes, and also an “A” (Acceptable) rating in the “Damageability and Repairability Index” which often sees bad performance among models priced above RMB 300,000, surpassing other models in the same segment.

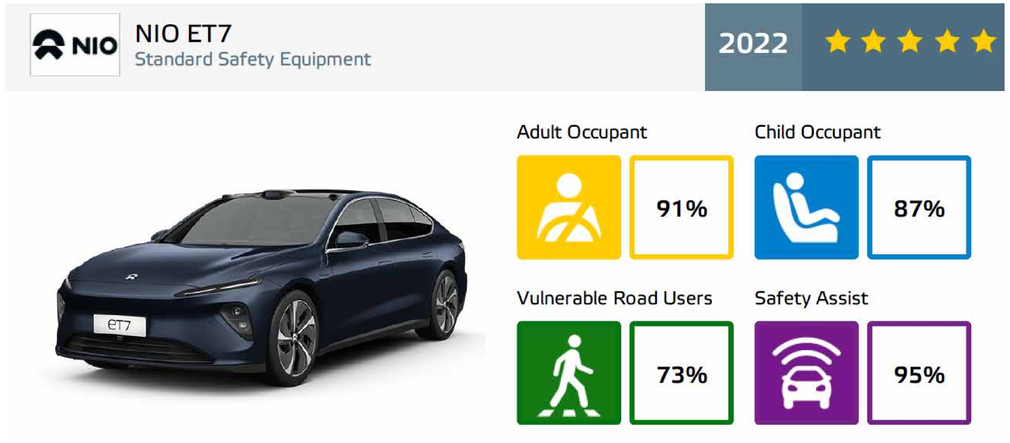
In addition, the NIO ET5 is the first battery electric vehicle (BEV) in CIASI’s crash test to receive a G rating with zero defects in both the driver and passenger side small overlap front crash tests, and its roof strength ranks first among all car test results published by CIASI, further pushing the boundaries of passive safety for smart EVs.



NIO ET5 CIASI Safety Rating Results

NIO ET7 Receives a Five-Star Safety Rating in Euro NCAP

On November 16, 2022, as the first NIO model targeting the global market, the ET7 flagship smart electric sedan secured a maximum five-star safety rating in the latest Euro NCAP safety tests, following a similar five-star result for ES8 SUV. In a series of tests, the ET7 broke the total score record of Chinese BEVs in Euro NCAP in terms of Adult Occupant, Child Occupant, Vulnerable Road Users, and Safety Assist, marking NIO’s progress in bringing a safe driving experience to global users.



NIO ET7 Euro NCAP Rating Results

3.2.1 Driving Safety

With a diverse and strong set of active safety features, NIO is committed to helping users avoid potential traffic risks and ensuring their driving safety. We strictly follow the requirements of China NCAP and Euro NCAP to certify and test the active safety features, such as AEB (Autonomous Emergency Braking), FCW (Forward Collision Warning), ELK (Emergency Lane Keeping), LKA (Lane Keeping Assist), and LDW (Lane Departure Warning), to help users avoid collision and lane departure risks and provide a safe driving experience.

In addition, based on laws and regulations as well as users' actual driving scenarios, we keep optimizing and provide even more active safety features to help enhance driving safety:

22 standard safety and driving assistance features

- Forward Collision Warning (FCW)
- Automatic Emergency Braking (AEB)
- Blind Spot Detection (BSD)
- Lane Change Alert (LCA)
- Door Open Warning (DOW)
- Rear Cross Traffic Alert with Brake (RCTA-B)
- Front Cross Traffic Alert with Brake (FCTA-B)
- Lane Departure Warning (LDW)
- Lane Keeping Assist (LKA)
- Emergency Active Stop (EAS)
- Emergency Lane Keeping (ELK)
- Advanced Driver Monitoring System (ADMS)
- Intelligent Adaptive Cruise Control (I-ACC)
- Automatic High Beams (AHB)
- Traffic Sign Recognition (TSR)
- Environment Simulation Display (ESD)
- Shiftless Automatic Parking Assist with Fusion (S-APA With Fusion)
- Power Swap Auto Park (PSAP)
- Side Distance Indication System (SDIS)
- Lane Centering Control (LCC)
- Auto Lane Change (ALC)
- Go Notifier

Active safety features

Gear Shifting Protection mode to prevent sudden mis-acceleration

When the user shifts gears at low speed without pressing the brake or the shifting lever is not pulled correctly, the vehicle will enter the Gear Shifting Protection mode. In this mode, even if the user presses the accelerator, the vehicle will not generate power output in a bid to avoid the vehicle accelerating towards the opposite direction of the user's expectation. At the same time, the vehicle will leverage the braking system to decelerate on a slope or level road to prevent it from slipping.

Preventing driver distraction and fatigue to ensure driving safety

During driving, NIO continuously monitors the driver's alertness using the Driver Monitoring System (DMS) to detect signs of fatigue and distraction, thereby helping the driver pay full attention to the task of driving.

Smart Matrix Headlights to assist night driving safety

Fitted with an 8MP high-definition camera and ultralong-range LiDAR sensor, the Smart Matrix Headlights can accurately control the matrix high beam at night to avoid dazzling the oncoming traffic and turn on other high beams to ensure night driving safety for both the driver and oncoming vehicles.

3.2.2 Health and Safety

We are dedicated to making our cabin a “second living room” for users. Therefore, we continuously optimize cabin materials and upgrade intelligent systems such as the HVAC system, aiming to provide users with a fresh, healthy, and comfortable driving experience. During the reporting period, NIO ET7 was awarded the “Five-Star Healthy Car” by China Automobile Health Index, and NIO ES7 was awarded “China’s Healthy Car” by Automotive Data of China Co., Ltd., one of the major subsidiaries of China Automotive Technology and Research Center (CATARC).

Fresh Air

- NIO strives to create car products with air quality levels far higher than national standards. It has added volatile organic compounds (VOC) and odor testing under high-temperature conditions, as well as the verification of extreme driving scenarios, so as to ensure no compromises on user experience.
- NIO has developed various hardware components to achieve multilayered air quality protection, including smart air quality system, air quality sensor (AQS), antimicrobial and anti-allergen activated carbon air filter, PM2.5 sensor, and ionizer. These components work together to make for ultimate air quality protection.

Healthy Materials

- The interior uses Nappa leather, Haptex® synthetic leather and Microfiber produced with eco-friendly processes, all of which have obtained the highest standard certification in safety, the class for baby certification, from OEKO-TEX.
- The use of Nappa leather tanned with coffee bean shells eliminates formaldehyde, acid, and heavy metals such as chromium in the leather tanning process, reduces the release of VOC, and avoids users’ contact with heavy metals.

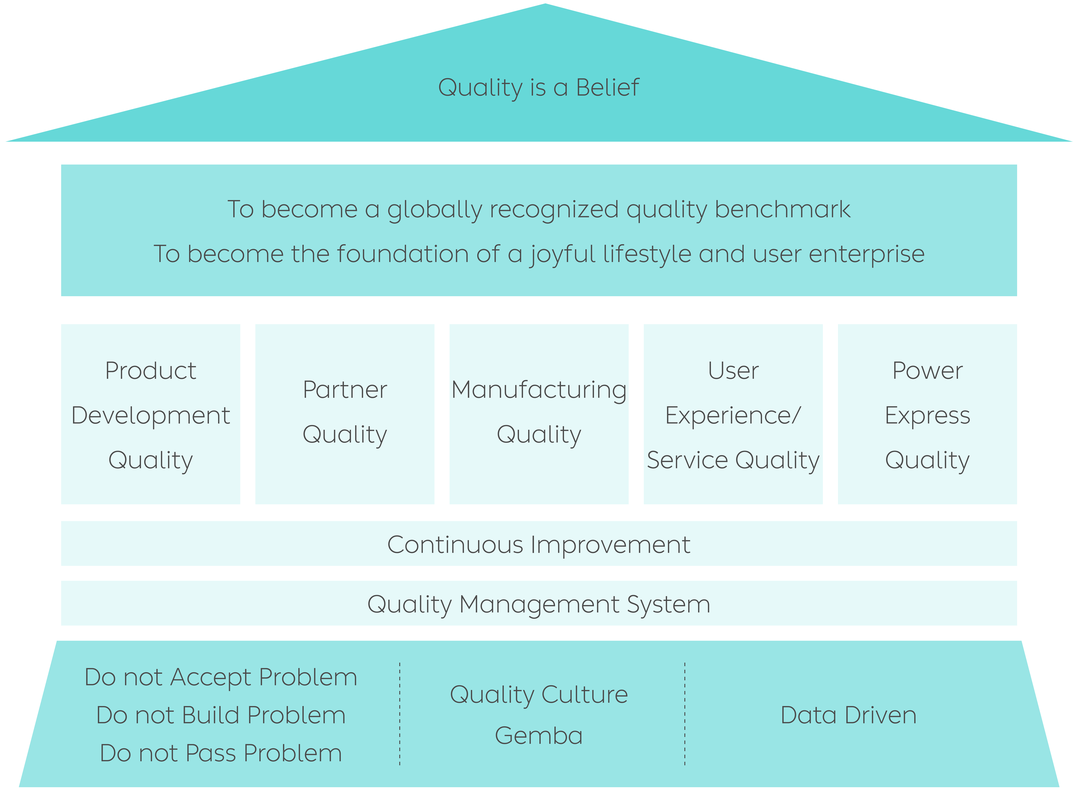
Antimicrobial and Safe

- The cabin extensively uses antimicrobial coatings that incorporate silver ions and covers easily contactable areas such as front and rear seats, armrests, and door panels, thereby effectively preventing bacterial growth and eliminating the risk of microbial growth.
- When it comes to the leather and microfiber surfaces that are frequently touched by users, we have added antimicrobial agents to the composite coatings already sprayed on them to maintain an antibacterial rate of over 99% for bacteria such as e. coli and Staphylococcus aureus, and not causing skin allergies.

Diverse measures to safeguard users’ health

3.3 Product Quality Assurance

At NIO, quality is a belief. It is also the solid foundation for us to provide users with a joyful lifestyle. NIO is committed to becoming a globally recognized quality benchmark through end-to-end quality management engaging all employees and covering all dimensions. Our quality teams and activities are the essential pillar for all business functions, including product software and hardware development, supply chain management, manufacturing and logistics, user services, power management, NIO Life, etc., so as to provide users with experiences beyond expectations. NIO has established the Quality Committee responsible for developing the Company's quality policies, strategies, objectives, and measures, reviewing related results and performances based on quality objectives, and promoting cross-functional cooperation.



NIO continuously carries out quality awareness raising and knowledge imparting activities to promote quality as a belief. We set company-wide quality award mechamism to spread the power of role models, with 439 people receiving awards during the reporting period. Moreover, we create a quality culture and build efficient team synergy by conducting quality all-staff meetings, annual quality conferences and large-scale events in the industrialization cluster, and hold quality leadership workshops. We also vividly demonstrate quality craftsmanship by producing videos and articles on quality events, quality craftsmanship and value achievement awards for multi-channel release to all employees. For our partners at the factory end, we also carry out quality awareness activities such as quality issue report and issue-solving, to raise everyone's awareness of quality problems.

Quality awareness promotion and knowledge imparting activities

In addition, we have been carrying out large-scale training projects such as the problem-solving certification project "Terminator", the issue prevention project "Navigator", and the special process project "Sniper", continuously expanding the coverage to empower partners and increase industry influence.

The problem-solving certification project "Terminator"

To cultivate and certify talents with the ability to solve complex problems and establish a unique problem-solving system, NIO has been carrying out the "Terminator" Project since 2019.

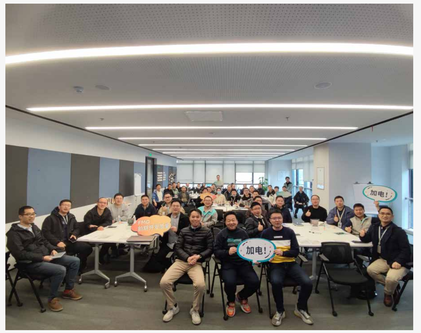
This project benchmarks against the Six Sigma Certification in the industry and provides professional training and certification to trainees. At the same time, NIO has been promoting this project to its partners for common development. As of June 2023, the project had trained 1,046 employees.

A "Terminator" Project training session

The issue prevention project "Navigator"

The issue prevention project "Navigator" aims to cultivate and certify a group of talents with failure prevention thinking and ability to master problem prevention methods and tools, and continuously cultivating the reserve forces to be applied in practice in the pre-project development of new car models. Through training and empowerment, it will establish a failure prevention mindset and improve FMEA (Failure Mode and Effect Analysis) capability; through the completion of relevant project practice, it will apply knowledge learned to actual work and improve talents' working capability; through training and sharing, it will realize the ripple effect and spread the methodology and ideas of failure prevention within the Company and among its partners.

By the end of June 2023, a total of 1,288 trainees have completed the empowerment training.



A "Navigator" Project training session

During the reporting period, NIO ES6 won first place in the 2022 "High-End New Energy Vehicle Quality Experience" by China Automotive Quality Research jointly published by 12365auto.com and Car Research Consulting Beijing Co.,Ltd., as well as the champion in J.D. Power's 2022 New Energy Vehicle Initial Quality Study (IQS) in the Premium BEV segment.

3.3.1 Quality Management System

All NIO's business has acquired quality management system (QMS) certification and more will join based on maturity. We have formulated the *Quality Manual* as the guiding document for QMS, laying out guidelines for all employees when engaging in quality activities. It also outlines quality principles, which focus on user experience, building smart EVs with exceptional quality and providing joyful service that exceeds users' expectations. In addition, we have published the *Quality Handbook* for all NIO employees to enhance functional departments' understanding and collaboration in quality-related activities. The Handbook will be continuously iterated in line with the process updates of business departments.

ISO 9001 QMS certification		International Automotive Task Force (IATF) 16949 QMS certification	ISO 9001 QMS certification		ISO 9001 QMS certification	British Retail Consortium (BRC) Certification of Global Standard for Food Safety

To meet users' needs and achieve satisfying delivery, NIO has adopted an end-to-end quality management mechanism, covering the four main process categories of product design and development, order-to-delivery, user experience management, and administration and support, continuously improving delivery quality. At the same time, we have established a process owner mechanism to promote cooperation among business departments involved in the process, achieving end-to-end quality management. The process owner is responsible for designing, managing, and optimizing quality management processes to improve the efficiency and effectiveness of quality activities. As of the end of June 2023, NIO had sorted out over 600 processes, and had been continuously systematizing and iterating them to promote the implementation of end-to-end and systematic quality management.

3.3.2 Product Safety Management

Product Safety Management Mechanism

Since its inception, NIO has taken “Users come first and safety is paramount” as a fundamental pillar for the survival and development of the Company and set up a company-level Safety Committee in 2018, which includes working groups on battery safety, high-voltage (HV) safety, functional safety, information security, chemical safety, crash safety, and mechanical safety. The underlying operational logic of the Safety Committee is: prevention-early warning-emergency response-investigation and improvement. And the VAU (vision, action and upgrade, NIO’s unique tool for target-setting and process management) is used to drive the achievement of targets for each business and product.

Prevention

Setting clear quantitative product safety goals, developing and verifying safety attributes of product and in manufacturing process, and implementing safety attribute consistency management in production for safety-related risk prevention.

Early Warning

NIO has set up a 24/7 early warning monitoring platform for vehicles and batteries. The early-warning monitoring platform is highly effective. The slightest hint of an abnormality can be effectively detected in a timely manner with real-time warnings.

Emergency Reponse

Strong after-sales service capability, with an emergency response rate of 100%.

Investigation and Improvement

The rate of timely completion of incident investigation reached 100%, and user complaints were 100% in a closed-loop.

The executive of the Company list “safety” as the primary assessment indicator of the management, ensuring that the red line of safety is kept.

- Established an end-to-end product safety management process from prevention, early warning to emergency response, investigation and improvement
- Established working groups of mechanical/crash/functional/information/HV/chemical/battery/driving assistance to cover all safety-related domains
- Cross-functional team collaboration to achieve safety targets and guarantee product safety

Battery Safety Management

Battery safety is the lifeline of new energy vehicle development. In terms of battery safety, NIO's Safety Committee has set up a cross-functional battery safety team to realize the full life cycle management of batteries from product development, supply chain management, charging and swapping operations, customer service, monitoring and emergency response, safety incident investigation, analysis and improvement, to battery decommissioning.

Product design and tests with higher requirements than the national standards

NIO adopts product design standards and quality and safety tests far more stringent than national standards to realize continuous improvement in product quality and safety performance. During the reporting period, NIO applied 98 testing items to its battery R&D process, covering normal and extreme scenarios that the users' battery pack may experience, so as to safeguard users' driving safety.

Thermal Safety

Battery thermal safety has always been a priority in the battery industry, and the national standards require no fire to occur within 5 minutes after thermal runaway. NIO is the first in the industry to propose lifecycle management of battery thermal safety, demanding that batteries see no open flames and thermal propagation.

Crash Safety

Batteries must perform better than the five-star requirements for side impact and small overlap crash tests in Euro NCAP, and the side extrusion force applied on the battery during testing is far higher than national standards. The national standard simulates a maximum acceleration of 28g during crash testing, while NIO's corporate standard reaches a maximum of 50g.

Corrosion Resistance

Battery exterior parts refer to the ECE R100 and ISO 11997-1-2017 Cycle B (salt spray test) standards and must meet the requirements of a 720-hour salt spray test, far stricter than national standards.

Temperature Shock

During the design and development, NIO's corporate standard requires the battery temperature shock to be at the range of -40° C to 85° C, which is more rigorous than the national standard's requirement of -40° C to 60° C.

Bottom Protection

NIO's corporate standard defines 12 major bottom working condition tests, which are not currently required by national standards.

Battery Supply Chain Management

In terms of supply chain management, NIO adopts a multi-module systematic management of battery package, cells, mechanics, electric and electronics, etc., and identifies special characteristics and applies full coverage of control from the perspective of product characteristics and user scenarios. The safety features identified at the R&D end are 100% transformed and strictly controlled during the process.

Charging and Swapping Safety Management

As widely known, with the prolongation of the service time of vehicles, the accumulated probability of damage to the surface of the battery casing due to knocks and traffic accidents gets increasingly higher, accentuated in the lowering of the protection level and the destruction of airtightness, etc. The battery swapping provides a valuable opportunity for battery surface inspection. As of August 31, 2023, the number of NIO's Power Swap Stations has reached 1,800, the number of power swapping service conducted has exceeded 26 million times, and the average daily orders of power swaps have exceeded 60,000 and is still growing at a high rate. With the support of AI image recognition, it is equivalent to a daily real-time inspection of more than 60,000 pieces of batteries with the detection rate of the surface of the batteries exceeding 98%, which effectively reduces the safety risk of the battery in the circulation system. In addition, the R&D team has established a battery safety index model, leveraging the NIO swapping system to regularly inspect the batteries running on the market side and screen out representative batteries for dismantling and characterization. Combining the failure modes and behavior of the electric core and big data algorithms, we constantly calibrate and iterate the safety model, dynamically assessing the safety changes of batteries in the course of actual operation, and continuously iterate the BMS (Battery Management System) control strategy, cloud monitoring algorithm, and guide the development of new products, to realize the closed loop of battery safety management, and gradually establish the mechanism of iterative safety analysis and evaluation and safety design development, from macro behavior to micro characterization, and then from micro form to macro design.

User Service

NIO values every vehicle service. As of August 31, 2023, NIO has set up 301 service centers globally and more than 230 mobile service vehicles according to a grid layout to carry out proactive service and emergency rescue, so that users can use their cars without worry. NIO has targeted management of power battery pack parts which can only be ordered via the authorized and certified service outlets for repair. Service Engineering has established a standard repair process card for power pack module repair, with 109 process requirements and up to 48 photos to be recorded. The repair process card records and traces every repair process involving the module to ensure the quality of battery pack repair. In addition to the training, assessment and certification for HV power on and off, maintenance technicians are also required to complete special training, assessment and certification for the repair of battery pack modules.

Monitoring and Emergency Response

In terms of monitoring and emergency response, as one of the first companies to be connected to the national monitoring and management platform for new energy vehicles, NIO actively cooperates with the national monitoring and management. By the end of June 2023, 100% of new vehicles had been connected to the national platform within the required time, with 100% of static data passing, 99.7% of dynamic audits passing, and 100% responding to Level 3 alarms and releasing disposal reports. NIO has also established a "data-driven, algorithm-led, early warning and response, closed-loop quality" battery early warning and monitoring system. The system relies on NIO's self-developed battery early warning and monitoring platform, and is data and algorithm-driven, realizing early warning of dangers, diagnosis of failures, and analysis of triggers of problems, to ensure timely treatment of hidden dangers and problems and continuous optimization and iteration.

NIO has self-developed the "NCT system", through the Level-3 battery emergency response system, to pull forces from headquarters and cities to respond to and dispose of the scene in a timely manner. Once a battery early warning risk is triggered, a voice call, group building, user care, and on-site command confirmation can be completed within 30 seconds, with a 30-minute on-site disposal rate of more than 80% in the core area. As NIO launched its overseas products firstly in Norway, the same monitoring and early warning platform and emergency response team has been set up in the country, realizing the goal of "wherever there are NIO users, there is battery monitoring and emergency service". The battery monitoring standard T/CSAE *255-2022 Specification for safety risk monitoring and fault early warning of electric vehicle battery system in operation process*, which was formulated with the participation of NIO, was formally released on April 15, 2022, and the related technology has been recognized by the industry.

Battery Safety Investigation and Improvement

Based on design analysis and cases in the field, NIO has categorized the battery safety risk into 8 levels after research and testing, and prioritized actions for each level. The investigation rate of battery safety issues was 100%.

Battery Decommissioning Management

NIO has been working hard to build a power battery recycling network that meets national regulations and the requirements of its own operating system. During the reporting period, NIO has established 34 recycling outlets based on after-sales service outlets and completed the relevant filings.

3.3.3 Software Quality

NIO's software QMS has been published in *NIO Software Quality Bluebook* in NIO's product development processes. Starting from the definition and communication of requirements, architecture design, software design, software development, integration and testing, etc., it realizes systematic quality management for software development, achieving the goal of "Built-in Quality" by constantly searching for the most applicable solutions in the software business. During the reporting period, *NIO Software Quality Bluebook* precipitated the lessons learned from the history of quality issues, added specific requirements and guidelines to software quality management activities, and refined the software quality requirements for each node of the whole vehicle and platform, as well as the software quality requirements for each stage of the software development lifecycle.

Vehicle software quality management system

Self-developed Software

5 Platforms

NT1, NT1.2, NT2, NT2.2, NT3

20 nodes with **200+** quality requirements

NPDP, NTDP, NSDP requirements, design...

Partners' Software

2 Areas

Embedded software, third-party applications

14 Processes

SW-ESO & PPAP, SOR, PPA continuous iteration...

3.3.4 Manufacturing Quality

NIO has a strict production process and conducts outgoing vehicle quality inspection for high-quality delivery to users. The inspection and monitoring of quality are conducted in four aspects: regulatory compliance and characteristics, appearance and surfaces, functionality, performance, driving and riding, and user satisfaction. We apply more than 5,000 control points to 132 items across 21 categories to ensure quality control at each step for users.

In addition, driven by the quality strategy of "reducing quality costs, preventing repetitive issues and improving employee satisfaction", NIO has developed intelligent quality testing equipment for better detection capabilities with intelligent techniques. We have taken into consideration of user needs and habits in different scenarios and conducted unique quality inspection in simulated user scenarios to ensure a seamless user experience.

Intelligent inspection equipment development

Smart Audio and Visual Testing System

Fully leveraging smart techniques in the vehicle cockpit, we developed an intelligent vehicle audio and visual testing system, which automatically detects the vehicle functional and moving parts against a function matrix. Patent application is already in progress for the system.

Automatic Visual Inspection System

By combining the AI algorithm-based automatic inspection technology with the visual imaging technology, we have realized automatic inspection of certificates like Qualified Certificate of Vehicle and chassis appearance. At the same time, automatic inspection of vehicle exterior, body, roof, and bottom, running deviation as well as automatic matching of rubber strip and drawings in tear-down have been realized with self-developed algorithms.

Automatic Data Collection and Entry

With the automated result data entry from the testing equipment, we have saved time and improved data accuracy, laying a solid foundation for digitalization. Automatic data collection and entry have been realized in metallographic testing, torque testing after automated task assignment, and coolant testing, etc.

3.3.5 Service Quality

Utilizing its strengths - strong internet DNA and extensive user touchpoints, NIO has established a whole set of rapid problem-solving management mechanism from case to issue and risk, in which the Debug case source is particularly prominent. Users can give feedback by saying “Hi, NOMI, I have a problem”. Immediately with the user’s original problem description, combined with the existing vehicle failure related data, the quality feedback system starts the problem-solving and analysis tasks with “zero delay”. The first round of feedback will be completed within 24 hours on average, and the final feedback will be completed within 48 hours.

We attach great importance to user feedback and suggestions on product quality. During the reporting period, NIO’s quality management system ensured open and comprehensive communication channels to get timely user voice. In addition, we have established an Issue Code mechanism to consolidate core quality-related data in product development and user operations and a knowledge base on quality issues to continuously improve the problem-solving efficiency and optimize quality management.

In terms of product recalls, NIO strictly adheres to laws and regulations in nations and regions where we have business operations, such as the *Regulation on the Administration of Recall of Defective Auto Products,* and has established an efficient recall mechanism to respond to product safety risks. Once a recall decision is made, we promptly file with the competent government department, contact affected users to complete the recall as soon as possible, and coordinate the preparation of repair accessories to minimize the impact on users. Since January 6, 2023, NIO has recalled and provided free repairs to 997 units of NIO ET5 produced between September 7, 2022, and October 10, 2022, accounting for 0.81% of the total number of cars delivered in 2022.

3.4 Industry Innovation

NIO adheres to the long-term development principle and continues to explore advanced technologies. With the industry-university-institute collaboration, we drive technology development for a better future. At the same time, we have been active in cultivating industry talents and joining in standardization organizations and industry conferences, contributing to the development of the automotive industry.

3.4.1 Continuous Forward-looking Exploration

As a smart electric car company, NIO insists on developing core technologies in-house and attaches great importance to the exploration and consolidation of forward-looking technologies. The Company has been dedicated to driving technological innovation by taking the lead and participating in national key R&D projects and regional technological research projects, taking on major scientific and technological tasks and overcoming key technological difficulties, contributing to national innovation and development. During the reporting period, 7 public and government-sponsored research projects were approved, including 1 independently undertaken by NIO and 6 jointly undertaken with universities and other companies.

At the same time, NIO continues to work with universities and research institutions to carry out forward-looking, application-oriented technological innovation research related to smart EVs and turn the research results into products available for the next-generation vehicles. In addition to the USTC-NIO Smart Electric Vehicle Joint Laboratory established jointly with the University of Science and Technology of China in 2021, a joint technology cooperation platform with Hefei University of Technology had been set up during the reporting period. This platform aims to gather global innovation resources and become an industry-university-institute collaborative innovation center for applied basic sciences research, technological breakthroughs, technology application incubation, and innovation and entrepreneurship. In addition, we have sent invitations for scientific research project cooperation to scholars in top universities and research institutions around the world and received positive responses. During the reporting period, NIO published 56 commercial research reports, 16 papers and obtained 13 patents.

3.4.2 Cultivating Industry Talents

We believe talents are one of the important driving forces for the development of the industry and we support their development with diverse measures. NIO continues to work with universities to provide students with comprehensive, scientific, and professional training and practical opportunities, helping to improve their professional skills and comprehensive capabilities. Starting from April 2023 when we joined the employment project promoted by the Ministry of Education, we have so far carried out 69 employment projects with 39 colleges of 32 universities across China such as Peking University and Shanghai Jiao Tong University. In addition, we have long been supporting Formula Student Electric China, helping young students to confront challenges and grow into qualified talents to contribute to China's automotive industry.

During the reporting period, NIO also served as an editorial unit of the *Introduction to Intelligent and Connected Vehicles* compiled by the China Society of Automotive Engineers, contributing to the cultivation of inter-disciplinary talents in universities and the industry.

Formula Student Electric China

NIO has been the title sponsor of Formula Student Electric China (FSEC) for seven consecutive years since 2015. And in 2021, we became the sponsor of Formula Student Autonomous China (FSAC). During the reporting period, NIO further expanded this action to overseas and became the official partner of Formula Student Germany. By supporting these competitions, we aim to help the new generation grow in the global automotive industry.

In 2022, Formula Student Germany took place at the renowned paddock of the Hockenheimring in Baden-Württemberg, Germany, with nearly 100 teams from 34 countries participating. In the same year, the NIO Cup Formula Student Electric China Series was held in Hefei, China, with a total of 113 teams participating.

2022 "NIO Cup" Formula Student China Series

3.4.3 Contributing to Industry Development

Emerging industries requires proper guidance and regulation of industry standards. So far, NIO has joined the Standardization Working Committee, the Sensors Committee, the Automotive Body Technology Branch, and the Digitalization and Intelligent Manufacturing Working Committee of the China Society of Automotive Engineers and other standard research groups, actively facilitating the formulation of industry standards and contributing to the development of the industry. During the reporting period, NIO participated in the compilation of 2 social organization standards and 1 national standard.

In addition, NIO actively participates in major industry conferences to exchange experience and insights on technological, industrial, and business model innovation, as well as providing suggestions on industry and social development for inspiration and common progress.

Standard Type	Standard Name
National Standard	GB/T 41871-2022 *Information security technology—Security requirements for processing of motor vehicle data*
Social Organization Standard	T/CSAE 254-2022 *Specification for safety risk monitoring and fault early warning of electric vehicle battery system during charging process*
Social Organization Standard	T/CSAE 255-2022 *Specification for safety risk monitoring and fault early warning of electric vehicle battery system in operation process*

Car Symposium Bochum 2023

27th International Automobil-Elektronik Kongress 2023

2023 New Mobility World

Hungarian Investment Promotion Agency (HIPA) Automotive Conference 2023

The German Association of Energy and Water Industries (BDEW) Congress

China EV100 Forum

World New Energy Vehicle Congress

China Conference for Development of Digital Economy-Intelligent Connected Vehicle Sub-forum

The 4th Software Defined Vehicles Forum

4.0
A Joyful Lifestyle

NIO is dedicated to its mission of shaping a joyful lifestyle for users. Guided by a user-centric approach, we offer high-quality and all-round services through an integrated online and offline direct sales model. With honesty and responsibility as our compass, we strive to deliver a joyful experience for users from the very beginning. Additionally, we are committed to building a user community starting with smart EVs to share joy and grow together.

4.1 Worry-free Service

4.2 A Vibrant NIO Community

4.3 Emphasis on User Feedback

Story of the Chapter: A Family's Story with NIO

Seamless Test Drives and Easy Purchases

As our traditional gasoline-powered car at home began to show signs of aging, the time had come to consider acquiring a new one. With the widespread adoption of EVs, our family's interest was piqued by this new trend. Witnessing a friend switch to be a NIO user and hearing his praise for the driving experience, we resolved to schedule a test drive of NIO cars.

On the designated test drive day, an enthusiastic NIO Fellow not only delivered us a comprehensive and professional introduction to the car but also treated us with NIO House special drink. Beyond the car's stylish design, we were captivated by the comfort, safety, and advanced intelligence of the NIO car throughout the test drive, while our kid also enthusiastically engaged with NOMI. At the end of the test drive, we were pleasantly surprised to receive a gift box of NIO Life product, adding an unexpected touch of delight to the experience. Ultimately, after some time for consideration, we proceeded to place a deposit, and promptly rate this test drive experience with a 5-star in the convenient Five-Star Rating platform.

Guided by the NIO's Exclusive Service Group, the vehicle delivery process went seamlessly. At the delivery site, the NIO delivery specialist meticulously introduced us to the car's features and configurations. Following a heartwarming and cozy delivery ceremony, our family embarked on a delightful and uniquely NIO-flavored journey.

All-round Worry-free Services

In addition to the delightful driving experience, NIO's considerate and thoughtful services have also been a source of relief and enhancement in our lives. NIO's diverse range of services, including car pickup and delivery, courtesy car, and doorstep car washing services, covering various facets of our daily life not only save us valuable time and effort but also allow us to enjoy more of our family life.

On a particular day, when my parents were flying in to visit, coincidentally both my spouse and I had to work overtime. After consulting with our NIO fellow, I learned about the NIO Joyride service, which assists in daily chauffeur. Knowing that, I used 1,000 NIO points to book NIO chauffeur service on NIO app. This seamless arrangement promptly brought my parents' home.

After driving NIO for about a year, one day after I arrived at the office, NIO app alerted me about low tire pressure and suggested initiating maintenance with One-Click for Service. Following the prompt, I placed a service request for on-site maintenance through the NIO app. A NIO specialist promptly contacted me to confirm the situation. I left the car key inside the vehicle and a few hours later, the NIO specialist completed the doorstep tire repair service, without causing any delay for me to return home from work.

Embracing a Vibrant Community

Ever since we became NIO users, our family's life has taken on new dimensions, allowing us to discover a world of diverse experiences.

NIO car has accompanied us on journeys across different cities, and tasting NIO House special drinks in different cities has become a cherished tradition for our family. Many weekends, our kid plays happily with other children in NIO House's Joy Camp. Engaging in enriching events including camping, seeds, the NIO Cup Tournament Series, and other activities has allowed us to connect with friends from all walks of life and enrich our life experiences. Now we also share our moments of happiness with the NIO community on the NIO app.

Being a NIO user has filled our time with plenty of comfort and joy. I aspire to share the exceptional product experience and joyful lifestyle that NIO brings to more people. At the 2023 Shanghai Auto Show, wearing the apparel customized by NIO Life, I proudly joined the team of User Volunteers to passionately share our own driving experiences with visitors.

4.1 Worry-free Service

NIO is steadfast in its commitment to building a user enterprise. We continuously optimize every aspect of our service management processes and enhance our service capability. Starting from the interests and needs of users, we aim to create a seamless and worry-free service experience throughout the entire journey for our users.

4.1.1 Responsible Marketing

Responsible marketing is the foundation of maintaining long-term user trust. To this end, NIO has established a direct sales and service system based on offline user experience centering NIO House and NIO Space, as well as the mobile application NIO app, to provide transparent, high-standard, and consistent sales and service experiences for users at home and abroad.

Responsible marketing is our primary principle in operations. We adhere to legal requirements such as the *Advertising Law of the People's Republic of China* and prohibit the dissemination of false or misleading advertising information. Through a rigorous review process, we ensure the accuracy and reliability of product data published externally and that all marketing materials and information released to the public comply with legal requirements.

In terms of the sales process, we establish and continuously iterate our guidelines such as the *General Operation Standards* to regulate store operations and sales management. NIO regards responsible sales ethics as a fundamental assessment criterion for sales personnel. We have developed the *Sales Process Manual* and have incorporated it into our job training and assessment system. We utilize backend data to monitor whether sales-related personnel have inappropriate sales behavior. Additionally, we implement a corresponding reporting, investigation, and disciplinary mechanism to promptly prevent potential users from being misled.

Furthermore, we appoint Quality Control Officers in our stores to conduct long-term tracking and inspections on store operations and sales service quality. We apply more than 100 criteria for regular and irregular assessment by third-party and Mystery Guest visits performed by internal employees to ensure requirements are observed.

During the reporting period, NIO built

63
new NIO Houses

79
new NIO Spaces worldwide

As of August 31, 2023, NIO has built a total of

134
NIO Houses (including 6 overseas)

286
NIO Spaces (including 8 overseas)

301
NIO Service Centers (including 49 overseas)

58
NIO Delivery Centers

providing convenient and comfortable purchase and test drive services to users in various regions.

Test Drive Safety

NIO takes it as an essential responsibility to provide safe and reliable test drive services to users. To ensure that NIO Fellows (sales crew) possess a comprehensive set of test drive service skills and guarantee test drive safety, we conduct thorough NIO Fellow test drive safety training and make the internal driving level exam a mandatory requirement. Furthermore, we establish and enforce policies such as the *Test Drive Process*, requiring NIO Fellows to clearly introduce precautions to each test drive user and sign a *Test Drive Safety Agreement* with the user. We also conduct regular assessments of the actual test drive process through third-party inspections and Mystery Guest inspections, ensuring the successful implementation of standardized procedures.

4.1.2 Comprehensive Worry-free Service

User Vehicle Service

For the interests and needs of our users, NIO provides the first batch of NIO owners with lifetime free roadside rescue, a corresponding period of free warranty, and vehicle connectivity services. On this basis, guided by the aspiration to create a convenient, effortless, and reassuring driving experience, we also provide users with a series of service options, such as battery swap rights, insurance, repair, enhanced maintenance, courtesy car, maintenance car pickup and delivery, accident assurance service, doorstep tire repair service, doorstep car washing service, etc. As of the end of the reporting period, we have cumulatively served a total of 236,351 users.

	During the reporting period, the after-sales services provided to users are as follows:	As of the end of the reporting period, the cumulative after-sales services provided to users by us are as follows:
Total Service Times	2,699,787	5,433,092
Roadside Rescue Times	24,563	51,009
Car Pickup and Delivery Services	691,022	1,084,432
Courtesy Car Services	40,143	63,562
Maintenance at Service Center	641,892	1,297,615
Mobile Services	179,189	362,722
Value-added Services	1,122,978	2,573,752

NIO car owner services

Accident assurance service

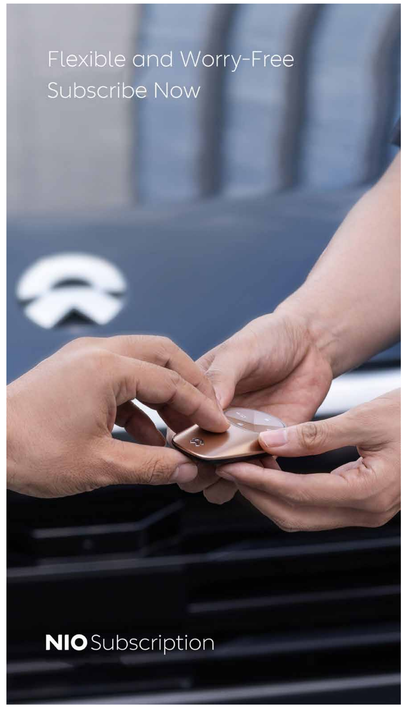
24-hour doorstep tire repair

Maintenance car pickup and delivery

Doorstep car washing service

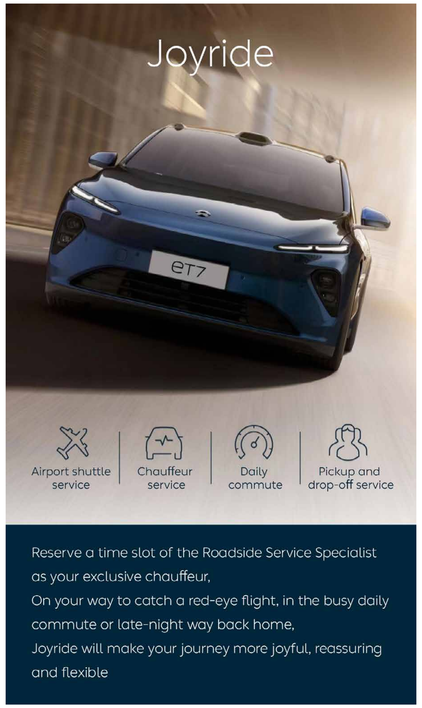
In addition, to offer a more convenient and flexible experience for all who are interested in NIO, we have introduced the NIO Subscription which allows users to subscribe cars. Furthermore, we have launched the NIO Joyride, a chauffeur service, to meet the high-quality and customizable service needs for various scenarios.

NIO Subscription



NIO Subscription allows users to subscribe to a variety of NIO car models on a monthly basis in 32 cities nationwide. One can now become a NIO car user more flexibly and conveniently with worry-free service.

NIO Joyride



NIO has launched the Joyride service, providing users with exclusive travel butler services. Users can book and customize the Joyride service through the NIO app for daily chauffeur, child pick-up and drop-off, errands, and accompanying medical visits, etc., and enjoy a safe and pleasant travel experience in multiple scenarios.

NIO Fellow

We have created a unique NIO Fellow service system, assigning a dedicated NIO Fellow to each user. From car selection, test drive, delivery and subsequent car services, Fellows serve as users' closest friends, tracking and responding to users' service requests timely throughout the product lifecycle. Additionally, we continuously optimize the skill training system for NIO Fellows, striving for higher-quality user service quality.

Building an outstanding Fellow team with NIO style

To cultivate a top Fellow team in line with NIO's standards, we have developed a comprehensive training system that enhances the practical skills of Fellows across three dimensions: job role, product knowledge, and driving proficiency, while also deepening their understanding of NIO's philosophy of being a user enterprise. We conduct various themed training sessions on a regular basis to ensure that Fellows are well-versed in the latest sales regulations and have up-to-date knowledge of new product features. Furthermore, we have instituted an internal sharing and learning mechanism for Fellows. This includes the publication of the internal *NIO Fellow* Magazine, which compiles the best service practices, organizing activities within the Elite Fellow Club, and recognizing the Annual Top Fellow. With mutual empowerment among Fellows, we forge the capacity to provide a reassuring and worry-free service to users.

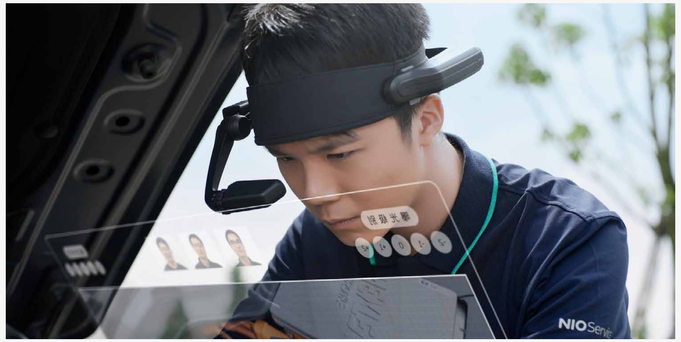
2022 NIO Fellow product training event

Service Guarantee System

We have created an innovative one-stop service ecosystem, providing a holistic car maintenance service package for car users throughout the entire product lifecycle. As of August 31, 2023, NIO has built 301 NIO Service Centers globally (including 49 overseas) and 58 NIO Delivery Centers.

Furthermore, leveraging our mobile service vehicles, we offer swift assistance to users at doorstep. Through advanced technological means such as AR remote diagnostics and the service guardian system, we continuously enhance repair efficiency, providing users with transparent, convenient, and intelligent services.

Second-generation mobile service vehicle



AR remote diagnosis technology

Service guardian system

In our continuous pursuit of elevating the quality of after-sales service, we have established the *National General Service Standard* and *One Book for One City System for NIO Service Centers*. These policies facilitate the detailed implementation and closed-loop monitoring of service standards through standard empowerment, execution monitoring, and iterative updates. For Authorized Service Centers, we provide comprehensive technical and operational empowerment and establish a comprehensive evaluation and incentive system to ensure that they have consistent high-quality service capabilities.

NIO recognizes the paramount importance of the proficiency and service level of our after-sales service team in shaping user experience. Through ongoing mechanisms like technical training camps, technical level certifications, and specialized skill empowerment projects, we systematically empower our technical personnel with practical skills and service capabilities, delivering better user service with enhanced vehicle maintenance expertise.

NIO's first After-Sales Skills Competition

During the reporting period, NIO held its first After-Sales Skills Competition, employing a competitive format to assess the technical prowess of our service team. This event served as a platform for knowledge enhancement and practical skill refinement, fostering the overall advancement of the Company's service operations capabilities. More than 800 after-sales technicians from over 200 Service Centers across the country participated in this competition.

NIO's first After-Sales Skills Competition

4.2 A Vibrant NIO Community

Extending from products to lifestyle, NIO has gathered users with shared values and built a vibrant community where we share joy and grow together. We continuously develop the community as a platform and curate rich online and offline activities, connecting like-minded users through various community clubs, providing them with a stage to shine and jointly create a joyful lifestyle.

4.2.1 User Community Development

NIO aspires to explore the possibilities of a colorful life with users. With the NIO app, NIO House, and NIO Life as platforms, we have built an integrated online and offline user community, creating long-term and more diverse values with richer content for our users.

NIO App

Beyond providing users with seamless car purchasing and car control experience, the NIO app also serves as the online user platform and a gateway for users to embrace innovative lifestyles. In the Community Group section on NIO app, users can easily discover and join groups of interest, conveniently get informed of group events, and have fun in growing together with the community.

NIO app illustrations

New Model

Get to know NIO's latest models

NIO Power

Recharging beyond refueling

Discover & Moments

Share joy and grow together

NIO Life

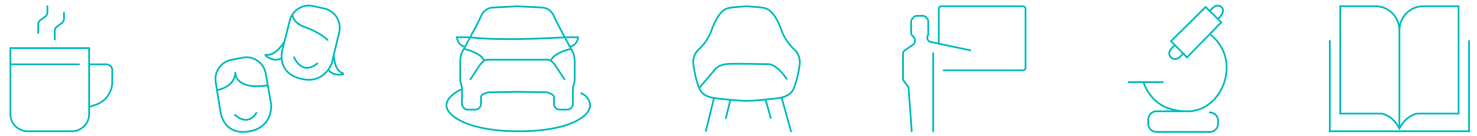
Good Design, good product

NIO House

Free Space for NIO Users and their friends

NIO House

NIO House is a lifestyle community where users share joy and grow together. As of the end of the reporting period, we had opened 99 NIO Houses across the globe, providing comfortable offline space for users in different cities. NIO House is equipped with seven core functional areas designed to cater to users' diverse lifestyle needs, including working, socializing, learning, and child entertainment, creating a warm, comfortable, and humanized space experience.



Seven core function areas of NIO House

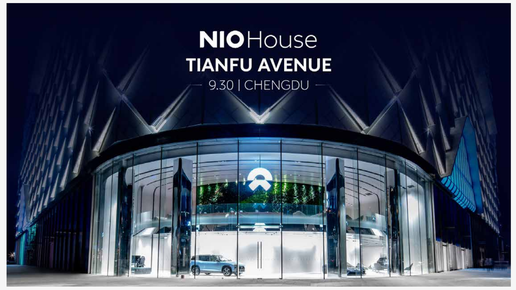
Driven by design, NIO upholds high aesthetic standards and passionately crafts NIO House that seamlessly blends functionality with the urban landscape, providing users with a warm and stylish home in various regions. The design of NIO House has won multiple awards at home and abroad.

NIO House | Qianhai, Shenzhen

- 2022 GPDP Award - Commercial Space Silver Award
- Honorable Mention in Interior Design/ Commercial Interior

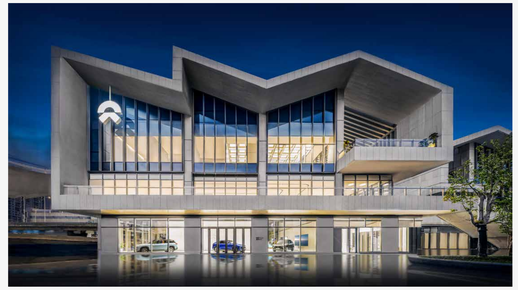
NIO House | West Lake, Hangzhou

- CRED AWARD (China Real Estate & Design Award) - 2018-2019 China Interior Design Silver Award



NIO House | Tianfu Avenue, Chengdu

- Will Ching Design Competition 2019 Finalist-Top 3, IIDA, Chicago
- ID, BEST OF THE YEAR AWARDS - 2019 Finalist, ID NYC



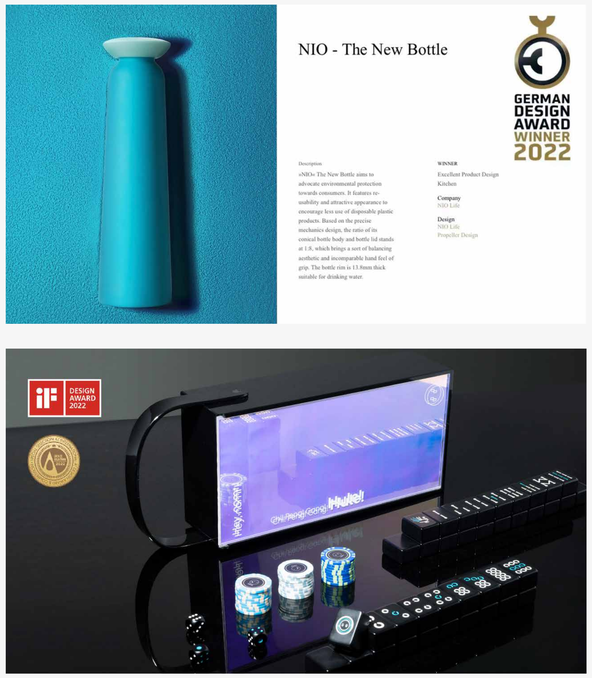
NIO House | Xiyuehui, Changsha

- A&D Awards 2022 Annual Design Award - Innovative Business Category Gold Award

NIO Life

NIO Life is an original lifestyle brand of NIO. We integrate advanced design concepts with products and functionality, committed to bringing good design and good products into daily life. Users can purchase NIO Life's series of apparel, household supplies, bags and suitcases, consumer electronic products, car accessories, food, wine, and other products via NIO app. NIO Life had cooperated with more than 600 designers across the globe as of the end of the reporting period and had won more than 10 domestic and international design awards during the reporting period.

NIO Life's award-winning products



A Warm Community

NIO is actively building a user community characterized by warmth, mutual respect, and harmony, and facilitates positive interactions within the community as well as between NIO and users. We formulate and conduct timely revisions of the *User Community Rules* for a friendly communal atmosphere. Additionally, we have instituted the NIO Point and NIO Growth Value systems to provide users with material and spiritual incentives respectively, creating a framework for interactive and sharing dynamics within the community.

4.2.2 Enriching User Experience

Empowering a lifestyle transformation starting from a car, our commitment to fostering a thriving user community extends across both online and offline touch points, including NIO app and NIO House. Our user community is designed to offer like-minded users a platform for connection and interaction, enabling a diverse range of online and offline activities, and jointly expanding users' radius of life.

Our community brings together users from all over the world, where NIO users with common interests connect, inspire, and create together. Starting from NIO House, we have established NIO House communities and started operations. NIO users can also initiate their groups of interest and participate in management activities, creating unique circles of friends. They can also choose to form NIO User Clubs for casual discussions on vehicle usage, road trips, and related topics.

To deliver a distinct and unparalleled user experience, we persistently oversee and assist in organizing various online and offline activities, such as knowledge-sharing sessions, sports events, welcoming gatherings, NIO Summer, and Joy with NIO Users. These collective efforts contribute to the creation of joyful moments. During the reporting period, we held 34,632 user events participated by 194,000 users and 682,000 people.

seeds

seeds is NIO's knowledge-sharing platform where users share insights and get inspired. It invites top minds in the industry such as Nobel Prize winners to share their perspectives. With seeds, we embark on a journey of knowledge alongside our users. During the reporting period, 859 distinguished guests in more than 30 industries from home and abroad delivered captivating talks on the platform. More than 8,000 users participated in the offline sessions with online views hitting more than 3 million.

seeds guests

NIO Cup

NIO Cup is a grand sports ceremony where NIO users who are passionate about sports gather together to exchange ideas and contest. During the reporting period, under the principle of joy, friendship, and inspiration, we hosted a series of sporting events, including football matches, basketball games, golf tournaments, and the Honor of Kings Challenge.

The 2nd NIO Cup National Golf Invitational Tournament in 2022

Nearly 400 users from Beijing, Shanghai, Guangzhou, and Chengdu participated in the Second NIO Cup National Golf Invitational Tournament 2022, leaving unforgettable moments with their enthusiasm for sports.

The 1st NIO Cup National Honor of Kings Challenge in 2022

In 2022, we held the First NIO Cup National Honor of Kings Challenge where more than 100 teams and nearly 900 users co-created an exciting event and shared the delight of competitive gaming.

NIO Welcome Party

The NIO Welcome Party is a curated event tailored to each new NIO user, allowing them to quickly learn about our vehicle and community, build connections, and have a sense of belonging. During the reporting period, we held a total of 6,086 welcome parties, bringing memorable moments to new users.

NIO Welcome Party

NIO Summer

NIO Summer is a series of activities for NIO users and friends during the summertime. In these summer gatherings, NIO and its global users jointly initiate colorful activities, exploring diverse lifestyles and reaping unexpected joy and growth across various locations. Camping, barbecues, parties, fairs, music festivals, travel, movie nights... NIO Summer 2022, under the theme of Fun Is On, brought together NIO users from across the country to create unforgettable memories amidst the delightful summer scenarios, encompassing cuisine, music, fairs, and more.

During NIO Summer, domestic and international NIO users joined the Power Swap Station Painting event. Ten painted Power Swap Stations carrying users' creativity and memories graced different cities.

During NIO Summer, a new season of Paradise Prairie in Inner Mongolia was launched. In diverse scenarios such as music festivals and camping, more than 300 NIO users from more than 20 cities embraced the local culture of Inner Mongolia in an authentic way, immersing themselves in the region's unique customs and landscapes. Together, they reveled in the vastness and expansiveness of the natural landscape, gaining a deeper appreciation for the vibrancy of life.

Joy with NIO Users

To facilitate resource sharing in the community, NIO has launched the "Joy with NIO Users" project, where NIO users can share their high-quality resources with others. This platform project, characterized by user collaboration and resource sharing, gathers high-quality resources from NIO users in three major categories: immersive experiences, travel accommodations, and local culinary delights. During the reporting period, this project attracted more than 1,520 users, covering 158 cities.

Participants of the Joy with NIO Users at NIO Day 2022

Community Safety

In the process of building a vibrant community that shares joy and growth with users, NIO consistently prioritizes a safe and well-regulated community environment for online and offline activities. To this end, we have established a comprehensive community management system featuring *Standards and Guidelines of Community Building*, and the *Code of Conduct of NIO Community* which we co-created with our users. This system clarifies rules for the establishment, management, and user feedback of different types of communities, to ensure their orderly operation.

In addition, user safety has always been the top priority in NIO's activity operations. We have outlined the *General Guidelines for Operation and Management*, filed for each activity, and conducted qualification reviews and background checks of each partner. NIO has also developed the risk warning mechanism and clarified dos and don'ts in event organization, committed to establishing a safe and reliable activity operation mechanism, protecting user rights, and providing high-quality experiences.

4.2.3 Empowerment of User Growth

NIO upholds the concept of co-creation with its users, providing a platform for users to participate, create, and share, and collaborating with them in brand co-creation. Users can engage as User Volunteers, members of the User Advisory Board, or join the Early Bird Project, participating in various events such as in-store activities, auto shows, NIO Day, and public welfare activities, etc. They are able to create moments of growth with NIO and convey our brand philosophy and user experiences to a wider audience interested in us.

User Volunteers

As of June 2023, a total of 10,772 NIO User Volunteers have participated in various activities such as exhibition, vehicle delivery, auto show, and NIO Day, etc.

User Advisory Board

The User Advisory Board is deeply engaged in the co-creation of NIO Day and the NIO CUP Tournament.

Early Bird Project

Early Bird Project gathers professional users, who is the first batch to test and experience NIO's new vehicle models and features, and offer valuable feedback.

NIO and its users are interconnected, mutually empowering each other. We create a stage for users to showcase their true selves, helping them to shine with their remarkable talents. At NIO, we have communities such as NIO Band and NIO Radio, co-created and shared by users, as well as NIO Day, the exclusive annual festival for users, where we gather and create memorable moments together.

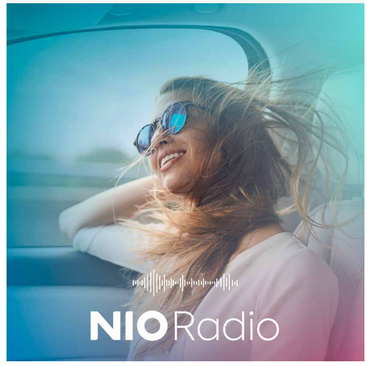
NIO Band, telling stories through music

Within the NIO community, a group of like-minded users find companionship in melodies, uniting through their passion for music. NIO users and professional musicians from various cities form the NIO Band. During the reporting period, 11 NIO users, led by fellow professional musicians, collaboratively composed and wrote lyrics and music, created the theme song *Feel the Light* and performed it on NIO Day 2022.

NIO Band

NIO Radio, co-creating warm companionship

NIO Radio is an exclusive audio community for NIO users. It is a versatile radio station transcending geographical boundaries, offering a wide range of content including music, news, entertainment, knowledge, and local lifestyle. NIO users can not only gain inspiration, new knowledge, and enjoyable companionship, but also participate in co-creation and grow with the community. While delivering fresh news, NIO Radio also provides users with a stage for connection and interaction, facilitating them to share their fulfilling life experiences.



NIO Radio

NIO Day 2022

NIO Day 2022 was held in Hefei, the result of a ballot involving 95,000 users. It was not only an event to launch NIO products, but also a joyful gathering shared by NIO and users. The NIO Day 2022 brought together unforgettable moments such as the Users Charity Bazaar, the NIO Band's performance of the theme song, and screenings of user story films. Behind this heartwarming event, more than 1,400 users from 6 countries and 30 cities formed the NIO Band, User Advisory Board, and User Volunteers, who were deeply involved in the co-creation of NIO Day.

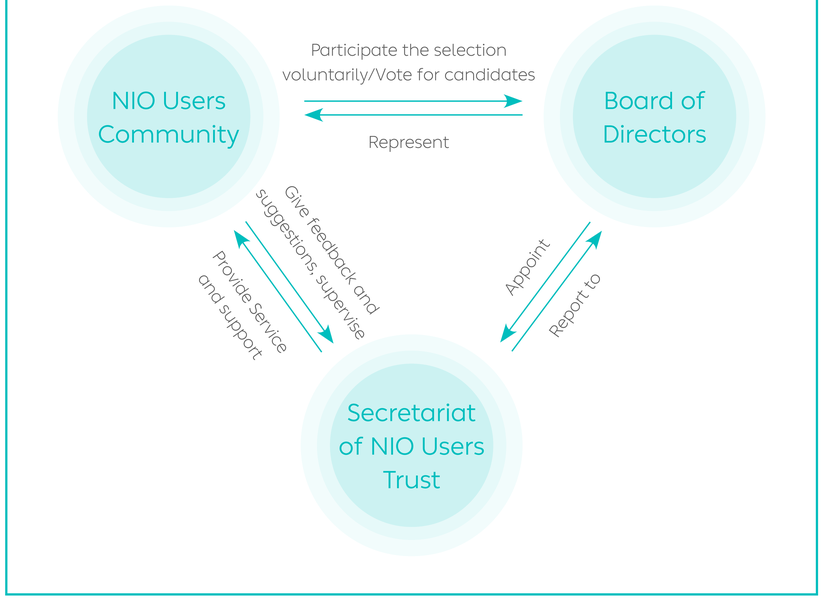
NIO Day 2022

4.2.4 NIO Users Trust

NIO is dedicated to its vision of being a user enterprise. To build a deeper connection among NIO users and in the community, shape a better and more sustainable future, Mr. Bin Li transferred 50 million NIO shares from his holdings in 2019 to establish an independent trust institution - NIO Users Trust.

The NIO Users Trust abides by *the Articles of Association of NIO Users Trust*, which clearly outlines its organizational structure, election system, decision-making procedures, and proceeds utilization. Also, an innovative organizational framework and management operational model were established to better realize the vision of connecting the user community and creating sustainable value. From its inception, the NIO Users Trust has been composed of a Board of Directors elected by users and a professional secretariat appointed by the Board, thereby effectively balancing the strengths of user co-creation and professional team operation.

NIO Users Trust operating model



The Board consists of the Asset Management Committee, Proceeds Management Committee, and Supervision and Administration Committee for transparent and systematic management of its assets and proceeds. The Secretariat is appointed by the Board and regularly reports to the Board on daily management and operation. At the same time, it undertakes important responsibilities in communicating with NIO users and providing services as well as support.

Management structure of Board of Directors of the NIO Users Trust

During the reporting period, through the recruitment of directors, announcement, and final voting, a total of 16,819 users participated in the selection of four new members of the Board. They, along with the four re-appointed board members from the previous term and Bin Li, the asset protector, together constituted the third Board of Directors of the NIO Users Trust.

The Third Board of Directors of the NIO Users Trust

The NIO Users Trust is devoted to promoting public welfare, enhancing care for users, and fostering joint growth with users. The Trust consistently invests in the abovementioned three areas and generates a positive impact.

Public Welfare

- **Focusing on public welfare and passing on users' compassion.** In order to better support NIO users' charitable endeavors, the NIO Users Trust allocates an independent budget every year to facilitate the development of community welfare initiatives. In 2022, the public welfare sector supported a total of 16 user charitable projects, benefiting over 8,000 households. These initiatives cover various domains including environmental protection, rural revitalization, children welfare, and emergency aid, with a cumulative funding of RMB 2,074,265.49.
- For more details on public welfare activities, please refer to Chapter 8, Journey to a Heartwarming Society.

Care for Users

- **Advocating community mutual assistance and practicing user care.** To offer users better protection and show them care, the NIO Users Trust allocates an independent budget each year to provide user care in the community. During the reporting period, various regions across the country were once again hit by the Pandemic, resulting in inconveniences in daily life and shortages of supplies. To pay tribute to user volunteers who participated in epidemic prevention efforts and to provide care for families with COVID-19 patients, this sector assisted 6,185 households, with a total expenditure of RMB 3,931,560.80.

Joint Growth with Users

- **Focusing on the NIO community and facilitating joint growth.** The NIO Users Trust aims to promote professional knowledge exchanges and value sharing among users of different backgrounds. The Trust allocates an independent budget every year to support value-sharing and joint growth within the NIO community. During the reporting period, this sector supported the autonomous operation of 15 professional clubs, which have organized over 80 online and offline events throughout the year, with 8,100 participants and a total expenditure of RMB 266,393.56.

15 professional clubs authenticated by NIO Users Trust

Online and offline knowledge-sharing activities by the NIO Users Legal Community

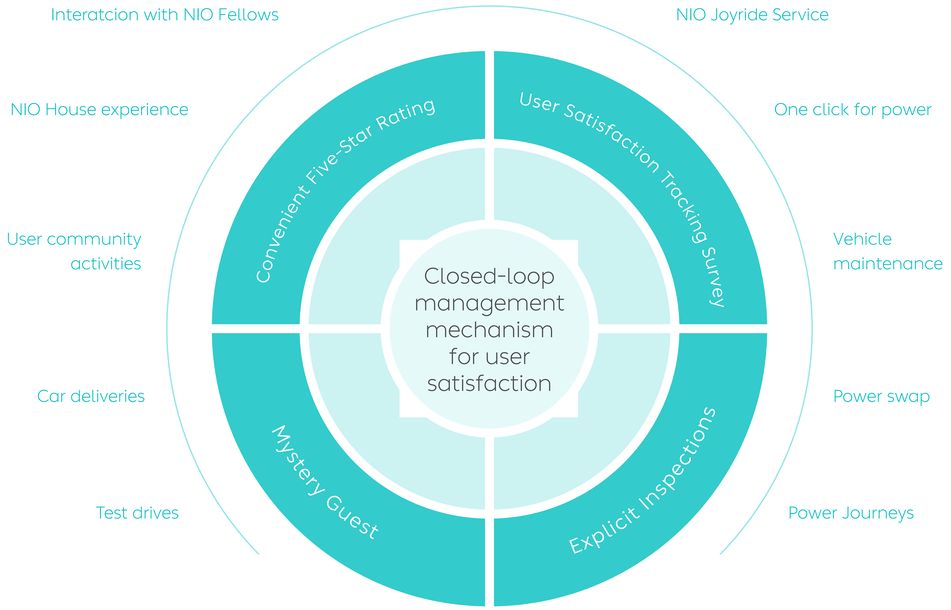
NIO users come from different walks of life. They exchange knowledge and opinions, help each other, and grow together in this community. The NIO Users Trust fully supports the daily operations and various value-sharing activities of different user clubs. During the reporting period, the Trust has endorsed the NIO Users Legal Community to organize six offline legal educational sessions in Chengdu, Guangzhou, Beijing, and other places, and 15 online sharing sessions covering rich contents such as the introduction to the *Civil Code of the People's Republic of China* and the *Labor Law of the People's Republic of China*. This is merely one example out of many about how NIO's user clubs consistently provide users with professional knowledge, and contribute to their joint growth.

The offline legal educational session by the NIO Users Legal Community

4.3 Emphasis on User Feedback

Caring about and listening to user feedback are key drivers of NIO's ongoing improvement of product experience and service capabilities, as well as our solemn commitment to each user. Be it test drives, purchases, car maintenance, or online and offline interactions, we focus on user experience in each user touchpoint, listen to their voices, and continuously integrate their needs into our products and services. We are committed to creating experiences beyond users' expectations.

A full-scenario satisfaction survey can help us get closer to users' genuine feelings and guide us in continuous improvements in product and service capabilities. Through mechanisms such as convenient five-star rating, user satisfaction tracking survey, "Mystery Guest", and explicit inspections, we have tracked user satisfaction towards our products and services in more than 20 scenarios, including test drives, interaction with NIO Fellows, user community activities, and car deliveries. We continuously optimize the user experience throughout the lifecycle.



NIO user satisfaction survey mechanism

Mechanisms to assess user satisfaction

Convenient Five-Star Rating	User Satisfaction Tracking Survey	Mystery Guest	Explicit Inspections
A quick satisfaction survey triggered after each service.	A monthly satisfaction survey aimed for result improvement.	An undercover inspection to assess genuine user experience.	An inspection of key user experience touchpoints and process standards to assess compliance of the process.

To thoroughly explore the value of user satisfaction surveys, we have established a closed-loop management mechanism for user satisfaction, which conducts in-depth analysis and assessment of regions and scenarios with low satisfaction levels and devises improvement proposals. We have established a long-term cross-departmental regular satisfaction joint meeting system, aiming to identify optimal solutions to improve user satisfaction through overall analysis, periodic review, and cross-departmental collaboration, driving continuous elevation of user experience on products and services. The results of the 2022 NIO User Satisfaction Survey demonstrate a steady improvement in regional satisfaction levels. The satisfaction for NIO Fellows has remained high, with an average score of five-star rating in different scenarios reaching 4.88 out of 5.0.

Response to Users' Requests

While prioritizing user satisfaction, NIO is committed to promptly addressing vehicle and service-related inquiries raised by users. To respond to various demands and feedback, we have established comprehensive communication channels, a specialized, customized, and intelligent response mechanism and a support system, to ensure efficient, accurate, and comprehensive issue resolution. NIO users can conveniently provide feedback on products and services through channels such as service chatgroups on the app's service deck, applications on the vehicle's center display, NOMI, Fellows, and User Service Coordinator, ensuring timely communication and issue resolution.

The service deck on NIO app

The service application on the vehicle's center display

Upon receiving user feedback, we categorize the issues based on scenarios and assign different priorities to them. For cases of unsatisfactory experiences with NIO's products or services, we promptly create a ticket, assign it to the responsible colleague in the region or at the headquarters, devise solutions, and consistently track the progress to ensure their proper resolution. During the reporting period, we received 2,576 complaints with a 100% response rate.

NIO considers user feedback as a driver for its growth. We have established a digital toolkit to systematically manage user feedback and continuously seek areas of improvement in products and services. Additionally, NIO believes that face-to-face communication with users is crucial to understand their experiences and thoughts. Therefore, we have organized user experience salons to communicate and share thoughts on topics of user concern. During the reporting period, we conducted a total of 13 user experience salons with more than 700 user participants.

A user experience salon themed "Driving in Winter"

In November 2022, NIO's product experience managers and over 60 users from Shenyang and Harbin discussed on the pain points of driving in winter. After extensive communication and collection of users' feedback and opinions, NIO and users brainstormed the possible direction for product iterations in the winter driving scenarios, shaping a better product experience collectively.

Starting from user feedback collected online and offline, we collaborated with business experts and came up with comprehensive strategies focusing on management mechanisms and standards, product design and development, service systems, etc. Through this approach, we continuously refine and iterate our products and services, to create an experience closed loop for users and create a joyful lifestyle.

5.0

Journey of Employee Care

5.1 Talent Attraction and Retention

5.2 Talent Development and Training

5.3 Employee Care and Communication

5.4 Occupational Health and Safety

5.5 Employee-Related Performance Statistics

NIO's care for employees is a sincere and long-lasting companionship. The Company is committed to creating value for users through diversified services and solid product development, it also persists in establishing long-term talent development plans with forward-thinking. We recruit top talents from around the world, gather like-minded people, and cultivate a unique value-driven talent system to build an equal, diverse, and inclusive workplace for employees. At the same time, we continuously improve the employee training system, provide various welfare benefits, prioritize employees' occupational health and safety, and integrate care into each employee's career development path, to achieve mutual growth of both the Company and individuals.

Story of the Chapter: The Growth Diary of a NIOer

Prominent Employer Brand and Industry Influence

I first got to know NIO was during high school when I heard that the **NIO EP9** broke the world record in Germany and officially became the fastest electric car. Since then, **a seed was planted in my heart.**

During my junior year in college, I attended NIO's **campus recruitment presentation**. I listened to the recruitment manager and outstanding employee representatives sharing insights on industry trends and their personal experiences. This helped me make up my mind to enter the new energy vehicle industry and I was deeply moved by **NIO's values of "Honesty, Care, Vision and Action"**. Without hesitation, I submitted my resume and was fortunate enough to receive an offer.

A Diverse, Equal, and Inclusive Workplace

One month after joining NIO through **the Sparks campus recruitment program**, I participated the **Sparks Landing**, the exclusive training program for Sparks. Additionally, I had **a mentor** who helped me navigate the transition from school to the workplace, enabling me to quickly adapt to my work.

In terms of personal growth, NIO offers various training programs through the **NIO Academy** and other diverse training organizations. These programs often involve **cross-departmental knowledge and experience sharing**, providing me with continuous inspiration. As an employee in the R&D , I have also been directly guided by the VP (Vice President) in the daily work, which has accelerated my growth here.

Such **warm atmosphere** and **excellent environment of research and development** are NIO's continuous attractions .

Rich and Diverse Employee Activities and Benefits

After becoming a NIOer, I joined the **NIO Yoga Club**. During my leisure time after work, I often join colleagues who share the same passion with me to relax our bodies.

During holidays and in daily life, the Company provides us with various benefits, including **holiday gift boxes, rental benefits, and exclusive employee discounts on major platforms**. This allows me to enjoy life as a NIOer even beyond work.

Rapid Talent Development Pathway

In the past year, I have been continuously "leveling up" in **the NIO Career Path**. After each evaluation, we can **discuss with our team managers** about the assessment results **and set goals for the next stage of personal development**. This prompts me to constantly reflect on my career development, continuously grow, and create value.

Thanks to **the semi-annual promotion cycles**, within just one year, I have rapidly grown from a newcomer in the workplace to a team leader. Looking back on the time spent with NIO, I deeply feel that NIO welcomes everyone who dares to challenge the unknown and I look forward to continuing to create value together with NIO.

5.1 Talent Attraction and Retention

We believe that a high-quality team of talents is the cornerstone of the NIO Value System. Through extensive recruitment channels, NIO has attracted talents from all over the world, building its innovation capacity and competitiveness. At the same time, we are committed to creating a diverse, inclusive, and equal working environment, and provide a stage for the growth and development of our employees.

As we continue to strengthen the employer brand and industry influence, during the reporting period, NIO has won 14 talent-related employer awards, gaining recognition in multiple dimensions in terms of global talent attractiveness, college student attention, and employer satisfaction evaluations, etc.

5.1.1 Talent Recruitment

NIO values the construction of the talent team and attracts talents with excellent professional qualities through four channels, campus recruitment, social recruitment, internal referral, and rehiring. During the reporting period, the Company continued to improve its management and updated the second edition of the *NIO Recruitment Management Policy*, further standardizing the process of domestic and international recruitment, internal referral, and rehiring. At the same time, we have integrated all the resources in the recruitment system, formed the NIO talent pool, and made candidate portraits based on our demand, so as to match the target population and improve recruitment efficiency. We also continuously optimize the candidate experience and onboarding experience, gather like-minded people together and inject fresh vitality into the Company.

Campus Recruitment	**Attract young, energetic, and innovative talents to inject fresh blood into NIO** • We provide equal career development opportunities for young students of different majors and degrees with three campus recruitment programs: Sparks Program, Shine Program, and Reserve Internship Program, which targets at college graduates, vocational college graduates, and interns respectively. • During the reporting period, NIO received nearly 200,000 applications from college graduates, and the number of application increased by over 120% compared to 2021 and over 200% compared to 2020.
Social Recruitment	**Search for experienced and knowledgeable talents for key positions** • During the reporting period, we established a social recruitment experience project team to improve candidate experience from multiple dimensions, such as improving the recruitment system and process, collecting candidate experience questionnaires, conducting interviewer trainings, and perfecting the internal referral process.
Internal Referral	**Discover candidates who matches with the Company's culture and values to further enhance team cohesion** • During the reporting period, we selected quarterly referral ambassadors, increased the referral incentive, and improved the Q&A document related to internal referrals, further enhancing employees' enthusiasm and improving the efficiency of internal referrals.
Rehiring	**Attract talents who have knowledge about the Company and experience to maintain talent flow** • During the reporting period, we redesigned the rehiring system, standardized and clarified the rehiring application qualifications, details of the application process and employees' roles and responsibilities. • Meanwhile, we clarified the rehiring salary and welfare policy to safeguard employees' rights and interests.

NIO talent recruitment channels

Sparks Program for campus recruitment

Sparks Program, NIO's largest campus recruitment program, covers 26 job categories such as R&D, manufacturing, and user operation. To help employees better adapt to the work environment, understand their positions, and figure out their career direction, we invite them to have face-to-face communication with heads of business departments before joining the Company. We hope to provide them with accurate and comprehensive information about their future work and achieve personal career goals.

To show our welcome to the 2023 Sparks, we have prepared gift packages for them to kick off their new journey with NIO.

Gift packages for Sparks

Shine Employment-Oriented Class

The Shine Program is a project to reserve talents of intelligent manufacturing from vocational schools. It aims to explore effective ways of cultivating new talents and infuse vitality into the new energy intelligent vehicle industry. On September 30, 2022, NIO and Hefei Technology College held the opening ceremony of the 2023 Shine Employment-Oriented Class. We prioritize the recruitment and training of technical talents, and the Employment-Oriented Class, as a campus talent development and reserve plan based on the Company's long-term strategy, will transform talent development from a one-way learning process to a two-way closed loop, a win-win outcome for both talents and the Company.

2023 Shine Employment-Oriented Class at Hefei Technology College

NIO is committed to helping more graduates understand and join the smart EV industry. We share industrial trends and workplace experience with students and candidates through media, career talks in colleges, live streaming, etc., to introduce younger generation more career possibilities and convey NIO's values, namely Honesty, Care, Vision, and Action. During the reporting period, we visited dozens of universities, including Peking University and Tsinghua University, and had face-to-face communication with thousands of students, providing graduates with more possibilities for their career choice.

NIO and China Society of Automotive Engineers cooperated with the tech talk on autonomous driving

2022 NIO campus recruitment events

5.1.2
Diversity, Inclusivity, and Equal Opportunity

NIO values diversity and inclusiveness and respects cultural differences between countries and regions. During the reporting period, through continuous effort, we had built a diverse global talent team with employees from 26 countries and regions including the United States, Germany, France, Italy, the United Kingdom, Australia, South Korea, Japan, Brazil, etc. There are also 84 ethnic minorities and 208 employees with disability in the Company.

As a member of the United Nations Global Compact (UNGC), NIO abides by the *Universal Declaration of Human Rights* and the *Declaration of the International Labor Organization on Fundamental Principles and Rights at Work*, and has integrated them into NIO's internal regulations like the *Employee Handbook* and the *Code of Conduct and Ethics*.

NIO has always been committed to establishing an inclusive and equal work environment and strictly prohibits any discrimination against candidates or employees based on gender, age, nationality, region, religion, physical condition, or other factors. In order to fully protect employees' rights, we inform them on day one that the Company has established reporting channels and management mechanisms to prevent workplace discrimination and harassment. During the reporting period, we set up a Value Committee complaint channel and an anti-sexual harassment group in March 2023, which was responsible for investigating and handling sexual harassment incidents, so as to protect the rights and interests of each employee.

At the same time, the *Employment Management Policy* is strictly implemented in NIO, which clearly stipulates that all candidates should be over 18 years old. The age of candidates is always verified during recruitment, and any abnormal situations will be properly handled according to the local laws and regulations. During the reporting period, the Company did not have any violations related to child labor.

We are also aware of the importance of employees' physical and mental health to the Company's development, and has created a healthy, safe, and balanced work environment for employees. During the reporting period, the Company further clarified the process and procedures for overtime application and approval. Employees who work under the standardized and comprehensive working hours are required to obtain written permission for overtime from department heads in advance, and get recorded by the Human Resource department. During the reporting period, the Company did not have any violations related to forced labor.

5.2 Talent Development and Training

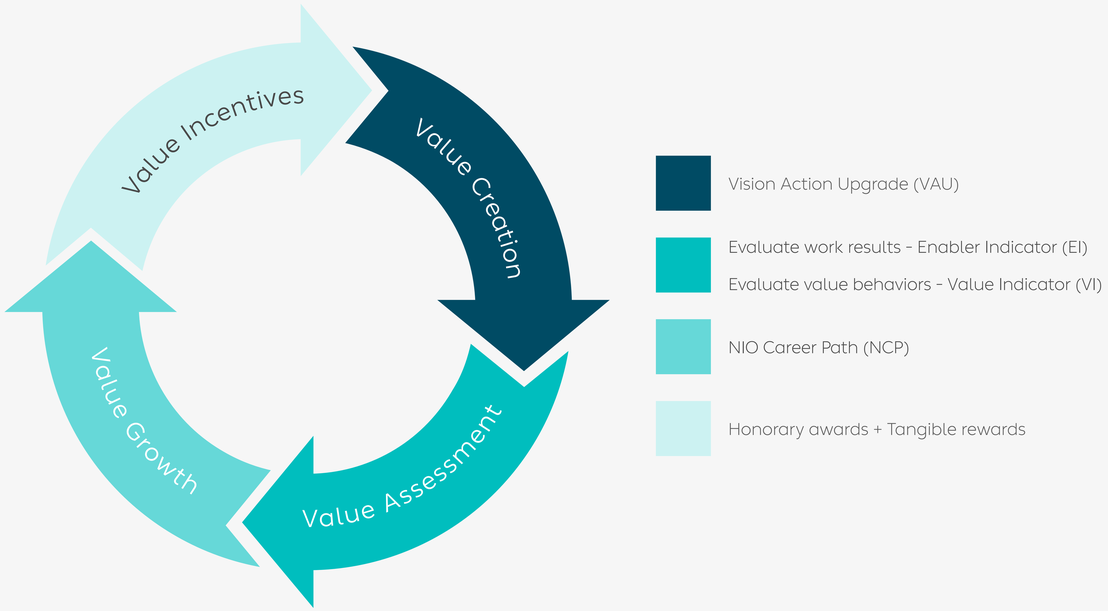
NIO is committed to building a value-driven organization and growing with employees to create and share value. From value creation, value assessment, value growth to value incentives, we have developed a distinctive NIO Value System that forms a closed loop. This system helps each employee fully tap into his or her potential and initiative, jointly promoting the implementation of the NIO Value System. NIO always focuses on each employee's personal growth and career development, providing ample development opportunities and rich training resources to motivate employees to grow together with the Company.

Staff training activity site

5.2.1 Employee Development

To truly implement the NIO values of Honesty, Care, Vision, and Action, we have created a value-driven talent management mechanism, which encompasses value creation, value assessment, value growth, and value incentives.

NIO's value-driven mechanism



Value Creation

Value creation aims to unify the targets and actions of the Company and individuals. The VAU serves as the carrier and tool for value creation, helping departments and teams to jointly achieve company goals and carry out more efficient cooperation. After the Company's management outlines their annual VAU, it is cascaded to and aligned by departments and teams at all levels, focusing on key issues to reach consensus on the Company's targets. After clarifying the most important "Vs" (goals) and "As" (key actions) within the team, departments and teams will organize regular VAU reviews to clarify "Us"(iteration and update) of the next stage, helping employees better advance their work and ultimately achieve the Company's targets of value creation.

Value Assessment

Value assessment is the evaluation of individual behavior, performance, and values through the Enabler Indicator (EI) and the Value Indicator (VI). The EI is a comprehensive evaluation of employees' work results and their commitment to the Company's five enablers, while the VI provides feedback on employees' value behaviors, enabling employees to realize the blind spots and opportunities for improvements. The assessment results will be calibrated by departments of different levels to maximize fairness. In addition, we have established communication and feedback mechanisms before, during, and after the evaluation process. If employees have doubts about the results, they can appeal to the Human Resource department or the project team.

Enabler Indicator (EI)

As a tool of individual performance evaluation, EI assesses "work results" and "working methods" and is conducted every 6 months. It includes work results evaluation and five enablers (put users' interests first, experiences beyond expectations, continuous innovation, system efficiency, and driven by design).

Value Indicator (VI)

As a tool of evaluating value behavior and personal values, it aims to advocate employees to practice NIO values in their daily work. This is an evaluation based on 4 values and 18 behavioral standards, providing objective feedback on methods and results to help employees achieve better work goals. Through this all-round anonymous evaluation and feedback mechanism, employees can receive feedback from colleagues on a yearly basis, become better aware of their blind spots and growth opportunities, learn from each other, and achieve growth together.

Value assessment system

Value Growth

The Company has established a unique career development system based on the NIO Value System, providing employees with broad development space and helping them solve three issues in their career development: Where am I? Where to go? How to get there? Through our continuously improved career development system - NIO Career Path (NCP), and two promotion windows every year, employees can choose their direction of promotion, either the management path, or the professional path.

To ensure employees' personal growth at NIO, we have established an equal and transparent promotion evaluation process, and announced the standards and requirements for each job level to all employees. At the same time, we use an online platform for the whole process, including self-application, review, and evaluation, so as to ensure the integrity and traceability of information and improve efficiency in human resource management. As of the end of the reporting period, 100% of the employees underwent regular performance and career development assessments.

NIO's employee promotion evaluation process

In addition to promotion, employees can explore more possibilities in their career through internal job transfer to fully tap their potential and value into the work. In July 2022, we released the updated *NIO Internal Recruitment Management Policy*, in which we optimized the internal recruitment process and updated the evaluation principles of job level, salary, EI, VI, and corresponding appeal and feedback mechanisms after the job transfer, providing employees with a convenient and flexible channel for the transfer. During the reporting period, 10,157 employees had been successfully promoted, and more than 250 employees had completed internal job transfer, commencing their new career journeys at NIO.

Value Incentives

Value incentives encourage employees to practice the Company's values and achieve personal growth with tangible rewards and honorary awards. For tangible rewards, we provide employees with annual salary adjustments, annual/monthly performance bonuses, stock ownership, etc. We have also set up a series of awards, such as the Value Packet, the team award - NIO Achievement Award, and the individual award - Value Star, to recognize their outstanding contributions. During the reporting period, we also launched the NIO Medal of Value to encourage individuals and teams to practice the Company's values.

Stock incentive plan

NIO implements an employee stock ownership plan to stimulate employees' enthusiasm, creativity, and sense of belonging. This plan strengthens the connection between employees and the Company, continuously promotes the Company's innovation and development, and enables employees to share the Company's returns.

Honorary value awards

To promote the value system in the Company, we have created the NIO Medal of Value to honor employees' outstanding performance in practicing NIO values. Employees can wear the medal in multiple scenarios, passing on the values in their daily work. As of the end of the reporting period, more than 4,300 employees had received the medal, continuously inspiring more employees to participate in the construction of NIO Value System.

NIO Medal of Value

5.2.2 Talent Training

NIO Academy boasts abundant teaching and training resources and a professional internal lecturer team to help employees grow. During the reporting period, we established the Learning & Development Center (LDC) cluster to cater to training needs brought by the Company's rapid development. LDC provides customized trainings for different clusters, and has effectively integrated company resources and helped various business departments in organizational development and talent cultivation.

In addition, NIO continues to improve its training system of Training & Development Instructor (TDI), dedicated to promoting employees' expertise through knowledge sharing. We provide a four-step training journey for instructor candidates, namely Empowerment Society, Training the Trainer to Train, Practice Week and Certification Day, helping them improve teaching and communication skills. During the reporting period, about 400 employees successfully obtained the certification, and worked with the Company to promote knowledge sharing and innovation, laying a solid foundation for sustainable talent cultivation. With the TDI mechanism, we provide employees with comprehensive training in four dimensions: Leadership, Expertise, Value, and Innovation.

Value	A complete landing program customized for different groups, featuring various courses such as the Landing Project, Calendar Project, and NIO FUN 6+1 General Training Course, deepening and promoting the NIO Value System.
Leadership	We offer management training for managers at different levels, including courses like Star Blue, Mist, Aurora, Mars, and Nebula, so as to help them develop their leadership skills and establish a leadership development framework based on the NIO Value System.
Expertise	Development programs and professional courses for talents of different speciality, aiming to build a professional learning ecosystem and improve paths and resources for employees' career development. This includes professional talent projects, NCP courses, external resource platforms, and external learning projects.
Innovation	Through customized projects such as LDC and digital courses on the online learning platform, we have constantly been analyzing requirements and integrating resources to facilitate organizational and talent transformation.

NIO's training system

Value: Landing Project

During the reporting period, we conducted 7 customized Landing Projects, helping more than 10,000 new employees understand the NIO Value System and fit in. In a Landing project held in Shenzhen, we gathered 43 new employees across the country. They listened to senior employees' experience on career growth and learned about NIO's vision of becoming a user enterprise, its strategic planning, business model, product knowledge, and culture and values. These have helped the students better adapt to our work style and atmosphere, while injecting vitality and creativity into the Company.

The Landing Project: onboarding training course

Leadership: Leadership Simulation Training

We conducted 7 Leadership Simulation Training courses during the reporting period, covering 12 cities and 84 store managers. This training simulates key business scenarios to help employees better solve problems in their daily work, improve store managers' leadership ability and address pain points in business scenarios.

Leadership Simulation Training Course

Expertise: Greenland Project

The Greenland Project aims to build an internal professional knowledge system in NIO. In accordance with the NIO Career Path, we communicated with experts in various fields, organized seminars and workshops, created a learning map for employees of different levels and expertise, and formulated a curriculum. During the reporting period, we had developed 19 professional categories, and launched more than 500 courses in our learning center, enabling our employees to gain deep insights of the industry and constantly expand their knowledge base and improve professional skills.

Industrial Sparks Program——Program Ingenuity 2.0

Based on the Company's Sparks Program and the strategic development needs of industrial clusters, we launched the "Program Ingenuity 2.0" training project during the reporting period. This program is designed for recent graduates in industrial clusters and lasts for three years. Participants will undergo the initial exploration of NIO, frontline rotations, business rotations, and customized training. They will then be promoted in the NCP pathway, gradually gaining in-depth knowledge of different business areas and finding suitable positions for their personal growth. Additionally, this project also helps NIO cultivate and develop young talents who embody the "NIO style" and establishes a talent pipeline for the future.

Frontline rotations activity

In addition to internal trainings, NIO supports its employees to gain external professional certification and improve academic background. During the reporting period, we provided employees with professional certification programs such as Project Management Professional (PMP), external trainer certification and electrical operation certification for specialized positions. In total, over 160 employees obtained these external certifications. In addition, the NIO Continuing Education Program provides employees with opportunities to improve academic background through educational resources of partner universities, tapping employees' development potential.

5.3 Employee Care and Communication

Care is one of NIO's values, and employee care and communication have been integrated into every aspect of employee development. We have built a fair and competitive compensation system, providing various benefits and care, organizing diverse employee activities, and listening to employees' voices and feedback. With the Company's development and the increase of workforce, we continue to improve employees' experiences and create a joyful community of joint growth with solid actions.

5.3.1
Salary and Incentives

We have always adhered to the concept of equal pay for equal work, and designed a system consisting competitive salary, long-term incentives, and benefits of care, continuously optimizing NIO's compensation mechanism. We have created a well-established compensation structure consisting of cash and stock for 160+ NCP positions, so as to provide employees with stable and comprehensive salary and welfare. In addition, we offer competitive salary raises to outstanding employees based on their EI and VI results to encourage their continuous progress.

5.3.2
Benefits and Care

With the idea of "creating a joyful community where employees grow together", NIO has established a comprehensive welfare system for employees, including eight sections such as health and safety, risk protection, family care, holidays, and personal development. In addition, based on the results of employee satisfaction surveys and company operations, we provide flexible benefits for employees on a yearly basis. For example, during the reporting period, we added multiple holiday benefits and special allowances for employees and upgraded the supplementary commercial insurance, enhancing employees' sense of belonging and happiness.

Summary of NIO's employee benefits

Creating a joyful community where employees grow together

Health and safety	Risk protection	Family care	Holidays
Supplemental commercial medical insurance	Regular life insurance	Supplemental housing provident fund	Paid annual leave
Overseas travel insurance	Accidental injury insurance	Car purchase benefits	Paid sick leave
Physical examination	Critical illness insurance	Family commercial insurance	Marriage leave
	Care fund	Subsidies for childcare	Maternity leave/paternity leave/childcare leave/nursing leave
			Bereavement leave

Personal development	Incentives and recognition	Convenience and care	Work-life integration
Training and learning	Value Packet	Communication allowance	Team building
Development and promotion	NIO Points	Shuttle bus	Holiday activities
	Patent awards	Overtime care	Birthday benefits
		Employee discounts	

The Company pays high attention to caring for female employees and is committed to taking a series of welfare measures to support their professional and personal development. We provide a range of holidays such as maternity, paternity, childcare, and nursing leave to meet employees' needs of balancing family responsibilities and career development. The Company also sets up nursing rooms at each operation point to provide a comfortable and private space for NIO moms.

Benefits for female employees

We always care about the physical and mental health of our female employees. During the reporting period, we held a lecture on human papillomavirus (HPV) to raise female employees' awareness of preventing cervical cancer, and encourage them to get vaccinated to ensure their physical health. On special holidays such as International Women's Day and Mother's Day, we prepare thoughtful gifts for female employees and organize themed activities, both online and offline. Through these measures, we hope to provide a warm and caring work environment for female employees, enabling them to fully achieve self-development.

Giving out flowers on Mother's Day

Free traditional Chinese medicine consultation

To help employees understand their own health status better, we held multiple traditional Chinese medicine (TCM) free consultations themed "Medical Skills Improve Your Health" during the reporting period. We invited TCM experts to NIO's offices in Shanghai to provide employees with free consultations and on-site acupuncture therapy services. This event attracted more than 1,000 employees' active participation, helping them relax their body and mind, restore vitality, and better cope with the challenges in work and life.

Poster for TCM free consultations

5.3.3
Employee Activities

We value team cohesion and employee wellbeing at NIO, and thus plan a variety of festive celebrations and interest activities. When employees were working from home, we launched various online activities such as parent-child activities, reading, gaming competitions, and fitness, so as to help employees relieve their stress and feel the joy and fulfillment brought by the NIO family. During the reporting period, we organized more than 220 events for employees, including more than 130 open hour events, 51 administrative team events, more than 30 old friend anniversary celebrations, and 4 Will I Am face-to-face communications with Bin Li.

Diversified employee activities

Festive activities	Lantern Festival, Women's Day, Father's Day, Mother's Day, and Online Dubbing Contest for Children's Day, etc.
Caring activities	Summer Camp: Parent-Child Activities at NIO House, Cooking Show, Frisbee, Reading Season Series Activities, etc.
Special seasonal activities	Delivering Coolness on Great Heat

Fun watermelon eating contest

Frisbee activity

Employee football match

Parent-child activities

To encourage employees to develop their hobbies and interests, we have set up 19 NIO clubs and organized various club activities for employees online and offline, such as DIY activities and Joy Moment. In addition, we also hold large-scale Joy Cup competitions every year, including basketball, football, Honor of Kings (e-sport), and other sports contests. Through these activities, we hope to promote interactions between employees and improve team cohesion, and help them have fun and enjoy life during their leisure time.

NIO Club activities

NIO Clubs	Golf club, Live action role-playing club, Football club, Basketball club, E-sports club, etc.
Joy Cup competitions	Basketball game, Football game, Honor of Kings challenge, etc.
Joy Magic House activities	DIY activities, Pour over coffee teaching, TCM consultation, 24-Point competition, Chess competition, etc.

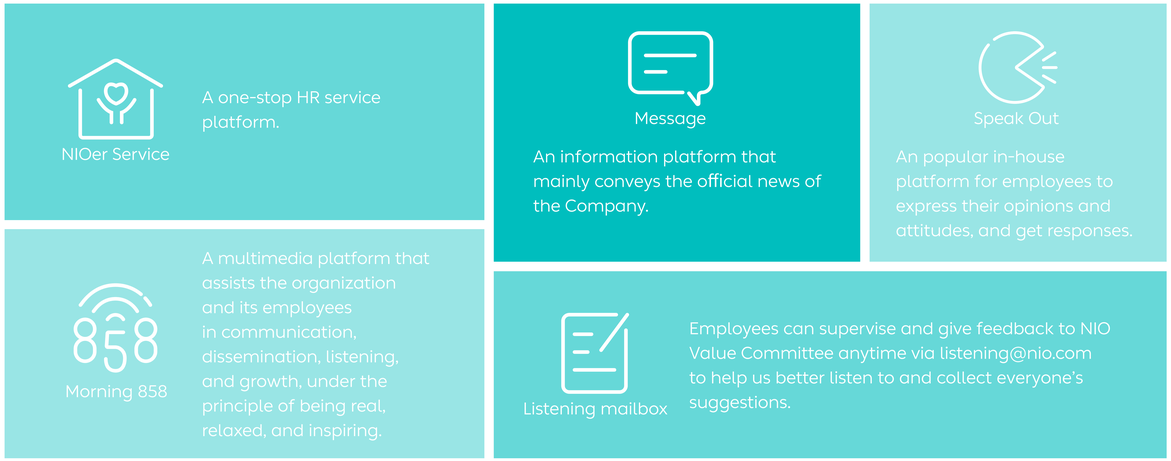
NIO Club activity calendar

NIO football game

The 2nd Honor of Kings Challenge

5.3.4
Employee Communication

NIO attaches great importance to listening to employees' voices and opinions, valuing daily communication with employees. Based on the respect for privacy, we have provided employees with diverse communication ways and channels. We use media such as the Company subscription account, Value platform, and Value Packet platform to convey NIO values and message to employees. At the same time, we listen to employees' opinions and demands via multiple communication channels such as NIOer Service, Message, Speak Out, and Listening mailbox, etc.



Diversified communication channels

Employee feedback has always been one of the essential bases and driving forces for us to optimize corporate management. To understand employees' views and opinions on the Company and improve their satisfaction and work efficiency, during the reporting period, NIO conducted a comprehensive employee satisfaction survey. The survey questionnaire was translated into eight languages and distributed to 23,029 employees worldwide. At the same time, based on employees' feedback, we formulated and implemented more than eight targeted optimization measures during the reporting period. The actions include optimizing the organization's operational efficiency, improving employee welfare benefits, expanding employee training and development channels, etc., aiming to provide employees with better career development and work experience, and thus help them achieve stable career development in the Company.

In addition, we have formulated the *Staff Congress Management Policy* and actively promoted the signing of collective agreements to promote dialogue and cooperation between employees and management. During the reporting period, NIO conducted equal negotiation and consultation with employee representatives on the *Collective Contract*, and basically achieved full coverage of collective negotiation agreements in China.

5.4 Occupational Health and Safety

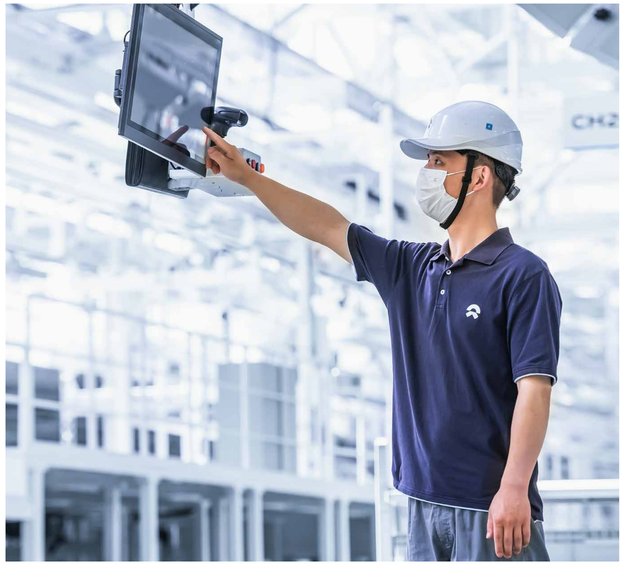
NIO regards employees' occupational health and personal safety as its most important responsibility and takes various measures to ensure their safety and health. We strictly comply with laws and regulations related to safety production and occupational health in places where we operate. We have also formulated multiple safety management policies and operating procedures to effectively manage safety risks, and focus on enhancing employees' safety awareness and relevant skills, aiming to build a solid safety barrier jointly. At the same time, we pay continuous attention to employees' physical and mental health, and make every effort to prevent occupational-related diseases and reduce exposure risks, striving to create a safer and healthier work environment for our employees.

5.4.1 Safety Production

In the overall policy of Environment, Health, and Safety (EHS), NIO identifies “Creating a safety core value” as one of its leading development directions. We attach great importance to every link in production and operation, establish a scientific safety management system by continuously strengthening safety risk identification, and timely eliminate hidden dangers to ensure the safety and stability of the production process. At the same time, we continue to improve the emergency response system, enhance emergency handling capabilities, and conduct regular safety training to improve employees’ safety awareness and skills, so as to create a safe, healthy, and efficient workplace together.

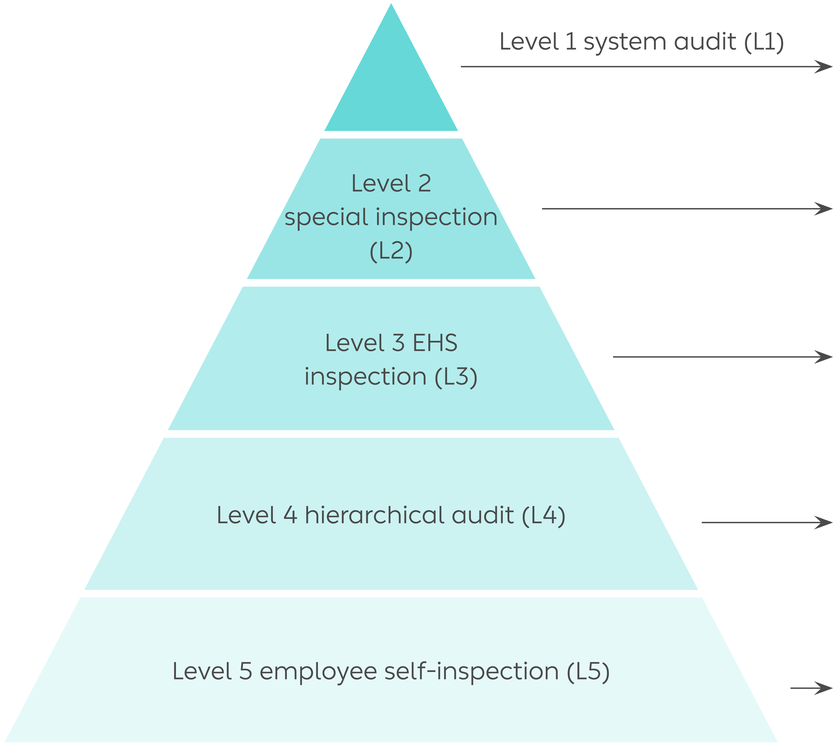
Safety Risk Identification and Control

NIO has always been committed to improving its closed-loop system of safety risk identification and control. From hazard identification, risk control to risk assessment, we classify and control identified hazard factors. At the same time, we compile a list of hidden dangers for inspection and EHS audit plans at all levels. We review potential risks one by one and take related measures to continuously eliminate hidden dangers, thus to ensure employees’ safety and health.



We have established a safety inspection mechanism covering all employees, the EHS Audit. The audit plan is divided into five levels: Level 1 system audit, Level 2 special inspection, Level 3 EHS inspection, Level 4 hierarchical review, and Level 5 employee self-inspection. Through the top-down safety inspection method, the EHS Audit plan breaks down daily safety hazards step by step and layer by layer, and thus efficiently improves the Company's management and control in safety production. At the same time, we use hierarchical safety inspections and grid management to identify and evaluate risks at NIO's First Advanced Manufacturing Center (NIO F1) and NIO's Second Advanced Manufacturing Center (NIO F2). Employees can report safety hazards out of their job scope through Safety Management Information System (SMIS) and EHS service platform, to jointly secure the safety of all staff and the Company.

EHS Audit safety inspection mechanism



- The EHS organization conducts cross-functional department audits and system audits of the locality based on the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System standards.

- The EHS department conducts a comprehensive self-inspection using specific and specialized inspection methods in accordance with the potential danger investigation and control standards.

- The local EHS is responsible for supervising and inspecting routine checks of business departments, and conducting comprehensive inspections from an EHS perspective.

- Periodic inspection is planned by each department's Safety Pioneer, organized by each department's leader and performed by the department's management.
- Daily EHS audits for departments and workshops, including identifying and evaluating hazards related to men, machine, materials, methods, and environment of on-site operations, formulating temporary measures, planning corrective actions, eliminating potential dangers, and planning and implementing long-term preventive measures.

- Employees take the initiative to inspect and identify potential dangers out of their job scope and report them via EHS Service Desk or SMIS system.

Emergency Response System

To deal with safety accidents in an efficient, timely, and proper manner, and ensure the safety of employees and property during production and operation, NIO continuously optimizes its safety emergency response capabilities. We have put in place an emergency response system featuring clear responsibilities and high efficiency, as well as response procedures and management processes applicable to particular scenarios such as traffic safety, battery fires, and various emergencies during production. In addition, NIO conducts different types of emergency rescue drills and training every year, including simulation of accidents during daily work and nighttime, and confined space entrapment, so as to continuously improve employees' emergency response capabilities.

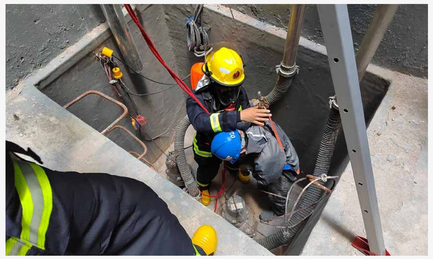
Confined space entrapment emergency rescue drill

On June 16, 2022, we organized an emergency rescue drill for confined space entrapment at NIO F2, with internal and external parties. This drill aimed to test the effectiveness of our emergency procedures and materials, enhance employees' safety awareness of working in confined spaces, and lay a solid foundation for a safe manufacturing plant.

Automatic External Defibrillator (AED) training and first aid drills

The Automatic External Defibrillator (AED) is critical in promptly treating sudden cardiac arrest. To ensure that employees can effectively respond to sudden emergencies such as cardiac arrest, during the reporting period, NIO conducted a total of 30 batches of cardiopulmonary resuscitation (CPR) & first aid training and hand-on practice at different offices, laboratories, and regional companies, covering about 1,600 people. At the same time, we conducted first aid drills for vehicle-related service providers in all regional companies to increase the success rate of first aid, safeguarding employees' life safety.

Emergency rescue drill



NIO F1 (left) and Shanghai Automotive Innovation Park (right) carried out fire emergency evacuation drill

AED Training and first aid drills

Fire emergency evacuation drill

Through regular emergency drills, fire safety training, and special inspections, etc., NIO F1 continuously improves its emergency process management. During the reporting period, we carried out 27 fire safety trainings, 133 special inspections for fire safety, and 93 emergency drills here.

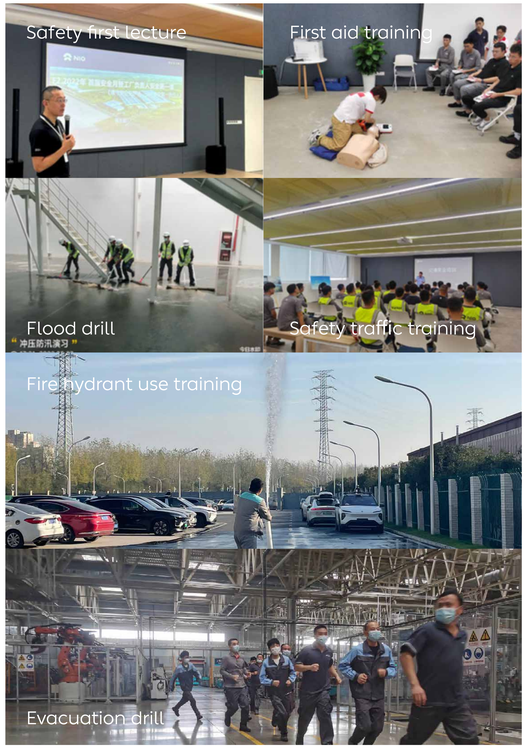
On November 21, 2022, together with the local fire department, NIO F2 organized a large-scale fire extinguishing and evacuation drill covering over 1,000 employees. The drill simulated the emergency response process of a fire on site, further developing the safety culture in the Company.

Improvement of Safety Awareness

NIO attaches great importance to improving employees' safety awareness in daily work, and actively promotes safety culture of the Company. We utilize diverse communication channels, such as posters, videos, posts on WeChat official account, and thematic broadcasts, to comprehensively promote and convey the importance of safety. At the same time, we hold specialized training on safety regularly and carry out cultural activities for all staff both online and offline. During the reporting period, we organized a total of 328 specialized courses on safety, with a total of 37,709 participants, and achieved a 100% coverage rate of safety training for factory new hires.

The EHS culture promotion posters

Activities of safety culture at NIO F1 and F2



5.4.2 Occupational Health

Ensuring the occupational health of employees serves as a foundation for NIO to practice its social responsibility. NIO has obtained ISO 45001 Occupational Health and Safety Management System Certification and has formulated multiple occupational health management policies such as the *Occupational Health Management Procedure*. We will continue to improve the Company's health and safety management system, so as to assure employees of a safe and sound environment for work and life.

Certificate

Standard: ISO 45001:2018

Certificate Regist. No.: 01 213 1932724

Certificate Holder:

NIO Co., Ltd.
No. 10,15,18,20,22 Building, No. 56, Antuo Road,
Jiading District, 201804 Shanghai, P. R. China

including the locations according to annex

Scope:

Design, R&D, R&D Process Testing, Supply Chain Management, Manufacturing & Logistics Management, Sales and After-sales Service Management of Smart Electric Cars, R&D of Vehicle Chips

Proof has been furnished by means of an audit that the requirements of ISO 45001:2018 are met.

Validity:

The certificate is valid from 2023-06-15 until 2026-06-14. It remains valid subject to satisfactory surveillance audits. First certification 2021

2023-06-16

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Authorized responsible offices TÜV Rheinland China Ltd., Room 501, 5F and Room 1202, 12F, Building 4, No.55, Ronghua South Road, Beijing Economic-Technological Development Area, Beijing (Yizhuang group of High-end industrial area of Beijing Pilot Free Trade Zone), 100176, P. R. China

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ISO 45001 Occupational Health and Safety Management System Certification

To prevent occupational hazards, we evaluated the status of occupational hazard factors according to occupational health hazard management procedures. Based on the identified occupational hazards, we developed an annual detection program to assess the risks in work environment and take corresponding measures. During the reporting period, NIO's annual occupational hazard detection results conformed to relevant standards, and the on-site detection of hazard factors was far below the national limit.

Identification

- Based on relevant laws and regulations, internal policies, work flow of each position, chemicals checklist, and other information, identify occupational hazards and risks.

Management

- Establish health and safety management policies such as *Regional Occupational Health Management Guideline*.
- Take corresponding precautions and management measures, such as organizing occupational health examination, conducting on-site detection of occupational hazards, putting up notices and conducting regular management trainings.

Evaluation

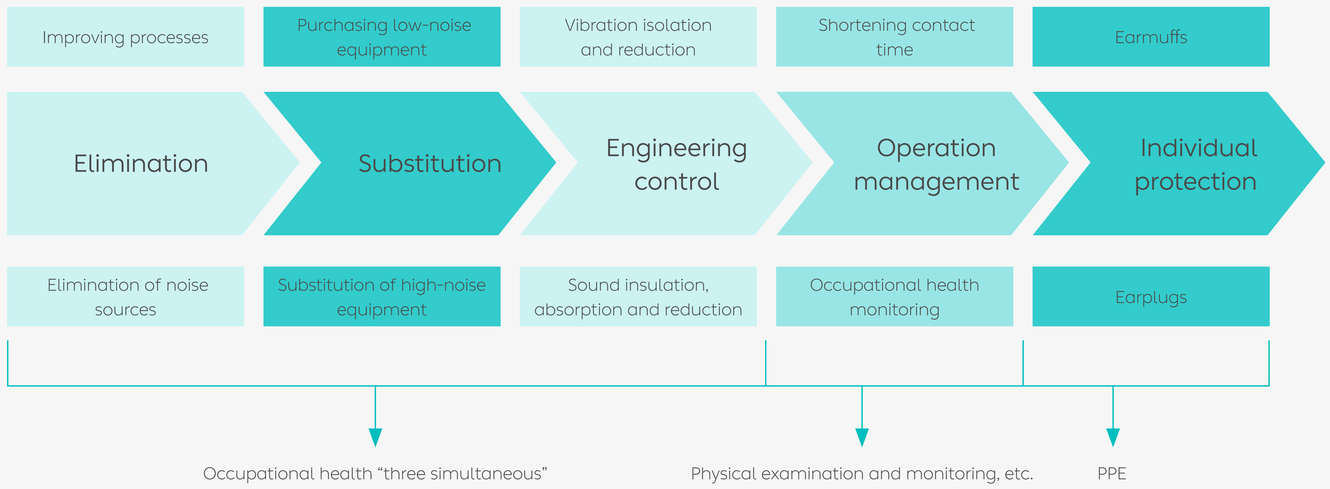
- Regularly analyze the results of employees' occupational health examination and on-site hazard factors detection.
- Invite third-party agencies to carry out hazard factor analysis and evaluation on a regular basis.

Occupational health hazard management procedure

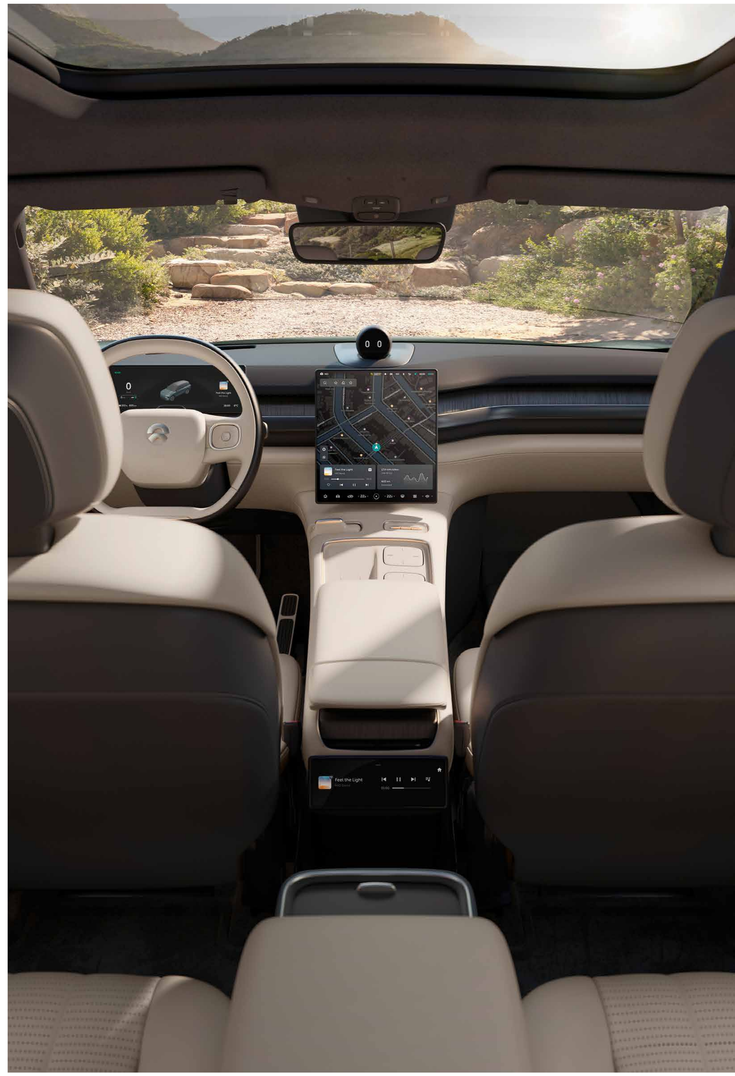
Noise management and control

During the reporting period, we sorted and improved the on-site management process for noise-related occupational hazards. From the safety requirements at the workplace, the administrative requirement for health examinations and monitoring, to the proper use of personal protective equipment (PPE), we have put in place a layered management and control mechanism to minimize the occupational hazard risks faced by operators, to ensure their occupational health.

On-site management measures for occupational hazards



In addition, we have taken various measures to help employees prevent, eliminate, and reduce potential health threats and risks, so as to ensure their health. We have defined and standardized the scenarios for using PPE to enhance employees’ protection awareness. To continuously monitor employees’ occupational health, we have established occupational health records for each employee who is exposed to occupational risks, and regularly organize occupational health examinations. During the reporting period, the coverage rate of employee physical examination involved in occupational hazard positions reached 100%, and zero incumbent employees suffered from occupational contraindications or occupational diseases. We also regularly conduct occupational health training to improve employees’ awareness of safety production and risk prevention.

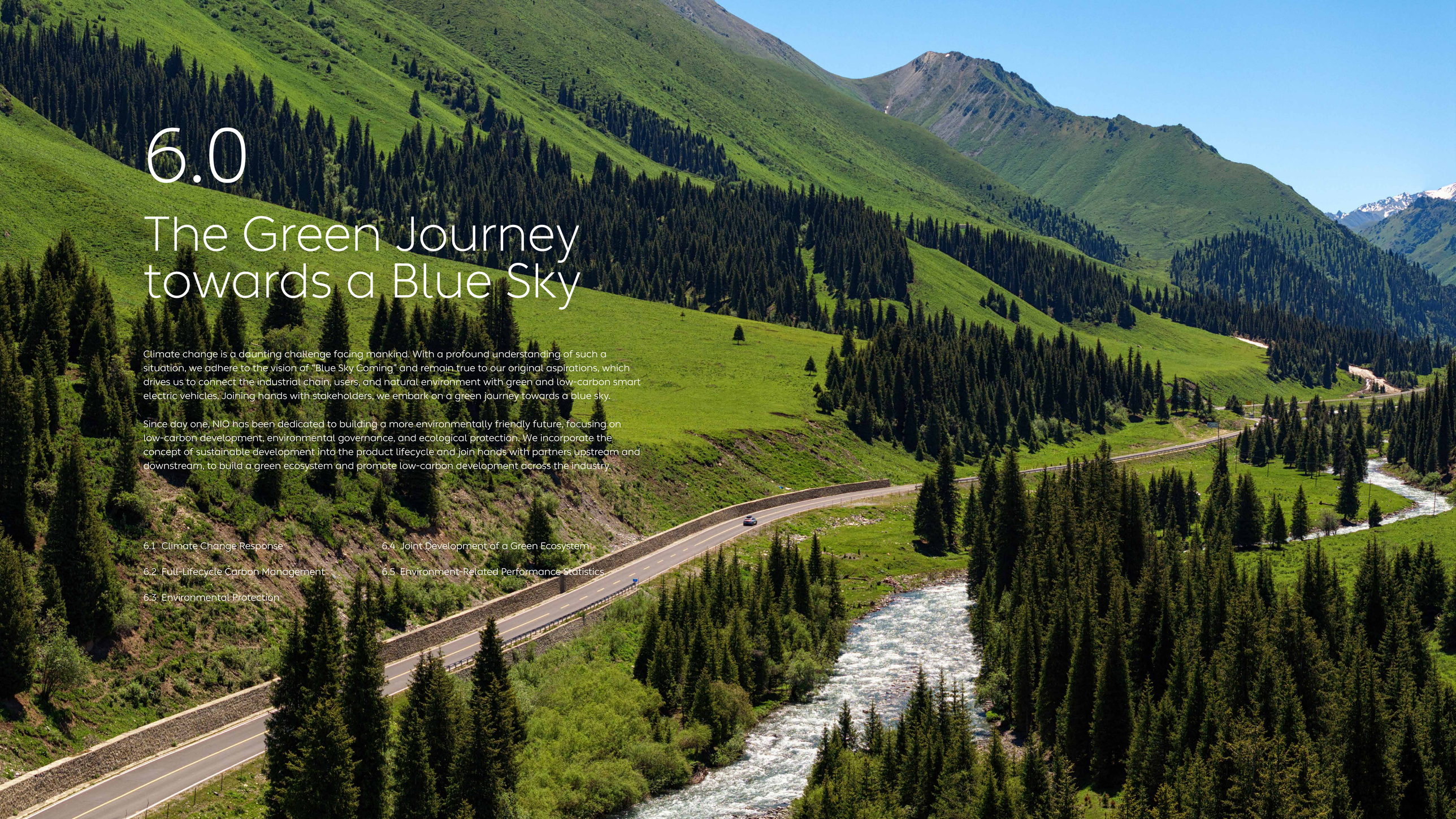


5.5 Employee-Related Performance Statistics

Indicators		2022	Measurement Unit
Employee Diversity			
Full-time Employee		26,763	person
By Gender	Male	20,609	person
	Female	6,154	person
By Age	30 and Under 30	9,713	person
	31-50	16,858	person
	51 and Over 51	192	person
By Nationality	China (including Hong Kong SAR, Macao SAR and Taiwan)	25,611	person
	Overseas	1,152	person
By Job Level	Senior Management/Professional Employees	156	person
	Middle Management/Professional Employees	10,839	person
	General Employees	15,768	person
Other Categories	Employees with Disability	208	person
	Ethnic Minority Employees	84	person
Employee Turnover Rate			
Total Employee Turnover Rate		13.18	%
By Gender	Male	12.80	%
	Female	14.46	%
By Age	30 and Under 30	18.39	%
	31-50	10.29	%
	51 and Over 51	3.65	%
By Geographical Region	China (including Hong Kong SAR, Macao SAR and Taiwan)	13.33	%
	Overseas	3.53	%

Indicators		2022	Measurement Unit
Talent Development and Training[1]			
Percentage of Trainees by Gender	Male	75.58	%
	Female	24.42	%
Percentage of Trainees by Job Level	Senior Management/Professional Employees	0.39	%
	Middle Management/Professional Employees	42.51	%
	General Employees	57.10	%
Average Training Hours per Employee by Gender	Male	9.06	hour per person
	Female	10.89	hour per person
Average Training Hours per Employee by Job Level	Senior Management/Professional Employees	9.03	hour per person
	Middle Management/Professional Employees	10.79	hour per person
	General Employees	8.58	hour per person
Occupational Health and Safety			
Absent Days due to Work Injuries		394	day
Total Hours of Occupational Health and Safety Training		218,215	hour

[1] The training data only covers the training hosted by NIO Academy, excluding training organized by Quality Academy, PM Academy, NIO Power, Digital Safety & Cybersecurity, User Operations and other departments.



6.0

The Green Journey towards a Blue Sky

Climate change is a daunting challenge facing mankind. With a profound understanding of such a situation, we adhere to the vision of "Blue Sky Coming" and remain true to our original aspirations, which drives us to connect the industrial chain, users, and natural environment with green and low-carbon smart electric vehicles. Joining hands with stakeholders, we embark on a green journey towards a blue sky.

Since day one, NIO has been dedicated to building a more environmentally friendly future, focusing on low-carbon development, environmental governance, and ecological protection. We incorporate the concept of sustainable development into the product lifecycle and join hands with partners upstream and downstream, to build a green ecosystem and promote low-carbon development across the industry.

6.1 Climate Change Response

6.2 Full-Lifecycle Carbon Management

6.3 Environmental Protection

6.4 Joint Development of a Green Ecosystem

6.5 Environment-Related Performance Statistics

Story of the Chapter: The Green Life of ET7

Sustainable Design Defines Green Genes

Like many of my siblings, I embody NIO's consistent product development philosophy - **"Design for Sustainability"**.

With a sleek body and aerodynamic components, my **drag coefficient is as low as 0.208**, and my **energy efficiency index reaches an impressive 9.4**. Inside my cabin, various **Clean+ materials**, including renewable rattan wood and eco-friendly fabrics, create an environment that allows users to fully experience the beauty of nature and freshness.

Energy Conservation and Emission Reduction

I was born in NIO F1. According to the operators there, a significant portion of the electricity used to produce me was generated from **photovoltaic components** installed across the factory. Plus, the factory has received **Energy Management Certification** for consecutive years and is heading towards even more challenging **energy consumption targets**.

The newly built NIO F2 is even greener. It has not only obtained **LEED Gold Certification**, but also been recognized as **a three-star green building**. In addition to introducing photovoltaic components and setting energy consumption targets, the factory has also set water consumption targets for the manufacturing process, while approaching the targets through various measures such as **"sponge factory"** and **reclaimed water reuse**.

Low-carbon Logistics Connecting Users

When I left NIO F1, I was carefully packed in **recyclable and shareable packaging** for transportation. Once these packages have served their purpose, NIO recycles them and uses them again for the transportation of other vehicle models, reducing resource consumption on logistics.

After a short stop at the **photovoltaic charging shed**, I boarded a cargo ship bound for Norway. This **new direct shipping route** not only has a shorter distance and lower carbon emissions but also helps me reach users faster.

Industries Joining Hands to Drive the Circular Economy

I am aware that every vehicle will reach the end of its lifecycle one day and no longer be suitable for driving. However, NIO's R&D team says that it doesn't mean the end, but refers to a new beginning. They are working with partners to create **a "vehicle-to-vehicle" level of recycling, building a full-cycle circular economy model**. Even as I reach the end of my lifecycle, I will be properly disposed of by NIO, and my dismantled resources will be used in the production of new vehicles, continuing to contribute value.

Leveraging Advantages to Safeguard Nature

In addition to being delivered to users, some of my counterparts have journeyed across mountains and seas to national parks in Central Europe, assisting NIO in the **Clean Parks ecological co-construction project**. In a national park in Denmark, there are three **"ecological patrol vehicles"** donated by NIO, just like me, they have traveled from China to Northern Europe. They accompany park rangers, traversing every corner of the protected area, safeguarding its authenticity with the use of clean energy.

Off-peak Charging and Energy Storage for Environmental Protection

Shortly after arriving in Norway, I met my owners - a warm family of three. I also quickly met my most important partner - the home charger. With the help of over-the-air (OTA) updates, now I have **intelligent charging capabilities based on electricity prices**. I can charge and store electricity during off-peak hours, saving travel costs for my owners while relieving pressure on the power grid.

6.1 Climate Change Response

NIO is fully aware that climate change drives the growth of the new energy vehicle industry, and defines it as a key component of ESG management. We support the goals of the Task Force on Climate-related Financial Disclosures (TCFD) on improving the transparency of climate-related risks. We are creating a management system in response to climate change based on the TCFD's recommendations and guidance, focusing on governance, strategy, risk management, metrics and targets, so as to lead the sustainable development of the industry and society.

Responding to climate change is one of the key ESG topics for NIO. We have established an ESG governance structure, which consists of the Board, the Nominating and ESG Committee and the ESG Steering Team, to monitor and manage climate-related risks from a top-down perspective. In the risk assessment process, we take climate-related risks into consideration, proactively identify short-term, medium-term, and long-term climate risks and opportunities, and assess their potential financial impacts. NIO will continue to monitor the identified climate risks and opportunities, and develop and take responsive measures accordingly.

Transition Risks

Risk Category	Risk Description	Potential Financial Impact	Time Dimension
Policy and Legal Risks	As the new energy vehicle industry gains momentum, governments worldwide are reducing or limiting their subsidies, which may impact the market demand for new energy vehicles and thus affect NIO's revenue.	Decreased Revenue	Short-term Medium-term
	Part of NIO's revenue is accredited to China's new energy credit policy. Changes in relevant policies or the credit market may lead to a revenue decrease.	Decreased Revenue	Medium-term Long-term
	As the HKEX will enforce mandatory climate-related information disclosure requirements in line with TCFD recommendations no later than 2025, the International Sustainability Standards Board (ISSB) has issued two sustainability disclosure standards, and the European Council has signed the *Corporate Sustainability Reporting Directive* (CSRD), NIO may face more disclosure requirements on sustainability and higher compliance costs.	Increased Operating Costs	Short-term Medium-term Long-term
	According to the *New EU Regulatory Framework for Batteries*, from 2026, electric vehicle batteries must have a battery passport to enter the European market. To further tap the European market, NIO will face higher costs in battery R&D, manufacturing, and partner management.	Increased Operating Costs	Short-term Medium-term Long-term
	As international low-carbon trade barriers, such as the EU's Carbon Border Adjustment Mechanism (CBAM), are gradually established and implemented, the export costs of NIO products may increase.	Increased Operating Costs	Medium-term Long-term
Technical Risks	Market and policy changes of new energy vehicles may accelerate the iteration of technology and materials, leading to an increase in clean technology R&D cost.	Increased Operating Costs	Short-term Medium-term Long-term
	The product technology R&D progress may lag behind, resulting in delayed product launches and reduced revenue.	Decreased Revenue	Short-term Medium-term Long-term
Market Risks	Consumers' preference for electric vehicles may be affected due to inadequate charging and swapping infrastructure, power shortage in summer, incomplete understanding of electric vehicles, etc., which may result in lower-than-expected sales of NIO products.	Decreased Revenue	Short-term Medium-term Long-term
	NIO's partners may face stricter regulatory requirements for pollutant emissions, resource use, and carbon emissions (such as future inclusion in the Chinese carbon market), leading to increased costs and thus affecting NIO's procurement expenditures.	Increased Operating Costs	Medium-term Long-term
Reputational Risks	As external stakeholders' regulatory requirements for and attention to climate change continue to rise, if new energy vehicle companies fail to participate in or lead the transition towards a low-carbon economy for the industry and the society, their brand and reputation may be harmed, leading to a decrease in revenue.	Decreased Revenue	Short-term Medium-term Long-term

Physical Risks

Risk Category	Risk Description	Potential Financial Impact	Time Dimension
Acute Risks	With increasingly frequent extreme weather events caused by climate change, such as extreme precipitation, hail, strong winds, and thunderstorms, our fixed assets may be susceptible to more frequent and severe acute physical risks. This may result in increased maintenance costs for operating locations and charging and swapping facilities, as well as an increased risk of property loss.	Increased Operating Costs Increased Property Loss	Medium-term Long-term
Chronic Risks	Climate change may have a long-term impact on the local climate where NIO operates, triggering, for instance, extremely high temperatures, which may lead to greater fluctuations in energy use and factory operating efficiency, making operations more costly.	Increased Operating Costs	Medium-term Long-term

Opportunities

Opportunity Category	Risk Description	Potential Financial Impact	Time Dimension
Resource Efficiency	NIO can reduce resource consumption and lower operating costs by recycling materials.	Decreased Operating Costs	Medium-term Long-term
Energy Sources	Renewable energy is widely used in the global market, leading to a reduction in energy costs. If NIO uses renewable energy as its main energy source, it may reduce energy costs and climate change related expenditures on compliance, taxation, and carbon market transactions in the future.	Decreased Operating Costs	Medium-term Long-term
Products and Services	As climate change continues, users may prefer new energy vehicles and products with lower carbon emissions. As a result, the competitiveness of NIO's smart electric vehicles and products may grow, contributing to increased revenue.	Increased Revenue	Short-term Medium-term Long-term
Market	NIO continues to expand its global market and actively promotes the local low-carbon transition, enjoying a promising prospect.	Increased Revenue	Short-term Medium-term Long-term
Adaptability	Under the backdrop of climate change, NIO can work on the adaptability of its products and services to climate change, as a way to improve its response to market demand, enhance its climate resilience and increase revenue.	Increased Revenue	Medium-term

NIO continues to monitor the carbon emissions of products' full-lifecycle, production, operation, and supply chain, while actively promoting the formulation of carbon targets to help the world respond to climate change. For more information, please refer to the following sections in this chapter.

[1] The Science Based Targets initiative (SBTi) is a partnership between Carbon Disclosure Project (CDP), UNGC, World Resources Institute (WRI) and WWF. It aims to mobilize companies to take more aggressive emissions reduction actions in the fight against climate change.

6.2 Full-Lifecycle Carbon Management

NIO carries out carbon management across the full lifecycle to create a low-carbon ecological chain. From product design to material selection, manufacturing to logistics, administrative operations to industrial partnerships, a green and low-carbon strategic layout has been fully integrated into NIO's industrial ecosystem.

We have started planning carbon emission reduction targets and pathways that align with the goal of limiting global warming to 1.5° C and have already established the Company's ICP (Internal Carbon Price) system and product carbon reduction mechanism. By conducting carbon footprint assessment and carbon verification, we further identify business scenarios that contribute to carbon emissions, and carbon emission reduction opportunities in the production process, laying a solid foundation for sustainable development of both the Company and the industry.

Committed to joining the Science Based Targets initiative (SBTi)[1], NIO fulfills its responsibility for low-carbon and green development

On March 25, 2023, during the "Earth Hour" event initiated by the World Wide Fund for Nature (WWF), NIO announced its commitment to join the SBTi and to plan carbon emission reduction targets and pathways in line with the goal of limiting global warming to 1.5 ° C by 2025, embodying the Company's vision of "Blue Sky Coming", while helping to mitigate global climate change and promote sustainable development.

Carbon footprint assessment covering the past three years, establishing a carbon emission baseline and identifying carbon emission reduction opportunities

During the reporting period, we conducted a carbon footprint assessment within the organizational boundary for the past three consecutive years (2020-2022). By analyzing the historical data on carbon emissions, we were able to establish the Company's carbon emission baseline and identify energy-saving and emissions-reduction potential in various business scenarios. The carbon footprint assessment covered 3,656 sites and more than 40 business departments. In addition, the carbon emissions data from January 1, 2022 to December 31, 2022 were audited and verified by a third-party organization.

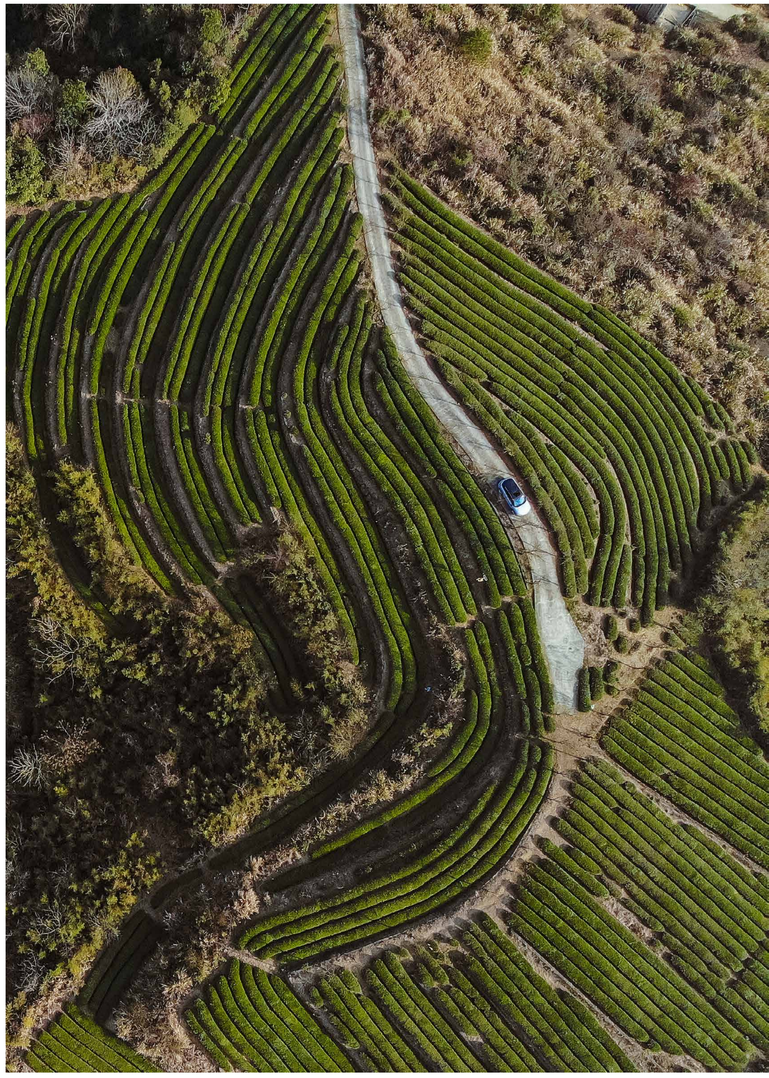
Full-lifecycle carbon emission reduction management mechanism

NIO remains committed to exploring carbon emission reduction measures in the smart electric vehicle industry and has thus established a mechanism to reduce carbon emissions across the vehicle lifecycle. Starting with a low-carbon target for vehicle models, this mechanism utilizes ICP as a tool to systematically break down the target into various stages, including design, manufacturing, and logistics. Meanwhile, we also involve our partners in this mechanism to ensure that carbon emissions are considered from raw material supply to end-of-life vehicle recycling, continuously practicing and improving our full-lifecycle carbon management.

ICP system to efficiently form low-carbon competitiveness

During the reporting period, NIO became one of the first Chinese automakers to establish an ICP mechanism. The ICP mechanism monetizes carbon emissions risks based on the ever-changing external environment, and helps control the total carbon emissions and carbon intensity in the most efficient and cost-effective way.

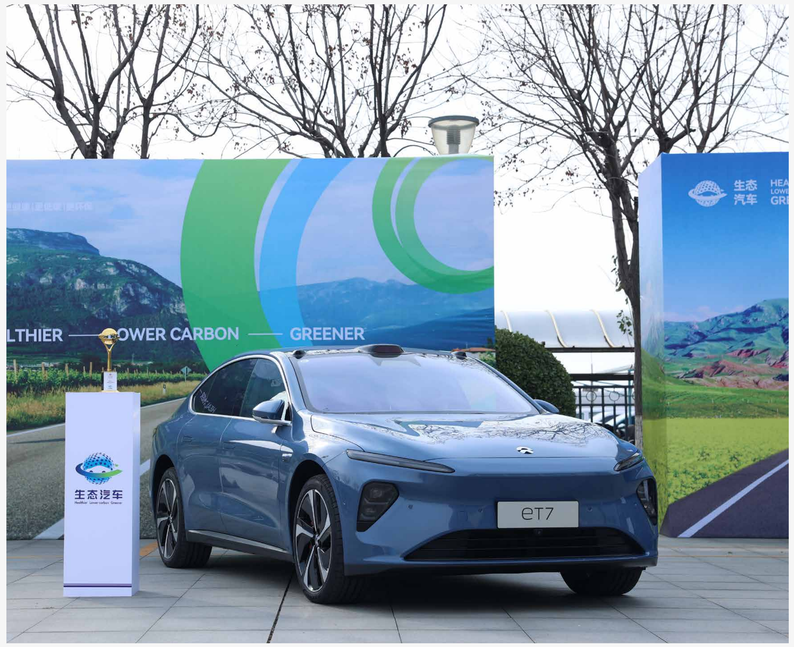
NIO has introduced the ICP mechanism to project design and selection, financial objective cascade, and partner nomination. With an independent carbon reduction budget pool for key vehicle models in place, the carbon reduction budget and targets are distributed to specific part packages. At the same time, based on the vehicle portfolio, we will continue to iterate the ICP, and dynamically adjust and improve the target to achieve NIO's transformation from "benchmarking the international first-tier" to "leading the low-carbon development".



6.2.1 Sustainable Design

NIO has established its product development philosophy of “design for sustainability” since its inception. While assuring users of a safe and comfortable driving experience, we actively explore vehicle lightweight solutions and introduce a series of environmentally friendly materials jointly developed with partners to integrate green and low-carbon features into our products. During the reporting period, NIO ET7 achieved a five-star rating in the Green NCAP test for its high efficiency and sustainability, and was also awarded the “Platinum Eco-Car” by (China) Energy Saving and Green Development Assessment Center for Automotive Industry.

Green awards won by NIO ET7

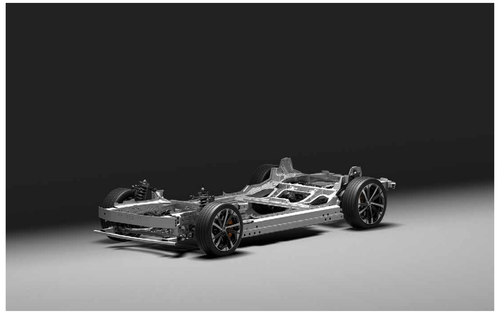


Vehicle Lightweight

Reducing vehicle weight while maintaining its strength, stiffness, and safety performance can help improve the dynamics and handling of the vehicle, and thereby reduce energy consumption and carbon emissions. To achieve vehicle lightweight, NIO has taken a dual approach, focusing on both a lightweight body and a lightweight battery pack. While selecting lighter and greener materials, we have further optimized structural design, and adopted various measures such as removing redundant parts and adopting integrated casting processes.

Lightweight Body

NIO ET5's rear floor uses an integrated casting process, which lowers the amount of steel stamping parts from 56 to 2, helping to reduce 30 self-piercing riveting points and 25% of weight.



Chassis structure of NIO ET5

Lightweight Battery Pack

The 75kWh battery pack cover uses lightweight composite materials

NIO's material selection for battery system balances lightweight and recyclability. For non-primary load-bearing structural components such as the upper cover and internal bracket, we use a large amount of lightweight plastic, which not only reduces the weight of the battery system but also improves its insulation performance and increases the vehicle's range at low temperatures. The application of lightweight materials, combined with highly integrated technology, has enabled the energy density of our battery system to reach an industry-leading level.

Continuous Improvement of Energy Efficiency

Improving vehicle energy efficiency is of great significance to reduce energy consumption. During the reporting period, we officially delivered vehicles based on the NT2.0 platform. Compared with NT1.0 platform vehicles, the NT2.0 platform vehicles use more SiC (Silicon Carbide) modules in the electric powertrain. With the advantages of fast switching speed, high turn-off voltage, and strong high-temperature resistance, the SiC modules can raise the efficiency of the electric powertrain by about 2%, effectively reducing total power loss. In addition, we continuously optimize vehicle styling and incorporate more considerations about aerodynamics into the exterior design. The drag coefficient of the NT2.0 platform vehicles dropped by 11%-13% compared to the same type of vehicles in the previous generation, which continues to lead the industry and can effectively reduce electricity consumption during driving.

Application of “Clean+” Materials

In addition to the design that promotes lightweight and energy efficiency, NIO also extends its sustainable philosophy to interior design, using lower-carbon and recyclable materials to continuously reduce carbon emissions per vehicle. Working together with our partners, we have developed the “Clean+” eco-friendly material collection, adding natural joy and environmental beauty to users’ driving experiences. The “Clean+” collection includes various material types, such as renewable material, circular material, and low-carbon material, a breakthrough from the conventional linear life cycle of “production-consumption-scrapping” to shape a circular trajectory. It gives Post-Consumer Recycled materials a chance to be reborn, while reducing natural resource consumption and carbon emissions.

Bio-based Haptex®

EC7 uses bio-based Haptex® as the wrapping of its sports seats, offering users a comfortable experience equivalent to genuine leather, with high elasticity and breathability. The surface layer of the Haptex® is made from polyols extracted from castor oil instead of petrochemical raw materials, reducing carbon emissions in the production process by about 63.5%. Moreover, since it is made of polyester and PET (polyethylene terephthalate), 58% of the overall material is renewable.

Bio-based Haptex® in EC7

Renewed PCR decorative panel

EC7’s decorative panel under C-pillar is made from 65% reclaimed materials, partially replacing traditional petroleum-based PC raw materials with PC materials reclaimed from used water buckets and CDs. Compared to petroleum-based PC, carbon emissions from reclaimed PC are significantly reduced by 72%, making it even more eco-friendly and low-carbon, on top of achieving material recycling. Also, this PCR material has a carbon emission certificate issued by a third party and has passed the traceability certification of reclaimed materials under the Global Recycled Standard.

Bio-based microfiber headliner

Microfiber has the visual and tactile feel of traditional suede, while it is lighter and easier to take care of. On the EC7 released in December 2022, NIO used a new bio-based Microfiber material, which was to replace petroleum-based raw materials partially with waste molasses from sugarcane pressing and castor oil to produce polyester and polyurethane. It is estimated that 0.69 liters of oil can be saved from producing 1 square meter of bio-based Microfiber.

Bio-based Microfiber headliner in EC7

6.2.2 Green Manufacturing

NIO is committed to creating high-quality products for users through a lean, efficient and green production mode. We fully utilize resources from all sources, optimize production synergy, and continuously improve production efficiency. NIO F2, located in Hefei, Anhui Province, is one of the most automated factories in the world and an important battlefield for NIO to practice green manufacturing and help achieve the dual goal of “carbon peaking and carbon neutrality”. We plan to make NIO F2 “a world-class benchmark factory for providing users with the ultimate experience of intelligent connectivity and green sustainability”, laying a solid foundation for reducing carbon emissions in the operational processes and the full lifecycle of vehicles.

During the reporting period, NIO F2 successfully obtained the LEED (Leadership in Energy and Environmental Design) Gold Certification issued by the U.S. Green Building Council and was certified as a Three-Star Green Building by the Chinese Society for Urban Studies (CSUS).

LEED

THE XINQIAO INTELLIGENT ELECTRIC VEHICLE INDUSTRIAL PARK OF NIO

Hefei, China

HAS FULFILLED THE REQUIREMENTS OF THE LEED GREEN BUILDING RATING SYSTEM CERTIFICATION ESTABLISHED BY THE U.S. GREEN BUILDING COUNCIL AND VERIFIED BY GREEN BUSINESS CERTIFICATION INC.

v4

BUILDING DESIGN AND CONSTRUCTION: NEW CONSTRUCTION AND MAJOR RENOVATIONS

GOLD

November 2022

PETER TEMPLETON, PRESIDENT & CEO

U.S. GREEN BUILDING COUNCIL & GREEN BUSINESS CERTIFICATION INC.

LEED Gold Certification

绿色建筑标识评价报告

GREEN BUILDING CERTIFICATION REPORT

星　级：★★★

编　号：NO. ID31202C

项目类型：工业建筑	评价阶段：设计评价
建筑名称：蔚来新桥智能电动汽车产业园（一期）建设项目	
建筑面积：42.11万 m²	行业分类：汽车零部件及配件制造
完成单位：蔚来汽车（安徽）有限公司、合肥新桥科技投资发展有限公司、中国汽车工业工程有限公司、住科技术（上海）有限公司	

评价指标	设计值
单位产品工业建筑能耗	34.18kgce/辆
单位面积工业建筑能耗	79.24kWh/(m² a)
可再生能源年评价为工业建筑能耗比例	—
可再生能源供应的生活热水量比例	—
可再生能源发电占工业建筑用电比例	100%
单位产品新水量	2.43m³/辆
水的重复利用率	98.40%
可再循环材料种类	4
废弃中高传物质回收量	—
温气体高传气质回收利用率	—
固体废物回收利用量	2644400000g/年

备注：

1. 评价等级《绿色工业建筑评价标准》（GB/T50878-2013）；
2. 此证书证明建筑的规划和设计达到《绿色工业建筑评价标准》（GB/T50878-2013）基础等级；
3. “评价指标”是为方便性建筑建筑用户和标准，整体评价请参《绿色工业建筑评价标准》（GB/T50878-2013）。

颁发日期：2022年04月13日

Three-Star Green Building evaluation report

The photovoltaic layout of NIO F2

NIO F2 has already set monthly targets on unit product energy consumption, covering electricity consumption per vehicle, natural gas consumption per vehicle, and heat consumption per vehicle. Energy management of the Factory is carried out following the *ISO 50001 Energy Management System Standard*. Through the energy and carbon management system, we can collect and analyze real-time energy consumption data, continuously improve energy performance, and help achieve relevant targets.

In addition, we are also committed to improving our energy mix. By configuring a 48,000-kilowatt distributed photovoltaic power station, using ground-source heat pumps, and purchasing green electricity, we continue to enhance our plants' green production capability. During the reporting period, NIO F2 had purchased a total of 6.9 million kWh of green electricity. As of the end of June 2023, the photovoltaic power station had generated approximately 25 million kWh of electricity, with the utilization rate exceeding 37%.

While improving the energy efficiency and energy mix, we also continuously strengthen the greening construction of NIO F2. Taking full consideration of plant diversity, we prioritize local plants in the afforestation, so as to preserve native green resources. NIO F2 has a landscape greening area of approximately 150,000m^2, with an overall vegetation coverage rate of 15.4%. The vegetation can effectively alleviate the heat island effect caused by production and offset the carbon emissions during manufacturing, reflecting NIO's efforts to address climate change.

NIO F2 greening layout

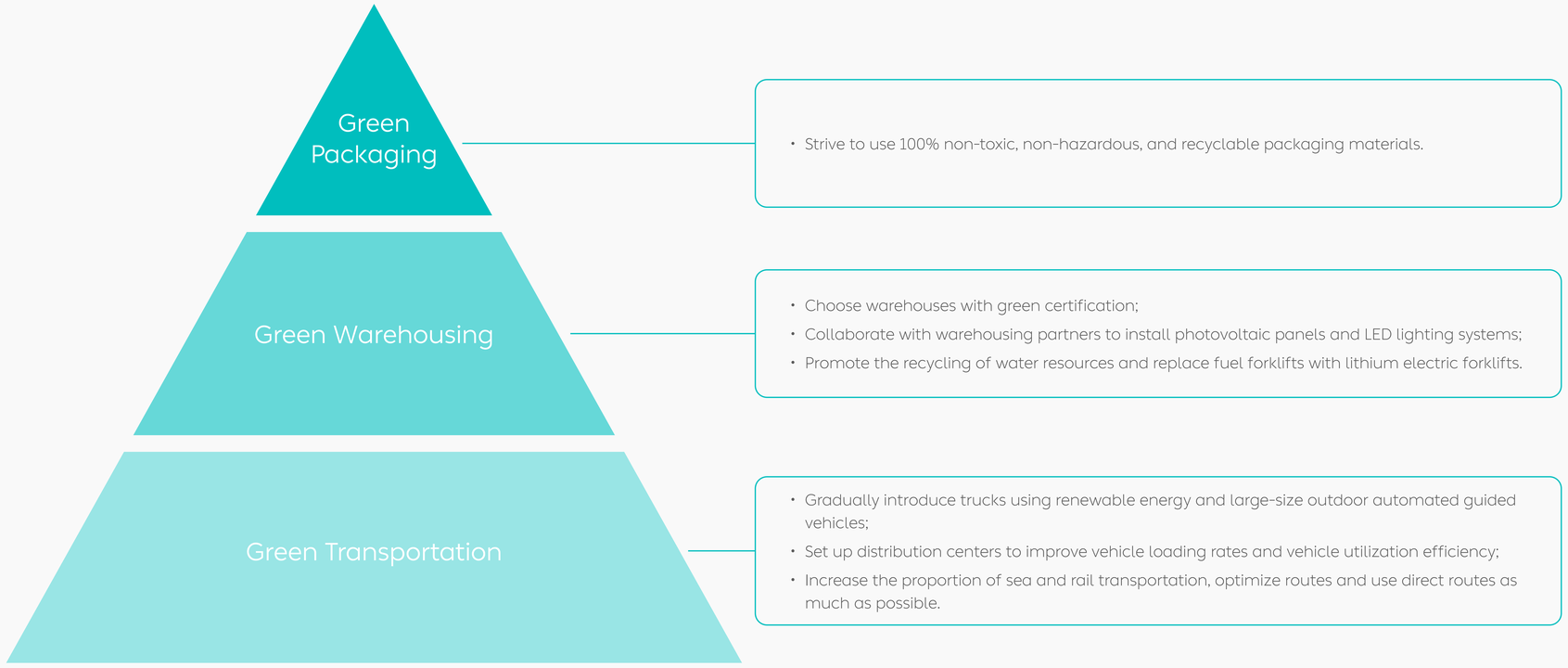
At NIO F2, we have established a large-scale database and online cloud platform, which can decouple over 500 intelligent applications and business modules, attaining automation, transparency, and fine management of the entire manufacturing process. At the same time, NIO F2 implements a three-sided flexible logistics layout, and divides material areas according to different production lines, thus achieving the shortest supply path and the least cross-feed. With the help of the AGV (Automated Guided Vehicle) adaptive navigation scheduling system, NIO F2 can effectively improve its supply efficiency and reduce turnover time, empowering NIO's lean and efficient production.

NIO AGV (Automated Guided Vehicle)

6.2.3 Low-Carbon Logistics

Logistics is a bridge connecting production and users as well as one of the main stages that consume resources and generate carbon emissions. We always adhere to the routes of green packaging, green warehousing, and green transportation, and have developed three levels of work directions and goals. At the same time, we pay close attention to the green development trend in the logistics industry and the feasibility for NIO, actively building a green logistics chain.

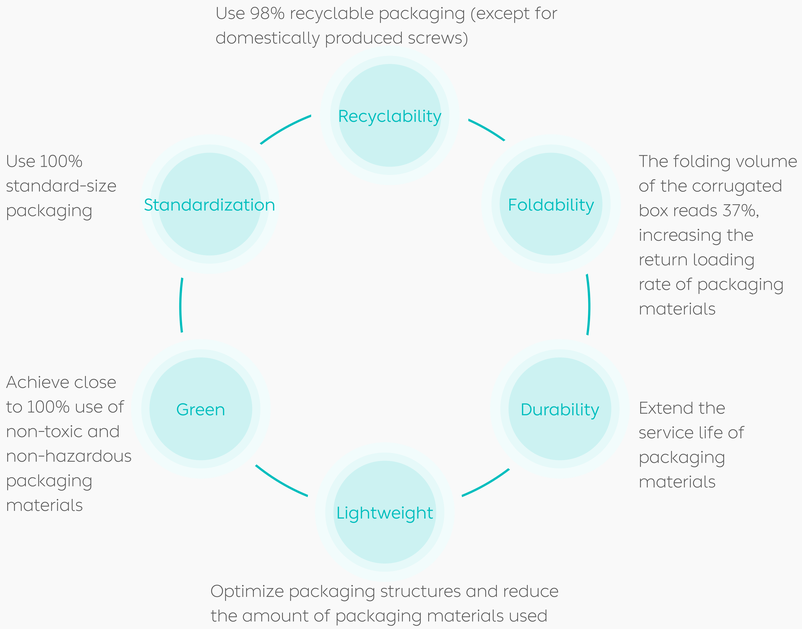
Work directions and goals for NIO's green logistics



Green Packaging

NIO has always been committed to using recyclable and shareable green packaging. During the reporting period, the proportion of recyclable packaging used in our vehicle transportation reached 98%, while the proportion of shared packaging and lightweight packaging reached 60% and 30%, respectively. For battery packaging, we have improved it from six dimensions: standardization, recyclability, foldability, durability, lightweight, and green, so as to maximize its reuse rate and extend its service life. We plan to continue strengthening the collaboration with our partners, exploring more applicable scenarios for shareable packaging, continuously optimizing packaging structures, and improving resource utilization efficiency.

Dimensions and progress of NIO battery packaging improvement during the reporting period



Green Warehousing

Warehousing is one of the most essential processes of modern logistics systems and is particularly critical in developing green logistics. NIO has always adhered to its green warehousing principles. For our self-owned warehousing facilities, such as Regional Distribution Centers (RDCs), Vehicle Distribution Centers (VDCs), and Electric Drive System (EDS) warehouses, we actively adopt a series of energy-saving and environmentally friendly measures such as unattended management, replacement with LED lighting facilities, and installation of photovoltaic power stations to avoid wasting energy and resources, and effectively improve management efficiency and accelerate turnover of goods. When using external warehousing services, we prioritize facilities that have already obtained green warehouse certification, and are committed to increasing the proportion of facilities that have obtained relevant certifications in NIO's warehousing system.

Photovoltaic power stations in logistics centers: fully tap the potential of renewable energy

During the reporting period, NIO completed the installation of 1.62MW photovoltaic power stations in RDCs, which are estimated to generate 1.88 GWh annually. The VDCs, whose photovoltaic charging shed plan was confirmed at the early planning stage, saw all the reconstructed photovoltaic charging sheds completed and put into use as of June 30, 2022. The total installed capacity reads 20.9 MW, with an expected annual power generation of 20.9 GWh.

NIO VDC photovoltaic charging sheds

EDS warehouse transformed into an automated vertical warehouse, achieving efficient resource utilization

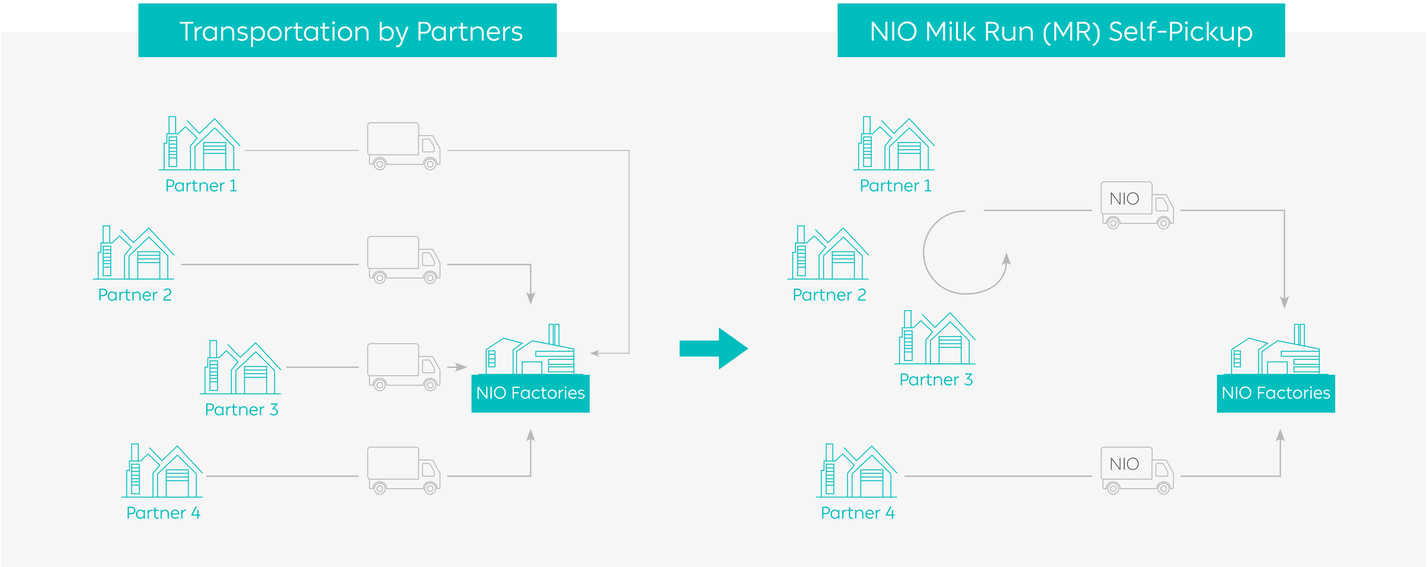
During the reporting period, NIO's EDS warehouse was successfully transformed into an automated vertical warehouse, realizing unattended, automated, and paperless management of inbound and outbound materials. As a result, equipment requirements were reduced by 40%, staffing needed was lowered by 38%, and approximately 105,000 sheets of paper were saved annually. Such transformation has refined not only the management but also the utilization of resources for higher efficiency.

NIO EDS automated vertical warehouse

Green Transportation

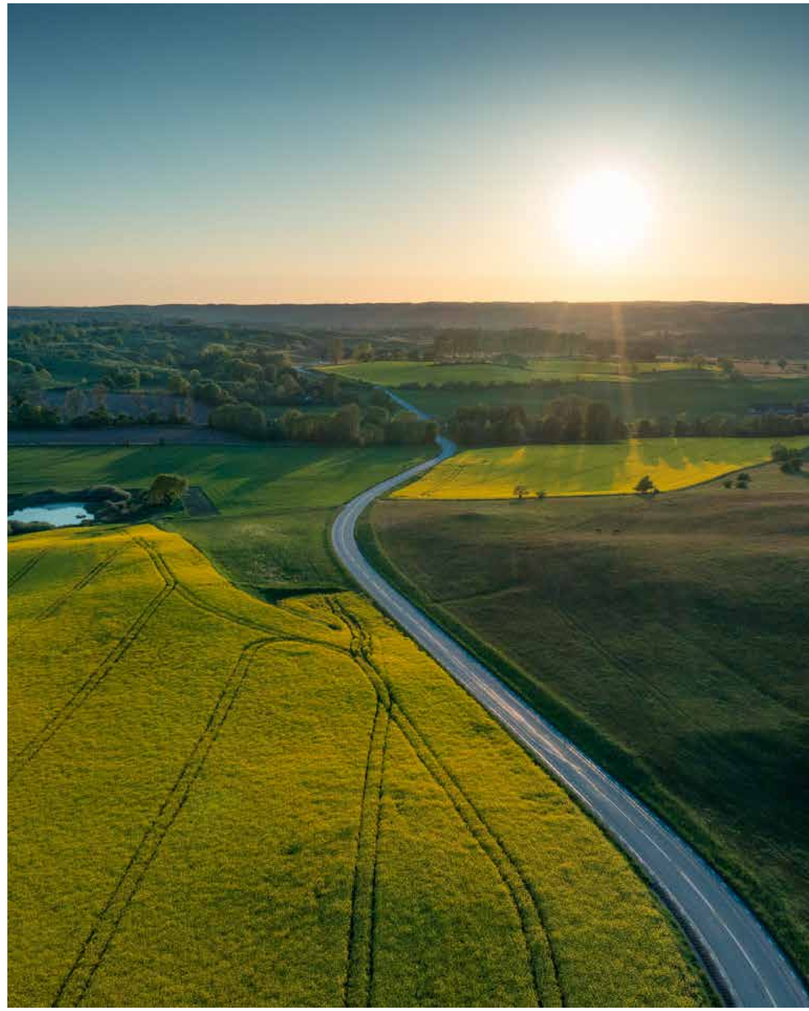
NIO has always been committed to adopting transportation methods that are more environmentally friendly and low-carbon. We actively explore areas such as transportation routes and transportation technology, so as to draw valuable experience of carbon emissions reduction. We also encourage our partners to participate in this process to help us establish a complete and comprehensive green transportation system.

During the reporting period, we cooperated with 11 important partners in places such as Langfang, Wuhan, Shanghai and Ningbo to carry out the "NIO Milk Run (MR) Self-Pickup" project. By optimizing transportation routes and improving vehicle loading rates, we successfully shortened the transportation distance of parts to the factories by a total of approximately 136,723 kilometers. In terms of vehicle export transportation, NIO follows the principle of shortest transportation distance for carbon emissions reduction. Since April 2022, we have started using a direct transportation route to Norway, and by the end of the reporting period, hundreds of vehicles had been transported via this route.



"NIO MR (Milk Run) Self-Pickup" project

Carbon emissions in the transportation process are not only affected by transportation distance, but also by the means of transportation. We prioritize the means of transportation with lower carbon emissions, as long as the time of arrival is not affected. During the reporting period, the proportion of NIO's Europe-imported parts transported by rail increased from 64% in 2021 to 99%. Furthermore, we pay continuous attention to clean means of transportation such as trailers using renewable energy and biofuel-powered ships, and will consider introducing them under safe and cost-effective scenarios to further reduce carbon emissions.



6.2.4 Circular Economy

Throughout the vehicle's lifecycle at different stages including design, manufacturing, logistics and recycling, NIO has always adhered to the philosophy of "recyclability and traceability". We have established a "Car to Car" resource reutilization model, and are now actively constructing a full-chain circular economy model of "vehicle scrap-disassembly-classified recycling-new vehicle" to lower the impact of fragmented vehicle dismantling on the environment, reduce the dependence of the whole vehicle on primary resources, and achieve maximum resource utilization and the development of a circular economy.

Although the majority of NIO vehicles have not yet reached the end of their lifecycles, we have started the NIO Circular Car Lab project, organizing and exploring the recycling and utilization of scrapped vehicles in advance. We strive to incorporate all our vehicle modules into a "recyclable and traceable" system layout. By the end of the reporting period, NIO's full range of vehicle models had achieved a recycling rate of 95% and a recoverability rate of 85%, providing full support for the development of a circular economy.

NIO Circular Car Lab: building a full-chain circular economy model

From design, dismantling, and recycling, NIO Circular Car Lab plans for the recycling of scrapped end-of-life vehicles, so as to build a complete and closed-loop circular economy model.

Based on the characteristics of NIO's various vehicle models, we have worked with partners to develop model-based dismantling processes and continuously tried new tooling equipment to remove body connections, so as to obtain the maximum number of usable parts and materials. To improve the recyclability of new vehicle models from the very beginning, we also provide feedback to the design team, informing them of the difficulties and pain points encountered in the dismantling process. In addition, we plan to properly classify the materials obtained from dismantling and fully tap their potential value. Metal materials, for example, can be recycled and remelted, while motors, car doors, headlights, and chips can be saved for research projects in higher education institutions.

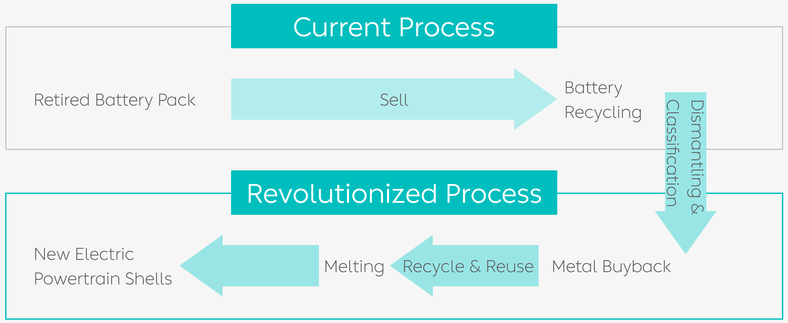
By the end of the reporting period, NIO had made significant progress in exploring the recycling of aluminum alloy. NIO F1 has introduced an aluminum plate classification and packaging system and conducted small-scale testing of the "Original Equipment Manufacturer (OEM)-aluminum plant" waste aluminum recycling route. Based on this, NIO will continue to expand the possibilities of waste aluminum recycling, with a particular focus on the technical route of "vehicle-dismantle waste aluminum-aluminum plant", laying a foundation for a circular economy.

Our concept of the circular car not only covers vehicle products, but also includes components such as batteries. We have established detailed recycling plans and circular utilization routes for retired battery packs, and have independently developed the BSEI (Battery Safety Evaluation Index) system, which can accurately estimate and rate the residual value of aging batteries. Based on the battery feature database and digital twin model, the BSEI system can provide guidance and technical support for our cascaded utilization of batteries. When the system determines that a battery is no longer suitable for the user network, the Power Swap Station will receive an automatic alert to intercept the battery, and thus prevent it from entering the battery swapping system. If the battery is in good condition and has no major issues but efficiency decreases, we will use it in production scenarios such as energy storage, logistics, etc. However, if the BSEI system determines that the battery should no longer be used, we will dismantle it and recycle the metal elements.

The recyclable metal resources in retired battery packs are mainly in the cell's shell and cathode. NIO is actively establishing a closed-loop management system for such recyclable materials, aiming to achieve resource reuse and reduce dependence on raw materials and natural resources.

Revolutionizing the battery pack recycling process, NIO rejuvenates metal materials

NIO is the first car company to adopt closed-loop management for aluminum material from battery packs. We melt the shell of retired battery packs, and turn the metal melt into aluminum ingots that meet specific technical requirements and will be used for the production of another component. As of the end of June 2023, we had obtained approximately 600 tons of aluminum ingots for the production of new components.



NIO's battery material recycling and reuse process

As for metal elements in the cathode material of the battery cell, NIO has independently developed a lithium recycling process that is acid-free and sodium-free. Such a process has been verified to have a leading recycle rate of transition metals such as nickel and cobalt in the industry. At the same time, we are steadily advancing the research on the physical recycling route of nickel and cobalt elements, committed to exploring metal recycling methods with lower carbon emissions and lower costs.

6.2.5 Green Office

NIO has not only implemented low-carbon management in the process of product design, manufacturing, transportation, and recycling, but also incorporated the philosophy of sustainable development into employees' daily work and life, actively promoting the concept of green office. We have created diversified energy-saving and low-carbon scenarios in various office areas and strive to improve resource utilization and reduce waste, making every effort to achieve low-carbon operations across the entire company.

Smart Office Space

The environmental temperature, lighting, and fresh air system in the office area of NIO F2 can be automatically adjusted through the intelligent control system. In the office area of the Advanced Manufacturing Technology and Engineering Center in Nanjing, equipment such as vending machines and water dispensers automatically enter energy-saving mode during non-working hours, saving approximately 14 MWh of electricity annually.

Environmental temperature intelligent control panel

Green Commute and Low-Carbon Business Trips

During the reporting period, we started multiple renewable energy bus routes for employees, and organized off-hour charging, providing convenience for employees while reducing carbon emissions of their commute. In addition, we encourage employees to travel by train rather than air, especially for the short-distance round-trip routes of "Shanghai-Beijing" and "Hefei-Beijing".

NIO electric bus

Reducing Paper Consumption

NIO continues to build a paperless office and reduces paper consumption through online travel applications and expense reimbursement systems. During the reporting period, we have avoided the usage of approximately 240,000 sheets of paper receipts. As for printed paper and cartons already produced, we call on employees to reuse them and support resource conservation through real actions.

NIO poster for carton recycling

6.2.6 Industrial Coordination

Industrial coordination is the key to close cooperation within various industry chains and is also necessary for full-lifecycle carbon reduction. By promoting supply chain partners to establish factories around NIO's manufacturing bases in Hefei and Anhui Provinces, we have established a localized and aggregated supply chain.

NIO first proposed the concept of a "localized supply chain" in 2021. It became one of the first enterprises to settle in the Hefei Xinqiao Smart Electric Vehicle Industrial Park (NeoPark), drove the first batch of core upstream partners to join, and gradually formed a complete industry cluster layout. A relatively high proportion of localized procurement not only helps lower logistics costs, but also strengthens the synergy between NIO and its partners, enabling the joint construction of an efficient and sustainable operating system.

During the reporting period, NIO continued to promote the localization of its supply chain, and stayed committed to jointly building the Automotive Parts Industrial Park of Smart Electric Vehicles in Lu'an Economic and Technological Development Zone ("Lu'an Industrial Park") with the People's Government of Lu'an City, Anhui Province.

NIO supports the construction of Lu'an Industrial Park, promoting localized development of its supply chain and reducing carbon emissions from aluminum materials

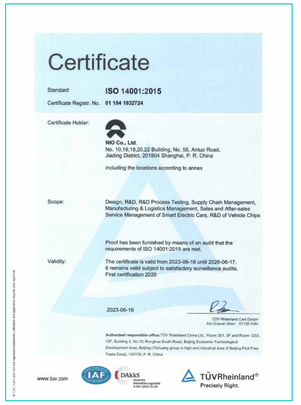
In June 2022, NIO signed a framework cooperation agreement with the Lu'an People's Government to jointly build the Lu'an Industrial Park. The Lu'an Industrial Park has been positioned as an eco-industrial park for high-end aluminum die casting products. It is to attract enterprises whose businesses focus on vehicle fine disassembly, aluminum recycling, aluminum smelting, aluminum die casting, wheel hub manufacturing, etc., aiming to build a complete and low-carbon industry chain for aluminum recycling and die casting. NIO will work with the Lu'an People's Government for the "carbon peaking and carbon neutrality" goals, and jointly build the Park into a national pilot demonstration project for the circular economy. As of the end of June 2023, more than 75% of enterprises in the Park had started operation and entered the stage of testing and commissioning.

NIO signed a framework cooperation agreement with the Lu'an People's Government

NIO actively empowers partners to explore ways to reduce the carbon footprints of their products and strengthens their green manufacturing awareness through education and training. During the reporting period, we conducted over 50 multi-dimensional and multi-themed carbon reduction training for partners with different business characteristics, helping them implement green manufacturing plans. For example, we organized hydro-power aluminum traceability research for vehicle partners and encouraged them to purchase green aluminum with lower carbon emissions. For electric powertrain and battery partners, we provided training specifically focused on carbon footprint assessment and overseas regulations.

6.3 Environmental Protection

NIO regards protecting the environment as its responsibility and fully considers environmental factors in all business production activities for better environmental management. Having already obtained the ISO 14001 Environmental Management System Certification, we use the *EHS Management Manual* as a guide, with program documents, management regulations, EHS records, etc., as the foundation to carry out relevant work in a targeted manner and continuously improve our environmental management system.



Certificate

Standard ISO 14001:2015

Certificate Regist. No. 01 104 1932724

Certificate Holder:

NIO Co., Ltd.
No. 10,16,18,20,22 Building, No. 56, Antuo Road,
Jiading District, 201804 Shanghai, P. R. China

including the locations according to annex

Scope:

Design, R&D, R&D Process Testing, Supply Chain Management, Manufacturing & Logistics Management, Sales and After-sales Service Management of Smart Electric Cars, R&D of Vehicle Chips

Proof has been furnished by means of an audit that the requirements of ISO 14001:2015 are met.

Validity:

The certificate is valid from 2023-06-18 until 2026-06-17.
It remains valid subject to satisfactory surveillance audits.
First certification 2020

2023-06-16

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln

Authorized responsible office: TÜV Rheinland China Ltd., Room 301, 3F and Room 1203, 12F, Building 4, No.16 Ronghua South Road, Beijing Economic-Technological Development Area, Beijing (Yizhuang) group in high-end industrial area of Beijing Pilot Free Trade Zone), 100176, P. R. China

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6.3.1 Efficient Resource Utilization

During the process of sustainable development, efficient resource conservation and utilization is of vital importance. Through reasonable planning and innovative practices, NIO actively promotes the use of circulating water and recycled materials, reducing the Company's demand for natural resources and setting a good example of environmental protection and a circular economy.

Water Resource Management

We have set targets of water consumption per vehicle for both NIO F1 and F2. While tracking and continuously optimizing such targets, we take various measures to improve our water utilization efficiency. Furthermore, we have transformed NIO F2 into a "Sponge Factory", imitating the natural water cycle to protect and use water resources reasonably.

Examples of water-saving measures adopted by NIO F2

Water Reuse	The whole Plant's domestic sewage and industrial wastewater is treated by a "physiochemical+biochemical+carbon and sand filtration" process, and part of the treated water can be used for flushing toilets, watering vegetation, and washing roads, reducing the use of running water by about 210 tons per day.
Large-scale Adoption of Water-saving Equipment	Use water-saving sanitary appliances that meet the requirements of *Domestic Water-saving Devices (CJ 164-2002)* and are not lower than the second-level water-saving sanitary appliance standard.
Water Circulation System	The compressed air system, refrigeration system, and stamping and welding process all use cooling circulating water to lower the system temperature, improving the circulation rate of water resources.

NIO F2: A "Sponge Factory" that imitates natural ecology and improves water utilization efficiency

NIO F2 adopts multiple "Sponge Factory" measures, which can achieve natural preservation, infiltration and purification of rainwater, help restore the surrounding aquatic environment and promote the formation of a healthier water circulation system.

The Plant's rainwater pipe network system adopted low-impact development (LID) facilities, including grass plating ditches+low elevation greenbelt, permeable pavement, and rainwater open channels, which can reduce the pressure on drainage systems and improve water quality. The project's average removal rate of annual runoff pollution has reached 63.8%, and the actual total annual runoff control rate has reached 75.1%, meeting the requirement of the *Sponge City Special Plan of Hefei City (2016-2030)*, which states that the total annual runoff control rate should be no less than 62%.

NIO F2

Development of Recycled Materials

In addition to water, NIO actively explores efficient ways to use other resources. Adhering to the concept of “No Waste on Earth”, we have launched the BLUE SKY LAB project, using leftover materials in car production such as seat belts, airbags, and BASF Haptex as core recycled materials. As of the end of the reporting period, BLUE SKY LAB had utilized 54,071 meters of recycled automotive fabrics, attracting more users and environmentalists to participate in the development of a sustainable fashion style.

“Home Away from Home” Furniture Collection

NIO has collaborated with designers across the world to create the “Home away from home” Furniture Collection, which includes tea stools and tables made from BASF Haptex and seat belts, and lighting products made from airbags and renewable rattan that can also serve as storage. Since its launch in 2021, the collection has won five international design awards, namely the A’design Award in Italy, the iF Design Award in Germany, the MUSE Design Award in the US, the Red Dot Product Design Award in Germany, and the Good Design Award in Japan.

“Home away from home” Furniture Collection

The “Sustainable New Life” Collection

“Sustainable New Life” Collection

The “Sustainable New Life” Collection of BLUE SKY LAB includes 21 clothing items and 10 accessories. On top of using recycled materials, the Collection actively explores innovative and environmentally friendly production processes. The Jeanologia® enzyme washing process, for example, introduces nano-bubble fading and dyeing techniques and adopts air as the main dyeing medium, saving about 69% of water compared to the traditional production processes.

6.3.2 Compliant Emissions

NIO strictly adheres to the environmental policies and emission standards of the countries and regions in which it operates, and manages the entire process of emissions and waste disposal to ensure compliance with relevant laws and regulations. Such laws and regulations include but are not limited to the *Environmental Protection Law* of the People's Republic of China, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, and the *Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution*. During the reporting period, NIO achieved 100% compliance for wastewater, solid waste, and waste gas emissions, and had no environmental violations.

Wastewater

The wastewater discharged by NIO includes domestic sewage and industrial wastewater produced by the office areas and the manufacturing plants, respectively. We discharge domestic sewage into the municipal wastewater pipe network for routine treatment at external wastewater treatment plants. As for industrial wastewater, we use professional equipment in the Plant to conduct pretreatment, then reuse it as needed or discharge it into the municipal pipe network after ensuring it meets relevant standards.

NIO also actively promotes the recycling and reuse of industrial wastewater. For automotive painting wastewater, we adopt the UF (Ultra Filtration) and the RO (Reverse Osmosis) membranes to separate large molecule resins and paint pigments from small molecule resins, producing a filtrate that can be used as process water, while the filtered-out substances receive proper disposal as hazardous waste.

Solid Waste

NIO has always attached great importance to waste management and has formulated a series of internal policies to ensure compliant disposal and minimize the negative impact of waste on the environment.

According to the *Law of People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and the waste's properties, we categorize solid waste into general solid waste and hazardous waste. We have developed the *General Industrial Waste Management Regulation*, the *Hazardous Waste Management Regulation*, and the *Environment Management Regulation*, to guide the process of waste sorting, collection, storage, labeling and recycling. For hazardous waste, NIO has developed and implemented the *Hazardous Waste Management Regulation* to control the entire process of sorting, identification, collection, and disposal, and has entrusted hazardous waste disposal companies with relevant qualifications to dispose of its hazardous waste. For hazardous waste management, we adopt an advanced intelligent weighing system that is fully connected to government platforms, so as to reduce personnel violations, strictly implement laws and regulations, and ensure the compliant disposal of hazardous waste. In addition, we strive to reduce the amount of hazardous waste generated by adding lining bags to barrels to avoid contamination of the barrel wall, so that they can be recycled and reused as general solid waste. By doing so, NIO actively responds to the call to build a zero-waste city.

Waste Gas Emissions

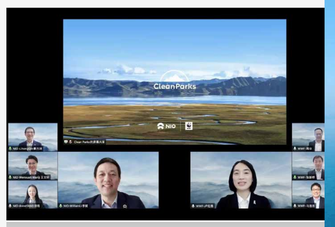
The waste gas emissions NIO discharges mainly come from manufacturing processes such as welding, polishing, stamping, painting, and hot air drying. Pollutants in waste gas emissions include particulate matter, sulfur dioxide, nitrogen oxides, and xylene. To ensure compliant emissions of pollutants, NIO conducts thorough risk identification and management of industrial waste gases. We have already adopted waste gas treatment measures such as wet dust removal, bag filter dust removal, adsorption, and incineration. At the same time, we regularly commission local qualified monitoring agencies to inspect our waste gas emissions, and will immediately take special remedial measures and retroact liability in case of any issue or non-compliance.

6.4 Joint Development of a Green Ecosystem

As a global ecological co-construction plan initiated by NIO, Clean Parks is the world's first open platform started by a car company in pursuit of supporting the development and protection of national parks and nature reserves. We hope to leverage the advantages of clean energy and work with all stakeholders to support the use of smart EVs and the construction of clean energy infrastructure in nature reserves around the world. We aim to build a clean and low-carbon energy self-circulation system in local areas, so as to preserve the authenticity and integrity of the ecosystem.

During the reporting period, NIO Clean Parks entered into cooperation with five international organizations, namely WWF, the United Nations Development Programme (UNDP), the Danish Society for Nature Conservation, Shan Shui Conservation Center, and Polar Hub. Through the joint ecological development plan, we support the ecological protection of national parks and nature reserves home and abroad, empower youth, explore new sustainable economic models, and fulfill the Company's vision of "Blue Sky Coming".

NIO's cooperation highlights in 2022



NIO's strategic partnership with WWF

NIO's partnership with Polar Hub

NIO's partnership with the Danish Nature Conservation Society

NIO's partnership with Shan Shui Conservation Center

NIO's strategic partnership with UNDP

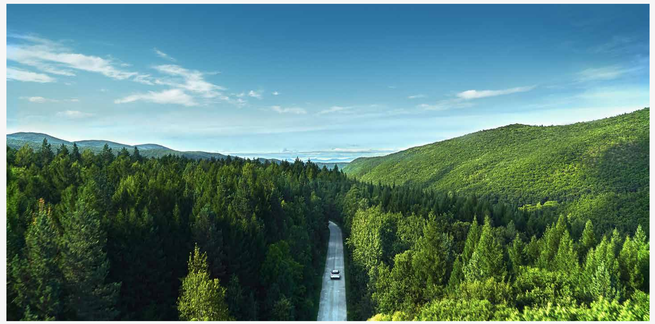
6.4.1 Nature Conservation

To further expand the impact of NIO's joint ecological development plan, NIO Clean Parks incorporated five new initiatives in China and four overseas during the reporting period, covering Xiangshawan (Whistling Dune Bay) in Inner Mongolia, Sayram Lake in Xinjiang, Dongzhai Port Nature Reserve, Northeast China Tiger and Leopard National Park, Giant Panda National Park in Sichuan, as well as four nature reserves in Denmark. By the end of June 2023, we had provided 52 ecological patrol vehicles and installed 58 chargers for 13 jointly developed sites, including national parks and nature reserves, making a contribution to their sustainable development.

NIO supports the ecological conservation in the desert areas in Xiangshawan in Inner Mongolia

NIO supports the ecological conservation of high-altitude lakes in Sayram Lake

NIO supports the ecological patrols in Dongzhai Port Nature Reserve in the COP15 youth activities



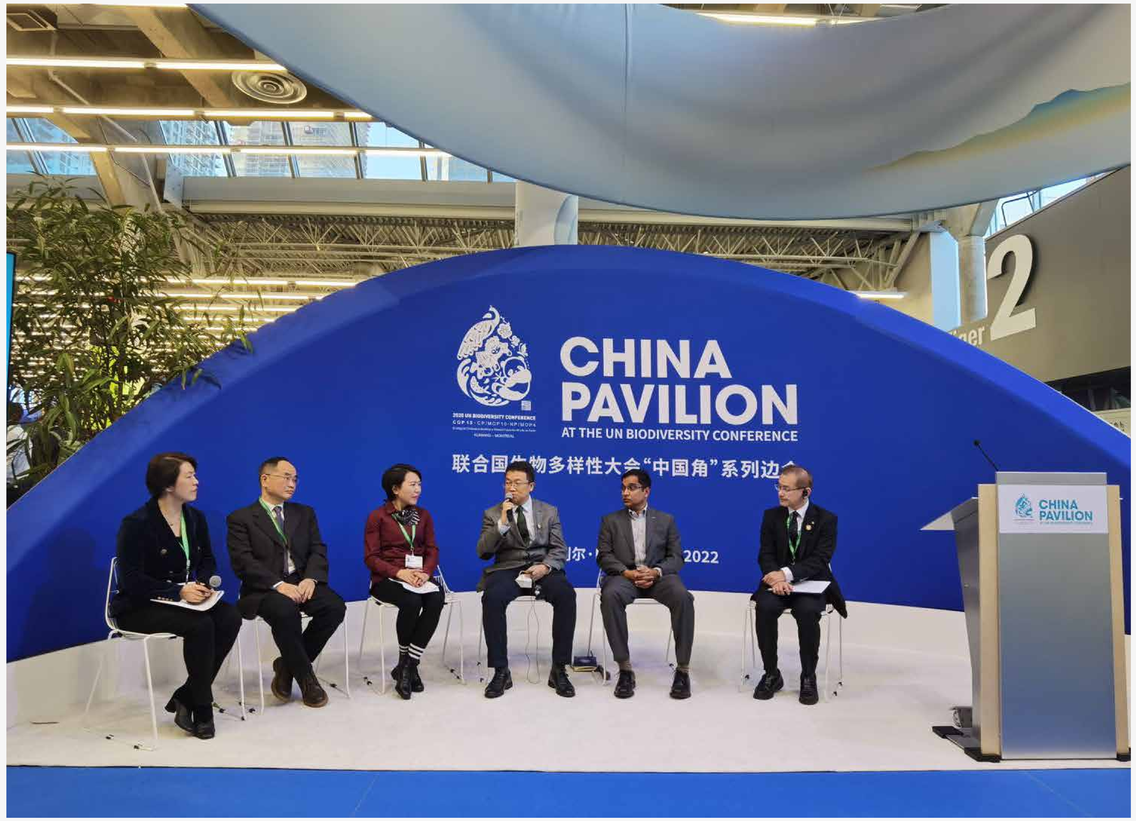
NIO helps the Northeast China Tiger and Leopard National Park with environmental conservation for the animals

NIO supports the ecological conservation in four nature reserves in Denmark

NIO helps protect the habitat of wild giant pandas in the Giant Panda National Park

Meanwhile, we attended the second phase of the 15th Conference of the Parties to the *Convention on Biological Diversity* (COP15) during the reporting period and were invited to participate in the Earth Hour Beijing forum in 2023 to share our achievements of and experiences drawn from the Clean Parks ecological joint development initiatives.

NIO attended the second phase of COP15



Earth Hour Beijing forum

6.4.2 Green Value

NIO has been constantly exploring sustainable business, hoping to help with the development of circular economy through the empowerment of green business. Working with the UNDP, we support youth development, light up the dreams of young entrepreneurs, and promote green business models. In addition, NIIO Life has partnered with Sanjiangyuan National Park to support biodiversity conservation and promote China's intangible cultural heritage of Qingxiu embroidery (Qinghai traditional folk embroidery).

2022 National Dialogue China for Green Development

On November 6, 2022, the 2022 National Dialogue China, co-organized by the UNDP and other organizations, came to a successful conclusion. As its ecological co-construction partner, NIO actively supported the competition and continued to empower youth innovation and entrepreneurship. With the theme of "Green Development", the competition attracted 30 entrepreneurial teams and 60 young entrepreneurs, including two teams from NIO's user community. The six winning teams will represent China's young entrepreneurs to participate in the 2023 Asia-Pacific Youth Co: Lab Summit, and explore how to achieve sustainable development goals through innovation and entrepreneurship together with young entrepreneurs from 27 other countries and regions.

Official poster of the 2022 National Dialogue China

Clean Parks Sanjiangyuan National Park Series

On April 22, 2022, NIO Life entered strategic partnership with the Sanjiangyuan Ecological Protection Foundation and officially launched the Clean Parks Sanjiangyuan National Park Product Series. This series of products not only covers four nationally protected animals that are unique to the Sanjiangyuan National Park, namely snow leopard, Tibetan fox, Tibetan antelope, and black-necked crane, but also integrates the Qingxiu embroidery, which is the representative cultural symbol of Qinghai and a long-standing intangible cultural heritage. We worked with local embroiderers in Qinghai to adopt the Hehuang embroidery technique to create Qingxiu embroidery tea mats, showcasing the beauty of Qinghai's ethnic minority culture and empowering the sustainable development of humanistic ecology.

In 2023, we are to donate more than RMB 300,000, which accounts for 25% of the sales revenue of this series, as an ecological protection fund to the Sanjiangyuan Ecological Protection Foundation and Shan Shui Conservation Center, so as to provide financial support for the protection of wildlife and ecology in the Sanjiangyuan region.

Image design of the Sanjiangyuan Product Series

6.4.3 Joint Efforts for a Sustainable Future

NIO encourages employees, users, and the public to participate in environmental protection and has taken various measures to raise the awareness of ecological conservation via concrete actions. Through a series of events such as “Make NIO Greener”, a company campaign at the World Earth Day, “Embracing Blue Skies with Clean Parks” and “Hello Nature” facing the NIO community, and “Clean Parks Citizen Scientists Program” and articles on popular science topics on its official WeChat account facing the public, NIO has helped attract attention to the environment and contributed to sustainable development.

Employee activity “Make NIO Greener”

On the World Earth Day (April 21, 2022), we launched the campaign of “Make NIO Greener” in 24 offices across China. We provided seeds, tools, pots, and fertilizer, and 550 employees joined to grow green plants, making the offices greener. By letting employees grow and take care of the plants in person, we hope to enhance their awareness for environmental protection, and work together with the Company for a green and sustainable future.

Photo and poster of the “Make NIO Greener” event

Clean Parks Citizen Scientists Program

In October 2022, we launched the “Clean Parks Citizen Scientists Program” in collaboration with Shan Shui Conservation Center with an aim to raise public awareness of ecological conservation to protect our planet through nature observation and science volunteer activities for the public in national parks, nature reserves of the Program, cities and surrounding areas.

From April to May 2023, more than 100 volunteers received training delivered by experts and installed infrared cameras in four locations near Shanghai. By the end of June 2023, the infrared cameras had successfully captured the wildlife in the city of Shanghai, such as badgers, yellow weasels, hedgehogs, dotted doves, and ring-necked pheasants, which drew attention and contributed to the ecological conservation work.

Detecting wildlife in parks in Shanghai with infrared cameras

“Embracing Blue Skies Coming with Clean Parks” and “Hello Nature” with the NIO Community

During the reporting period, we kicked off the topics of “Blue Sky Coming with Clean Parks” and “Hello Nature” in the NIO community, triggering discussions and sharing of best practices of users in their daily life. We encourage users to join the discussion by providing NIO Points, so that they can attract more people to participate in environmental protection by sharing their own experiences and care for the environment.

Poster of “Hello Nature”

Poster of “Embracing Blue Skies with Clean Parks”

“Into the Parks” scientific illustration column

In March 2023, NIO’s scientific illustration column “Into the Parks” was officially launched on its official WeChat account which aims to introduce popular science knowledge about the sites, local rare wildlife and plants of the Clean Parks Program so as to raise public awareness via a lens of science with vivid illustrations and interesting stories.

Excerpts from the illustration *“Magical Islanders” in the Tropical Rainforests*

6.5 Environment-Related Performance Statistics

Environmental Indices [1,2]		Measurement Unit	Total
Waste Discharge			
Non-hazardous Waste	Total Volume	ton	13,568.28
	Discharge Intensity	ton/million revenue (RMB)	0.28
	Volume of Recycling [3]	ton	11,610.74
Hazardous Waste	Total Volume	ton	1,681.85
	Discharge Intensity	ton/million revenue (RMB)	0.03
Waste Gas	Sulfur Dioxide	ton	0.36
	Nitrogen Oxides	ton	12.09
	VOCs	ton	9.98
	Particles	ton	24.46
Wastewater	Industrial Wastewater	ton	482,109.50
	COD Emissions	ton	50.30
	Ammonia Nitrogen Emissions	ton	3.41
	Total Phosphorus Emissions	ton	0.15
Greenhouse Gas Emission[4]	Scope I	tCO2e	26,535.32
	Scope II[5]	tCO2e	91,900.62
	Total	tCO2e	118,435.94
	Emission Intensity[6]	tCO2e/million revenue (RMB)	2.40

Environmental Indices [1,2]		Measurement Unit	Total
Resource Consumption			
Energy Types	Natural Gas	m³	10,517,714.00
	Diesel	ton	7.48
	Outsourced Power	MWh	187,027.83
	Including: Outsouced Green Power	MWh	6,900.00
	On-site Photovoltaic Power	MWh	7,564.26
Energy Consumption	Direct Energy Consumption	MWh	121,394.65
	Indirect Energy Consumption	MWh	187,027.83
	Total Volume	MWh	308,422.47
	Total Energy Consumption Intensity[7,8]	MWh/million revenue (RMB)	6.26
Water Resources	Municipal Water Supply	m³	1,003,692.54
	Amount of Recycled Water	m³	9,727,958.20
	Total Water Consumption Volume	m³	10,731,650.74
	Water Consumption Intensity[9]	m³/million revenue (RMB)	217.82
Vehicle Packaging	Percentage of Recycled Packaging	%	98.00

[1] The scope of environmental data collection for NIO 2022 ESG Report includes: NIO F1, NIO F2, Nanjing Trial Production Shop, Nanjing Battery Pack Production Shop, Advanced Manufacturing Technology and Engineering Center in Nanjing, Advanced Manufacturing Technology and Engineering Center in Hefei, office areas and other places within China (excluding sales stores and regional companies), which expands from the scope of environmental data collection for *NIO 2021 ESG Report*. Newly covered areas include NIO F2, Nanjing Trial Production Shop, Nanjing Battery Pack Production Shop, Advanced Manufacturing Technology and Engineering Center in Hefei.

[2] Calculation method for intensity: total amount/revenue in millions (in renminbi) in 2022.

[3] The recycled non-hazardous waste was recycled and utilized by qualified third-parties.

[4] The Greenhouse gas emission data cover the following areas: NIO F1, NIO F2, Nanjing Trial Production Shop, and Nanjing Battery Pack Production Shop.

[5] The rights and interests of the photovoltaic power generated at NIO F1 and Advanced Manufacturing Technology and Engineering Center in Nanjing, totaling 7,376,977 kWh, do not belong to NIO, and thus are counted for greenhouse gas emissions. The calculation method is consistent with that for the outsourced power.

[6, 7, 9] Due to the addition of a second painting workshop at NIO F1, as well as the fact that NIO F2 started operation in the reporting period, and the energy and water consumption during commissioning was not as steady as regular production periods, NIO's greenhouse gas emission intensity, energy consumption intensity and water use intensity all experienced Y-O-Y growth.

[8] The total energy consumption intensity in the *NIO 2021 ESG Report* is incorrect due to calculation negligence. In 2021, the total energy consumption intensity for NIO F1 and Advanced Manufacturing Technology and Engineering Center in Nanjing should have been 3.93 MWh/million.

7.0

Journaey towards a Sustainable Industry with Partners

The upper stream of the industry chain gathers key partners of NIO in shaping a joyful lifestyle for users and providing them with experiences beyond expectations. With stringent admission mechanism, fine daily management, and comprehensive risk management and control, NIO continues to build a responsible supply chain, leading business partners to put into practice the philosophy of sustainable development together. At the same time, we also attach great importance to the development and training of partners, delivering innovative empowerment projects to attract more quality enterprises to join the NIO supply chain and grow together with us.

7.1 Joint Innovation

7.2 Responsible Supply Chain

Story of the Chapter: Joint Progress in Cross-industry Innovation

Cross-industry Innovation Collaboration

The booming of the new energy vehicle industry makes us want to become part of the automotive supply chain. However, due to the lack of experience in cooperation with car companies, we struggled to find the right chance to break through.

Surprisingly, the leading premium smart EV company of NIO proactively approached us. The contact person emphasized that NIO has attached importance to **cross-industry collaboration opportunities** and it intends to **incorporate advanced technologies from different industries**. Luckily, one of the technologies that we held happened to be what NIO needed for the development of its latest car model.

Through NIO's **"innovative supply chain"** mechanism, multiple automotive industry experts visited our manufacturing plant, and **in collaboration with us, developed components that meet NIO's special needs.**

Detail-oriented Daily Management

After officially becoming a NIO partner, we gained a deeper understanding of NIO's supply chain management. With high frequency and extensive coverage, NIO's audits have driven us to make continuous improvements while bringing us huge pressure.

NPQS (NIO Partner Quality System) audit is our primary focus. As a new member of NIO's supply chain, we are categorized as a "focused partner", and received a series of special audits. NIO also sent a **"Knock-Out Team"** to help us achieve further improvement. After conducting on-site visits to our manufacturing plant, the team members proposed customized improvement plans and remained present until we achieved certain results.

NIO also conducts **ESG risk assessments** for its partners, requiring us to fill out the *Sustainable Development Self-Assessment Questionnaire* and the *Questionnaire on ESG Basics*. In this process, we got to know the concept of ESG for the first time, and started to pay more attention to areas such as environmental management and protection of employee rights.

Continuous and Diverse Empowerment

NIO's partner empowerment projects have broadened our horizons. Each project is targeted at and tailored for specific areas. **Navigator, for example, focuses on quality management issues, while Sniper is designed for special processes.**

We fully utilized the training resources provided by NIO to continuously improve our business capabilities and competitiveness. Perhaps next year, we will also become a **"NIO Quality Premium Partner"**.

Furthermore, NIO provides us with great support in the **digital development**, covering various aspects such as technological upgrades and talent development, and sharing with us industry best practices. We look forward to integrating our digital system with NIO's in the near future, so as to achieve sharing and interaction in a real sense.

7.1 Joint Innovation

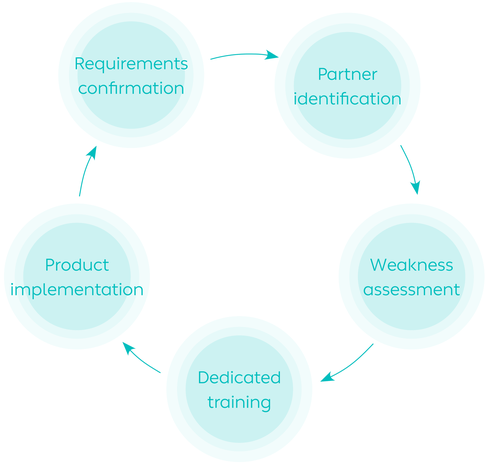
The demand for smart electric vehicles for both hardware and software has raised higher requirements for the supply chain of an OEM. NIO has been adhering to continuous innovation in building its supply chain system. We have been actively developing business partners that are not from the traditional automotive industry, and supporting them in the development, delivery and application of new technologies and products through cross-industry collaboration. At the same time, we've also paid high attention to the capability improvement of our partners, and encouraged them to carry out innovation through diverse empowerment projects.

7.1.1 Support for Innovation

Different from conventional OEMs, NIO aims to shape a joyful lifestyle for users, and build a user enterprise in a real sense through high-performance smart electric vehicles. As users' demands for vehicles become increasingly diversified, NIO's demand for parts and components gradually goes beyond existing standards and baselines, which requires more customized services from the partners upstream so as to fully satisfy the needs of our products.

Therefore, we have gradually established a working mechanism of an "innovative supply chain", striving to work together with our partners in the development and implementation of innovative projects, and get deeply involved in all the critical processes. While ensuring NIO's standards and needs are sufficiently met, doing so can also stimulate upstream innovation and unleash the potential of higher productivity, which helps the partners acquire bigger competitive advantages and achieve a win-win result.

The "innovative supply chain" mechanism starts to play a role from the stage of program nomination. The cross-team task force first sorts out the specific requirements for innovation from the perspective of new techniques, new processes, new materials and new technologies required by the program, and then identifies corresponding potential partners and innovative cooperation models, after which NIO's cross-function expert team conducts an audit of the potential partners, identifies their weak links, and carries out dedicated empowerment activities. Also, NIO's expert team keeps tracking and supporting them, especially in the key areas including design, techniques, and management, all the way until the successful launch of the product.



"Innovative supply chain" empowerment mechanism

NIO's Training of "innovative supply chain" identification of weak links and systematic empowerment to help partners with all-round development

Training is an important part of NIO's "innovative supply chain" mechanism. It aims to comprehensively empower the parts and component companies in the smart electric vehicle industry, and efficiently enhance the professional capabilities of our partners. We join hands with potential partners to identify their weak links in the implementation of innovative projects, and customize systematic empowerment plans in a targeted way. Our empowerment courses usually include modules from Quality Academy, specialized courses and quality service packages, and the training is combined with actual programs so that it is more actionable and purposeful. During the reporting period, the innovative supply chain trainings empowered a total of 15 partner enterprises and were attended by nearly 2,000 participants.

NIO Quality Day

In the development of “innovative supply chain”, NIO not only pays attention to companies within the automotive industry, but also looks for cross-industry cooperation opportunities so as to introduce advanced technologies in different industries into its supply chain, thereby driving the high-quality development and upgrading of the automotive industry.

The NIO Air AR Glasses released in September 2022, is a product from NIO’s cross-industry cooperation with XREAL, an AI company. With a binocular 3D display, gyro sensor and electronic image stabilization algorithm, the glasses can transform the cabin into an immersive concert hall with a display effect equivalent to a 201-inch high-definition screen. The electric tow bar of NIO’s second-generation products, another fruitful result of NIO’s cross-industry cooperation, has not only made NIO ES7 one of China’s first passenger vehicles that can legally tow a trailer, but also filled China’s technical gap in this field, breaking the long-existing monopoly by overseas companies.

ES7 as one of China’s first passenger vehicles that can legally tow a trailer

7.1.2 Diverse Empowerment Activities

NIO expects to establish a close relationship and grow together with its business partners based on mutual trust. We provide diverse empowerment training for partners to help them improve the technical capabilities, efficiency and management, jointly building a healthy and mutually complementary eco-system for the industry.

During the reporting period

9

NIO held 9 partner empowerment activities

6,496

with a cumulative duration of 6,496 hours

4,589

attended by 4,589 people

452

from 452 partner companies

NIO's partner empowerment activities mainly consist of four major projects, namely general training, the problem-solving certification project "Terminator", the issue prevention project "Navigator", and the special process project "Sniper". The topics of each project are adapted to the audience to fully meet the different improvement needs of our partners. As a supplement to the four empowerment projects, we also launched online courses during the reporting period, introducing issue diagnosis tools such as FMEA and the 5Why analysis method, aiming to help our partners further improve their product lifecycle management ability.

Categories of NIO's partner empowerment activities

General Training

It mainly consists of activities such as Annual Partner Empowerment Day and Quality Day with Core Partners, which is available to almost all the NIO partners, covering topics including compliance and sustainable development requirements.

Project Terminator & Certification

It is an empowerment project targeted towards key partners, aiming to improve their problem-solving abilities, develop and certify talent with complex issue-solving skills, and help partners better understand NIO's needs.

Project Navigator

It mainly focuses on quality issue management, helping partners improve their quality management systems.

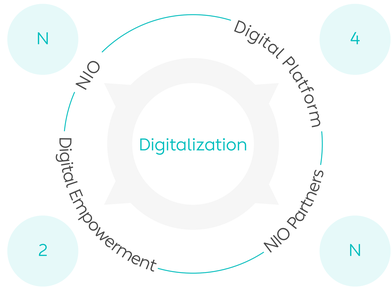
Project Sniper

It is a specialized training program for special techniques and processes. Topics covered during the reporting period included e-coating, heat treatment, welding, and painting processes.

A NIO partner empowerment event in 2022

In addition to general trainings about technology and product quality, NIO continues to press ahead with the "digitalized empowerment" for partners. We plan to build a digital platform together with our partners to achieve connection, sharing, and interaction across the supply chain, optimize partners' productivity and business capabilities, and further improve the transparency of NIO's supply chain, helping us achieve remote supervision of partners' process quality, capacity utilization, inventory reserves, etc.

NIO has established a "4+2+N+N" strategy for the digital development with its partners, in which the "4" refers to four digital platforms that cover industrial development, data management, quality monitoring, and knowledge library, and the "2" refers to the two digital empowerment actions for the Company and its supply chain partners. The four digital platforms can effectively integrate various resources of NIO and its upstream and downstream partners, and promote intelligent and sustainable development of the industry chain. Meanwhile, the two digital empowerment actions are customized based on the features and needs of NIO and its partners, which include various modules such as talent development, technology upgrading, and culture building. Combining these two aspects can help create a NIO digital ecosystem with concerted efforts from both NIO and its partners.



NIO's "4+2+N+N" strategy for the digital development of its partners

Overview of NIO's four digital platforms

PIMS - IDM

Industrial Development Management Platform

Support efficient collaboration between partners and NIO's supply chain teams, improve development efficiency through digitalization, and ensure development quality.

PIMS - BDM

Partner Industrial Data Management Platform

Enable real-time control of partner's on-site production, ensuring the stable performance of production personnel, process parameters, test results, etc., as well as timely prediction and warning of potential risks.

PIMS - DQM

Partner Delivery Quality Management Platform

Use digital means to trace unqualified products found on-site at NIO, and achieve rapid response, processing, and resolution of problems.

PIMS - BDM

Partner Industrial Knowledge Management Platform

Help NIO and partners jointly accumulate knowledge to improve future work efficiency and output quality.

We also launched the Partner Quality Certification System to test the effectiveness of the NIO empowerment system and encourage partners to continuously improve product and delivery quality by conducting regular comprehensive evaluations of companies in the supply chain. The evaluation system focuses on three dimensions: quality, logistics, and synergy, and contains 13 quantitative indicators that can reflect a partner's performance in the year in an objective way. Based on the score of each company, we pick "NIO Quality Premium Partners" (NQPP) in various sub-fields, and hold an award ceremony each year to motivate more partners to improve themselves, and meet, or even go beyond the standards of NIO. During the reporting period, 37 companies were awarded "NIO Quality Premium Partners".

2022 Partner Day: introduction to the NQPP Award

7.2 Responsible Supply Chain

The supply chain is crucial for NIO to achieve its sustainable development goals. We attach great importance to the admission, management, and risk control of our business partners, and are committed to building an efficient and harmonious cooperation ecosystem featuring win-win results. Meanwhile, as an advocate of a responsible supply chain, we work with our partners to undertake both social and environmental responsibilities, ensuring supply chain activities always come with a positive impact.

NIO's supply chain management is mainly based on the guiding document of *NIO Partner Cooperation Guideline* (NPCG). As we continue to optimize and upgrade our partner management system, we are also setting higher standards and requirements for partners in such areas as the quality management, digital systems, stress test of the Production Part Approval Process (PPAP), lean production, Design for Manufacturing (DFM), indicating further optimization of NIO's supply chain.

As of the end of the reporting period, NIO had about 400 tier-1 suppliers of vehicle parts. Partners located in Anhui province accounted for approximately 40% of our total purchase value from the parts and component partners.

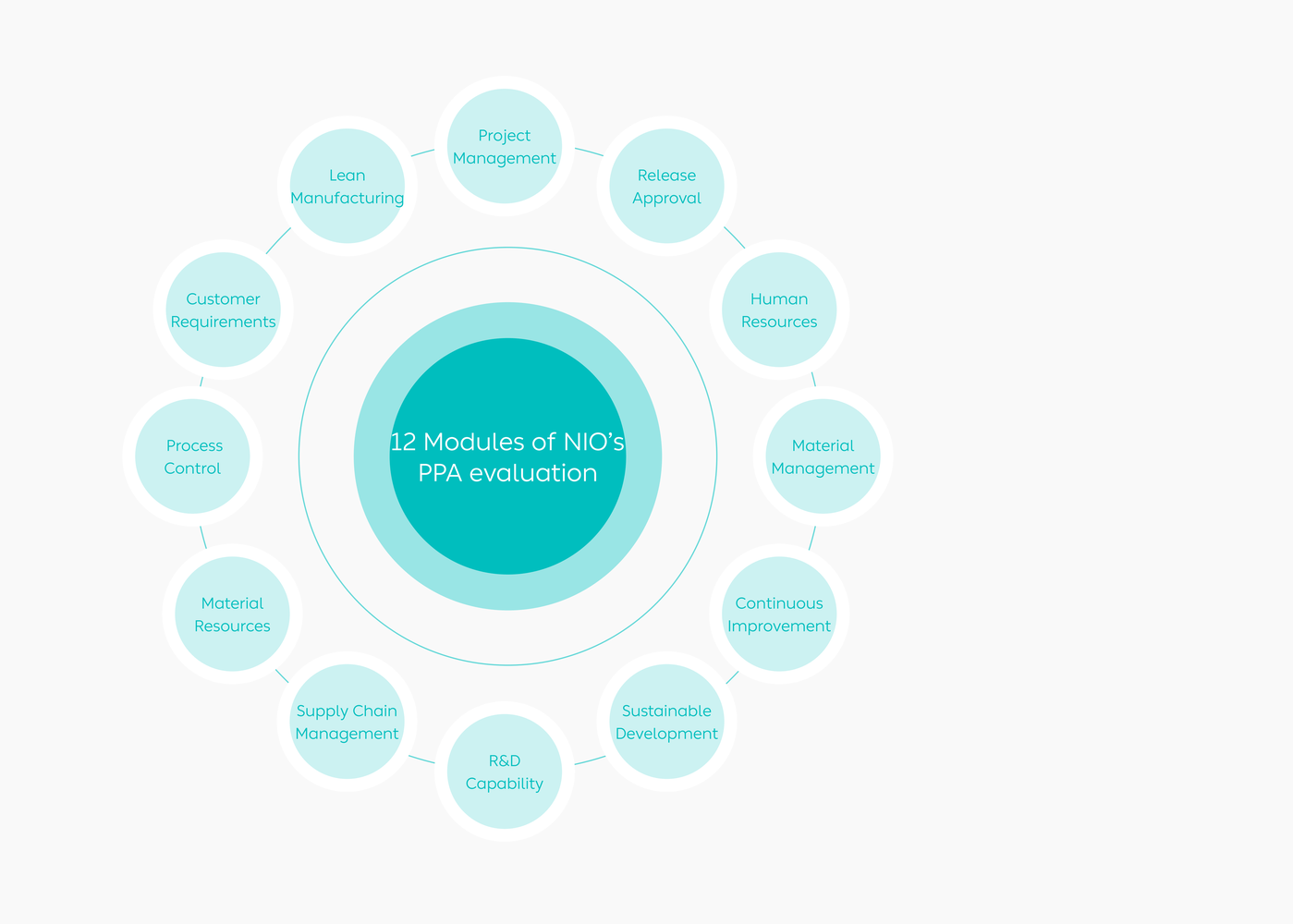
7.2.1 Admission Mechanism

To ensure that the products and services provided by partners meet our high standards and sustainable development philosophy, we have established a comprehensive and strict supply chain admission mechanism, laying a solid foundation for the stability and resilience of the supply chain.

At the stage of partner entry, NIO conducts targeted selection, evaluation, and audits of potential partners based on internal policies such as the *Management Process of Partners for Product Purchase* and the *Potential Partner Assessment Process*. For example, we require hardware manufacturers to be certified by the IATF 16949, common automotive quality system requirements, and ISO 14001, requirements for an environmental management system, which is one of the prerequisites for a NIO partner. If a company is already qualified for application, we will build a cross-function team based on the industry and the characteristics of the product to be delivered for an all-round PPA evaluation that covers R&D, production, management, etc.

To better meet the needs of the sustainable development of the supply chain and ensure stable quality and reliability of products, we continuously optimize and adjust the content of PPA evaluations. In August 2022, we added "sustainable development" and "lean manufacturing" modules to the PPA evaluation, raising the total number of evaluation modules to 12. The "lean manufacturing" module mainly focuses on the introduction of advanced digital and automated systems, while the "sustainable development" module contains as many as 169 specific requirements that cover five areas, namely legal compliance, health and safety, labor and human rights, environment and supervision. The weightings of the two new modules are the same as others. Since the update of the evaluation module, as of the end of June 2023, NIO had completed the PPA evaluation for 206 potential partners.

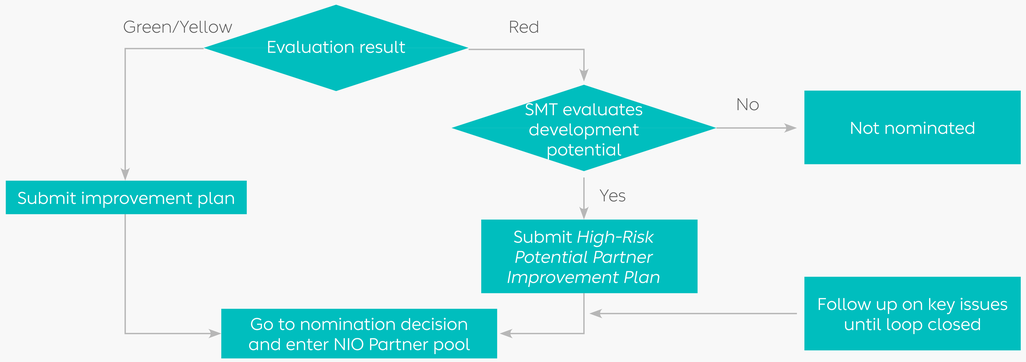
In addition to the PPA, NIO also has the comprehensive evaluation of the finance, engineering and supply capabilities, and operational and commercial risks of partners. Ultimately, partners are classified into three groups, namely green, yellow, and red, for differentiated management.



NIO's PPA rating methodology and follow-up process

PPA Evaluation results	Compliance level	Description
Green	≥ 90%	With quality management ability
Yellow	≥ 70% and < 90%	With quality management ability (with conditions)
Red	< 70%	Without quality management ability

* If less than 60% of requirements are met in one of the 12 modules, then the potential partner is downgraded to the next lower level.



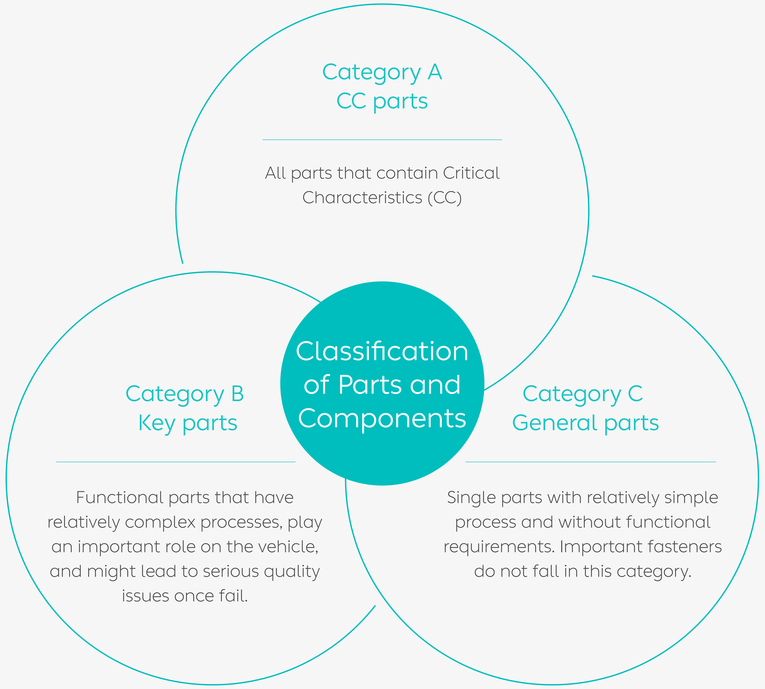
Our high access standards for partners are not limited to vehicle manufacturing. They are also applicable to NIO Life, our lifestyle brand. We have established internal policies such as the *NIO Life Partner Access Process*, providing users with healthy and high-quality products while requiring partners to identify with NIO's sustainable development philosophy. Through external audits, regular admission meetings, etc., we evaluate and review the design, development, production and manufacturing capabilities of potential partners of NIO Life. Factors such as employee rights and benefits, production safety, and environmental compliance are also taken into consideration to ensure our partners fulfill corporate social responsibilities and can work jointly with us to build a responsible supply chain.

7.2.2 Daily Management

For partners already incorporated in our supply chain, we have established a daily management mechanism to supervise and track their performance, so as to ensure that we receive high-quality products and services and can thus provide our users with experiences beyond expectations. At the same time, in the *Code of Conduct for NIO Partners*, we have clearly stated our requirements for areas such as business ethics, labor management and environmental protection, helping companies plan a clearer path towards sustainable development.

NIO adopts a partner management system based on classification and grouping, carrying out a flexible and targeted management for partners from different fields and with different characteristics, to help optimize the Company's resources allocation and improve decision-making efficiency. For example, in the area of vehicle manufacturing, we classify vehicle parts and components into three categories, namely Category A, B and C, based on the purposes and importance, and conduct PA (Process Audit) and NPQS audits of their manufacturers at different time points according to various scenarios. We also classify NIO Life partners into four groups, Group A, B, C and D, and conduct Audit at different frequencies based on various standards.

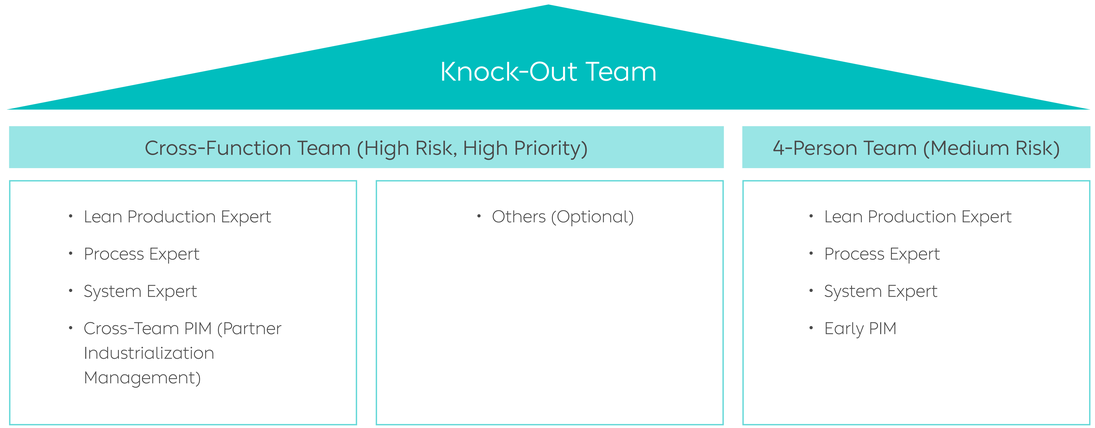
NIO's Classification for vehicle parts and components



The Process Audit mainly assesses the stability of production process, conformity with process requirements, and timeliness in issue solving, covering all partners of NIO's production components. The NPQS Audit targets at the key partners at different stages of the projects, as well as special processes and key sub-suppliers. NIO determines whom it audits based on factors such as product importance, quality performance, process complexity, and time sensitivity of the programs. The Audit aims to guarantee the quality stability of supply and the effectiveness of quality management systems of NIO's partners.

The NPQS Audit consists of four categories, namely the Launch Readiness Review (LRR), Focused Partner Audit (FPA), Focused Sub-Supplier Audit (FSA), and Special Process Audit (SPA), targeting at respective partners at different stages of cooperation, through different cooperation models and with different production processes. During the reporting period, the NPQS Audit covered 195 NIO partners.

For partners identified with high risks or constantly ranked at the bottom in the NQPP, NIO has developed the “Knock-Out Team” mechanism. Within two working days after the issues, are identified, NIO will pool together a cross-function team named “Knock-Out Team” based on the specific issues which then visits the partner on site, analyzes the pain points, and proposes improvement plans. The Team also provides penetrative training to relevant staff of the partner, regarding quality control, lean production and other aspects while solving the issues together, so as to help them build a sustainably effective management system. After the improvement in certain phases is in place and the “Knock-Out Team” exits, NIO still pays attention to the partner, and follows up on the functioning of their management system and the improvement progress on a non-scheduled basis.



Composition of the “Knock-Out Team”

Continuous attention	Continue to track the trend of the indicators of the partner and respond promptly if there is any decline or fluctuation after the “Knock-Out Team” withdraws from the project.
System maintenance	Audit the newly established management systems on a non-scheduled basis, mainly focusing on the stability of production ability and the consistency of quality standards.
Improvement and sharing	Summarize highlights of the entire process, and share valuable practices together with relevant partners.
Building a platform of communication	Establish a platform for the “Knock-Out Team” to conduct long-term exchanges with the partners to effectively press ahead with improvement measures on the site of the partners.

Next-step focuses of the “Knock-Out Team”

7.2.3 Risk Management and Control

An efficient and comprehensive supply chain risk control system can help us improve the stability and resilience of the supply chain, laying a solid foundation for the joint sustainable development of NIO and its partners. We have been actively carrying out risk monitoring of our partners, with especially high attention paid to ESG-related risks. Through high-frequency risk monitoring, regular inspections, and emergency response planning, we ensure that all production activities of NIO can be carried out in an orderly manner, even when risks occur.

Since January 2022, NIO has launched the "Partner Risk Daily Monitoring" program. With the help of online data collection tools, our risk monitoring officer identifies and analyzes the information of partners regarding medium and high risks, and key operation updates, and develops "daily risk reports" where areas closely related to the ESG such as environment-related penalties, employee rights and benefits, business compliance, and social impact have been listed as key monitoring dimensions. Once we receive any reminder about risks, we will take corresponding actions based on the importance of the information, and involve relevant teams in resolving risks, so as to ensure the smooth and sustainable development of NIO's supply chain system.

Cover of "daily risk reports"

Information of Medium to High Risks	• Financial risks, e.g. high amount guarantees and dishonest persons subject to execution • Changes in corporate control and right of speech, e.g. changes of senior management and actual controllers • Business risks, e.g. significant decline in performance • Environment-related risks, e.g. environmental administrative penalties and forced suspension of plant operations as a result • A defendant in an intellectual property lawsuit or losing a case related to IP • Product quality issues, e.g. recalls
Key Operational Indicators	• Changes in production capacity, e.g. factory shutdowns and launching of new capacity • Run on resources, e.g. the emergence of strong competitors in the industry • Operation updates, e.g. IPO, outbound investments, and reception of awards or government subsidies

Scope of NIO's "Partner Daily Risk Monitoring"

In addition to the "Partner Risk Daily Monitoring" mechanism, during the reporting period, we also conducted ESG risk assessments for key partners, requiring them to fill and submit the *Sustainable Development Self-Assessment Questionnaire* and the *Questionnaire on ESG Basics*. Over 300 partners of automotive parts participated in the assessment, and 90% of the questionnaires collected were effective. We identified 189 ESG-related risk points from the questionnaires, mainly about production safety, environmental protection, and labor rights. NIO has been committed to helping partners improve their sustainable development performance, and has already developed plans for follow-up on-site ESG audits based on the actual conditions.

Regarding the identified risks of various types, we have put in place emergency response solutions and corresponding verification plans, developed a series of internal processes including the *Partner Emergency Event Investigation and Disposal Form*, assessed possible consequences and impact of any disruption in the supply chain on NIO's production capacity. In case of interruption of cooperation with a particular company, NIO will promptly start the response procedures to avoid production disruption or delivery delay, and ensure production activities go on smoothly.

8.0

Journey to a Heartwarming Society

At NIO, we always stay true to the original aspiration of “Blue Sky Coming” in giving back to society, paying high attention to environmental protection, social welfare and education. We firmly believe that in the shared journey to a better society, we will acquire infinite strength and appreciate beautiful scenes. Together with our users, we are dedicated to bringing hope and blessings to vulnerable groups, supporting non-profit educational activities, and making contributions to the environment via various platforms and channels, so that we can arrive at the destination of a heartwarming society with care and love.

8.1 Contributions to Ecological Protection

8.2 Care for Vulnerable Groups

8.3 Participation in Non-Profit Educational Activities

Sparkles gather in the User Volunteers family

Ever since the establishment of the NIO user community, NIO users have been voluntarily setting up public welfare groups through the community platform, including 12 public interest communities such as Weibei Public Interest Community, Qingwei Public Interest Community, Shenwei Public Interest Community, in cities such as Shanghai, Beijing, Shenzhen, and Qingdao. As of the end of the reporting period, a total of 8,888 NIO users and their children had joined the NIO volunteer group. From 4-year-old kids to 70-year-old elderlies, these users come from different countries, cities, and industries, but share the same identity - NIO User Volunteers. It is worth mentioning that, during the reporting period, kids of 1,050 NIO users became the first “young volunteers” and joined activities such as charity bazaars and beach cleaning. During the reporting period, the children of NIO users accumulated a total of 5,250 hours of social practices, sowing the seeds of love in their hearts.

Charitable events to pass on love together

In September 2022, the NIO Users Trust officially launched the “Public Interest Footprints of NIO Users”, a public welfare platform where users get to know each other, search for public interest activities and spread love to the society. Users can share charity stories on the online platform, learn about public interest cases and regulations in offline forums, and even get the chance to join global public interest projects, where they can meet professionals in this area and contribute to public interest projects together. As of the end of the reporting period, the NIO Users Trust helped 16 user public interest projects on the platform, benefiting more than 8,000 households, covering multiple public welfare areas such as environmental protection, rural revitalization, children's welfare, and emergency assistance, with a total funding of more than RMB 2.074 million for the approved projects.

Story of the Chapter: Relay of Glimmers on the Journey of Growth

Sparkles in the NIO Community

As a 13-year-old, I am always curious about the surroundings. Since my family purchased a NIO car, NIO app has become an important channel for us to **make new friends and participate in community activities**.

One day, my dad saw on **NIO app** that the NIO House near our home was organizing **a parents-child activity to clean up the park**. He immediately signed us up. On the event day, we went to the park near the NIO House and collected litter while enjoying the beautiful scenery. After sorting and disposing of the collected litter, we returned to the NIO House and grabbed a special drink. I felt the sense of achievement, as if I were a little superhero protecting the Earth. From that day on, my journey for public interests began...

NIO Day Charity Bazaar

NIO Day is the most important day for my family every year, and the **NIO Day Charity Bazaar** in Hefei in 2022 was the new highlight that I was looking forward to most. The income we earned at the bazaar, with a matching fund of the same amount were donated to **local charitable organizations**, bringing hope and warmth to vulnerable groups in need. My parents always teach me to cherish everything I have and to bring care to more people around me. I believe that somewhere in this world must have become a bit better because of my efforts.

Care for Children with Autism

Gradually, I started thinking about how I could better help people around me. When I first heard my dad mention that the user charity group was organizing a **donation for a local rehabilitation institution**, I volunteered to sign up for it. Later, I learned that this institution provided care for orphans and disabled children from impoverished families in the area. While delivering the donated supplies, I also **made new friends** there. Despite living different lives and facing different circumstances, our friendship is not hindered. Since then, whenever there is an opportunity of **targeted assistance**, I always go back to visit my good friends there. I am grateful for their companionship!

"Echo" User Charity Tour

My dad often shares my experiences in participating in activities for public interests on NIO app with the hashtag of **Little Volunteers**, engaging in discussions with other families. The comment sections below are always busy.

What surprised me the most was that my story was selected and featured in this year's NIO **"Echo" User Charity Tour**! Seeing my story displayed on the exhibition walls on a nationwide tour filled me with incredible pride and joy. The warmth from the children of NIO users has converged, and has motivated me to continue doing public interest activities in the future.

8.1 Contributions to Ecological Protection

NIO has been also taking actions in coping with such environmental challenges as biodiversity conservation by reducing the impact of its own operations on the environment while working with different stakeholders in ecological protection. During the reporting period, the NIO Users Trust joined hands with the Sanjiangyuan Ecological Protection Foundation, the Institute of Sanjiangyuan National Park of Chinese Academy of Science and the Makehe Forestry Bureau in the Sanjiangyuan National Park Green Ecological Joint Development Initiative to help with the conservation of biodiversity in the Sanjiangyuan Region. In addition, we worked with our users in a series of ecological protection activities like beach garbage cleaning, to educate the next generation on how to take care of nature, the planet Earth, and our shared homeland.

Sanjiangyuan National Park Green Ecological Joint Development Initiative

As the first step of the Sanjiangyuan National Park Green Ecological Joint Development Initiative, the NIO Users Trust kicked off the project planning for the joint development of an ecological village in March 2022. During the reporting period, the Directors of the Users Trust and a team of user designers visited the core protected area of the Sanjiangyuan Region multiple times for research and field trips, and donated RMB 1.5 million to the Sanjiangyuan Ecological Protection Foundation as charity funding in August 2022 to further support the initiative. This special fund will be used for the ecological village development project to strengthen the biodiversity monitoring and evaluation, and consolidate the results of rare wild animal and plant protection work.

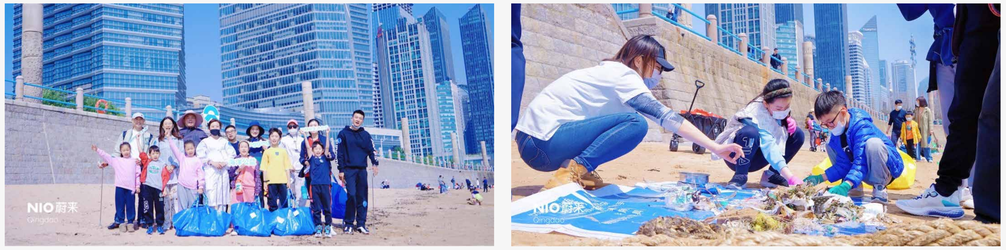
Green Ecological Joint Development Initiative at the Sanjiangyuan National Park

Beach cleanup actions

The NIO EP Club is one of the official user clubs in the NIO community for users who have made outstanding contributions to the development of the NIO community. In November 2022, in order to raise the awareness of environmental protection and public interests, the NIO EP Club went on a four-day trip to the Xisha Islands to protect the blue sky there. During this trip, we were privileged enough to have the Blue Ribbon Ocean Conservation Association (BROCA) in the knowledge sharing on marine protection, where they touched upon topics such as whale and dolphin rescue and coral reef protection. At the same time, we also carried out a series of environmental protection activities, such as sapling donation, tree planting on the island, and marine litter cleanup, with the aim to protect the authenticity and integrity of the Xisha ecological system.

EP Club's charitable trip to the Xisha Islands

In addition, during the reporting period, the Qingwei Public Interests Community, voluntarily initiated by NIO users in Qingdao, also organized users and their kids to participate in beach cleaning activities, and shared knowledge about environmental pollution and marine protection to call on more NIO users and their kids to join the efforts to clean up marine litter.



Beach cleanup actions

8.2 Care for Vulnerable Groups

NIO has always adhered to the concept of caring for society, continuously paying attention to and helping vulnerable groups. During the reporting period, the NIO Users Trust raised funds by organizing charity sales and auctions, arousing more attention to vulnerable groups. Our users took the initiative to provide assistance to groups such as children with cleft lip and palate, children with autism, and left-behind children, inspiring more people to actively participate in public interest and charity activities, and continuously share their loving hearts.

Charity Bazaar at NIO Day 2022

On December 24, 2022, the NIO Users Trust joined hands with the Anhui Charity Federation to launch the “Charity Bazaar for NIO Day 2022”. 69 stalls were set up for the event and 1,865 users participated in the fundraising through 1,865 transactions. The NIO Users Trust also donated the equivalent amount, and the total donation exceeded RMB 167,000. The funds were donated to the public interest projects initiated and managed by the Anhui Charity Federation, and would be used for rural revitalization, education assistance, medical assistance, and care for the elderlies, contributing to the common good of society.

NIO Day 2022 Charity Bazaar

2022 Operation smile donations and trip to Honghe, Yunnan

On World Smile Day in 2022, cooperating with the Operation Smile Special Fund of China Charities Aid Foundation for Children, 38 NIO Houses organized 38 charity auctions in 35 cities across China. The NIO Users Trust donated the equivalent amount of the raised fund, and the funds would be used for repair surgeries for children with cleft lips and palate and other facial deformities, helping them to recover sooner.

In addition, in November 2022, nearly 40 volunteers, including NIO users and members from the NIO Users Trust, the NIO User Love Philanthropic Community, and Operation Smile, gathered in Honghe Hani and Yi Autonomous Prefecture of Yunnan Province to support the “2022 Operation Smile in Yunnan Honghe”. During the three-day trip, they were divided into five groups and went to nine counties and cities, such as Mengzi, Gejiu, and Kaiyuan, and travelled 3,370 kilometers in total. They provided nutritional supplements, daily necessities, books and stationery for 20 children with cleft lips and palate and 27 left-behind children in the local area.

2022 Operation Smile in Yunnan Honghe

“Caring for children with autism” special action

WeiBei (NIO-Beijing) Public Interest Community is a public interest group initiated by NIO users in Beijing, and has long been committed to caring for approximately 150 children with autism. As of the end of the reporting period, more than 1,400 user volunteers provided the children with companionship, skill training, material support, etc. In addition, more than 3,000 donations in NIO Points were made on NIO app, helping children with daily needs.

Paintings and hand-drawn t-shirts by children with autism

Public interest poster with illustrators by children with autism

8.3 Participation in Non-Profit Educational Activities

NIO believes that education is the cornerstone of social progress and development. Through cooperation with the NIO Users Trust, we encourage users to participate in the sponsorship for and educational activities of rural primary schools, so as to jointly contribute to the improvement of educational welfare.

“Music classes for children” public interest project

Shenwei (Shenzhen-NIO) Public Interest Community is a public interest organization initiated by the Geek Club, NIO’s user club in Shenzhen, in 2020. “Music Classes for Children” is one of the ongoing public interest projects, aiming to donate musical instruments and provide free classes to rural primary schools and institutions for special education. The project also intends to convey the good values brought by music through aesthetic education and art activities. As of the end of the reporting period, the project has been carried out nine times, with more than 120 volunteers participating, benefiting more than 1,200 students and donating 1,200 harmonicas.

On February 28, 2023, the volunteers went to Shitang Primary School in Huidong County, Huizhou City, Guangdong Province, and organized a series of activities covering sports, art and other hobbies. After two classes of learning and preparation, the volunteers and children held a vivid “Art Show”, further inspiring children’s love for music and life.

“Children’s Music Class” in Huizhou City, Guangdong Province

Appendix 1

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Sustainability Accounting Standards Board (SASB) Standards	*Personal Information Protection Law of the People's Republic of China*	GB/T 40032-2021 *Safety Requirements of Battery Swap for Electric Vehicles*
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Listing Rules of the New York Stock Exchange	*Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*	ISO 14001 Environmental Management System
Corporate Governance Code	*Advertising Law of the People's Republic of China*	ISO 26262 Functional Safety Component
Several Provisions on the Management of Automobile Data Security (Trial Version)	*Environmental Protection Law of the People's Republic of China*	ISO 26262 Functional Safety Management Process
Regulation on the Administration of Recall of Defective Auto Products	*Trademark Law of the People's Republic of China*	ISO 45001 Occupational Health and Safety Management System
Code of Corporate Governance for Listed Companies	*Data Security Law of the People's Republic of China*	ISO 50001 Energy Management System
Universal Declaration of Human Rights	*Law of the People's Republic of China on Prevention and Control of Water Pollution*	ISO 9001 Quality Management System
Integrated Wastewater Discharge Standard (GB 8978-1996)	*Securities Law of the People's Republic of China*	ISO/IEC 27001 Information Security Management System
Rules Governing the Listing of Securities on the Stock Exchange of HongKong-Limited	*Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*	ISO/IEC 27701 Privacy Protection Management System
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Internal Rules		
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Together, Journey to Blue Sky