2023 Environmental, Social and Governance Report

The Road Ahead Starts With NIO

NIO ESG Report 2023

Content

1.0 Efficient Governance

2.0 A Blue Sky

3.0 Superior Products

4.0 Sustainable Value Chain

5.0 Employee Care

6.0 Charitable Actions

About This Report

Overview

Welcome to the *NIO 2023 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, 2023 to December 31, 2023 (i.e., the reporting period), with some retrospective references to previous years and 2024.

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 2021), *Environmental, Social and Governance Reporting Guide* (ESG Guide) set out in Appendix C2 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 and Reliability

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. In case of ambiguity, the simplified Chinese version shall prevail. 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 June 2024 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

Letter From William Li

In the era with increased uncertainty, the development of human society faces many challenges. Nevertheless, the 28th Conference of the Parties (COP28) to the *United Nations Framework Convention on Climate Change* (UNFCCC) still reached a consensus on the transition of the energy structure with global efforts. NIO participated in this conference as a member of the United Nations Global Compact (UNGC) in December 2023, and we are confident that human society will move forward with the transition of the energy system towards a shift away from fossil fuels in a just, orderly and equitable manner.

Blue Sky Coming, is our vision for a brighter, positive future, and a more sustainable tomorrow, and has been the Company's original aspiration since its inception. We hope that continued innovation in technology, products, services and community will enable more people to choose smart electric vehicles (EVs), helping to promote the green transition of the energy system and address global climate change.

NIO is firmly committed to strategic, forward-looking investments based on long-termism, leading the industry in technological change through continuous innovation. We have insisted on in-house development of core technologies since our foundation. In 2023, NIO introduced the NIO Full Stack which includes 12 key technology areas that cover the entire value chain of smart electric vehicles. We have also launched industry-leading technologies such as Sky·OS, the first vehicle operating system independently developed by a car company in China, NX6031, NIO's first proprietary control chip for LiDAR, NX9031, the industry's first 5nm chip for assisted and intelligent driving, and 900V high voltage architecture across all domains. At the same time, we provide users with Navigation on Pilot Plus (NOP+) for highways, urban roads and Power Swap, and have largely achieved nationwide urban road coverage in China. We are committed to reshaping the driving experience with technological innovation.

To provide users with a more convenient and enjoyable recharging experience, we have built a "chargeable, swappable, and upgradable" power service system, and made continuous investments in R&D of key technologies for efficient and safe EV battery swapping, and accelerated the construction of charging and swapping networks. At the same time, we have opened up the NIO Power's charging and swapping network to the industry, and reached cooperation with multiple automotive companies, including Changan, Geely, JAC, Chery, Lotus, GAC Group and FAW. The cooperation is to provide more convenient, safer and better services for EV users with different needs, as well as to promote the development of the smart EV industry and the green transformation of the transportation and energy sectors. NIO is the car company with the most charging piles and Power Swap Stations in China. We also won the 2023 Paulson Prize in the "Green Innovation" category for the solution of "Key Technology of Electric Vehicle Power Swap, Building a Low-Carbon and Sustainable Industrial New Ecology ".

NIO originates from a vision for a blue sky. We are committed to building a user enterprise and continuously providing users with experiences beyond their expectations by guarding their driving safety, building products with superior quality, and creating a worry-free and enjoyable user experience. Looking to the future, we will continue to play our role and work together with our employees, partners, industries and other stakeholders to protect a sustainable blue sky.

Founder | Chairman | CEO
William Li

Executive Summary

NIO always upholds the original aspiration of Blue Sky Coming. With the support and companionship of our users, employees, shareholders and partners, we have been practicing sustainability with our concern for the ecosystem and society. In 2023, due to our outstanding sustainability performance, NIO was ranked 50th among the 2024 Global 100 Most Sustainable Corporations by Corporate Knights, demonstrating our strong commitment to sustainability.

Promoting Low-Carbon Operations for a Blue Sky

NIO attaches great importance to sustainable development, scientifically responds to climate change, and firmly promotes carbon footprint management throughout the entire life cycle of its products. We continuously integrate the concepts of environmental protection and low carbon into product design, material selection, manufacturing, logistics and transportation, service and operation, and recycling of scrap vehicles, and cooperate with upstream and downstream partners in the value chain to create green and low-carbon smart EV products. At the same time, we focus on environmental governance and ecological protection. While minimizing the environmental impact of our own production and operation activities and those of the value chain, we work with users, communities and other stakeholders to help protect ecological diversity through programs such as Clean Parks. During the reporting period, we also formally committed to joining the Science-Based Target Initiative (SBTi), becoming the first new energy vehicle company in China to do so, upholding the concept of sustainability and working with all parties to achieve a blue sky.

Providing Superior Products and Optimizing User Experience

With the vision of "Building a User Enterprise", NIO is committed to providing users with superior products and services that exceed expectations. We are committed to doing everything we can to improve the safety of our products, constantly setting new record scores for various domestic or international safety evaluation standards, and designing additional protection for scenarios that are not covered by the evaluation standards. Meanwhile, at NIO,

quality is a belief. Not only does our quality management cover pillars such as Forward Model Quality, Partner Quality, and Manufacturing & Logistics Quality, but quality is also integrated into our innovative business and commercial models. We are committed to creating a global quality benchmark through end-to-end quality management engaging all employees and covering all value dimensions. Starting from the interests of users, NIO incorporates user feedback with continuous innovation and continuously improves software and hardware standards to create value for users.

Creating Sustainable Value Chain

From users, supply chain to partners, NIO endeavors to establish close and friendly cooperation with the upstream and downstream of the value chain, and actively builds a sustainable value chain. From the perspective of our users, we provide worry-free service that exceeds their expectations, and we have built an experienced team to respond to their needs in an efficient and timely manner. At the same time, we have issued the Global Supply Chain Sustainability Policy, and continue to build and improve the sustainable supply chain compliance system that covers important areas such as the environment, conflict minerals, human rights, and trade compliance, while creating a low-carbon supply chain. During the reporting period, NIO was named by the Ministry of Industry and Information Technology in the list of "2023 Green Supply Chain Management Enterprises".

Caring for Employees and Sharing the Fruit of Development

Employees are our important business partners. We always insist on

long-term planning for talents with long-term thinking, creating a value-driven talent system with NIO characteristics and a training mechanism to continuously stimulate the value creation of employees. At the same time, we care for our employees and are committed to creating a diverse, equal, and free workplace environment, establishing an all-around care and communication system, and implementing strict occupational health and safety standards to safeguard the rights and growth of our employees. Together with our employees, NIO shares the fruits of sustainable development.

Practicing Charitable Actions and Conveying Positive Energy

With the aim of creating a caring society, and together with the NIO Users Trust, NIO Users Trust Foundation, NIO public interest communities and user volunteers, NIO actively carries out a variety of public welfare activities, and contributes to environmental protection, the care for the underprivileged, children's care, public welfare education, etc., committed to brightening corners of the world, and transmitting positive energy throughout society.

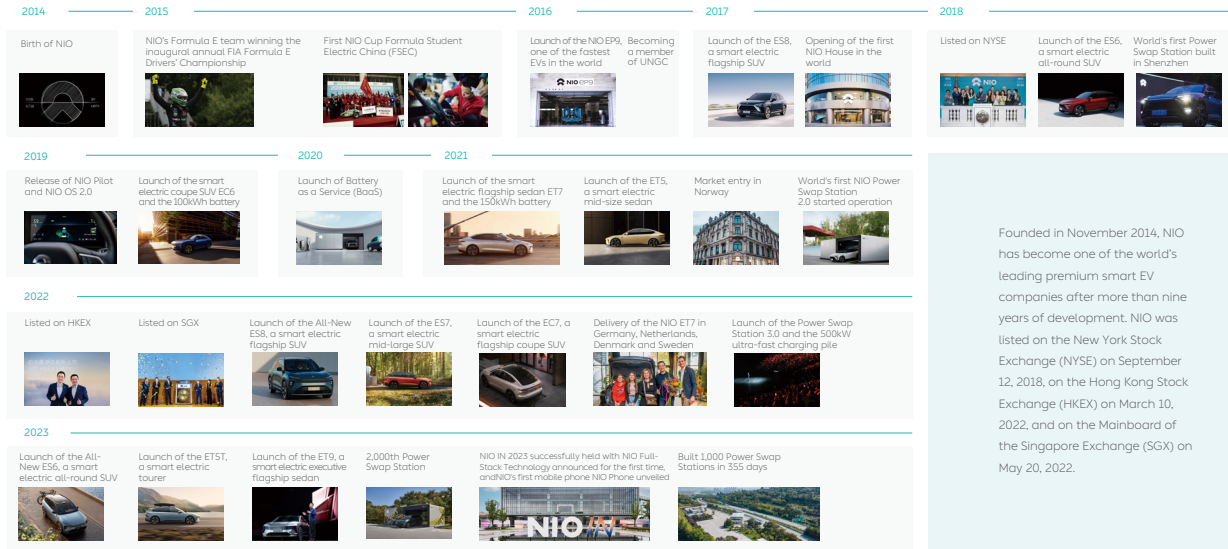In the future, NIO will build a more sustainable value chain with efficient corporate governance, deepen its sustainable development capability with a forward-looking vision, continue to provide safe, high-quality products and services that exceed user expectations, contribute to building a caring society, and make unremitting efforts to realize the vision of Blue Sky Coming!

ESG Steering Team

Feng Shen, Steven Feng

Hello, We Are 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.

Our Journey

2014

Birth of NIO

2015

NIO's Formula E team winning the inaugural annual FIA Formula E Drivers' Championship

First NIO Cup Formula Student Electric China (FSEC)

2016

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

Becoming a member of UNGC

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

World's first Power Swap Station built in Shenzhen

2019

Release of NIO Pilot and NIO OS 2.0

Launch of the smart electric coupe SUV EC6 and the 100kWh battery

2020

Launch of Battery as a Service (BaaS)

2021

Launch of the smart electric flagship sedan ET7 and the 150kWh battery

Launch of the ET5, a smart electric mid-size sedan

Market entry in Norway

World's first NIO Power Swap Station 2.0 started operation

2022

Listed on HKEX

Listed on SGX

Launch of the All-New ES8, a smart electric flagship SUV

Launch of the ES7, a smart electric mid-large SUV

Launch of the EC7, a smart electric flagship coupe SUV

Delivery of the NIO ET7 in Germany, Netherlands, Denmark and Sweden

Launch of the Power Swap Station 3.0 and the 500kW ultra-fast charging pile

2023

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

Launch of the ET5T, a smart electric tourer

Launch of the ET9, a smart electric executive flagship sedan

2,000th Power Swap Station

NIO IN 2023 successfully held with NIO Full-Stock Technology announced for the first time, and NIO's first mobile phone NIO Phone unveiled

Built 1,000 Power Swap Stations in 355 days

Founded in November 2014, NIO has become one of the world's leading premium smart EV companies after more than nine 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 is committed to in-house development of core technologies. We have established an independent research and development (R&D) system for 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.
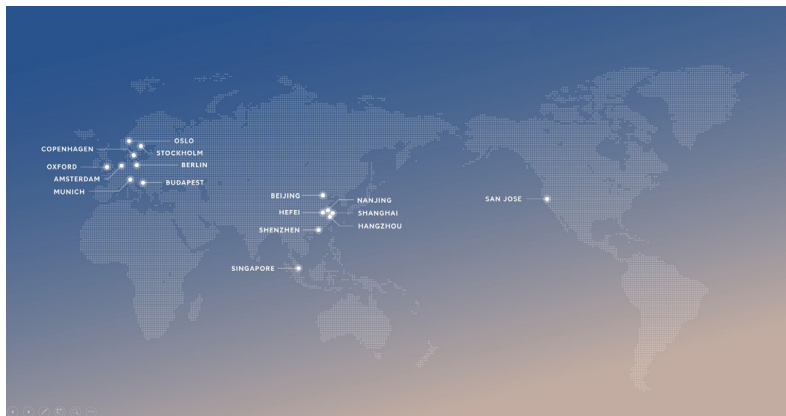
NIO's Global Presence

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 ES8, smart electric flagship coupe SUV EC7, smart electric mid-large SUV ES7, smart electric flagship sedan ET7, smart electric all-round SUV ES6, smart electric coupe SUV EC6, smart electric mid-size sedan ET5, and smart electric tourer ET5T. NIO's smart electric executive flagship ET9 was officially unveiled. As of December 31, 2023, NIO had delivered a total of 449,594 vehicles, continuing to lead the premium battery electric vehicle market.

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 program, to provide 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.
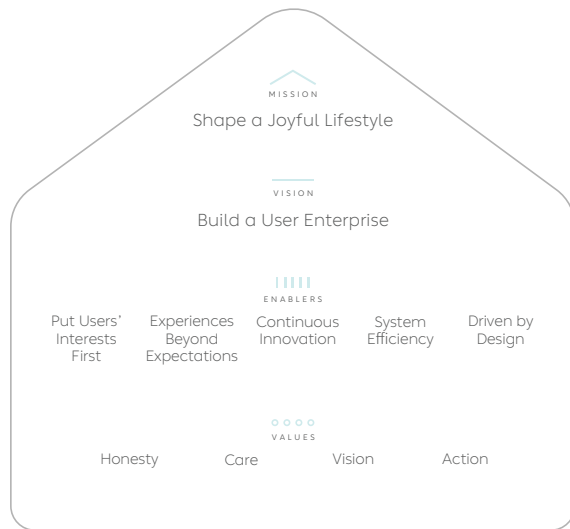
Our Values

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 becoming a user enterprise, putting in place the NIO Value System.
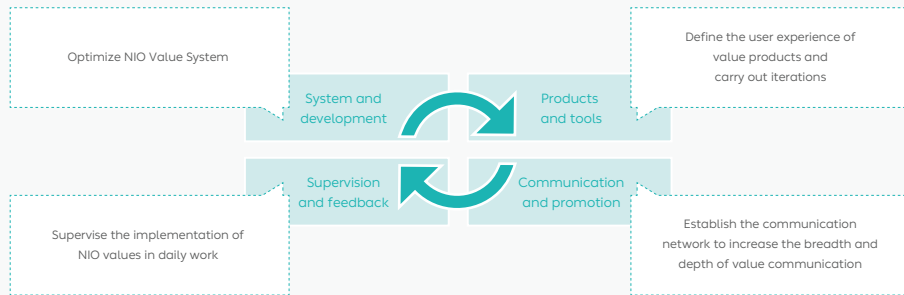
○ Mission: Shape a joyful lifestyle

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:

- Putting 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.

MISSION

Shape a Joyful Lifestyle

VISION

Build a User Enterprise

ENABLERS

Put Users' Interests First | Experiences Beyond Expectations | Continuous Innovation | System Efficiency | Driven by Design

VALUES

Honesty | Care | Vision | Action

Value Sharing

NIO Value Committee is an organization that defines, communicates and practices NIO 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.

Optimize NIO Value System

System and development

Products and tools

Define the user experience of value products and carry out iterations

Supervision and feedback

Communication and promotion

Supervise the implementation of NIO values in daily work

Establish the communication network to increase the breadth and depth of value communication

Responsibilities of NIO Value Committee

Our Awards

January 2024

NIO was selected the "2024 Global 100: the World's Most Sustainable Companies"
Corporate Knights

NIO EC6 EDS won "The 3rd World Top 10 Electric Drive Systems"
CarBingo Academy

NIO was selected the "2023 Green Supply Chain Management Enterprises"
Ministry of Industry and Information Technology of the People's Republic of China

December 2023

NIO was selected the "2023 Global Open Innovation Top 100 Brand"
Plug and Play China, Research Center for Technological Innovation, Tsinghua University

5G Project for NIO Advanced Manufacturing Base was awarded the "Golden Zizhu Award"
Communications Weekly

2023 Best Employer of China
zhaopin.com

2023 Extraordinary Employer
Liepin

November 2023

NIO ES6 was selected the "J.D. Power CICA – 2023 China Intelligent Cabin of the Year"
J.D. Power Human-Vehicle Relationship (HVR) Lab of Tongji University

October 2023

NIO ET5 won the Reuter Led. "D.R.I.V.E. 2023 Innovation Honor"
The Reuter Led.

NIO ET5T received five-star safety rating of the "European New Car Assessment Program" (Euro NCAP)
Euro NCAP

September 2023

NIO was awarded the "Paulson Prize for Sustainability" (Paulson Prize)
Paulson Institute, Tsinghua University

NIO ES6 won first place in "China Automotive Quality Research (AQR) High-End New Energy Vehicle Quality Experience"
12365auto.com and Car Research Consulting Beijing Co., Ltd.

NIO smart audio and video testing was recognized as one of the "Top 10 Typical Cases of the Innovation and Practice of Digital Quality Management in Anhui Province"
Administration for Market Regulation and Department of Economy and Information Technology of Anhui Province

July 2023

NIO ET5 and EL7 (ES7) received five-star safety rating of the "European New Car Assessment Program" (Euro NCAP)
Euro NCAP

NIO ET7 won the Plus X Award in the Innovation, High Quality, Design categories
Plus X Award

June 2023

NIO ES6 won first place in the "2023 China New Energy Vehicle Initial Quality Study (NEV-IQS) – Premium BEV"
J.D. Power

NIO ET7 won first place in the "2023 China New Energy Vehicle – Automotive Performance, Execution and Layout (NEV-APEAL) Study – Premium BEV"
J.D. Power

March 2023

NIO ET7 EDS won "The 2nd World Top 10 Electric Drive Systems"
CarBingo Academy

NIO Power Europe Plant won the Hungarian "Innovative Product Investment Award"
Hungarian Investment Promotion Agency

January 2023

NIO Factory Two successfully obtained the LEED Gold Certification
U.S. Green Building Council (USGBC)

ESG Highlights

Efficient Governance

- In 2023, NIO online training on business ethics and compliance achieved an employee coverage of 100%.
- In 2023, NIO information and data security training achieved an employee coverage of 100%.
- In 2023, 100% of NIO's partners involved in digital security went through NIO's security audit.

- In 2023, NIO formulated the *Global Policy on Conflicts of Interests* and the *Global Trade Compliance Policy*. NIO conducts internal audits on business ethics and other matters. In the past three years, such internal audits had covered all of NIO's businesses, ensuring that the Company's business activities fully comply with the code of ethics and laws and regulations. In this way, the Company's reputation and credibility are protected with sustainable development sustained.

A Blue Sky

- On March 25, 2023, NIO announced its commitment to join the Science Based Targets initiative (SBTi) and became the first Chinese new energy vehicle company to do so. NIO is also the first Chinese vehicle company to answer the Carbon Disclosure Project (CDP) questionnaire.
- NIO is committed to achieving the "Car to Car" level resource reuse model. During the reporting period, NIO completed a small-scale closed-loop pilot on a batch of 200 vehicles and continued to promote resource recycling programs such as Battery Passport and BLUE SKY LAB.
- In 2023, NIO was selected as one of the "2023 Green Supply Chain Management Enterprises" by the Ministry of Industry and Information Technology of the People's Republic of China.
- One of NIO's projects was listed in the "Top 10 Low-Carbon Application Scenarios in Anhui Province" in 2023.
- NIO ET9 is equipped with a 900V high-voltage architecture across all domains, boasting a highest voltage of 925V, a charging peak power of 600 kW, and a charging peak current of 765A. All three technologies lie in the world's first class.
- NIO Factory Two (NIO F2, previously known as NIO Second Advanced Manufacturing Center) and the EDS Factory 1 (E1) in Hefei, have successfully obtained the LEED Gold Certification and are certified

- as Three-Star Chinese Green Building. The EDS Factory 0 (E0) in Nanjing has also obtained the Three-Star Chinese Green Building Certification.
- The NIO House at NeoPark has received LEED Gold Certification.
- During the reporting period, NIO consumed 55,495.53 MWh of renewable electricity, showing a significant year-on-year growth of 283.7%. By the end of the reporting period, the total installed photovoltaic capacity of NIO Advanced Manufacturing Center (F1), F2, E0 and the E1 reached 67.63MW.
- During the reporting period, the proportion of recyclable packaging, shared packaging and lightweight packaging used in our vehicle transportation reached 98%, 70% and 30%, respectively. Additionally, for electric drive components, the proportion of recyclable packaging rose to 82%.
- In December 2023, NIO and NIO Users Trust each donated RMB 25 million to initiate the NIO Climate Action. Together with China Charity Federation, the Action aims to help society combat climate change through public welfare activities.
- Clean Parks has contributed to the protection of 17 nature reserves worldwide.

Superior Product

• In 2023, NIO has invested RMB 13.43 billion in R&D cumulatively. By the end of the reporting period, there were a total of 11,222 product and software developers at NIO, accounting for 34.19% of all employees.

• By the end of the reporting period, NIO had a total of 8,478 issued and pending patents in the U.S., China, Europe and other jurisdictions, including 4,690 issued patents and 3,788 pending patents. In addition, NIO owns 5,633 registered trademarks and 1,189 pending trademarks.

• NIO EC6 and ET5 models have received the highest safety rating of the year at China Insurance Automotive Safety Index (C-IASI). NIO ES8 and ET7 models have received five-star safety ratings in China's New Car Assessment Program (China NCAP). NIO ES8, EL7 (ES7), ET7, ET5, ET5T, EL6 (ES6) models have all received five-star safety ratings in the Euro NCAP.

• NIO launched NIO Active Safety 2.0 in January 2024. With active safety features such as General

Objects Warning and Assist (GOA) and All-Scenario Mis-Acceleration Intervention Function (MAI+), the safety system senses the state of the environment, the vehicle, and the driver and provides enhanced protection.

• As of April 20, 2024, NIO NOP+ had largely achieved nationwide urban road coverage in China.

• NIO implements full lifecycle management of batteries from product development, supply chain management, charging and swapping operations, user service, monitoring and emergency response, safety incident investigation, analysis and improvement, to battery decommissioning.

• NIO ES6 won first place in the J.D. Power "2023 China NEV-IQS - Premium BEV" NIO ET7 won first place in the

• NIO ET7 won first place in the J.D. Power "2023 China NEV-APEAL Study - Premium BEV"

Sustainable Value Chain

• In 2023, NIO built 47 new NIO Houses (including 4 overseas), 131 new NIO Spaces (including 5 overseas). By the end of the reporting period, NIO had built a total of 145 NIO Houses (including 6 overseas) and 335 NIO Spaces (including 9 overseas) globally, covering 150 prefecture-level cities in China and 5 European countries.

• NIO has built a total of 82 NIO Service Centers (NSC) (including 2 overseas) and 228 Authorized Service Centers (ASC) (including 54 overseas) globally, covering 150 prefecture-level cities in China and 5 countries in Europe.

• In 2023, NIO continuously optimized its performance and user satisfaction survey system，with the average annual score on user satisfaction survey reaching 4.69/5.00, and the average annual score on the Five-Star Rating reaching 4.84/5.00.

• In 2023, NIO ES6 won the first place in China Automobile After-Sales Customer Satisfaction Research - New Energy SUV by China Automobile Maintenance and Repair Trade Association. NIO

ES8 won the first place in China Automotive Customer Satisfaction Index - After-Sales Service (luxury brands) by China Association for Quality.

• In 2023, NIO provided over 7,000 community activities for over 268,000 users, and organized nearly 4,000 welcome parties, with more than 98,000 new users joining the NIO community.

• In 2023, NIO continued to increase its quality and sustainability control of its partners, conducting a total of 433 NIO Partner Quality System (NPQS) audits of vehicle partners throughout the year; and a total of 229 sustainability audits of partners.

• We continue to promote the localization of supply chain layout, about 80% of the parts value comes from parts partners are located in the Yangtze River Delta region, 40% comes from those located in Anhui Province.

Employee Care

• In 2023, NIO has received 10 awards related to human resources management, ranking top in employer satisfaction and employer impact surveys.

• By the end of the reporting period, NIO had attracted a global workforce from 20 countries and regions, 1,168 ethnic minorities and 344 employees with disabilities.

• In 2023, NIO conducted 55 leadership training sessions for 2,532 participants and 447 professional training sessions for 48,148 participants.

• In 2023, 14,264 employees were successfully promoted, and more than 3,994 employees completed internal job transfer, commencing their new career journeys at NIO.

• In 2023, we organized more than 1,740 employee activities, covering a diverse range of themes such as traditional festivals, sports events and parent-child activities.

• In 2023, NIO organized a total of 821 Value Compasses across our global operation sites, supporting offline face-to-face exchanges with 20,864 employees, so that each employee could truly understand the core values advocated by NIO.

• In 2023, we conducted our customary employee satisfaction survey, which covered 8 dimensions and was distributed to 28,791 employees worldwide, helping us to gain a more comprehensive understanding of the needs and concerns of our employees.

• In 2023, NIO realized a 100% coverage rate of physical examinations for employees in positions exposed to occupational hazards and a 100% coverage rate of safety training for new employees at the factory.

Charitable Actions

• In 2023, there were a total of 14,897 volunteer participants in public welfare activities such as environmental protection, care for children, and social responsibility, with a cumulative total of 172,472 volunteer hours, in 229 cities and in Europe for the first time, creating many touching moments. By the end of the reporting period, a total of 15,790 users and their children had joined the NIO user volunteer group.

• In 2023, through the Charity Bazaar at NIO Day, NIO Users Trust and NIO Users Trust Foundation received a total amount of RMB 124,379 for charity from 4,581 people. NIO Users Trust donated a total of RMB 248,758 on a 1:1 matching basis to three charity programs of Xi'an Charity Association, namely Meal Donation, Spring Festival Supplies Donation and Bridge Construction Donation.

Response to United Nations Sustainable Development Goals (UN SDGs)

Chapter	UN SDGs	Response to UN SDGs
Worry-Free Trips With NIO Power		With continuous investment in the development of efficient and safe key technologies for electric vehicle battery swapping, NIO is accelerating the expansion of the scale of the battery swapping network and jointly promoting the low-carbon development and transformation of the industry.
Full-Stack Core Technologies for New Intelligent Driving Experience		NIO is committed to leading the technological revolution with continuous innovation. By applying the NIO full stack technologies, NIO improves the intelligent driving experience of users and pushes the technological development of the industry.
Efficient Governance		NIO continues to improve the corporate governance structure and safeguard the efficient, sound and sustainable development of the Company with comprehensive risk management, an ESG governance mechanism and a compliance and business ethics management system. NIO is committed to creating long-term value for all stakeholders.
A Blue Sky		NIO attaches great importance to sustainable development. We actively combat climate change, firmly implement full-process carbon footprint management, and are committed to collaborating with both upstream and downstream partners to create green, low-carbon, smart electric vehicle products.
Superior Products		With continuous innovative research and development, we bring users an intelligent and safe driving experience, and deliver excellent quality to users by relying on the quality management of all staff, all processes, and all dimensions of value.
Sustainable Value Chain		We are committed to providing experiences beyond expectations. We listen to our users, and cooperate with them to create and share. For partners, NIO has established a sustainable supply chain strategy and is committed to building a responsible supply chain with a standardized management system. At the same time, we actively participate in standardization organizations and industry conferences, and are happy to share and communicate our in-house technologies and development experience, to coexist and co-prosper with the industry ecosystem, and to jointly push the boundaries of the industry's development.
Employee Care		NIO adheres to the values of honesty, care, vision and action, and always insists on long-term planning for talents with long-term thinking, and creates the value-driven mechanism with NIO characteristics to help talents grow and develop. Through all-round care and communication, as well as a diversified, inclusive and equal workplace environment, we work together with our employees and grow together.
Charitable Actions		NIO always stays true to its original aspiration of "Blue Sky Coming". Together with users, NIO organizes and participates in various public welfare activities including environmental protection, care for vulnerable groups and non-profit educational activities. We firmly believe that every effort will converge into an upward force and transmit warm power to society with care and love.

Worry-Free Trips With NIO Power

NIO Power is a mobile internet-based smart power solution with a diversity of recharging options. We offer a power service system with chargeable, swappable, and upgradeable batteries to provide users with power services catering to both "at home" and "on the road" scenarios, hence worry-free trips.

| Power Home 2.0 | Power Home Plus | Power Map | Power Charger | Power Swap Station | One Click for Power |
| At Home | | | On The Road | | |
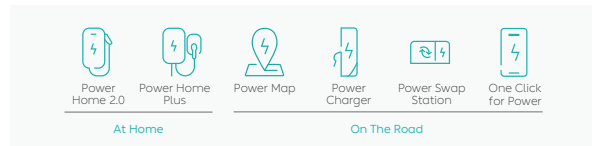
NIO Power: Smart Power Service Solution

NIO consistently invests in the development of key technologies for efficient and safe EV battery swapping, and earnestly shares experience to build a new industry ecosystem that is low-carbon and sustainable. By the end of the reporting period, NIO had developed the first vehicle-battery separation and decoupling technology, automatic intelligent battery swapping technology at Power Swap Stations, network-based swapping technology and other novel technologies. Meanwhile, we had obtained a total of 403 patent grants and formulated 47 national, industry, local, and group standards.

In April 2024, NIO's "Scale-up Vehicle-to-Grid Virtual Power Plant Construction and Operation" project was selected in the first batch of national demonstration projects featuring green and low-carbon advanced technologies. This was the only selected case submitted by an automotive company, and the only one selected for its vehicle-grid-interactive technology, demonstrating NIO's leading position in the field of green and low-carbon technology.

NIO was awarded the 2023 Paulson Prize for Sustainability – Green Innovation for *"Shaping a Low-Carbon Industry by Innovative Technologies of EV Battery Swapping"*.

Power Swap Station 4.0

During the reporting period, NIO unveiled its Power Swap Station 4.0. The fourth-generation station features 4 Nvidia Orin X chips with 6 wide FOV LiDARs. This configuration allows stations to handle complex environments more easily, opening up possibilities for more experiences of station-car connectivity. Moreover, service capacity and efficiency are hugely enhanced for the Power Swap Station 4.0. Specifically, the capacity of a single day's service is increased to 480 swaps with a 22% reduction in the time taken per swap. NIO also equips the fourth-generation station with a photovoltaic (PV) system on top, thus enabling charging, swapping, battery charging and swapping at the same time. In doing so, NIO can save nearly 18 thousand kWh of electricity per year per station through on-site consumption of clean energy.

Continuous Expansion of the Charging and Swapping Network

NIO continues to expand its charging and swapping network to provide a more convenient and enjoyable recharging experience for users. During the reporting period, NIO built 1,035 Power Swap Stations and 1,322 charging stations with 7,707 chargers installed. By the end of the reporting period, NIO was the automotive brand with the biggest number of chargers and Power Swap Stations in the Chinese market. We had also laid out 747 Power Swap Stations along nationwide expressways and formed a swapping network covering 7 north-south expressways, 6 east-west expressways and 11 city clusters.

By the end of the reporting period, NIO's global charging and swapping network encompassed:

- 2,350 Power Swap Stations (including 747 along expressways), with over 80% of users having Power Swap Stations within 3km

- 3,608 charging stations

- 21,091 NIO chargers

- 1,460,000+ third-party chargers

NIO has launched Power Journeys to deploy charging and swapping facilities in highly captivating road trip routes with inadequate infrastructure to help users explore the beautiful scenery and rich culture as they wish. By the end of the reporting period, we had opened 71 routes, including the routes to Kanas and Xishuangbanna, Harbin-Mohe Route, the Dushanzi-Kuqa Highway and 3 routes to Xizang from Sichuan, Qinghai and Yunnan.

NIOPower

- **2,316** Power Swap stations including **747** stations along expressways
- Expressway Power Swap Network
- **3,594** Power Charger Stations, with **21,049** chargers
- Power Up Plan Route
- **960,000+** accessible third-party charging piles

* As of December 31th, 2023 in China

NIO Power's Charging and Swapping Network in China

Shared Benefits Based on Industry Cooperation

NIO has accumulated years of experience in the R&D, construction and operations of the Power Swap network. Adhering to the principle of shared benefits based on industry cooperation, NIO has fully opened up the NIO Power system, entering into partnership with companies including Changan, Geely, JAC, Chery, Lotus, GAC Group and FAW, with the plan to carry out comprehensive cooperation in multiple areas, such as battery swapping standards and technology, construction and operations of the swapping service network, R&D and customization of models for battery swapping, and battery asset management and operations. We believe that wider and deeper cooperation on this front will speed up the expansion of the Power Swap network, so that we can provide more convenient, safer and premium services to users with diverse needs and jointly push the industry towards the transition to low-carbon development.

*Listed in no particular order

Furthermore, we share the fruits of NIO Power's work with the automotive industry and smart EV users of other brands.

By the end of the reporting period,

NIO had provided charging services for over 200 brands,

and more than 78.53% of the electricity had been supplied to vehicles of other brands.

NIO's Power Swap Partners

Optimization of User Experience

With the vision of "making recharging more convenient than refueling", NIO is committed to optimizing users' recharging and traveling experience with constant upgrades. By the end of the reporting period, NIO had provided over 35 million battery swaps and nearly 60 thousand per day. On average, a car leaves a Power Swap Station with a full charge every 1.4 seconds.

Continuous Optimization of Users' Swapping Experience During the Reporting Period

Power Swap Pilot for Highway

In highway service areas where Power Swap Pilot is available, a NIO car can drive from the main road to the target service area through the ramp according to the navigation route and the order for battery swapping.

Shortened Swapping Duration

We have reviewed and speeded up the swapping process, thereby shortening the duration per power swap by more than 48 seconds for users. Users can complete a power swap in 3 minutes.

Power Keep in Swap

During the power swap, the car's screen remains lit to prompt corresponding swapping steps. Meanwhile, vehicle functions like music playing, radio, internet radio and bluetooth calling are available, so as to make users feel at ease and in comfort.

Furthermore, vehicle-battery separation offers diverse swapping choices for users with battery packs of different specifications. In different scenarios such as long trips and on-site queuing, users can freely choose to upgrade to the long-range battery pack or to go with the standard-range one with based on their needs. By the end of the reporting period, NIO had provided over 160 thousand battery upgrade services to users.

During the reporting period, a total of 58,448 users who previously used the standard-range battery packs chose to upgrade when they needed longer-range ones. Orders of such services amounted to 101,222 in total. A total of 14,885 long-range users shared their batteries in NIO's system, helping more users in need to equip larger-capacity batteries by upgrading. The volume of battery-sharing orders reached 23,368 in total.

Safe Battery Swapping System

We continue to optimize the hardware and software of Power Swap Stations and make every effort to ensure battery swapping safety. We have equipped the Power Swap Station 4.0 with 6 LiDARs and a processor with the computing power of 1,016 TOPs. The design helps to identify pedestrians, bicycles, electric bicycles, tricycles, motor vehicles and other obstacles within the area of 50 meters in front of and to the left and right of the station. As a result, NIO guarantees a safe parking environment inside and outside the station.

During the whole swapping process, including the door rolling up, parking, battery swapping, driving away, and the door rolling down, NIO strives to prevent accidents caused by people staying in the station during swapping utilizing video surveillance and human body recognition algorithms. If a

person is recognized in the station, we will alert the back-end staff and stop the ongoing swapping in time to protect personal safety. Safeguarding individual health and safety with high-level standards, NIO's Power Swap Station 3.0 has obtained the EU Machinery Directive 2006/42/EC certification.

Besides, we incorporate climate considerations into the location, design and operations of our Power Swap Stations. We have formulated contingency plans and protection schemes against severe weather conditions in different regions, such as snow, typhoon and high temperature, so as to ensure the safe operations of Power Swap Stations. For more details, please refer to the section 2.1 "Climate Risk Management".

Grid Interaction

As new energy power generation gains an increasingly higher market share, we are confronting challenges in maintaining the supply-demand balance of the power system. As a natural energy storage facility, the Power Swap Station can achieve off-peak charging, which means charging batteries at night and provide swaps during the day, helping with peak shaving. Moreover, Power Swap Stations can interact with the grid at multiple levels in load shifting and peak shaving, so as to mitigate the pressure on the power grid, while promoting new energy power generation and consumption, as well as the formation of a new power system. In doing so, NIO contributes to the stable power supply in the areas where it operates, and the transformation of the energy structure of the society.

Diverse Grid Interactions

○ Demand Response

NIO actively responds to government initiatives to adjust electricity consumption behaviors, helping to ensure the safe and stable operations of the power system. During the reporting period, NIO organized 587 Power Swap Stations and more than 27 thousand Power Home chargers to provide demand response and peak shaving for the grids in 14 provinces and cities across China, with a total capacity of about 300 thousand kW.

○ Grid Frequency Regulation

During the reporting period, NIO cooperated with the Shenzhen Power Supply Bureau of China Southern Power Grid and the State Grid Shanghai Municipal Electric Power Company. We connected 28 Power Swap Stations in Shenzhen and 18 in Shanghai successively to the grids to achieve real-time power control in seconds, providing real-time peak shaving and frequency regulation for the grid. NIO helps to improve the flexibility of the power system and build a new power system, thus contributing to carbon peaking and carbon neutrality.

In addition, our Power Swap Station in Denmark was successfully certified with the frequency regulation qualification by Energinet, a Danish electricity enterprise, which means that we are officially qualified to enter the primary frequency regulation market. By virtue of a comprehensive upgrade of hardware and software, the station is able to monitor real-time changes in grid frequency and make immediate power adjustments accordingly, playing an active role in balancing the power supply and demand in North Europe.

Moreover, we actively apply the Vehicle-to-Grid (V2G) technology and introduce the PV technology to Power Swap Stations to make them cleaner.

Case: NIO's Diverse Explorations and Applications of V2G

The V2G technology enables vehicles to push energy back from their batteries to power grids when the grid load is high, helping to maintain the balance of power supply and demand. During the reporting period, we adopted diverse measures to explore the application of V2G technology in different scenarios, so as to tap into EV's potential for energy storage:

-NIO unveiled the first self-developed 20kW V2G chargers and installed 42 of them in cities including Shanghai, Beijing, and Shenzhen.	-NIO, together with various parties, completed the construction of the world's first V2G photovoltaic self-circulating energy replenishment system consisting of a PV power plant, V2G two-way chargers and BEVs in Qilian Mountain National Park.	-The first 10 V2G charging stations in Shanghai were officially put into operation to explore the application of orderly charging and discharging in parks, office buildings, shopping malls and residential communities. NIO was the only automaker selected for the "Demonstration Projects of Vehicle-to-Grid Public Charging Facilities in Shanghai" during the reporting period.	-NIO worked with the State Grid Zhejiang Yiwu Power Supply Company to conduct a power-grid-demand-storage integration project in an industrial park in Yiwu. The project revolves around PV generation, energy storage, generation equipment, V2G charging system and self-contained power supply. The project was awarded the "2023 Zhejiang New Power System Demonstration Project".

Case: Distributed PV Power Swap Stations

During the reporting period, NIO integrated distributed PV power generation into its Power Swap Stations, either on its own or in cooperation with third parties. By the end of the reporting period, NIO had launched 10 distributed PV Power Swap Stations. The power generated by these stations can be stored or used directly, contributing to the local consumption of clean energy and the development of an energy ecosystem that is green, low-carbon, safe, efficient, open, and shared.

Full-Stack Core Technologies for New Intelligent Driving Experience

As a smart EV company aiming for global operation, NIO has insisted on positive development and in-house research of core technologies since its establishment. Our consistent investment in R&D and team building has laid a solid foundation for NIO's long-term development. We have developed "NIO Full Stack", a collection of 12 tech stacks. Our continued leadership in technology is helping to expand the boundaries of the EV industry's development.

Assisted & Intelligent Driving	Smart Cabin	Smart Power		
Connectivity			Artificial Intelligence	Global Digital Operations
Vehicle Operating System				
Vehicle Engineering				
Chips & Smart Hardware	Battery System	EDS & HV System		
Smart Manufacturing				
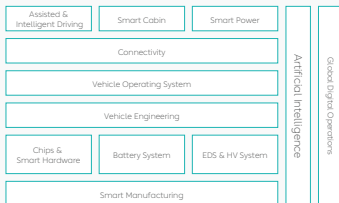
NIO Full Stack incorporates 12 core technologies, including chips and smart hardware, battery system, EDS and HV system, vehicle engineering, vehicle operating system, connectivity, assisted and intelligent driving, smart cabin, smart power, smart manufacturing, artificial intelligence and global digital operations, facilitating NIO's research and development of intelligent, electric and automotive technologies and commitments to products, services and communities under multiple brands, on multiple platforms and in multiple areas.

Chips and Smart Hardware

We have launched our first proprietary SoC for LiDAR, NX6031 (Yang Jian), our first autonomous driving chip, NX9031 (Shenji), and the industry's first cross-domain fusion supercomputing cluster, ADAM Central Computing Cluster, guaranteeing safe driving experience with smart hardware of a high standard.

NX6031

NX6031 (Yang Jian) is the industry's first SoC for LiDAR developed in-house. Capable of processing 8 million point clouds per second and consuming 50% less power, it supports more complex and harsher driving scenarios.

NX9031

NX9031 (Shenji) is the industry's first autonomous driving chip developed in-house and based on the latest 5nm automotive-grade chip technology. A single NX9031 chip has 50 billion transistors, with the performance of four mass-produced intelligent driving chips combined. It has been certified as Automotive Safety Integrity Level-D (ASIL-D, the highest level).

ADAM Central Computing Cluster

ADAM Central Computing Cluster provides the highest computing power and the highest level of fusion for mass-produced vehicles, and serves as the first cross-domain computing power sharing platform in the industry. It can predict driving tracks by integrating multiple sensing information sources and vehicle dynamics, and issue accurate control commands to ensure safe and appropriate response in emergencies. This has enabled the cross-domain sharing of computing power for autonomous driving, cabin, and vehicle control, further enhancing the driving experience.

Powertrain

NIO is devoting continuous efforts to powertrain innovation. The all-domain 900V high-voltage architecture is precisely a fruit in this regard. By the end of the reporting period, we had achieved a highest charging voltage of 925V, a peak charging power of 600kW, and a peak charging current of 765A, making us No. 1 in the world. The 900V high-voltage architecture is equipped with high-performance intelligent EDS, low-loss large cylindrical battery cells and safe and large-capacity 5C battery packs, providing the only 900V supercharging and fast swapping experience in China by the end of the reporting period. Together with the fully liquid-cooled Power Chargers, it prepares the vehicles to travel 255 kilometers after 5 minutes of charging, which is super-efficient.
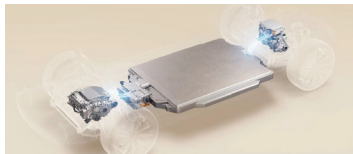
900V High-Voltage Architecture

46105 Large Cylindrical Cell

Vehicle Engineering

In terms of vehicle engineering, NIO's self-developed SkyRide Intelligent Chassis System is the first of its kind to integrate Full Active Suspension, Steer-By-Wire and Rear Wheel Steering systems to deliver a ride as smooth as a stratospheric cruise. The Full Active Suspension on the chassis system uses advanced sensors and electronic control systems to monitor road conditions in real-time and adjust the suspension system in milliseconds. For vehicles equipped with Full Active Suspension, the four wheels can be controlled independently, with information processing, calculation, and response completed in 1 millisecond. The high-performance brushless motor can adjust the torque 1,000 times per second. Real-time vehicle attitude adjustment is achieved by applying the active force to the shock absorber. The system actively adapts the car to ground fluctuation and compensates and filters excessive vibration, thereby maintaining the stability of the car.

SkyRide Intelligent Chassis System

Running on a Potholed Road While Carrying a Champagne Tower

All-Scenario Connectivity

NIO Link, an all-scenario connectivity technology, has achieved cross-domain computing power scheduling and vehicle-terminal-road-cloud collaboration by integrating hardware, data and sensors. This provides a new vehicle-centered mobile connectivity experience with link security and openness. NIO Link goes beyond traditional vehicle connectivity and the simple connection between vehicles and mobile phones. Instead, it enables non-perceptional interaction between vehicles and their surroundings by connecting mobile phones, wearable devices, in-cabin smart devices, Power Swap Stations, chargers, road facilities, etc., providing more possibilities for entertainment, work and rest in the car.
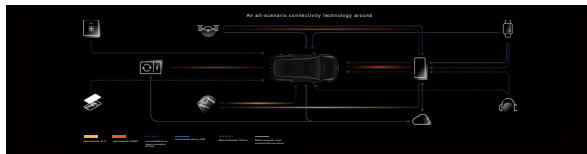
NIO Link All-Scenario Connectivity

SkyRide Full Active Suspension

Comfortable ride that can be compared with stratospheric cruise

The world's first integrated, hydraulic Full Active Suspension with the ability to instantly adjust stiffness, damping and ride height.

• High-speed cornering without tilting.

• Remaining stable on bumpy roads.

SkyRide Steer-By-Wire System

High-level intelligent precise control

Variable steering ratios: 6:1-14:1

• Low steering ratios for parking, making it easier to park, without the need to cross your hands.

• High steering ratios for medium- and high-speed driving, providing stable and smooth steering and ensuring easy and safe driving.

SkyRide Rear Wheel Steering

Flexible cornering and turning back

Maximum rear wheel turning angle: 8.3°

• Minimum turning diameter: 10.9 meters, ensuring an easy U-turn.

• During high-speed driving, the front and rear wheels rotate at the same time, making driving more stable.

Vehicle Operating System

SkyOS is the first vehicle operating system for smart EVs that is independently developed and launched by an automotive company. SkyOS implements a software-defined vehicle architecture with layered decoupling that separates vehicle function development from the vehicle platform lifecycle, providing users with more efficient upgrades and increased software value. At the same time, SkyOS connects the hardware and software of the vehicle, meeting the needs for security, real-time response and application in different domains on smart EVs.

Application	Vehicle Connectivity		Vehicle Control		Assisted and Intelligent Driving		Digital Cabin	
	Vehicle-Cloud Connectivity	Network Management	Body Control	Chassis Control	Perception	Location	Voice Interaction	Multimedia Platform
	V2X	Vehicle-Station Coordination ...	Power Control	Battery Management ...	Planning	Control ...	Map/Navigation	Driver Monitoring ...

SkyOS Middleware: AIGC Engine | AI Framework | Sensor Framework | SOA Framework | APP Framework | Software Upgrade | Data Closed-Loop | Battery Management | Information Security & Functional Security | Diagnostics | Network (Protocol Stack, TSN, ...) | ...

SkyOS Core:
- **SkyOS-L** — Lightweight, high reliability, strong real-time performance
- **SkyOS-M** — Built on microkernel, High security, high reliability, strong real-time performance
- **SkyOS-R** — Developed for rich application scenarios, High performance, real-time deep optimization
- **SkyOS-C** — Customized for Android

SkyOS Virtualization:
- **SkyOS-H** — Multi-scenario optimized, high-performance, highly reliable VM monitor

Drive: Device Driver (Camera, Millimeter-Wave Radar, Lidar, Network, Storage...)

Hardware: Chip (MCU, CPU, GPU, NPU...)

1.0

Efficient Governance

Efficient and sound corporate governance is essential for NIO to realize sustainable development. Therefore, we amplify our efforts to build a robust corporate governance structure, as well as comprehensive risk management and ESG governance mechanisms, to ensure efficient, stable and sustainable development of the Company. Additionally, we continuously strengthen the compliance and business ethics management system, build a culture of integrity, and safeguard information security with standardized management and cutting-edge technologies, aiming to create long-term value for all stakeholders.

1.1

Efficient Corporate Governance

1.1.1
Governance Structure

NIO strictly abides by laws and regulations and listing rules, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *New York Stock Exchange Corporate Governance Rules*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and the *Singapore Exchange Securities Trading Limited Listing Manual*. Besides, we continuously formulate and improve relevant policies to optimize the governance structure and risk management system, thereby achieving scientific and efficient corporate governance.

A sound governance structure and clear division of functions are key to enhancing governance efficiency and scientific decision-making. NIO has established an Audit Committee, Nominating and ESG Committee, and Compensation Committee under the Board of Directors ("Board"). These committees have been set up with well-defined roles and responsibilities to oversee and guide the stable operations of the Company from multiple dimensions.

Board of Directors		
Audit Committee	**Nominating and ESG Committee**	**Compensation Committee**
The Audit Committee assists the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, as well as internal control and legal compliance functions of the Company and its subsidiaries.	The Nominating and ESG Committee identifies and recommends to the Board individuals qualified to serve as directors of the Company and on committees of the Board, and oversees the ESG matters of the Company.	The Compensation Committee oversees the Company's compensation and employee benefit plans and practices, as well as other matters as required by applicable law, the Company's memorandum and articles of association or the Board.

1.1.2

Board Governance Structure and Responsibilities

NIO considers independence as one of the key attributes of the Board composition. During the reporting period, we appointed an independent director with academic background in computer science to strengthen the independence and professionalism of the Board in decision-making. In addition, our Nominating and ESG Committee review annually with the Board the current composition of the Board with regards to characteristics such as independence, knowledge, skills, experience and diversity.

Meanwhile, NIO understands that Board diversity can bring more comprehensive perspectives and insights to the development of a company. Accordingly, the Company factors in candidates' knowledge, experience, skills, and diversity when nominating and selecting candidates for the Board to balance the interests of all parties. Our Board members possess experience in industries such as automobile, internet, real estate, and consulting, as well as professional skills in business management, law, finance, investment management, and computer science, enabling them to contribute diverse perspectives and help the Company gain broader insights to make appropriate strategic decisions.

As of the date of this ESG Report, the NIO Board of Directors had a total of 8 Board members, including 4 independent directors and 1 female director. In addition, we have set a target of achieving 20% female representation on the Board by 2027. To this end, we will continue to screen and identify suitable female director candidates, both inside and outside the Company, to gradually increase the gender diversity of the Board.

1.1.3

Risk Management

NIO carries out forward-looking risk management to safeguard stable operations of the Company. We continuously improve our risk management system, and have established a three lines of defense risk management framework consisting of various business departments, the Internal Control Department and the Internal Audit Department based on the *COSO Enterprise Risk Management Framework*. Through transparent and clear assignment of responsibilities, we endeavor to identify, assess and control potential internal and external risks in a timely and comprehensive manner, thereby improving the Company's risk management capability and business sustainability.

To identify and control potential risks in a timely manner, NIO conducts cross-regional and cross-departmental risk assessments on an annual basis. We focus on risks across four dimensions: strategy, operations, compliance and finance. Additionally, we create the risk heatmap by prioritizing each risk based on its frequency, probability, impact and the Company's ability to control it. The Company keeps improving risk control measures for the major risks identified to ensure operational stability. Meanwhile, we have incorporated ESG issues such as product quality and safety, business ethics into our overall risk identification and management list. In this way, we aim to optimize resource allocation based on risk identification and address the concerns of our stakeholders on ESG issues promptly.

Risk Management Framework With Three Lines of Defense

● 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.

Risk Management Process

Risk Identification → Risk Assessment → Risk Monitoring → Risk Response

Besides, based on our annual risk assessment, we conduct audits of relevant business processes to identify specific issues and propose targeted action plans to strengthen the Company's overall risk management and control. During the reporting period, we conducted 12 major process audit projects and 7 regular audits on global business, covering data security, procurement management, operational efficiency, trade controls and more and we proposed 112 action plans and tracked the implementation of action plans to achieve closed-loop risk management. For key issues identified in previous audits, we conduct follow-up audits within 12-18 months of the completion of the action plans to confirm that such risks have been mitigated and effectively controlled. During the reporting period, the Company conducted 3 follow-up audits, which showed that the Company's relevant processes had been significantly improved after the optimization.
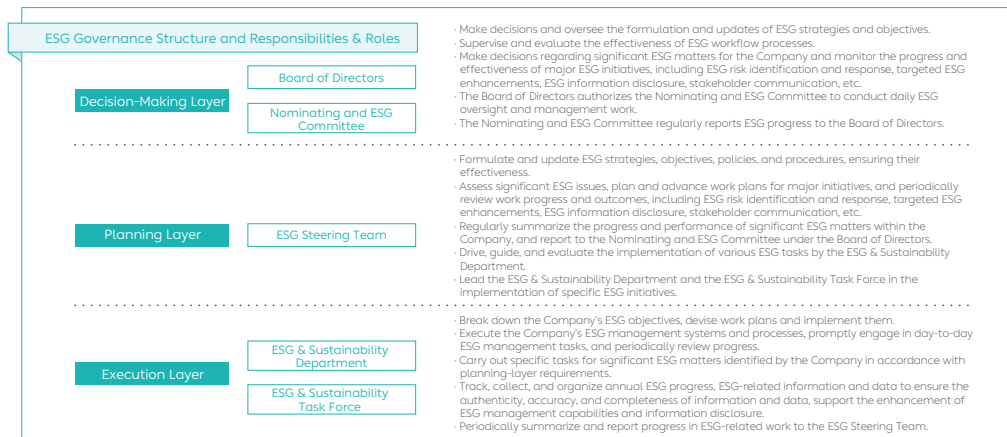
1.2

ESG Governance

NIO was established with the original aspiration of Blue Sky Coming. We strive to establish a comprehensive ESG governance structure. Furthermore, we pay due attention to stakeholders' concerns and expectations regarding NIO to integrate ESG concepts into the Company's operations, and fulfill our obligations as a corporate citizen through practical actions. Meanwhile, we actively respond to the demands of all stakeholders in an open and transparent manner, and work with internal and external stakeholders, including employees, users, partners, and industry peers, to embark on a journey toward a sustainable future.

1.2.1

ESG Governance Structure

NIO has established a top-down ESG governance structure with scientific decision-making, planning, and execution. We have formulated and issued the *Charter of the Nominating and ESG Committee of the Board of Directors of NIO Inc.*, to clarify responsibilities, management processes and other ESG-related matters at all levels, so as to continuously improve the Company's ESG management capabilities and performance. During the reporting period, NIO established the ESG & Sustainability Department, which is responsible for formulating ESG strategy and promoting ESG management. The department operates the ESG & Sustainability Task Force, and is responsible for coordinating the planning and execution of ESG work from top to bottom, collaborating with the ESG contacts in each business to promote the closed loop of ESG issues.

ESG Governance Structure and Responsibilities & Roles

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.
· The Nominating and ESG Committee regularly reports ESG progress to the Board of Directors.

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 performance 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 & Sustainability Department.
· Lead the ESG & Sustainability Department and the ESG & Sustainability Task Force in the implementation of specific ESG initiatives.

Execution Layer

- ESG & Sustainability Department
- ESG & Sustainability Task Force

· Break down the Company's ESG objectives, devise work plans and implement them.
· Execute the Company's ESG management systems and processes, promptly engage in day-to-day ESG management tasks, and periodically review progress.
· Carry out specific tasks for significant ESG matters identified by the Company in accordance with planning-layer requirements.
· Track, collect, and organize annual ESG progress, ESG-related information and data to ensure the authenticity, accuracy, and completeness of information and data, support the enhancement of ESG management capabilities and information disclosure.
· Periodically summarize and report progress in ESG-related work to the ESG Steering Team.

Compensation for Senior Management

We have linked senior management's Vision Action Upgrade (VAU) on ESG issues with relevant ESG performance to further improve the Company's ESG performance. NIO formulated the *Clawback Policy* during the reporting period to regulate the confiscation and/or recovery and repayment of compensation erroneously awarded to the Company's senior management within retroactive period if the Company is required to restate its financial statements. The policy is designed to strengthen the Company's accountability mechanism for the senior management and prevent misconduct by the senior management.

Building an ESG Culture

In order to continuously deepen our employees' understanding of ESG and sustainable development, we have opened multiple channels to communicate ESG concepts and related knowledge to our employees. We have set up an internal subscription account, NIO ESG, to push the latest ESG news in the industry, and the latest progress made by NIO in ESG to all employees. Meanwhile, the Company organized ESG report training for all employees during the reporting period to help them understand the basic concepts of ESG and the core role of ESG report. In addition, NIO organized activities to address specific ESG issues such as climate change, diversity, equality and inclusiveness, and information security and privacy protection, such as the Earth Day Low Carbon Activity, Women's Day Celebration Activity, and Personal Information Protection Training Session during the reporting period, in order to promote the sustainable development of NIO together with its employees.

1.2.2
Stakeholder
Engagement

The stakeholders' expectations of NIO help us improve our operational performance. We have always been actively responding to the concerns of various stakeholders with practical measures, and have established a mechanism for communication through multiple channels and forms to foster closer relationships with various stakeholders. We value the opinions of all stakeholders and maintain sustained communication with them to improve our ESG strategic planning, goal setting and management capabilities, achieving synergy between the Company's development and the expectations of stakeholders.
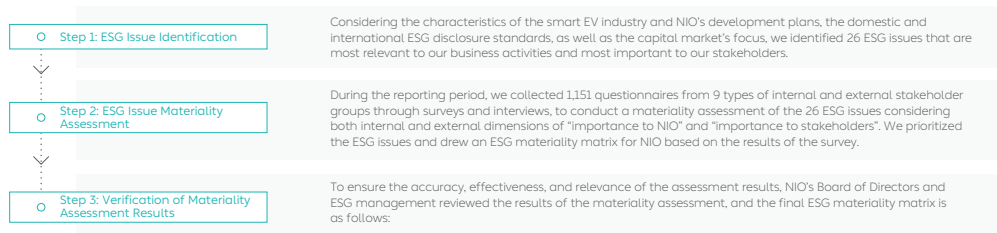
Stakeholders	Topics of Concern			Communication and Feedback Channels	
Shareholders and investors	· Strategic planning · Technological innovation and R&D	· Emergency and crisis management · Product quality and safety	· Regulatory compliance · Business ethics · Corporate governance	· Regular reports and 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 the NIO app, tailor-made service application on the car, NOMI, NIO Fellows, and NIO service hotline, etc.) · Official website and social media news	· Offline exhibitions and sales events · NIO user events · User satisfaction surveys

028

Stakeholders	Topics of Concern		Communication and Feedback Channels	
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 (NIOhome, 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
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 communication	
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	
Colleges and universities	· Scientific research and technological innovation · Talent attraction and retention	· Sustainable products and technologies · Sustainable charging and battery swapping service · Battery lifecycle management	· Joint talent development · 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	

1.2.3 Materiality Assessment

In the first half of 2023, we conducted a materiality assessment. By sending out questionnaires and collecting feedback, we actively engage in understanding our stakeholders, including shareholders, investors, employees, users, etc. With the insights gained, we identified ESG issues that are material to both NIO and all stakeholders. In 2024, we reviewed the material ESG issues matrix and confirmed that no major adjustments were required.

Our materiality assessment mainly includes the following steps:

O 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.

O Step 2: ESG Issue Materiality Assessment

During the reporting period, we collected 1,151 questionnaires from 9 types of internal and external stakeholder groups through surveys and interviews, to conduct a materiality assessment of the 26 ESG issues considering both internal and external dimensions of "importance to NIO" and "importance to stakeholders". We prioritized the ESG issues and drew an ESG materiality matrix for NIO based on the results of the survey.

O 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 reviewed the results of the materiality assessment, and the final ESG materiality matrix is as follows:

Importance to stakeholders / Importance to NIO

Extremely important | very important | Important

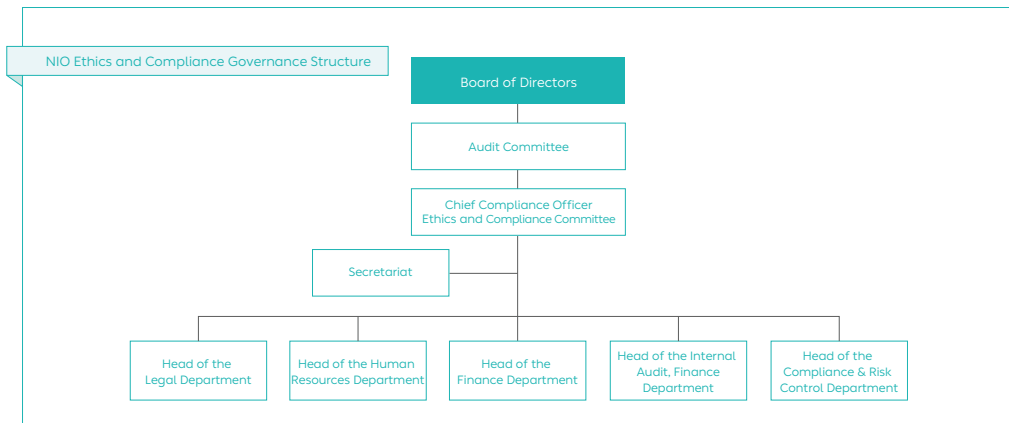| Materiality	Number	Category	Issues	Corresponding Chapter
Extremely Important	1	Environmental	Battery lifecycle management	2 A Blue Sky 3 Superior Products
	2	Social	Product quality and safety	3 Superior Products
	3	Social	User services beyond expectations	4 Sustainable Value Chain
	4	Social	Employee compensation and benefits	5 Employee Care
	5	Social	Technological innovation and R&D	Full-Stack Core Technologies for New Intelligent Driving Experience 3 Superior Products 4 Sustainable Value Chain
	6	Social	Occupational health and safety	5 Employee Care
	7	Environmental	Emergency and crisis management	2 A Blue Sky 3 Superior Products 5 Employee Care
	8	Environmental	Sustainable charging and battery swapping	Worry-Free Trips With NIO Power 3 Superior Products
	9	Environmental	Sustainable products and technologies	2 A Blue Sky 3 Superior Products
	10	Social	Sustainable supply chain	4 Sustainable Value Chain
	11	Governance	Business ethics	1 Efficient Governance
	12	Governance	Strategic planning	1 Efficient Governance
	13	Governance	Regulatory compliance	1 Efficient Governance
	14	Governance	Corporate governance	1 Efficient Governance
	15	Social	Diversity, equity and inclusiveness	5 Employee Care

Materiality	Number	Category	Issues	Corresponding Chapter
Very important	16	Environmental	Power management	2 A Blue Sky
	17	Social	Information security and privacy protection	1 Efficient Governance
	18	Governance	Corporate culture and values	Hello, We Are NIO 1 Efficient Governance
	19	Social	Talent training and development	5 Employee Care
	20	Environmental	Waste management	2 A Blue Sky
	21	Environmental	Emission control management	2 A Blue Sky
	22	Environmental	Climate change mitigation	2 A Blue Sky
	23	Social	Community engagement and public welfare	4 Sustainable Value Chain 6 Charitable Actions
	24	Social	Talent attraction and retention	5 Employee Care
Important	25	Environmental	Water resource management	2 A Blue Sky
	26	Environmental	Biodiversity conservation	2 A Blue Sky

1.3

Compliance Management and Business Ethics

We believe that business development must be based on compliance, integrity and adherence to high standards of business ethics. As a global smart electric vehicle company, NIO has gradually built a clear and effective compliance and business ethics management system, which meets the laws, regulations and business ethics requirements of all the places around the world where we operate through a top-down organizational structure and continuous improvement of internal policies and management measures.

NIO's Board of Directors and its Audit Committee oversee and review matters related to compliance and business ethics. A Chief Compliance Officer and an Ethics and Compliance Committee are set to jointly review and manage the Company's compliance and business ethics work. Chaired by the Chief Compliance Officer, the Ethics and Compliance Committee consists of the heads of Legal, Human Resource, Finance, and Compliance and Risk Control Departments. The committee is responsible for regularly reviewing compliance risks and the effectiveness of control measures, and holds quarterly meetings to review and make decisions on issues related to the Company's business ethics and compliance. In this way, it ensures that the Company's operations comply with various laws and regulations and business ethics.

NIO Ethics and Compliance Governance Structure

```
                        Board of Directors
                              |
                        Audit Committee
                              |
                   Chief Compliance Officer
                 Ethics and Compliance Committee
                              |
         Secretariat ─────────┤
                              |
  ┌──────────┬──────────┬─────┴─────┬──────────┬──────────┐
Head of   Head of    Head of    Head of     Head of
the Legal the Human   the        the Internal the
Department Resources  Finance    Audit,       Compliance &
          Department  Department  Finance      Risk
                                  Department   Control
                                               Department
```

1.3.1

Strengthening Compliance Management

NIO strictly abides by the laws and regulations of the places where it operates, such as the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Foreign Corrupt Practices Act*. During the reporting period, NIO amended the *Global Code of Business Conduct and Ethics* to strengthen the internal code of conduct requirements in terms of anti-monopoly, anti-unfair competition, and anti-money laundering. We do not tolerate any money laundering activities, and we undertake not to reduce or eliminate normal market competition by any unfair competitive behavior. We actively maintain the order of voluntary, equal, fair and honest market competition. Meanwhile, we have integrated our compliance policies and other compliance requirements into our operational processes and relevant digital systems. This facilitates continuous monitoring of compliance risks, and timely identification and handling of compliance issues, to ensure that the Company's operations are compliant. During the reporting period, NIO was not involved in any litigations for anti-competitive behavior, violation of antitrust and anti-monopoly laws.

Trade Compliance

As a global partner of intelligent connected vehicle products and services, NIO faithfully fulfills its responsibilities and obligations under the trade regulations of the countries and regions in which it operates and actively supports the implementation of relevant laws and regulations on import and export control and sanctions. During the reporting period, we formulated the *Global Trade Compliance Policy* to ensure that the import, export and transfer of the Company's products, services and technologies comply with trade compliance laws and regulations. Based on the principle of comprehensive control, we established a trade compliance audit system covering all business operations. By identifying the customs compliance requirements and relevant laws and regulations binding on the import and export process, we ensured that all goods and services comply with the laws and regulations of the importing and exporting countries. In addition, we conduct risk assessments on counterparties through the system and carry out due diligence at different levels based on the assessment results.

During the reporting period, we carried out due diligence projects focusing on trade compliance, involving more than 20 departments of the Company, including Procurement, R&D, Sales, Logistics and Finance. Except for that, we conducted analysis from the dimensions of partnership, business nature and law enforcement rigorousness as well as penalties to comprehensively assess the inherent risks of export control risks and economic sanctions faced by NIO, and to promote the continuous improvement of the trade compliance management system. The results of the due diligence show that the Company's inherent export control risks and risks of economic sanctions at the current stage are low.

1.3.2
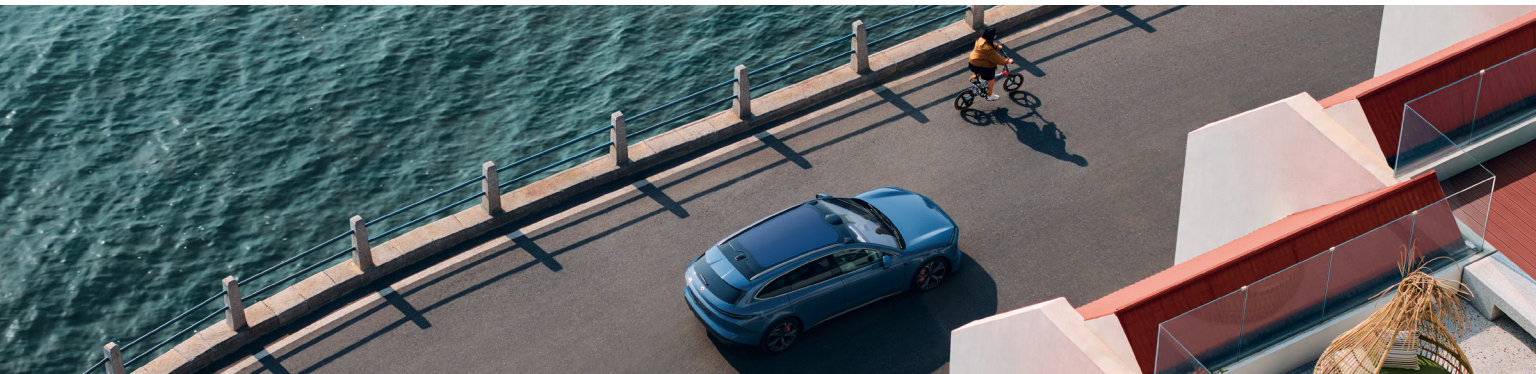
Adhering to Business Ethics

NIO continues its efforts to improve the business ethics management system, and has formulated and followed the *Global Code of Business Conduct and Ethics*, the *Global Anti-Corruption Policy* and supporting guidelines, hoping to work together with the Company's directors, managers, employees and partners to implement high standards of business conduct. We are committed to conducting business legally, ethically and honestly, and strive to ensure that each of us understands and adheres to ethics in every aspect of our daily work. Besides, we ensure that anti-corruption laws are widely understood and fully complied with wherever the Company operates. By developing the *NIO Partner Code of Conduct* and requiring our partners to sign it, we communicate our business ethics requirements to partners, and clarify specific codes of conduct, aiming to build a responsible value chain with partners. We have incorporated parts of the *Global Code of Business Conduct and Ethics*, the *Global Anti-Corruption Policy* into the *NIO Employee Handbook* and required employees to be aware of them and sign them.

To ensure that the actions taken by the Company are independent and in line with the interests of the Company, NIO developed the *Global Policy on Conflicts of Interest* during the reporting period, requiring our directors, managers, and employees to accurately identify and report to the Company potential conflicts of interest in their personal and competitive relationships, and avoid participating in decision-making

activities that may be affected by conflicts of interest. If NIO's directors, managers, or employees violate the policy on conflicts of interest, the Company will take measures such as warnings, or suspending or terminating the employment relationship at its discretion.

In addition, NIO conducts internal audits on business ethics and other matters. In the past three years, such internal audits covered all NIO's business to make sure that the Company's business activities fully complied with the code of ethics and laws and regulations, protecting the Company's reputation and credibility while promoting the sustainable development.

During the reporting period, one lawsuit of commercial bribe against an NIO employee was filed and concluded, with one person criminally punished. In response to this case, NIO has carried out recaps and drawn the lessons with targeted measures to avoid such incident in the future.

033

1.3.3

Ethics and Compliance Reporting and Whistleblower Protection

We maintain an open attitude to ensure that NIO's business practices are under effective supervision. During the reporting period, we revised our *Ethics and Compliance Whistleblower Policy and Procedures*, expanding the scope of application to employees, partners and shareholders, clarifying the process of handling whistleblowing, and enhancing confidentiality and anti-retaliation requirements. The Company has provided multiple reporting channels to employees, users, partners and other stakeholders at all premises around the world. In addition, our employees and partners can report violations of laws, regulations and business ethics directly to the line manager, higher management, Head of Department, the Human Resources Department, Legal Department or the compliance function.

Reporting Channels

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

Email:
compliance@NIO.com

Ethics Helpline (24/7):
- China (GIS): 400-999-4530; or 400-661-2080 (NIO's dedicated line)
- United States: 855-229-9304; or 844-668-0635 (NIO's dedicated line)
- United Kingdom (ITFS): 0808-234-7287; or 0808-234-6075 (NIO's dedicated line)
- Germany (ITFS): 0800-180-0042; or Step 1: dial 0800-225-5288, Step 2: dial 844-668-0635 (NIO's dedicated line)

After receiving a report, the Company will assess the nature, seriousness and authenticity of the incident immediately, and deal with the report in a fair and objective way. If a violation is confirmed through the investigation, we will act promptly to stop the violation and take corrective measures against the violator, such as imposing disciplinary punishment or terminating the employment or partnership. If necessary, the Company will consider filing a lawsuit or turning over the findings to the relevant law enforcement or regulatory authorities. In addition, to avoid repeating similar violations, we actively draw in the lessons from relevant incidents and optimize relevant workflow based on the investigation results.

To protect whistleblowers and keep the investigations impartial, any information of the whistleblower, witnesses, and the process of the investigation is kept confidential unless otherwise required by specific laws, and any attempt to identify anonymous informants is forbidden. Furthermore, NIO does not tolerate any retaliation against whistleblowers or those assisting in the investigations. If any retaliation is identified, the Company will impose disciplinary punishment or terminate the employment or partnership, as appropriate, to effectively protect the interests of whistleblowers in a serious manner.

1.3.4

Compliance and Business Ethics Training

Together with our employees and partners, NIO strives to build a clean and ethical business environment by carrying out offline and online training and publicity on compliance and business ethics. Our offline training includes landing training on compliance for all new employees to accelerate their understanding of NIO's code of business ethics and requirements. We also go into key departments and regional companies to conduct special training on the potential risks in the actual business processes. For our supply chain partners, we regularly provide training on NIO's compliance policies to facilitate smooth cooperation. Additionally, we conduct online compliance training for all employees every year. During the reporting period, the online push notification on business ethics and compliance training for employees (including interns) achieved a coverage of 100%, with a 100% training completion rate for interns and 99.3% for full-time employees. The Company will limit promotions for employees who do not complete compliance training on schedule. During the reporting period, we also carried out anti-corruption and anti-bribery training for the Board of Directors, to strengthen the awareness of integrity of the Board of Directors and reduce the risk of corruption.

Offline Compliance Training at a Regional Company

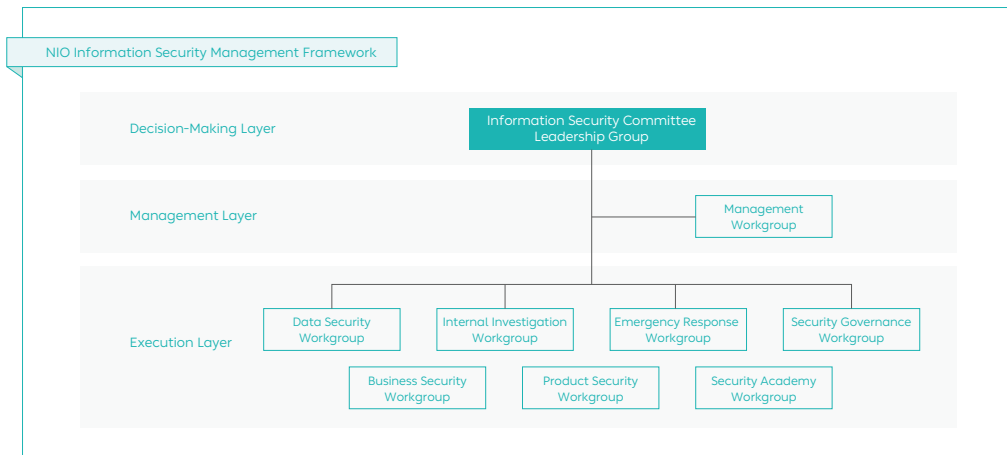Online Compliance Training for All Employees

In addition, to further improve the coverage, penetration and effectiveness of compliance publicity and training on the business side, NIO trains and hires "compliance ambassadors" from regional companies and factories. They will undertake regional compliance training, compliance case notification, policy dissemination and regional compliance consultation, to promote the compliance and business ethics requirements of the Company. During the reporting period, we trained and recruited 50 regional compliance ambassadors, who delivered 146 offline training sessions for new employees.

1.4

Information Protection and Privacy

NIO focuses on ensuring the compliance of information systems from a global perspective, and strictly complies with local laws and regulations such as 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* (for Trial Implementation), as well as the European Union's *General Data Protection Regulation* (GDPR), in order to continuously optimize the management system and safeguard the information and privacy security of the Company, employees, users and partners.

We have set up an information security management framework composed of the Information Security Committee Leadership Group, the Digital Safety & Cybersecurity Department and related business departments, and the Security Workgroup, which are respectively responsible for decision-making, management and execution. The Information Security Committee regularly organizes routine data security working meetings with representatives of digital security, legal affairs and relevant business departments to discuss and make decisions on important information security matters, and supervise and promote the implementation of relevant work. During the reporting period, the Information Security Committee held more than 40 meetings to assess and make decisions on risk scenarios involving major risks, promote security risk governance projects and review systemic security programs. In addition, during the reporting period, NIO set up a Digital Safety & Cybersecurity Department to coordinate the management and implementation of the Company's global information security and product cybersecurity.

NIO Information Security Management Framework

Decision-Making Layer	Information Security Committee Leadership Group
Management Layer	Management Workgroup
Execution Layer	Data Security Workgroup / Internal Investigation Workgroup / Emergency Response Workgroup / Security Governance Workgroup / Business Security Workgroup / Product Security Workgroup / Security Academy Workgroup

NIO has formulated the *NIO Information Security Strategy* to define the Company's information security management objectives and requirements for information security strategy, organization, and other aspects, and to guide the development of information security management. Meanwhile, we have formulated a series of information security rules and regulations covering more than 10 areas, including data security, information security incidents and privacy compliance management, to comprehensively standardize information security work in related areas.

NIO Information Security Objectives

- Guarantee the normal and secure operation of the Company's business

- Protect the confidentiality, integrity, availability and other elements of the Company's information assets

- Enhance the information security awareness of all members of the Company

- Establish a sound information security incident handling system

- Ensure information system compliance from a global perspective

Under the guidance of the information security objectives, we have established an information and privacy security management system in accordance with the requirements of ISO/IEC 27001 Information Security Management System and ISO/IEC 27701 Privacy Information Management System, and have obtained the relevant certifications. Moreover, we have also obtained national certification for data security and personal information protection management capabilities to continuously test and improve information and privacy protection capabilities. During the reporting period, with strict compliance with and implementation of GDPR, we also obtained the ePrivacy Seal EU, the authoritative European privacy certification, to improve the protection of user privacy.
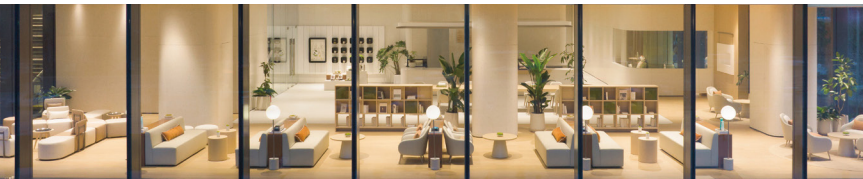
	Issuing Authority	Certification
Relevant certification	International Organization for Standardization (ISO)	ISO/IEC 27001 Information Security Management System
	ISO	ISO/IEC 27701 Privacy Information Management System
	United Nations Economic Commission for Europe (UNECE)	Cyber Security Management System (CSMS)
	China Academy of Information and Communications Technology	Certificate for Data Security Management Capability (DSMC)
	China Cybersecurity Industry Alliance (CCIA)	Personal Information Protection Impact Assessment (PIA) 2023 One-Star Certification
	China Cybersecurity Review Technology and Certification Center (CCRC)	Mobile Internet Application (App) Security Certification (NIO App)
	Ministry of Public Security of the People's Republic of China	China's Classified Protection of Information System Security Certification
	European Data Protection Board (EDPB)	European ePrivacy

Meanwhile, to make information security management more standardized and efficient, we have deployed information security management platforms like the Privileged Access Management (PAM) Platform, Security Information and Event Management (SIEM) Platform, Application Programming Interface (API) Platform, Endpoint Detection and Response (EDR) System and Oceanus Security Risk Detection and Closed-Loop Remediation Platform to manage privileged accounts and security logs, perform abnormal behavior monitoring and warnings, automatically scan and remediate security vulnerabilities, etc., fully integrating information security into every aspect of the relevant business processes.

European ePrivacy

Information Security Management for Partners

NIO's partners are also included in the scope of its information security management. The Company has established the *Digital Safety & Security Capability Assessment Criteria for NIO Partner*. Based on the criteria, the information security capabilities of NIO's partners are assessed and periodically reassessed to ensure that NIO's admitted partners have sufficient management capabilities in this regard. During the reporting period, we updated this policy by optimizing the cooperation mechanisms for modules such as information security, functional safety and vehicle cybersecurity. Our partners are required to fully comply with the standards for each module. During the reporting period, 100% of our partners involved in digital security were subject to our security audit. In addition, partners involved in data processing are required to sign a *Data Processing Agreement*, making a commitment to the lawful use of data.

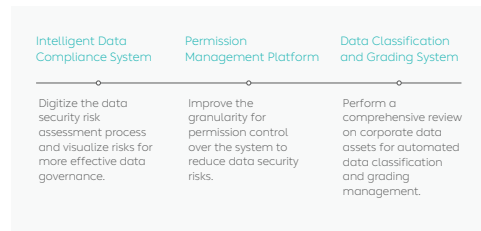## 1.4.1

Safeguarding Data Security

In the information age, digital assets are one of a company's core competitive advantages. NIO continuously improves the integrated digital security capabilities of its products and the Company itself, and protects its digital assets from theft, tampering, or destruction through continuous improvement on its policies and management systems. During the reporting period, we formulated and implemented new internal regulations such as the *Information Security and Confidentiality Management Requirements (Trial)* and the *Security Specification for Data System Products* to clarify the responsibilities of each department for confidentiality and management of corporate data security and highly sensitive information. In addition, we have established sound processes and standards for handling and punishing information security violations, and further increased the requirements for data system security capabilities. Meanwhile, we have further improved the *NIO Data Classification and Grading Strategy*. Focusing on the legitimate rights and interests of the Company and individual users, we have clearly defined three types of data (personal information, business data, and operational data) and four security levels (highly confidential, confidential, internal, and public) based on data value, sensitivity, data risks, and legal and regulatory requirements. We have also set out classification and grading control requirements to strictly manage data permissions.

In addition, we continue to standardize the management for corporate and vehicle-related data and use advanced technology tools and platforms to continuously improve the prevention and control of data security risks. During the reporting period, the Company introduced an intelligent data compliance system, a permission management platform, and a data classification and grading system, enabling systematic, online and automated management of corporate and in-vehicle data.

In addition, we have established a Data Leakage Prevention (DLP) system to audit outgoing data from the Company's terminals. This system monitors and detects suspected information leakage incidents, thus ensuring comprehensive data security. To monitor and improve data security continuously, we conducted database audits and special governance during the reporting period. During the database audits, real-time database access traffic was collected for analysis and monitoring of abnormal operations and query behaviors, providing early warning of abnormal access and operations. Furthermore, to strengthen security control over data transmission links, we have established the *Data Link Security Management Specification for Big Data System* and conducted risk assessments and special management for various systems that transfer important data in business operations.

Intelligent Data Compliance System	Permission Management Platform	Data Classification and Grading System
Digitize the data security risk assessment process and visualize risks for more effective data governance.	Improve the granularity for permission control over the system to reduce data security risks.	Perform a comprehensive review on corporate data assets for automated data classification and grading management.

1.4.2

Safeguarding Cybersecurity

Robust cybersecurity protection capabilities safeguard the Company from external cybersecurity threats. During the reporting period, based on a systematic review on the Company's cybersecurity policies and standards, NIO established a four-level mechanism for information security documentation to enable more efficient and effective policy implementation and management in this regard.
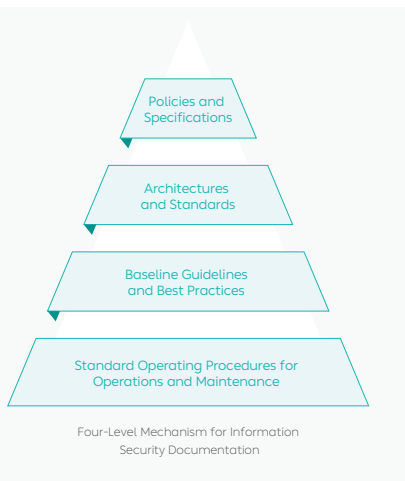
Meanwhile, NIO continued to optimize the systematic efficiency of enterprise cybersecurity during the reporting period, including upgrading the in-depth protection strategy of the security technology stack such as firewall, Web Application Firewall (WAF), Distributed Denial of Service (DDoS) attack protection, etc., improving NIO's ability to respond to new types of cyber threats, and expanding the coverage of products which monitor the traffic of cyber threats. By doing so, NIO achieved comprehensive coverage of abnormal traffic monitoring for the Company's data center network, office network, and factory network.

To quickly identify and respond to cybersecurity incidents, we have established standard operating procedures (SOPs) for information security response across all scenarios. This enables us to dynamically monitor cybersecurity vulnerabilities in real time and comprehensively manage cybersecurity risks around the clock. During the reporting period, we continued to strengthen our cybersecurity automation capabilities, enabling automated handling and blocking of security incidents and threat intelligence. We also established an emergency response management platform to improve our security incident response capabilities.

Policies and Specifications

Architectures and Standards

Baseline Guidelines and Best Practices

Standard Operating Procedures for Operations and Maintenance

Four-Level Mechanism for Information Security Documentation

Cybersecurity Management Automation

Automated Handling of Security Incidents	Automated Blocking Based on Threat Intelligence	Cybersecurity Incident Response Service (CIS) Management Platform
Automatically create security incident tickets, notify business owners, and calculate remediation completion rates.	Collaborate with third-party threat intelligence systems and firewalls to automatically block abnormal IPs (Internet Protocols) involved in malicious attacks against the firewall.	Automatically locate abnormal IPs and domain names, enabling one-click access to security logs, web application firewall (WAF) blocking, and Internet disconnection for rapid handling of security incidents.

In addition, we actively participate in cybersecurity drills to improve our practical ability to safeguard cybersecurity. During the reporting period, we participated in five cybersecurity drills in the industry and received external awards and recognition for our excellent performance, including Outstanding Elite Blue Team award, Exceptional Emergency Response award and the first place among Internet of Vehicles (IoV) enterprises in cybersecurity.
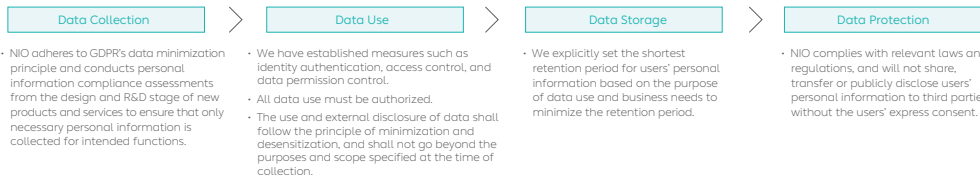
1.4.3

Protecting Personal Information

We have established the *NIO Personal Information Protection Management Policy* and set forth the basic principles for protecting NIO's personal information. The aim is to comprehensively regulate the collection, transmission, use, external disclosure, storage, deletion, and other processes regarding personal information involving all relevant parties, including employees, users, and partners, thus safeguarding personal information throughout the life cycle.

Basic Principles of Personal Information Protection

Consistency of Rights and Responsibilities › Clear Purposes › Informed Consent › Data Minimization › Transparency and Openness › Security Assurance › Participation by Major Stakeholders

NIO classifies employees' personal information as highly confidential data and strictly protects their identity, health, and financial information. With respect to users' personal information, NIO adheres to the principles of legality, legitimacy, and necessity, and collects, stores, and processes personal information only to the extent permitted by law. The *NIO Privacy Policy*, the privacy provisions in NIO's *Vehicle Purchase Agreement*, and relevant policies involved in the NIO App provide comprehensive explanations on the data collection, use, storage and protection, covering 17 scenarios such as account registration and login, purchasing consultation and test drives, order placement, battery rental, vehicle usage, and remote vehicle management. Through these policies, we strive to protect user privacy across all platforms and throughout the process.

In addition, we have established an emergency response plan for personal information leakage and an emergency response structure consisting of an incident decision-making group, an incident coordination group, and an incident handling group. In the event of such an incident, the Company will confirm the extent of the impact, rate the incident, and take necessary containment and eradication actions. At the same time, the company will report the case to the local regulatory authorities in accordance with relevant laws and regulations. In the event of potential harm to the users' legitimate rights and interests, we will promptly inform them of the incident handling progress and provide measures to mitigate the harm. During the reporting period, NIO did not experience any leakage of private information nor loss of users' private information.

Data Collection	Data Use	Data Storage	Data Protection
• NIO adheres to GDPR's data minimization principle and conducts personal information compliance assessments from the design and R&D stage of new products and services to ensure that only necessary personal information is collected for intended functions.	• We have established measures such as identity authentication, access control, and data permission control. • All data use must be authorized. • The use and external disclosure of data shall follow the principle of minimization and desensitization, and shall not go beyond the purposes and scope specified at the time of collection.	• We explicitly set the shortest retention period for users' personal information based on the purpose of data use and business needs to minimize the retention period.	• NIO complies with relevant laws and regulations, and will not share, transfer or publicly disclose users' personal information to third parties without the users' express consent.

1.4.4

Reinforcing Information Security Culture

NIO has established a long-term training system for information and data security awareness to enhance the awareness and capabilities of all employees in this regard. There is one online information and data security awareness training session annually for all employees, focusing on the introduction of relevant information and data security concepts and the codes of conduct that individuals shall follow. These training sessions help all employees gain a deeper understanding of these concepts, thus ensuring their voluntary compliance with the codes of conduct and the accurate identification and prompt reporting of information security risks. Furthermore, the Company conducts simulated phishing email exercise and training on phishing mail detection and prevention at least quarterly. To fully address blind spots in employees' information security knowledge, we will provide targeted training and assessments for employees who fail the annual information security awareness assessment or simulated phishing email exercise to raise their awareness. In addition, we have created an internal account called "Organization Security Assistant" to remind employees to comply with information security regulations and to announce information security incidents through irregular push notifications.

Information and Data Security Awareness Training System

	Onboarding		On-the-Job	
Phase	Onboarding		On-the-Job	
Coverage	All employees	Senior employees	All employees	Targeted employees
Content	Security awareness training and assessment	Security awareness training and assessment; Customized security awareness training	Annual security awareness training and assessment; Quarterly simulated phishing email exercise	Irregular special training on data security or Privacy protection; Security awareness enhancement training
Form	Online courses on the internal training platform; Publicity via internal 858 broadcasting; Special offline training; Thematic poster		Monthly news pieces; Interdepartmental "Security Month" activities; National Cybersecurity Awareness Week; Special publicity through cybersecurity attack and defense simulated exercises	

During the reporting period, we achieved 100% coverage of the information and data security training for our employees, including full-time employees, interns, part-time employees, and external service providers.

In addition to continuously improving the information security awareness of our employees, NIO also attaches importance to the security awareness training of our partners. Partners who have registered NIO system accounts or enter NIO office premises are required to complete information security awareness training and pass the relevant tests. The training focuses on information security concepts, terminal and data security, personal information protection, partner security management, physical security control, information security incident reporting obligations, and other information security requirements. This ensures that all employees with access to the NIO's internal information have the necessary information security knowledge, which minimizes the accidental disclosure of confidential information. NIO did not experience any privacy breaches during the reporting period.

2.0
A Blue Sky

Since day one, NIO has been adhering to the original aspiration of "Blue Sky Coming". With a huge focus on sustainable development, NIO takes earnest measures to tackle the global challenge of climate change. We have already joined the Science Based Targets initiative (SBTi) and will submit the decarbonization targets and roadmaps to contribute to the 1.5°C global warming threshold in accordance with the SBTi standards in 2025. Based on the concept of "circular economy", we firmly implement carbon footprint management throughout product life cycles, and strive to develop green and low-carbon smart electric vehicles in the processes of design, manufacturing, logistics, delivery, and experience.

Into the Chapter With NOMI

Hi, I'm NOMI, an in-car artificial intelligence and voice companion. From a greeting of "Hi NOMI", I accompany users on their journeys every day. Though I'm not big in size, I was brought to life as early as in 2017, when NIO's first model went into mass production, and have been witnessing NIO's sustainable journey towards a blue sky ever since.

Combating Climate Change

We have joined the SBTi and announced to submit decarbonization targets and roadmaps in line with the goal of limiting global warming to 1.5°C by 2025. By conducting carbon footprint assessment, carbon footprint certification for products, and implementing Internal Carbon Pricing mechanism, NIO continuously clarifies its carbon emission baseline and improves its carbon management capabilities, striving to contribute to the mitigation of global climate change.

Practicing Green Manufacturing

Lean, efficient, green and low-carbon production is the key for NIO to create green and sustainable products for users. As of the end of March 2024, NIO had obtained ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System Certification. The NIO Factory Two (F2) and NIO EDS Factory 1 (E1) have also successfully obtained the LEED Gold Certification and are certified as Three-Star Chinese Green Buildings.

In order to reduce greenhouse gas emissions from our production, we are actively promoting various kinds of energy-saving renovation programs and introducing renewable energy sources, so as to continuously optimize our energy performance. During the reporting period, we consumed 55,459.53 MWh of renewable energy, with a significant year-on-year increase of nearly 300%. At the same time, by adopting measures such as "Sponge Factory" and production water recycling, we strive to achieve efficient utilization of water resources and continue to reduce the amount of new water withdrawal.

Driving the Circular Economy

We are proactively constructing a "Car to Car" resource reuse model, which incorporates the entire lifecycle processes such as design, manufacturing, and scrapping. At the same time, we strive to raise the recyclability and recoverability of our vehicle models. During the reporting period, through NIO Circular Car Lab project, we realized small-scale closed-loop operation for a batch of 200 vehicles. The recycled aluminum, wheel hubs, magnetic steels and copper materials were all made into new products, contributing to the circular model. The project was listed in the "Top 10 Low-Carbon Application Scenarios in Anhui Province" in 2023.

Our concept of the circular car not only covers vehicle products, but also includes components such as batteries. Based on platforms such as Battery Safety Evaluation Index (BSEI) and battery passport, we strive to achieve the cascaded utilization of retired batteries, and proactively explore the technologies of non-destructive dismantling of batteries as well as the direct repair and recycling of cell materials. For the remaining interior materials, we have the BLUE SKY LAB project to transform them into products such as clothing, bags and furniture, further promoting the recycling of resources.

Building a Clean Homeland Together

Through Clean Parks, a global ecological cooperation program initiated by NIO, NIO hopes to leverage its strengths in the use of clean energy and work with all stakeholders to support the use of smart electric vehicles and the construction of clean energy infrastructure in nature reserves around the world, so as to maintain the original look and integrity of the ecosystem. By the end of the reporting period, we had signed agreements with five environmental organizations, including WWF and UNDP, to jointly protect 17 nature reserves and contribute our efforts to ecological cooperation programs at home and abroad.

Meanwhile, Clean Parks aims to lead users and the public to participate in the protection of natural environment. It has built a "National Park Scientific Volunteer Platform" through its "Clean Parks Citizen Scientist Program", while disseminating knowledge about rare wildlife and environmental protection through popular science articles, illustrations and popular field trips. By combining environmental protection actions with the NIO Community, Clean Parks program continues to expand its positive impact on the environment.

2.1

Climate Risk Management

NIO deeply understands that climate change is a driver for the development of the new energy vehicle industry and has made climate change a key component of NIO's ESG management. We support the goals of the Task Force on Climate-Related Financial Disclosure (TCFD) to enhance climate risk transparency and are building our climate change management system around governance, strategy, risk management, and metrics and targets based on the TCFD's recommendations and guidance to lead the industry and society in sustainable development.

NIO Participated in COP28, Presenting Innovative Achievements in Sustainable Development to the World

From December 5 to 6, 2023, as a member of United Nations Global Compact (UNGC), NIO participated in the 28th Conference of the Parties to the *United Nations Framework Convention on Climate Change* (COP28). At the Conference, Dr. Shen Feng, NIO's Executive Vice President, Chairman of the Quality Committee and head of ESG affairs, shared NIO's innovations and achievements in promoting the green transformation of transportation and energy industries, as well as the harmonious coexistence of human and nature. We proactively share experiences and insights on sustainable development with various parties, contributing to the energy transformation and sustainable development of the whole society.

Dr. Shen Feng at COP28

SBTi

On March 25, 2023, NIO announced its commitment to join the SBTi and the submission of decarbonization targets and roadmaps in line with the goal of limiting global warming to 1.5°C by 2025, practicing the original aspiration of "Blue Sky Coming" with actual deeds.

In October 2023, SBTi launched a public consultation on its draft interim 1.5°C pathway for automakers to set a scientific carbon target, and NIO responded actively.

Currently, we are continuously collaborating with internal and external experts to examine the feasibility of setting carbon reduction targets in accordance with the updated SBTi interim, and to explore pathways that are in line with the 1.5°C Paris Agreement goal.

2.1.1

Governance

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. For more information regarding the structure, responsibilities, and management process of NIO's ESG governance, please refer to "1.2 ESG Governance" of this Report.

2.1.2
Strategy

In response to the challenges of global climate change and thus changes in fields such as policies, markets and technologies, and based on the characteristics of the new energy vehicle industry and NIO's own corporate features, we have incorporated climate-related risks and opportunities into our risk management system. We proactively identify climate-related risks and opportunities that we are to face, and assess their potential financial impacts. We will continue to monitor the identified risks and opportunities, and develop and take responsive measures accordingly and gradually.

Transition Risks			
Risk Category	Risk Description	Potential Financial Impact	Countermeasures
Policy and legal risks	As the new energy vehicle industry gains momentum, the subsidies for the purchase of new energy vehicles provided by central and local governments of China have generally declined in recent years, which may impact consumers' willingness to purchase new energy vehicles and thus affect NIO's revenue.	Decreased revenue	• Pay continuous attention to the changes in China's domestic policy environment, while increasing the Company's revenue by expanding market share, broadening overseas market, etc.
	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 thus higher compliance costs.	Increased operating costs	• Continuously monitor changes of domestic and foreign policies, regulations, exchange rules, etc. Strengthen the disclosure and management of climate-related information to ensure that the Company's business activities comply with relevant laws and regulations of where it operates.
	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	• NIO has developed and internally launched the NIO Battery Passport Platform (demo), with the 100kWh battery packs as a pilot project. For more details, please refer to "2.2.2 Battery Pack Recycling" of this Report. • Undertake key mineral projects and seek to avoid the significant negative social and environmental impacts that can result from minerals from conflict-affected and high-risk areas. For more details, please refer to "4.2.2 Sustainable Supply Chain Management" of this Report.
	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	• Implement low carbon management throughout the product life cycle, reducing products' carbon footprint, and minimizing potential operating costs such as carbon taxes. For more details, please refer to "2.2 Circular Economy", "2.3 Green Design", "2.4 Green Manufacturing", "2.5 Green Logistics", "2.6 Green Delivery and Experiences" of this Report
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	• Pay close attention to the development trend of clean technology. Increase investment in R&D to ensure that the Company's R&D capabilities are at the industry's leading edge. For more details, please refer to "3.1.1 Focusing on In-House Research and Development" of this Report.
	With more companies seeking low-carbon, energy-efficient transition, the market could see higher prices for low-carbon equipment and facilities, and thus raise NIO's operating costs.	Increased operating costs	• Through means such as optimization of production process, continuously explore energy-conservation and emission-reduction opportunities related to the Company. For more details, please refer to "2.4.1 Energy and Carbon Management" of this Report.
Market risks	Consumers' preference for electric vehicles may be affected due to inadequate charging and swapping infrastructure, power shortage in summer, etc. In case of failure to meet users' expectations, or difficulty in providing energy services, sales of NIO products may be lower than expected.	Decreased revenue	• Continuously deploy infrastructure such as charging stations and Power Swap Stations, so as to meet users' expectations for energy services as much as possible. Utilize V2G technology to support load dispatch on the power grid and help improve its stability. For more details, please refer to "Worry-Free Trips With NIO Power" of this Report.
	NIO's partners may face stricter regulatory requirements for pollutant emissions, resource use, and carbon emissions (such as being identified as a "unit under energy consumption control" in the future), leading to increased production costs. With the possibility that low-carbon and environmentally friendly raw materials or components might be short in supply, NIO may have to face increased operating costs and procurement expenditures.	Increased operating costs	• Strengthen supply chain management and empowerment. Continue to promote the application of clean technology among upstream partners, creating a green ecosystem through industrial linkage, while enhancing the Company's access to low-carbon and environmentally friendly components. For more details, please refer to "4.2.2 Sustainable Supply Chain Management" of this Report.
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	• Regularly disclose NIO's efforts to reduce greenhouse gas emissions and product carbon footprint, satisfying various parties' request for information.

Physical Risks			
Risk Category	Risk Description	Potential Financial Impact	Countermeasures
Acute risks	With increasingly frequent extreme weather events caused by climate change, such as extreme precipitation, hailstorms, 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	• Formulate relevant emergency plans and conduct regular drills to ensure the safety of places such as factories and stores during extreme weather events. • In response to severe weather events, such as thunderstorms and extreme heats, we have formulated support schemes to maintain the safe operation of Power Swap Stations. For more details, please refer to "Worry-Free Trips With NIO Power" of this Report.
Chronic risks	Climate change may have a long-term impact on the local climate where NIO operates, triggering, for instance, extremely high or low temperatures, which may lead to greater fluctuations in energy use and factory operating efficiency, making operations more costly.	Increased operating costs	• Conduct thermal adaptation renovation for production facilities and sites. Optimize energy efficiency of temperature-regulating equipment, reducing energy consumption due to cooling or heating under the same conditions. For more details, please refer to "2.4.1 Energy and Carbon Management" of this Report.
Opportunities			
Opportunity Category	Opportunity Description	Potential Financial Impact	Responsive Measures
Products and markets	As climate change continues, users may prefer new energy vehicles and products with lower carbon emissions.	Increased revenue	• Continuously expand on a global scale and improve the competitiveness of our intelligent electric vehicle products. Open up a broader space for development while promoting low-carbon transformation of various places.
Resource efficiency	Companies may reduce their carbon footprint by using more efficient production and distribution processes, which can help them reduce costs, improve efficiency and resilience, and increase competitiveness.	Decreased operating costs	• NIO proactively implements carbon management throughout product lifecycle and has set low-carbon targets for vehicle products. We identify carbon reduction opportunities from processes including product design, manufacturing operations, material selection, logistics and transportation, as well as recycling of scrapped vehicles, and strive to reduce costs and improve resource efficiency. For more details, please refer to "2.2 Circular Economy", "2.3 Green Design", "2.4 Green Manufacturing" and "2.5 Green Logistics" of this Report.
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	• By expanding the installed capacity of on-site photovoltaics and purchasing green electricity, NIO continues to increase its use of renewable energy and optimize its energy structure, so as to reduce greenhouse gas emissions caused by its operations. For more details, please refer to "2.4.1 Energy and Carbon Management" of this Report.
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	• NIO has pure electric vehicles as its main products, which are inherently resilient to climate change. We will continue to implement low-carbon management throughout the entire lifecycle of products, aiming to create new energy vehicles that are greener and lower in carbon emissions.
Access to government incentives	With China having established the "2030 carbon peaking and 2060 carbon neutrality" goals, and major countries around the world having demonstrated their support for the temperature control goals defined by the Paris Agreement, governments are expected to introduce policies to reward organizations and units that are actively engaged in climate action.	Increased revenue	• In a variety of ways, NIO has been and will continue working with the public sector in areas such as environmental protection and emission reduction. We take a proactive stance in seeking relevant government incentives.

2.1.3

Risk Management

With a view to the abovementioned risks and opportunities, we have been optimizing response strategies and are committed to taking climate risks into account in corporate management and resource deployment. Meanwhile, we are seizing emerging market opportunities to achieve long-term business growth and maintain the current competitive edge. In order to combat climate change, NIO has already taken the following measures:

Pushing Forward Carbon Footprint Assessment and Science-Based Target Setting

After the carbon footprint assessment conducted in 2022 for the past three consecutive years (2020-2022), during the reporting period, we continued the GHG assessment within the organizational boundary in accordance with the international standard of *ISO 14064-1:2018: Specification with Guidance for Quantification and Reporting of Greenhouse Gas Emissions and Removals*. In addition, the carbon emissions data were audited and verified by a third-party organization. The carbon footprint assessment covered more than 4,000 sites, having established a more solid foundation of carbon data collection and would help the Company to set pathways to reduce carbon emissions.

Certification of GHG Assessment Within NIO's Organizational Boundary

Piloting the ICP Mechanism to Reduce the Carbon Footprint Across the Vehicle Lifecycle

Internal Carbon Pricing (ICP) is an important mechanism for NIO to achieve carbon reduction across the vehicle lifecycle. As one of the first Chinese automakers to establish an ICP mechanism, during the reporting period, we piloted the mechanism on the product development and supply chain sourcing processes of our new vehicle model. The Supply Chain Department and the Engineering Team jointly identify components that have potential for carbon reduction. Taking into account the ICP mechanism and the market price of bulk raw materials, they determine the reasonable costs for carbon reduction. At the stage of new model development and material selection, such information is taken into account while determining budget for relevant components.

Obtaining Product Carbon Footprint Certification, NIO Continuously Improves Its Carbon Management Capabilities

On April 7, 2023, NIO's ET5 model, 150kW induction asynchronous electric drive system, 210kW permanent magnet synchronous electric drive system, and 75kWh battery pack received Product Carbon Footprint Certification issued by TÜV Rheinland, an international third-party independent organization of testing, inspection and certification. It is the first time that NIO has received Product Carbon Footprint Certification for its vehicle, electric drive system, and battery. The Certification is based on *ISO 14067:2018 – Greenhouse gases – Carbon footprint of products – Requirements and guidelines for quantification.*

During the reporting period, with the vehicle carbon footprint development process and management project based on life cycle assessment (LCA) etc., we were selected into the List of 2023 Carbon Management Pilots in Shanghai's Industrial and Communications Industry, and became the only representative of the automobile manufacturing industry.

In order to further strengthen the carbon footprint management of our products, under the precondition of ensuring the quality of components, we have put forward low-carbon development requirements to our partners at all levels. Such requirements include but are not limited to: increasing the amount of recycled aluminum in vehicles' aluminum components, encouraging the use of 100% renewable energy for the process of primary aluminum electrolysis, using secondary materials such as recycled copper foils and aluminum shells in battery cells, using recycled metal in the positive electrode of batteries, etc. We strive to work with our partners in the value chain to create vehicle products that are green and low carbon.

Product Carbon Footprint Certification for ET5

NIO Climate Action

On December 23, 2023, at NIO Day, "NIO Climate Action" was officially announced. The Action is jointly initiated by NIO, NIO Users Trust, NIO Users Foundation, along with China Charity Federation. It will be funded with RMB 50 million over a period of five years, with NIO and NIO Users Trust each donating RMB 25 million. The Action is to be supervised by NIO Users Foundation, and will be focusing on addressing climate change related issues, such as natural disasters, environmental damages, and depletion of resources. In addition to prevention, relief, and reconstruction work, the Action also aims to call for social attention to climate issues by funding scientific and educational organizations, supporting climate research, promoting ecological restoration, etc.

2.1.4
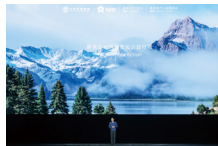
Metrics and Targets

We pay enormous attention to green and low-carbon smart electric vehicles, on which we establish ourselves in the market. We have set up a mechanism to reduce carbon emissions across the vehicle lifecycle. Starting with a low-carbon target for vehicle models, this mechanism incorporates the concept of environmental protection into the full lifecycle of products. NIO is bent on reducing greenhouse gas (GHG) emissions from business operations by designing lightweight and energy-efficient vehicles with Clean+ materials, manufacturing products in an intelligent, advanced and green manner, exploring novel approaches of warehousing and logistics for emission reduction, and offering users green delivery experiences. We also strive to conserve energy and reduce emissions for partners along the value chain. From raw material procurement to waste recycling, NIO regards relevant behaviors as a key driver to circular economy. We advance ecological sustainability through industrial cooperation and mitigate global climate change through common efforts with our partners. Confronting climate risks and opportunities at the same time, we consistently build sustainable products in a responsible manner and work with all stakeholders to usher in a greener future. For detailed measures adopted by NIO to tackle climate change, please refer to the following sections in this chapter.

Carbon Emissions and Renewable Energy Consumption Caused by the Company's Own Operations

Indicator Category	Indicator	Unit	2023
Greenhouse gas emissions	Scope 1	tCO_2e	27,555.35
	Scope 2	tCO_2e	112,856.83
Renewable energy consumption	Outsourced green power	megawatt hour (MWh)	16,319.62
	On-site photovoltaic power	megawatt hour (MWh)	39,175.91

2.2

Circular Economy

2.2.1

"Car to Car" Resource Reutilization Model

Based on the global trend of resource recycling, NIO has taken a holistic approach, incorporating the entire lifecycle of vehicle design, manufacturing, and scrapping into a "recyclable and traceable" system, with the aim of realizing a "Car to Car" model of resource recycling. We further extend the concept of circular car to vehicle components such as battery, and use a certain percentage of recycled aluminum, recycled lithium and recycled copper in manufacturing. With the help of platforms such as the Battery Safety Evaluation Index (BSEI) and the Battery Passport, we also proactively explore the cascade utilization of batteries. For the remaining vehicle interior materials, we have the BLUE SKY LAB project to transform them into materials of products such as clothing, bags and furniture, striving to promote the recycling of resources.

With the aim of achieving resource recycling under the "Car to Car" model, we have started the NIO Circular Car Lab project gradually, organizing and exploring the recycling and utilization of scrapped vehicles proactively. This move also reduces the proportion of raw resources used in the production process. During the reporting period, the recyclability rate and recoverability rate of NIO's vehicle models are as follows.

Vehicle Model	Recyclability (%)*	Recoverability (%)*
ET5	91.4	98.7
ET5T	91.0	99.2
ES6	91.8	98.7
EC6	91.4	98.7
ET7	90.2	98.3
ES7	90.4	98.0
EC7	91.0	98.2
ES8	90.0	98.8

* The recyclability and recoverability rate are calculated in accordance with *ISO 22628 – 2002 Road Vehicles – Recyclability and recoverability – Calculation method*, as well as *GB/T19515-2015 Road vehicles – Recyclability and recoverability rate – Requirement and calculation method*.

Collaborating With Partners to Promote Vehicle Dismantling and Recycling

In April 2024, NIO reached a memorandum of understanding with Lizhong Group and CSMET on vehicle dismantling and recycling, leveraging the partners' capabilities and expertise in the dismantling of end-of-life vehicles, the recycling of different grades of automotive aluminum materials, and downstream casting of components, so as to form a closed-loop "Car to Car" recycling scenario that could cover the whole industry chain. Through the synergy with our partners, we are committed to building a brand-new supply chain that has low carbon as the goal, recycling as the carrier, and cost as the differentiated competitiveness. Continuously, we aim to explore sustainable supply chain scenarios that can be truly implemented.

Circular Car Lab: Piloting the "Car to Car" Model for Continuously Exploring Recycling of Production Wastes

During the reporting period, NIO Circular Car Lab piloted the "Car to Car" model for a small batch of 200 vehicles using scrapped testing vehicles. Recycled aluminum and wheel hubs were used in the manufacturing of central computing clusters, wheel hubs and other parts, while magnetic steels and copper materials were made into new products after recycling. This project was listed in the "Top 10 Low-Carbon Application Scenarios in Anhui Province" in 2023, leading the closed-loop recycling under the "Car to Car" model. The project also made breakthroughs in recycling from scrapped vehicle materials, thus providing good demonstrations and innovative ideas for carbon reduction across the vehicle lifecycle and the construction of resource-recycling systems. In addition, NIO has demonstrated the feasibility of using scrapped materials as new sheet materials in vehicle production through a large number of experiments, with the scrapped materials proportion as high as 50%. During the reporting period, this project was implemented for mass production. NIO Advanced Manufacturing Center (F1) recycled 1,200 tons of stamped aluminum scrap, which were all transferred to NIO upstream partners and used for the smelting of new sheet materials, with an expected carbon emission reduction of 24,000 tons. Based on this, we will continue to expand the possibilities of production waste recycling, and verify the closed-loop recycling of stamped steel plates.

2.2.2

Battery Pack Recycling

NIO's concept of the circular car not only covers vehicles, but also includes components such as batteries. Focusing on the concept of low-carbon and sustainable lifecycle, our battery products are designed to use a certain percentage of recycled aluminum, lithium and copper on condition that product performance and safety is ensured. Green electricity is also partially used during the production process of aluminum alloys used in structural components, significantly reducing greenhouse gas emissions generated. For the bottom area of battery packs that requires intense protection, we choose high-intensity steel with low-carbon emissions as the raw material for the bottom plates, which also helps to reduce the overall carbon footprint of the product.

At the same time, NIO has independently developed the BSEI system, which can accurately estimate and rate the residual value of aging batteries. The BSEI system can provide guidance and technical support for our cascade utilization of batteries. After the Power Swap Station automatically blocks batteries that are deemed "no longer suitable for the user network" by the BSEI system, we reuse these batteries in production scenarios such as energy storage and logistics according to the system rating scores, or the batteries are directly dismantled for recycling and reuse of its metal elements. During the reporting period, we made important progress in the non-destructive dismantling of power batteries and the direct repair and recycling of battery cell materials. We expect to achieve further empowerment of high-value regeneration of retired batteries with cutting-edge technologies in the future.
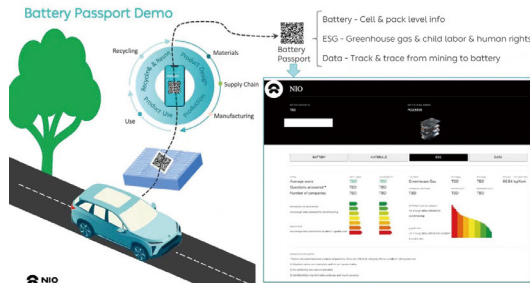
Non-Destructive Dismantling of Power Batteries

NIO successfully improves the dismantling efficiency of CTP (Cell to Pack) batteries through the development of a new Z-directional dismantling technology, enabling large-scale mass dismantling. At the same time, the non-destructive and highly-efficient dismantling technology of battery cells can automatically separate and recycle the metal elements of the positive and negative electrodes. This process does not introduce external impurities and thus makes it easier to directly repair the positive and negative electrode materials later in the process.

The advantages of non-destructive dismantling technology of power batteries include cost reduction and efficiency enhancement, safety improvement, environmental protection, and resource recycling. Meanwhile, this technology also contributes to the sustainable development and related technological innovation of the battery and electric vehicle industry.

Direct Repair and Recycling of Battery Cell Materials

During the reporting period, NIO made breakthroughs in the repair and recycling of the positive electrode of lithium iron phosphate batteries (LFP batteries). Leveraging the liquid phase repair technology, we solved problems with the mainstream direct repair materials, including low compaction density, large capacity loss, and high metal impurity content. The recycled materials can better meet the demand of power batteries, which not only reduces the BOM (Bill of Material) costs for battery cells, but also decreases the carbon emissions by about more than 20%.

For negative electrode materials, the graphite-based intrinsic repair technology developed by NIO ensures the purity of the negative electrode plates and the complete structure of graphite materials. We also eliminate high-pollution and high-energy consumption processes such as acid washing and graphitization in traditional recycling process. The repaired and recycled graphite-based materials obtained with this technology take into account dynamics and thermodynamics, resulting in lower BOM costs for the battery cells and a reduction of approximately over 25% carbon emissions.

In addition, in order to further strengthen the full lifecycle management of batteries, we have developed and internally launched the NIO Battery Passport Platform (demo), with the 100 kWh battery packs as a pilot project. The project comprehensively records the details of the battery supply chain, including electrode materials, battery cells, battery shells and modules. This action not only ensures information transparency, but also lays the foundation for tracing the process of material recycling and recovery.

Interface of NIO Battery Passport Platform (Demo)

2.2.3
BLUE SKY LAB

In addition to making the most of metal scrap from vehicle production, as well as practicing battery recycling, NIO also recycles the remaining interior materials of vehicles. Adhering to the concept of "No Waste on Earth", we started the BLUE SKY LAB project in 2021, using leftover materials in car production such as seat belts, airbags, BASF's Haptex® Leather to make clothing, bags, furniture and other various products. In this way, waste is transformed into valuable products and the recycling of resources is successfully realized.

During the reporting period, recycled automotive-grade materials used by the BLUE SKY LAB:

8,872㎡

By the end of the reporting period, total recycled automotive-grade materials used by the BLUE SKY LAB:

52,104㎡

During the reporting period, several products developed by BLUE SKY LAB received the Intertek Green Leaf Certification. Their low-carbon and green features, coupled with their creative and fun design are to encourage more users and environmentalists to join in the cause of sustainable fashion.

Puff Airbag Bomber Jacket

The Puff Airbag Bomber Jacket from the Sustainable New Life collection uses the airbag material as the main fabric and is filled with RPET® materials using a new process - New Puff. RPET® yarn is made from 100% post-consumption plastic waste, using 80% less energy than conventional polyester, while saving 6 tons of petroleum for every ton of yarn produced.

BSL Airbag Backpack

The BSL Airbag Backpack uses the airbag material as the main fabric, with a special aluminum buckle and reflective safety webbing added. Measured in accordance with the *ISO 14067-2018 Greenhouse Gases — Carbon Footprint of Products — Requirements and Guidelines for Quantification*, the carbon footprint of the product is only about 8.7 kg CO_2 equivalent, more than 50% less than that of traditional leather products.

Haptex® Pouf

Haptex® Pouf is made of BASF leather, an automotive-grade recycled material, coupling with a seat belt and Clean+ innovative eco-friendly fabric. Three different textures are combined in one item, creating a special kind of beauty. The footprint of Haptex® Pouf is only about 37.4 kg CO_2 equivalent, almost 60% less than that of similar cowhide products.

2.3

Green 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 strive for higher energy efficiency. We also introduce a series of environmentally friendly materials jointly developed with partners, and integrate green and low-carbon features into our vehicle products that are less pollutant, recyclable and sustainable, making our cabin a "second living room" for users. NIO ET7 has achieved a five-star rating in the Green NCAP test for its high efficiency and sustainability, and has also been awarded the "Platinum Eco-Car" by (China) Energy Saving and Green Development Assessment Center for Automotive Industry.

2.3.1

Lightweight Design

Reducing vehicle weight while maintaining its strength, stiffness, and safety performance can help improve the dynamics and handling of the vehicle, and thereby improve energy efficiency and reduce carbon emissions. NIO is devoted to reducing body weight and enhancing structural efficiency by adopting advanced integration processes and lightweight materials. Moreover, we continuously promote lightweight battery pack design to further lower the lightweight index (LWI) of each model.

Lightweight Body

NIO ET9 adopts the leading innovative design of "Bionic Space Frame", which is based on the mechanical concepts of "Eiffel Tower" and "Biomimicry". Following the principle of "Right Material, Process & Structure in Right Place", and driven by AI data, such design comprehensively utilizes lightweight techniques such as integrated casting process (reducing component weight by 21%), integrated door ring process (reducing component weight by 10%), and proprietary lightweight alloy and composite materials. With the above techniques, the model's torsional stiffness is increased by 18%, with its LWI lowered to 1.70, an industry-leading level.


Body Structure of NIO ET9

Lightweight Battery Pack

As a core component of the electric vehicle, the power battery pack accounts for about 20% to 30% of the vehicle weight. NIO practices the concept of lightweight in both product design and material selection, in a bid to minimize the battery weight for lighter vehicles while ensuring the battery safety and range.

· **Module design:** The height of microchannels is reduced by 75%, and the thickness of the elastomer between cells is reduced by 66%. While saving cooling space, the design effectively improves the overall cooling performance of the battery pack.

· **New type of skid plate coating:** The skid plate is coated with low-density, highly wear-resistant materials, reducing the weight by 25% compared with the traditional PV coating.

· **Integrated design of Electric Distribution Module (EDM):** The 2.0 version of EDM adopts an integrated design without wiring harness, reducing the number of components by 48.5%, manufacturing processes by 31.3% and total weight by 15.2% compared with EDM 1.0. While lowering the weight of the battery pack, the design effectively controls the production costs.

· **E-Swap and W-Swap products:** NIO's inhouse-developed E-Swap and W-Swap products have been iterated to Gen3.0. Due to upgraded materials, reduced size and other improved properties, Gen3.0 achieves a weight reduction of 39.8% and 38.4% respectively over the first-generation products.
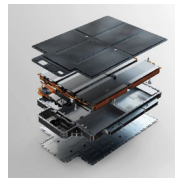
Lightweight Power Battery Pack of NIO

2.3.2

Improvement of Energy Efficiency

Improving vehicle energy efficiency helps to reduce energy consumption during car use. Therefore, it plays a critical role in cutting carbon emissions throughout the vehicle lifecycle. In 2022, we officially delivered vehicles based on the NIO Technology 2.0 (NT2.0) platform. Compared with NT1.0 platform vehicles, the NT2.0 platform vehicles use more SiC (Silicon Carbide) modules in the electric drive system. With the advantages of fast switching speed, high turn-off voltage, and strong high-temperature resistance, NT2.0 vehicles raise the efficiency of the electric drive system by about 2%. During the reporting period, we continued to work on the electric drive system. NIO ET9, for example, is equipped with a 900V high-voltage architecture across all domains, and boasts a highest voltage of 925V, a charging peak power of 600 kW, and a charging peak current of 765A. The three world-leading technologies further enhance the vehicle's energy efficiency, achieving a range of 225 km within 5 minutes of super charging.

NIO ET9: A Work of Innovation in Powertrain Technology

High-Performance Intelligent EDS

The front and rear EDS are 30% smaller, with the length reduced by 280 mm, creating a generous space for the cabin and chassis.
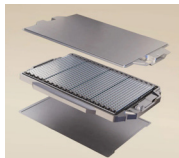
Large Cylindrical Cells and Battery Pack

NIO ET9 adopts in-house developed 46,105 large cylindrical cells, with an energy density of 292 Wh/kg and an internal resistance of only 1.6 milliohms, contributing to an ultra-low energy loss. Powered by innovative design, ET9's battery pack boasts a capacity of 120 kWh and a height utilization rate of 84%. It also supports 5C charging that is highly efficient and convenient.

Motors With High Power and Efficiency

NIO ET9 uses the world's first 925V W-Pin synchronous permanent magnet electric motor in the rear EDS, which has a peak power output of 340 kW and a weight of only 79 kg. With a number of NIO's self-developed technologies, such as the 1,200V SiC power modules, the continuous wave winding technology, and a high-efficiency liquid-cooling system, the EDS's performance, reliability and peak continuous power of the motor are significantly enhanced. At the same time, the front EDS has an asynchronous induction motor with a peak power of 180 kW, and a power density of 2.6 kW/kg, which is the world's highest among asynchronous electric motors by the end of the reporting period.

2.3.3

Clean+ Materials

Working together with our partners, we have developed the Clean+ eco-friendly material collection, including various types of materials such as renewable, circular and low-carbon materials. Among them, renewable materials refer to materials that can be naturally replenished on a sufficiently short time scale (usually on a human-centric time scale), such as biomass or biobased materials obtained through biomanufacturing. Such materials are naturally recyclable and environmentally friendly, and can replace petroleum-based products to reduce the use of fossil resources. At the same time, circular materials could break the linear lifecycle of "production-consumption-disposal", helping to reuse PIR (Post-industrial Recycled) and PCR (Post-consumer Recycled) materials, while reducing the consumption of raw materials and lowering greenhouse gas emissions in the production and processing of products. Our exploration of Clean+ materials is not limited to the materials themselves, but includes traceability and certification. All Clean+ bio-based materials have obtained biobased carbon content test reports issued by Beta Analytic, a US authoritative organization. Moreover, all Clean+ circular materials comply with the requirements of ISO 14021 on self-declared environmental claims. In accordance with the chain-of-custody traceability guidelines, we have collected necessary environmental declaration assessment and supporting documents, such as GRS (Global Recycled Standard) recycled material traceability certificate and ISCC (International Sustainability and Carbon Certificate) certificate.

Bio-Based PA56 (Bio-Based Polyamide)

We use bio-based PA56 for the carpet support of the 2023 all-new EC6. Using renewable, plant-based raw materials, PA56 generates nearly 50% fewer carbon emissions per unit weight compared to similar nylon products made from petrochemicals. In this regard, PA56 excels in environmental protection and carbon emission reduction.

Soybean-Based Foam Materials for Seats

Conventional seats are usually made of polyurethane, polyester, polyethylene and other foam materials, most of which are made from petrochemicals and are difficult to recycle. During the reporting period, NIO

Soybean-Based Foam Materials for ES8 Seats

delivered the all-new ES8, the seat foam of which is added with soybean extract. While ensuring seat comfort and safety, the use of this new material reduces carbon emissions by 5%-10% per unit weight.

Clean+ Eco-Friendly Fabric

During the reporting period, NIO unveiled ET5T, a new model with the Clean+ eco-friendly fabric as one of the main interior materials. The fabric is 100% made from recyclable PET (polyethylene terephthalate) bottles, helping mitigate the plastic pollution of the ocean and land. Adopting 3D shuttle weaving process, the material is fabricated with special anti-bacterial reagents that are environmentally friendly and proof against water, oil and stain.

Clean+ Eco-Friendly Fabric in ET5T

Ultra-Low Global-Warming Potential (GWP) Refrigerant

HFO-1234yf is an ultra-low GWP refrigerant for automotive air conditioning systems, with a GWP reduction of 99.9% compared to hydrofluorocarbon (HFC) refrigerants currently used in the Chinese market (such as R134a). All vehicle models on NT2.0 platform now use HFO-1234yf, the ultra-low GWP refrigerant.

According to the *Technical Specification for Carbon Emission Accounting in the Life Cycle of Passenger Cars* by China Automotive Technology and Research Center Co., Ltd., by the end of the reporting period, the life cycle emissions of NT2.0 vehicle models sold were approximately 300,000 tCO_2e lower compared to the situation at which R134a had been used.

2.3.4

Management of Hazardous Substances

In order to protect the natural environment and safeguard the health of our users, NIO strictly abides by the laws and regulations of where it operates, including China, the European Union, the United States, in regard of hazardous substance management. For interior materials that come into contact with human bodies for a relatively long period of time, we work in accordance with the requirements of external certifications such as OKEO-TEX, and have established and implemented strict corporate standards. During the reporting period, NIO once again passed the ELV/RRR audits by European Community Whole Vehicle Type Approval (ECWVTA).

In regard of hazardous substance management, it is NIO's goal to reduce the environmental impact throughout vehicles' lifecycle, and to minimize the amount of hazardous substances contained in vehicles. We have established an end-to-end hazardous substance management system covering the full value chain, and implement the management policy of "source control, process monitoring, and continuous improvement."

Source-wise, based on the China Automotive Material Data System (CAMDS) and the ELV environmental compliance system, we have established a comprehensive database for parts and materials. We verify the environmental data submitted by our partners, and conduct comprehensive analysis of hazardous substances in vehicles. Only after passing dual verification of design and production, can materials be used in the production of our vehicles. NIO's product environmental analysis laboratory has already been accredited by China National Accreditation Service for Conformity Assessment (CNAS) .

We continue to elevate and optimize our hazardous substance management standards. During the reporting period, we updated the corporate standards for hazardous substances, lowering the permissible use limits for certain hazardous substances. The limit for lead, for example, has been lowered from 1,000 ppm to 800 ppm, while the limit for cadmium, from 100 ppm to 80 ppm. We are also striving for the "3-free" target, namely "lead-free, chromium-free and halogen-free." As of the end of the reporting period, we have eliminated the use of lead-acid from the batteries of all of our vehicles for sale, avoiding the use of lead by a total of approximately 1,600 tons.

NIO's Product Environmental Analysis Laboratory

High-Temperature Irradiation Lab for Vehicle VOC Testing

Using a large amount of environmentally friendly materials, ES8 protects both the health of users and the environment.

2.4

Green Manufacturing

2.4.1

Energy and Carbon Management

Lean, efficient and intelligent production is one of the key aspects for NIO to produce green and sustainable products for users. We continue to improve the automation and intelligence level of our manufacturing centers and optimize operational efficiency to reduce carbon emissions during the production process and throughout the entire lifecycle of vehicles. We also actively promote energy management systems, while carrying out energy-conservation renovations and raising the percentage of renewable energy, with the aim of enhancing our energy performance and energy structure. During the reporting period, over 17% of our energy consumption came from renewable energy. In addition, we also focus on the efficient use of water, as well as full-cycle management of discharges and wastes, striving to make NIO manufacturing bases greener, more environmentally friendly and sustainable.

In order to strengthen energy management and thus improve energy efficiency, all of our major manufacturing bases have established energy management systems based on their actual status and production activities, out of which, F2 has already obtained the ISO 50001 energy management system certification. During the reporting period, F1, F2, and EDS Factory 0 (E0) have all set up their own cyclical quantitative energy saving targets or single-unit energy consumption targets. By identifying various energy-saving opportunities and through means such as strengthening management, renovating equipment, and applying intelligent technologies, the manufacturing bases make every effort to promote the achievement of these targets.

F1: 13 Key Management-Based and Technology-Based Energy-Saving Projects

During the reporting period, F1 implemented a total of 13 key management-based and technology-based energy-saving projects, including the standardization of the coating breakpoint verification method, addition of an automatic switch to the cooling machine of the circulating water cooling tower, and adjustment to the cooling water temperature. Thanks to these projects, F1 is estimated to save 3,389.3 thousand kWh of electric power and 96 thousand m^3 of natural gas per year.

E0: Over 2 Million kWh of Electricity Saved Annually Through Multiple Energy Efficiency Improvement Measures

During the reporting period, upholding "green production", E0 implemented multiple energy efficiency improvement measures for utility power and production equipment. The total reduction of electricity consumption was 2,318 thousand kWh throughout the year.

In terms of utility power, we enhanced the efficiency of air compressors, assessed and set up reasonable system pressures, reduced the number of operating units according to the actual conditions, and utilized small variable-frequency compressors as needed. Meanwhile, to save energy from the air-conditioning system, we optimized lighting control circuits, used ground source heat pumps to heat and cool the shops, adjusted air-conditioning unit settings and conducted refined control over the environmental temperature and humidity. We also staggered highly-energy-consuming activities such as the start-up of energy-intensive equipment and shuttle bus charging. In terms of production equipment, we implemented tiered control for power-off. For equipment with recovery time of less than 5 minutes after power-off (e.g., chillers, heaters, and waste gas recyclers), we switched them from standby mode to power-off mode during non-production time to avoid unnecessary electricity consumption.

F2: Significant Improvement in Manufacturing Efficiency Based on "Order Decoupling"

To ensure manufacturing flexibility, F2 fabricates and paints vehicle bodies separately based on users' orders, following the method of "order decoupling". This move not only significantly improves manufacturing efficiency, but reduces the consumption of solvent as well. Meanwhile, F2 reduces the process distance by 20% through a vertical storage system with RGV (Rail Guided Vehicle), which allows for greater capacity of vehicle storage and retrieval. Additionally, F2 utilizes a flexible production process management system that can dynamically adjust its throughput, which not only provides the basis for flexible, intelligent production, but also effectively reduces energy consumption by saving the operating time of energy-intensive equipment. During the reporting period, F2 carried out over 30 energy-saving projects, and saved 5.575 million kWh of electric power and 878.5 thousand m^3 of natural gas in total.

In addition to continuously strengthening the energy management systems and improving energy efficiency, NIO also spends continuous efforts to optimize the energy structure and increase the proportion of renewable energy. By the end of the reporting period, the total installed photovoltaic capacity of F1, F2, E0 and E1 reached 67.63MW.

	2023	Up From 2022 By	Up From 2021 By
NIO's consumption of renewable electricity	55,495.53 MWh	283.7%	3,545.5%

Additionally, F2 and E1 have successfully obtained the LEED Gold Certification issued by the U.S. Green Building Council and are certified as Three-Star Chinese Green Buildings. The E0 , after renovation, has also obtained the Three-Star Chinese Green Building Certification.

F2:
LEED Gold Certification and Three-Star Green Building Certification Report

E0:
Three-Star Green Building Certification Report

2.4.2

Water Resource Management

NIO is well aware of the importance of protecting water resources and complies with the *Water Law of the People's Republic of China* and other applicable laws and regulations in the places where we operate. We have set annual limits on water consumption per unit of product for all our major manufacturing centers, and we continue to improve water use efficiency through equipment upgrading, process optimization and other efforts.

During the reporting period,we upgraded the water supply system for wet film spraying at E0, using water atomizing nozzles to reduce water consumption.

At F1 and F2, we continue to push forward process water circulation. During the reporting period, the two bases' total volume of process water circulation was over 46 million tons, with water reuse rates of 90.36% and 99.12% respectively.

In addition, F2 and E1 adopt multiple "Sponge Factory" measures, which can achieve natural preservation, infiltration and purification of rainwater and help restore the surrounding water ecological environment by simulating the water circulation process in nature. F2's rainwater drainage system uses low-impact development (LID) facilities, including low elevation greenbelt, permeable pavement, and rainwater open channels. The project's average pollution-removal rate of annual runoff has reached 63.8%, and the actual total annual runoff control rate has reached 75.1%, exceeding the requirement of the *Sponge City Special Plan of Hefei (2016-2030)*. We regularly inspect and maintain the LID facilities, remove weeds and litter, and restore and replace damaged vegetation in a timely manner to ensure the good condition and continued operation of the facilities. With the experience gained from F2, we continue to expand the "Sponge Factory" project. By the end of the reporting period, the NIO Hefei Electric Drive System Second Manufacturing Base, or E2, had passed Hefei's "Sponge Factory" evaluation, with its relevant indicators meeting or exceeding the city's requirements. The project's construction will commence in 2024.

2.4.3

Compliant Discharge

We strictly comply with environmental protection laws and regulations in the places where we operate, such as the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, conducting full-process management on discharges and wastes to ensure that they are disposed of in a compliant and proper manner. We are committed to exploring various methods to reduce discharge and waste generation, and to improving the environmental management systems by continuously optimizing guidelines such as the *EHS Management Handbook*. During the reporting period, NIO had no major environmental violation. In order to strengthen environmental management, reduce pollutants, and improve NIO's environmental performance, our major manufacturing bases have all established environmental management systems based on their actual production activities, and obtained ISO 14001 certifications. During the reporting period, NIO F1, F2, E0, E1 have all set their own quantified waste reduction targets for each unit of product. By actively identifying various waste reduction opportunities, enhancing management, and source control, the manufacturing bases have made every effort to promote the achievement of the targets.

Wastewater

NIO is committed to wastewater management and all our major manufacturing bases have developed wastewater treatment processes and policies in line with environmental protection requirements. F1 and F2 have even built their own internal wastewater treatment plants. After being pre-treated by these facilities, industrial wastewater is either retained for reuse or discharged into the municipal sewage system along with domestic wastewater. At the same time, E0 has established both industrial wastewater treatment plant and domestic wastewater biochemical treatment plant, so as to monitor and dispose of industrial and domestic wastewater before discharging them into the municipal sewage system.

In order to minimize the amount of wastewater generated, we have started to make efforts to recycle industrial wastewater. Some wastewater treatment facilities supply reclaimed water for flushing or landscaping purposes, after conducting deep treatment of the effluents.

Solid Waste

We strictly abide by relevant laws and regulations in the places where we operate and handle all kinds of solid wastes responsibly. We have established and implemented internal policies such as the *General Industrial Waste Management Regulation*, the *Hazardous Waste Management Policy*, and the *Environment Management Policy*. We send general waste, such as scrap metal, packaging waste and other recyclable parts, to partners or qualified third parties for recycling. The non-recyclable parts are handed over to the local authorities for disposal. We classify, identify, and collect hazardous waste and send to qualified third parties for disposal. The entire process is fully disclosed on the government platform to ensure that the disposal is in accordance with the law. Meanwhile, we endeavor to reduce the amount of waste generated at source. In addition to promoting recycling, we have equipped the paint shops with organic liquid waste recycling systems, so as to reduce the amount of organic liquid waste generated.

Waste Gas

During the reporting period, the types of waste gas emitted by NIO did not change significantly. The main pollutants included particulate matters, sulfur dioxide, nitrogen oxide, and xylene from the manufacturing processes such as stamping, assembling, polishing, painting, and hot air drying. In order to ensure compliant waste gas emission, NIO devotes considerable effort to the identification and treatment of waste gas risks in the manufacturing processes. Our main waste gas treatment methods include wet dust removal, bag filter dust removal, adsorption and incineration. At the same time, we regularly commission qualified monitoring agencies to check our waste gas emissions. If any abnormal or non-compliant data are found, we will immediately initiate special treatment and investigate.

2.5

Green Logistics

Logistics is an important part of transferring end products from manufacturing centers to users, as well as one of the major "contributors" to the consumption of energy resources and greenhouse gas emissions. We have identified the directions and goals of work in green packaging, green warehousing and green transportation, and are committed to reducing the environmental impact caused by logistics. We also pay close attention to the sustainable development trend in the logistics industry. Where conditions permit, we actively pilot and explore new technologies and methods to build a more integrated and comprehensive low-carbon logistics system for NIO.

Green Packaging	>	Strive to use 100% non-toxic, non-hazardous, and recyclable packaging materials.
Green Warehousing	>	Choose warehouses that hold green certifications; Collaborate with warehousing partners to install photovoltaic panels and LED lighting systems; Promote the recycling of water and replace fuel-powered forklifts with lithium-ion forklifts.
Green Transportation	>	Gradually introduce new energy trucks and large-size outdoor automated guided vehicles; Set up logistics centers to improve vehicle loading rates and vehicle utilization efficiency; Increase the proportion of sea and rail transportation, optimize routes and use direct routes as much as possible.

2.5.1

Green Packaging

Vehicle-Shared Packaging

NIO makes constant efforts in recyclable and shareable green packaging. During the reporting period, the proportion of recyclable packaging, shared packaging and lightweight packaging used in our vehicle transportation reached 98%, 70% and 30%, respectively. For the newly-produced vehicle models, F2 increases the use of shared packaging from 45% to 75%, and during the reporting period, successfully avoided the use of approximately 14,000 plastic boxes, 1,400 sleeve containers, and 150 metal boxes, achieving carbon reduction of about 256 tons.

We also actively expand the use of recyclable packaging in the transportation of vehicle parts. During the reporting period, for electric drive components, we increased the use of recyclable packaging from 72% to 82% and ensured 100% use of recyclable packaging as much as possible when large parts were transferred. For battery components, we improve battery packaging with our partners from six dimensions, namely standardization, recyclability, foldability, durability, lightweight, and green development, so as to further extend its service life and increase resource efficiency. During the reporting period, we achieved 100% use of recyclable racks and replaced wooden boxes, which could only be recycled for 3 times, with corrugated boxes with a service life of 3 years.

2.5.2

Green Warehousing

Adhering to the goal of green warehousing, NIO takes active environmental improvement measures for its own warehousing facilities to achieve more efficient utilization of resources and energy. The F2 warehouse is accelerating the introduction of LSE paperless system, which covers operations including receiving, warehousing, and picking. After the system is fully established, it is estimated to save approximately 900 thousand sheets of A4 paper per year.

During the reporting period, the installed capacity of the photovoltaic charging shed of NIO Vehicle Distribution Center (VDC) and Regional Distribution Center (RDC) expanded to 20.9 MW and 2.016 MW respectively, generating 20.37 million kWh of photovoltaic power and avoiding 11,615 tons of carbon emissions during 2023.

As of the end of the reporting period, three of NIO's inbound logistics carriers had obtained the "green warehouse" certification from the China Association of Warehousing and Distribution. We are also encouraging other partners to make full use of renewable energy, install LED lighting, and use more electric forklifts.

NIO VDC Photovoltaic Charging Shed

NIO RDC Photovoltaic Charging Shed

2.5.3

Green Transportation

NIO continuously carries out the "NIO Milk Run (MR) Self-Pickup" project for inbound logistics. When transporting vehicle parts, we adopt the circular pickups by NIO vehicles, instead of the traditional model of "transportation by partners". During the reporting period, we reduced the transportation mileage by a total of approximately 28,278 kilometers, with a total of 3.15 tons of carbon emissions avoided. In terms of vehicle export transportation, we also follow the principle of shortest transportation distance, so as to achieve the Company's carbon emission reduction targets. Ever since April 2022, we have started using a direct transportation route to Norway, and by the end of the reporting period, a total of 423 vehicles had already been transported through this route.

We continuously increase the proportion of sea-rail transportation in international logistics. During the reporting period, 26 and 297 vehicles were exported through China-Europe Railway Express and multi-modal transportation, respectively. By doing so, we avoided carbon emissions of about 327 tons in total, compared with regular air transportation. For inbound and in-factory logistics, we continue the introduction of new energy trucks and large-size unmanned smart electric Automated Guided Vehicles (AGV), and plan to introduce more transportation equipment powered by clean energy.

Large Unmanned Smart Electric AGV

2.6

Green Delivery and Experiences

NIO has not only implemented low-carbon management in products, but also incorporated the philosophy of sustainable development into store design and construction. For NIO's operating facilities such as NIO House, NIO Space, NIO Service Center, and NIO Delivery Center, we advocate the "case-by-case" procedure and fully consider the efficient use of energy and resources during operations. We have also drawn up the *Materials List*, which clearly states the environmental requirements for equipment. Additionally, we use modular and reusable materials as much as possible, so as to minimize the consumption of raw materials. During the reporting period, the NIO House located in NeoPark received LEED Gold Certification and was honored as "Net Zero-Carbon Building Certification Pioneer Project" by an external certification organization. Such award has reflected that our concept of environmental design is highly recognized.

LEED Gold Certification Obtained
by NIO House | NeoPark, Hefei

2.7

Building a Clean Homeland Together

With the original aspiration of "Blue Sky Coming", NIO is working with its users and international organizations to contribute to a better future and a blue sky. We have launched Clean Parks, a joint ecosystem building initiative, against the clean energy and environmental protection goals of the United Nations' Sustainable Development Goals (SDGs). By leveraging our strengths in the use of clean energy, we hope to work with all stakeholders to support the use of smart electric vehicles and the construction of clean energy infrastructure in nature reserves around the world, with the aims of building clean and low-carbon self-circulating energy systems, and maintaining the original look and integrity of ecosystems. Meanwhile, Clean Parks implements the *Kunming-Montreal Global Biodiversity Framework* on protecting biodiversity that was passed at the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15). The initiative also helps advance the construction of the national park system, strives to promote and practice the clean and low-carbon concept, and contributes to harmonious coexistence between human society and nature.

SDGs Addressed in the Clean Parks Initiative

By the end of the reporting period, Clean Parks had been recognized by users, governments, media and industry organizations. It was selected by the China Association of Automobile Manufacturers in the 2022 "Excellent Cases" of corporate social responsibility practice in the Chinese automotive industry. Meanwhile, we won the "Annual Innovative Marketing Case on Public Welfare" at the 9th TAB Festival, the most prestigious and influential award in the Chinese automotive marketing.

In addition, NIO is active on media platforms and in various forums on sustainable development. We were invited to *The Economist's* Sustainability Week, where we shared NIO's practices in the field of ecological protection, and discussed the challenges and opportunities from sustainable development with other participants, with new ideas generated during the process.

NIO Invited by *The Economist* to Sustainability Week

On March 30, 2023, NIO was invited by *The Economist* to its 8th annual Sustainability Week. Mr. Ganesh V. Iyer, CEO of NIO U.S., discussed "Electric Vehicles – The Future of Cars?" with the participating company representatives. He also shared our original aspiration of "Blue Sky Coming" and the Clean Parks initiative. He exchanged ideas with industry experts and company representatives from around the world to explore different ways for business to contribute to sustainable development.

Mr. Ganesh V. Iyer, CEO of NIO U.S., participated in the *Sustainability Week of The Economist.*

## Supporting the Development of National Parks

By making full use of its leading position and technical strengths in clean energy use and infrastructure construction, NIO keeps broadening the scope of and seeking new ways for ecological cooperation. Clean Parks is working with World Wildlife Fund (WWF) and United Nations Development Program (UNDP) to build platforms and implement projects such as photovoltaic systems and self-circulating energy systems. The projects will provide clean energy for nature reserves and enable clean and low-carbon patrol and energy use.

During the reporting period, we added 4 new ecological cooperation sites to Clean Parks, covering the Chongming Dongtan National Nature Reserve in Shanghai, the Qilian Mountain National Park, the Yellow River Delta National Nature Reserve and the Changdao National Park Candidate Areas in Shandong. We installed the world's first vehicle-to-grid (V2G) self-circulating energy system in the Qilian Mountain National Park, consisting of a PV power plant, V2G two-way chargers, and electric vehicles. The system will provide strong support for clean and low-carbon ecological patrol and energy use within the park and its reserves, and help preserve the diversity and integrity of its nature and ecosystem. By the end of the reporting period, we had signed agreements with 5 environmental organizations worldwide to jointly protect 17 nature reserves and contribute our efforts to ecological cooperation programs at home and abroad.
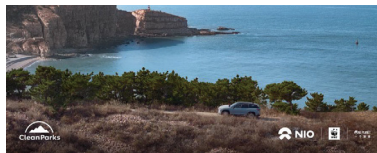
Assisting Communities in Green Transformation

Clean Parks is looking for more opportunities to work with nature conservation organizations at home and abroad. We have built partnerships with WWF, UNDP, the Danish Society for Nature Conservation, the Shan Shui Conservation Center, and the Polar Hub to develop platforms, implement projects and support ecological conservation in many national parks and nature reserves around the world. Our efforts have been recognized by the Qinghai Provincial Forestry and Grassland Bureau, Hainan National Park Administration, and other environmental departments and provided strong support for achieving the SDGs around the world.

WWF Changdao Green Community Project

On December 22, 2023, we joined hands with WWF, the One Planet Foundation, and the marine protected area research team of the First Institute of Oceanography, Ministry of Natural Resources, to initiate the fourth ecological cooperation project between Clean Parks and WWF in the Changdao National Park Candidate Areas in Shandong. NIO supports the marine protected area research team for long-term field scientific observation and research on the Changdao Island by providing smart electric vehicles and building clean and low-carbon charging facilities. In addition, NIO will further the construction of self-circulating energy systems with its partners and engage in building zero-carbon communities, developing sustainable fishery, protecting the balance of marine ecosystem, and restoring seagrass beds and seaweed fields. By doing so, we are assisting with marine blue carbon conservation and working with partners to promote ecological conservation and development in the Changdao National Park Candidate Areas.

"NIO Sanjiangyuan Ecological Village Environmental Research Base" Project

On the first anniversary of the "Public Interest Footprints of NIO Users", NIO Users Trust continued to focus on ecological and environmental protection in collaboration with Tencent Public Welfare "Public Welfare Day" on September 9. During the reporting period, NIO Users Trust worked with the Sanjiangyuan Ecological Protection Foundation, the Institute of Sanjiangyuan National Park of Chinese Academy of Science, and the Makehe Forestry Bureau of Qinghai Province to build the "NIO Sanjiangyuan Ecological Village Environmental Research Base." After two years' construction, the base was successfully completed in August 2023 and officially delivered on September 5. The base is equipped with functions such as wildlife observation, research on plateau ecology and environment, and environmental research and education activities. During the reporting period, we organized activities such as "Clean Parks Ecological Visit to Sanjiangyuan" and attracted the participation of NIO users from 12 provinces and municipalities across China. Activities as such are expected to improve their understanding and awareness of biodiversity conservation.

Ecological Cooperation Between NIO and WWF on the Changdao Island

NIO Sanjiangyuan Ecological Village Environmental Research Base

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Empowering Biodiversity Conservation

As an active promoter of environmental protection, Clean Parks works with our users and the public to protect the environment, raise environmental awareness and carry out environmental protection activities. Based on its extensive influence on the user community, NIO has built a "National Park Scientific Volunteer" Platform through its Clean Parks Citizen Scientist Program, enabling users and the public around the country to participate in biodiversity conservation in depth and jointly contribute to the protection of the natural environment. By the end of the reporting period, the program had organized 17 activities and attracted more than 500 enthusiastic participants. At the same time, we disseminate knowledge about rare wildlife and environmental protection to our users and the public through science articles, illustrations and science tours. By the end of the reporting period, Clean Parks had mobilized community forces for environmental actions. Online interaction topics on the NIO app had attracted nearly ten thousand participants, calling for and bringing together NIO users and the public for biodiversity conversation.

### Clean Parks Citizen Scientists Program

In recent years, Guanba Village in Pingwu County, Mianyang City, Sichuan Province has developed an eco-friendly industry centered on apis cerana farming, achieving win-win results of nature conservation and economic benefits. From June 13 to 17, 2023, Clean Parks and the Shan Shui Conservation Center jointly sent a scientific volunteer team of 10 to the Giant Panda National Park for honey plant surveys in Guanba Village and the nearby Huoxi River Basin. The volunteers explored areas of different altitudes and recorded the species of flowering plants in season, and data such as their nectar yields and densities, providing a scientific basis for local beekeeping and supporting the compilation of Pingwu County's honey plant manual.

Honey Plant Surveys in the Huoxi River Basin

"Flying Birds in Blue Sky" Theme Activity

On July 27, 2023, NIO, UNDP, Global Environment Facility (GEF), and the Chongming Dongtan National Bird Reserve, Shanghai jointly launched the "Flying Birds in Blue Sky" theme activity. We organized interactive bird science exhibitions at 8 NIO Houses in Shanghai, inviting the public to take a bird learning journey. Visitors could watch and take photos and participate in interactive activities at NIO Houses' supply depots to understand in depth the seasonal migration of birds in the Dongtan Reserve and experience the flight of birds. The exhibition also received plenty of attention on the NIO app, with many of our users taking part in the interactive online discussion.
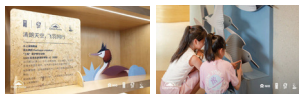
Interactive Bird Science Exhibition at NIO House

Clean Parks National Parks Collection

In order to protect the ecological environment of the panda habitat, NIO Life and the Shan Shui Conservation Center signed a cooperation agreement for conservation projects in the Giant Panda National Park. On April 22, 2023, the World Earth Day, Clean Parks launched the NIO Life National Park badges. Part of the proceeds from the badges will be used for species and habitat conservation and capacity building in the Gansu section of the Giant Panda National Park, and to promote conservation projects in the national park to the public. During the reporting period, we donated a total of RMB 251,714, out of which, RMB 130,000 was donated to the Shan Shui Conservation Center and RMB 121,714 to the Sanjiangyuan Ecological Protection Foundation, for local wildlife monitoring and protection and other environmental protection projects.

NIO Life is also committed to the sustainable development of traditional culture. It has been cooperating with female embroiders in Qinghai since 2022 by promoting Qingxiu works with animal and floral patterns in bright colors and featuring the Hehuang embroidery, which represents the culture of Qinghai's ethnic minorities. This collection of products was officially launched on the World Earth Day 2023 to promote and support the development of Qingxiu, an intangible cultural heritage with Chinese characteristics, and contribute to ecological protection in the Sanjiangyuan area.

National Park Badge

Giant Panda National Park

Qingxiu, an Intangible Cultural Heritage With Chinese Characteristics

Qingxiu Work - Tea Mat Embroidered With a Tibetan Fox

2.8

Environment-Related Performance Statistics

Environmental Indices[1, 2, 3]	Unit	2023		
		Total	Manufacturing	Non-Manufacturing
Discharges				
Wastes	Non-hazardous waste generated	ton	19,988.44	16,398.65	3,589.79
	Including: general industrial waste	ton	15,458.83	15,067.68	391.15
	Including: domestic waste	ton	4,529.61	1,330.97	3,198.64
	Intensity of non-hazardous waste discharge	ton/million revenue	0.36	/	/
	Non-hazardous waste recycled[4]	ton	14,324.09	14,085.79	238.30
	Hazardous waste generated	ton	2,276.13	2,095.23	180.90
	Intensity of hazardous waste generation	ton/million revenue	0.04	/	/
Waste gases	Sulfur dioxide	ton	2.85	2.85	/
	Nitrogen oxide	ton	28.33	28.33	/
	VOCs	ton	8.48	8.24	0.24
	Particles	ton	13.82	13.82	/
Wastewater	Industrial wastewater discharge	ton	436,395.18	436,395.18	/
	COD emissions from industrial wastewater	ton	17.89	17.89	/
	Ammonia nitrogen emissions from industrial wastewater	ton	0.45	0.45	/
	Total phosphorus emissions from industrial wastewater	ton	0.15	0.15	/
	Intensity of industrial wastewater emissions	ton/million revenue	7.85	/	/
Greenhouse gas emissions[5]	Scope I	tCO_2e	27,555.35	25,980.75	1,574.60
	Scope II	tCO_2e	112,856.83	83,494.64	29,362.19
	Total	tCO_2e	140,412.19	109,475.39	30,936.80
	Emission intensity	tCO_2e/million revenue	2.52	/	/

Resource Consumption					
Energy types	Natural gas	m³	10,056,862.00	10,056,862.00	/
	Diesel	ton	4.55	4.55	/
	Steam	ton	18,641.00	18,641.00	/
	Cooling and heating	MWh	9,634.35	9,634.35	/
	Outsourced power	MWh	152,210.71	101,725.21	50,485.50
	Including: outsourced green power	MWh	16,319.62	16,319.62	/
	On-site photovoltaic power	MWh	39,175.91	39,175.91	/
Environmental Indices		Unit	2023		
			Total	Manufacturing	Non-Manufacturing
Energy consumption	Direct energy consumption	MWh	147,987.21	147,987.21	/
	Indirect energy consumption	MWh	175,717.90	125,232.40	50,485.50
	Total volume	MWh	323,705.11	273,219.61	50,485.50
	Total energy consumption intensity	MWh/million revenue	5.82	/	/
Water resources	Municipal water supply	m³	850,149.56	739,190.56	110,959.00
	Amount of recycled water	m³	46,414,774.00	46,414,774.00	/
	Total water consumption volume	m³	47,264,923.56	47,153,964.56	110,959.00
	Water consumption intensity	m³/million revenue	849.81	/	/
Vehicle packaging	Packaging material for vehicles	ton	755,542.00	/	/
	Intensity of vehicle packaging material	ton/million revenue	13.58	/	/
	Percentage of recycled packaging	%	98	/	/

[1] The scope of environmental data collection for NIO ESG Report 2023 is as follows: F1, F2, E0 , E1 , Nanjing Tooling Trial Shop, Nanjing Battery Pack Production Shop, and Hefei Power Products Plant for "Manufacturing"; test centers and office areas within China (excluding sales stores and regional companies) for "Non-manufacturing", expanding from the scope of environmental data collection from NIO 2022 ESG Report. Newly covered areas include the Hefei Power Products Plant and some test centers and office areas.

[2] Due to the expansion of the scope of environmental data collection, as well as the rise of 2023 revenue and vehicle production, the environmental data showed an overall upward trend. Meanwhile, since the Company newly established wastewater treatment plants and improved wastewater treatment capacity during the reporting period, the COD emissions, ammonia nitrogen emissions, and total phosphorus emissions from industrial wastewater remained stable or slightly declined compared to 2022. Some waste gas indices went down compared to 2022, since the 2022 data included emissions generated by F2 during commissioning.

[3] Calculation method for intensity: total amount/revenue in millions (in RMB) in 2023.

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

[5] The rights and interests of the photovoltaic power generated at F1 and E0, totaling 10,806,610 kWh, do not belong to NIO, and are thus counted for greenhouse gas emissions. The calculation method is consistent with that for the outsourced power.

3.0
Superior Products

NIO has been in relentless pursuit of superior products since its inception, which are the cornerstone of creating a joyful lifestyle for our users. We provide users with an intelligent and reassuring driving experience through continuous innovation and R&D, and deliver exceptional quality to users through end-to-end quality management engaging all employees and covering all value dimensions.

Model	Awards	Awarded By
NIO ES8	First place in Best Mid to Large-size Battery Electric SUVs by Satisfaction	China Association for Quality
NIO ES6	First place in the "2023 China New Energy Vehicle - Initial Quality Study (NEV-IQS) - Premium BEV"	J.D.Power
	China Intelligent Cabin Award (CICA)	J.D.Power HVR Lab of Tongji University
NIO ET7	First place in the "2023 China New Energy Vehicle - Automotive Performance, Execution and Layout (NEV-APEAL) Study - Premium BEV"	J.D.Power
NIO ET5	"D.R.I.V.E." 2023 Innovation Honor	Reuters
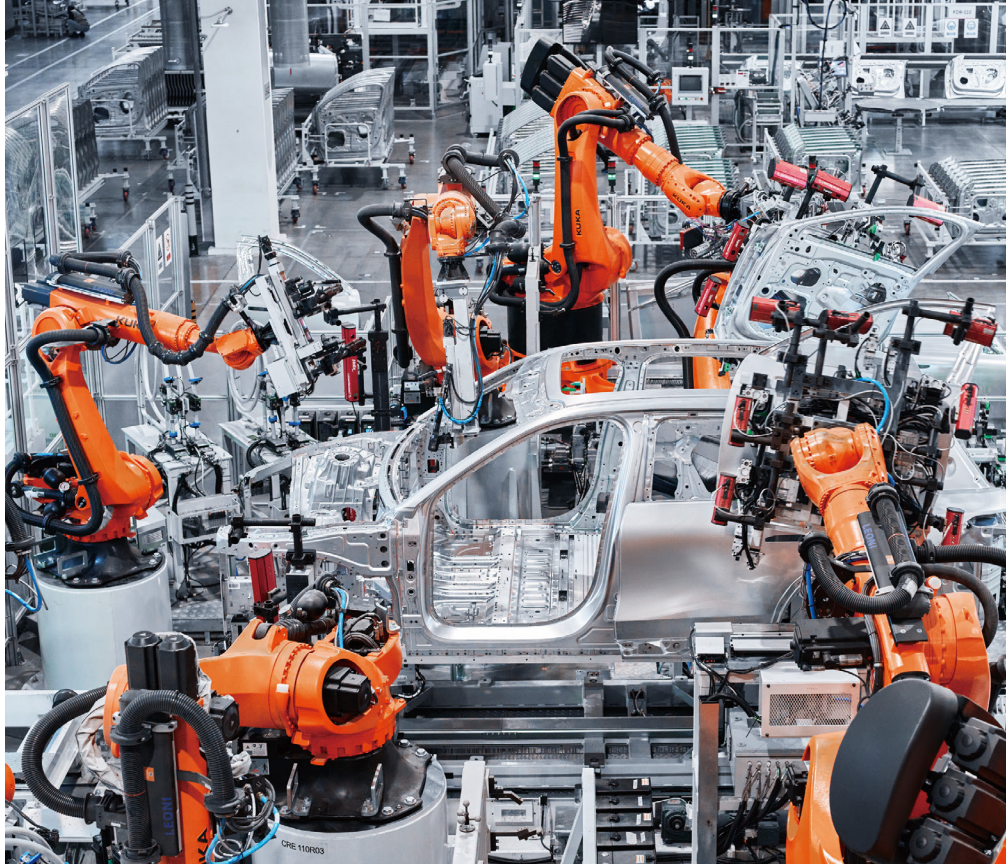
Into the Chapter With NOMI

Continuous Innovation

Innovation is the inherent character of NIO and the inexhaustible driving force for my continuous growth. NIO has established a technological innovation system which is driven by value and independently developed core technologies for powertrain. Through Navigation on Pilot Plus (NOP+), I provide users with a point-to-point assisted driving experience that connects regular city roads with urban expressways and highways, and has basically achieved nationwide coverage at the city level in China.

At the same time, guided with user feedback, I have realized continuous iteration and growth through Firmware Over-the-Air (FOTA) upgrades. During the reporting period, we added a total of 438 new features and optimized 371 features through FOTA upgrades.

Excellent Quality

With "Quality is a belief. Build the Company into a global quality benchmark and a user enterprise for a joyful lifestyle." as philosophy, we aim to further enhance the quality awareness of all employees, and cultivate a climate where everyone attaches importance to quality.

We set up the quality principles, which focus on user experience, building smart EVs with exceptional quality and providing joyful service that exceeds users' expectations. Our quality teams and activities are the essential pillar for all business functions and make continuous optimization through closed-loop management.

Safe Journey

We spare no effort in improving every bit of safety. During the reporting period, I have learned Mis-Acceleration Intervention Assist (MAI), Remote Parking Assist (RPA), and General Objects Warning and Assist (GOA). Meanwhile, all of NIO's models involved in the tests received five stars in the European New Car Safety Assessment (Euro NCAP) with high marks. In addition, we pay close attention to battery safety and manage the entire life cycle of our batteries from product development, supply chain management, charging and swapping operations, user services, monitoring and emergency response, safety incident investigation, analysis and improvement, to battery decommissioning, in order to provide our user with a safer and more joyful journey.

3.1

Innovation and R&D

Technological innovation is the inherent character of NIO. Since its inception, NIO has been dedicated to establishing a value-driven technological innovation system, independently developing powertrain and core intelligent technologies to cover the entire business of smart electric vehicles. In this way, we are committed to pushing the boundaries of smart electric vehicle development with innovative products.

During the reporting period, we invested RMB 13.43 billion in R&D cumulatively, an increase of 23.93% compared to 2022.

By the end of the reporting period, NIO had a total of 11,222 product and software developers, accounting for 34.19% of all employees.

3.1.1

Focusing on In-House Research and Development

NIO Assisted and Intelligent Driving (NAD)

NIO is committed to providing users with a more reassuring and enjoyable driving experience through the development of autonomous driving technologies, such as driving, parking, active safety features, and more intelligent vehicle control functions. NIO has built a unified technical architecture, NADArch, which integrates scenarios, functions, and navigation with and without maps to provide users with safer and more efficient NOP+ functions.

NIO's NADArch for Intelligent Driving

Applications	Driving		Parking	Active safety	Intelligent vehicle control
Algorithms	Framework		Integrated scenarios	Integrated functions	Navigation with and without maps
	Modules	Perception	Map/Positioning	Environmental information	ADMS	Regulation and control
Engineering	Closed-loop data		Closed-loop production		Closed-loop testing
Platform capabilities	Vehicle			Cloud	

With NIO's NOP+, vehicles can autonomously complete driving tasks such as passing through intersections, changing lanes with navigation, changing lanes for overtaking, and bypassing vehicles on urban roads following the set navigation routes. The NOP+ is also capable of safely evading construction zones and irregular shaped obstacles, providing a driving experience from point A to point B that connects unelevated city roads with urban expressways and highways. We have provided users with a full-coverage navigation experience covering highways, urban areas, and battery swap scenarios with continuous iterations. As of April 20, 2024, NOP+ had largely achieved nationwide road coverage at city level in China.

Tested Availability

726
cities

360,755 kilometers
city expressways and highways validated

847,221 kilometers
urban roads validated

1,207,977 kilometers
validated in total

*Data as of April 20, 2024

All models based on NIO's second-generation technology platform, NIO Technology Platform 2.0 or NT2.0, are equipped with NIO's AQUILA Super Sensing, ADAM Supercomputer, AD algorithms, and vehicle platforms for AD. All the NT2.0 models support NOP+ services that are available in all regions with or without high-precision maps, evolve in real time, and facilitate driving with efficiency and reassurance.

NIO ES6 Rated 5+ Stars for Driver Assistance and 5 Stars for Parking Assistance in China Intelligent-Connected Car Assessment Programme (C-ICAP)

C-ICAP is one of the most important official evaluations of automobile intelligence in China. During the reporting period, NIO ES6 became the only model in the 2023 C-ICAP test to receive a 5-star rating for both driver assistance and smart cabin, proving its industry-leading capabilities in intelligent driver assistance. NIO ES6 is equipped with functions like Intelligent Adaptive Cruise Control (i-ACC), Lane Centering Control (LCC), Auto Lane Change (ALC), and Side Distance Indication System, which help relieve the driver's burden in daily driving scenarios and make driving easier and more intelligent. Meanwhile, with Shiftless Automatic Parking Assist with Fusion (S-APA With Fusion), Nearby Summon (NBS), and Remote Smart Parking Assist (RSPA), NIO ES6 is able to make parking easier in areas with narrow parking spaces or prone to vehicle scratches, greatly improving parking efficiency.

The excellent performance of NIO ES6 built on NT2.0 means that all NIO 2.0 models equipped with the same standard intelligent driving hardware are able to achieve the same rating in the C-ICAP Driver Assistance Test, offering peace of mind and a comfortable and intelligent driving experience for NIO users.

Meanwhile, NIO continues to provide users with continuously optimized driving experience through independent R&D of software and intelligent systems. As the world's first carmaker to realize vehicle 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 improving the vehicle functionality.

During the reporting period,

NIO provided 43 FOTA online upgrades globally,

covering Aspen, Alder, and Banyan smart systems,

adding more than 438 new features

and optimizing more than 371 features.

071

Content   About
This Report   Welcome   Hello, We Are NIO   ESG Highlights   Response
to UN SDGs   Feature   Efficient
Governance   A Blue Sky   Superior Products   Sustainable
Value Chain   Employee Care   Charitable
Actions   Appendix

R&D of Powertrain

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. 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.

In January 2024, the highly integrated next-generation high-performance intelligent electric drive applied in NIO's EC6 model won the "The 3rd World Top 10 Electric Drive Systems", demonstrating NIO's industry-leading R&D capabilities in the field of electric drive technology. In addition, during the reporting period, NIO's EDS and High Voltage System teams published a paper titled *Integrated Boost Charger for 400-800V Charging Compatibility* through FISITA (Fédération Internationale des Sociétés d'Ingénieurs des Techniques de l'Automobile), and won the Best Paper Award of FISITA for this contribution.

In terms of battery R&D, NIO has established a development process covering requirement analysis, development validation, product approval, and mass production. During the reporting period, we completed the development and preparation for mass production of the 150kWh battery. By the end of the reporting period, this battery represented the battery of the largest capacity for passenger vehicles in China that had been mass produced. With this battery, ET7 can reach a CLTC (China Light Vehicle Test Cycle) range of 1,050km, which is the world's longest range for mass-produced vehicles.
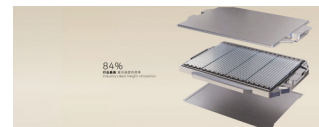
Meanwhile, we have completed the development of the prototype of 46105 large cylindrical battery cell, with an energy density of 292wh/kg, and an internal resistance of 1.6mΩ for a single cell, achieving a designed height utilization rate of 84% for the 120kWh battery pack, leading the industry by the end of the reporting period.

ISO 26262 Functional Safety Certification Program (FSCP)

Best Paper Award of FISITA

"The 3rd World Top 10 Electric Drive Systems" - A Highly Integrated Next-Generation High-Performance Intelligent Electric Drive

NIO 150kWh Battery

46105 Large Cylindrical Battery Cell

120kWh Battery Pack

Intellectual Property Protection

NIO strictly complies with the *Patent Law of the People's Republic of China* and other laws and standards related to intellectual property in the countries and regions where we operate and has obtained the GB/T 29490 Intellectual Property Management System Certification during the reporting period. To keep its technological innovation and competitive edges, NIO has established process and policies regarding patent application and maintenance, patent risk control, incentives for inventions created in the course of duty, and trademark management. This encourages R&D personnel to actively pursue intellectual property rights, and to control the risk of patent infringement with standardized measures. In addition, during the reporting period, NIO entered into a technology license agreement with Forseven to share advanced technology with the industry while safeguarding its own intellectual property rights, promoting industry development and win-win cooperation.

By the end of the reporting period,

NIO had a total of 8,478 issued and pending patents

in the U.S., China, Europe and other jurisdictions,

including 4,690 issued patents and 3,788 pending patents.

In addition, NIO owns 5,633 registered trademarks

and 1,189 pending trademarks.

Certificate of Intellectual Property Management System

NIO's "Methods of and System for Generating and Using Digital Car Keys, and User Terminal" won the China Patent Excellence Award.

NIO's Power Swap Stations won the China Design Excellence Award.

National Intellectual Property Advantageous Enterprise

During the reporting period, NIO received wide recognition and extensive honors for its intellectual property. It has won the China Patent Excellence Award, and China Design Excellence Award, etc. In 2022, NIO has also been recognized as a National Intellectual Property Advantageous Enterprise. During the reporting period, as an enterprise member of the Practice Base for Patent Examiners of the China National Intellectual Property Administration (CNIPA), we supported 3 sessions of internship practice and training so as to support the high-quality development of Chinese intellectual property.

We have established the "NIO Intellectual Property Innovation Award" internally to recognize and reward significant inventions and creations which have made remarkable contributions to the Company, as well as outstanding inventors and designers. We have also set up a cash reward for job-related inventions, 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 around 6,200 individuals received cash rewards for job-related inventions. To enhance employees' awareness and protection of intellectual property rights, NIO provided intellectual property training to new hires, R&D staff, and supply chain managers during the reporting period.
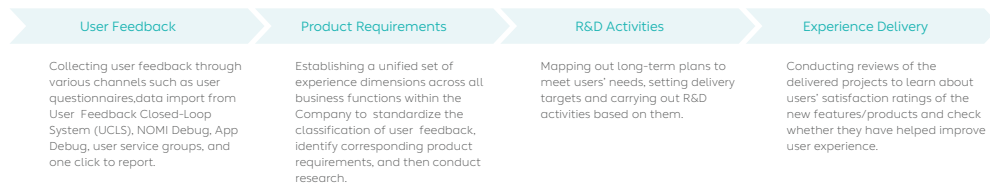
To maintain the healthy development of the R&D and innovation ecosystem, NIO pays close attention to preventing and controlling the risk of intellectual property infringement. We integrate intellectual property infringement risk management into multiple milestones like product concept, product definition, product validation, and product mass production to avoid infringing on the intellectual property rights of others. In addition, we manage the management of patent infringement risks for our partners. In 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 discontinuing usage, changing partners, and avoiding the design to protect the intellectual property rights of others. As for the illegal infringement of NIO's intellectual property rights, we have set up a proactive monitoring mechanism and will take appropriate actions such as sending warning letters, filing complaints on online platforms, reporting for administrative investigation and penalties, filing civil infringement lawsuits and criminal lawsuits, after investigating and confirming the infringement. In this way, we ensure that infringing behavior can be stopped and handled in a timely and effective manner to better protect our own rights and interests.

3.1.2

Driven by User Experience

The continuous improvement of user experience and satisfaction is one of the major goals for NIO's product development. 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. During the reporting period, we optimized the user experience feedback process and internal management tools at different nodes and continued to expand the coverage of the user experience feedback mechanism. These enabled us to convert user feedback to product requirements and provide quality deliveries in a more efficient and comprehensive manner.

User Feedback	Product Requirements	R&D Activities	Experience Delivery
Collecting user feedback through various channels such as user questionnaires, data import from User Feedback Closed-Loop System (UCLS), NOMI Debug, App Debug, user service groups, and one click to report.	Establishing a unified set of experience dimensions across all business functions within the Company to standardize the classification of user feedback, identify corresponding product requirements, and then conduct research.	Mapping out long-term plans to meet users' needs, setting delivery targets and carrying out R&D activities based on them.	Conducting reviews of the delivered projects to learn about users' satisfaction ratings of the new features/products and check whether they have helped improve user experience.

In addition, to further improve the product experience for users, we actively work with users to co-create in the process of product innovation and continue to deepen their engagement in co-creation throughout the product life cycle. In this way, we have enhanced users' sense of participation and sense of belonging and gained more insights from valuable user feedback to enhance our product iteration and optimization.

User Research Throughout Product Lifecycle

Product planning/innovation study

Trend Study

Target User Research

Product definition/requirement study

Human-machine interaction solution validation

Experience/Usability Assessment

Satisfaction Survey

Tracking of product experience

Review, calibration and goal setting

User/Product Review and Iteration

Continuous Iteration of Product Experience

NOMI Memory of Occupants

NOMI recognizes different occupants in the cabin and remembers their music/seat preferences, and acts as a carrier of affection between the persons in the cabin.

Intelligent Smooth Stop

The Intelligent Smooth Stop (ISS) alleviates the nosedives caused by brake friction and inertia, allowing the user to enjoy a comfortable and joyful experience.

4D Smart Suspension

When there is a large pothole on the road ahead, the driver will be reminded to slow down in advance to avoid a tire blowout. For bridge slopes and road bumps, the chassis will be adjusted in advance to minimize body undulation, so that the driver feels at ease.

3.2

Safeguarding Driving Safety

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. To comprehensively manage product safety, NIO has set up a Safety Committee under the Quality Committee and established seven working groups targeting different safety elements, such as battery safety, crash safety, and high-voltage safety. The Safety Committee has established a lifecycle safety management mechanism. This mechanism covers the entire process from prevention, early warning to emergency response, product safety risk assessment, and investigation and improvement. This helps us to prevent, control, and respond to safety incidents in a timely manner.

Structure of NIO Safety Committee

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                              Safety Committee

Battery Safety   Crash Safety   High-Voltage   Chemical Safety   Mechanical   Functional Safety   Low-Voltage
                                Safety                           Safety                           Safety
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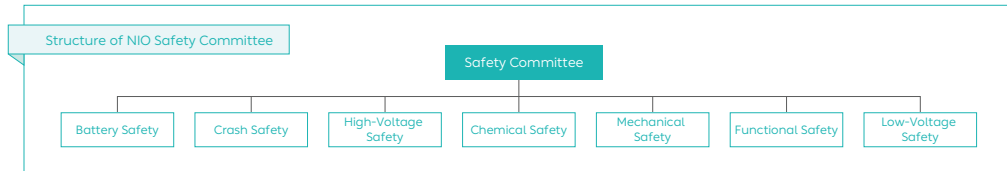
3.2.1

Safe Products

When developing superior products, we always adhere to one key principle: creating products that make users reassured. Taking compliance with relevant safety regulations of the target markets as the goal, NIO develops all its products in line with China's New Car Assessment Program (CNCAP), the Euro NCAP, and the China Insurance Automotive Safety Index (C-IASI) requirements. Meanwhile, we have continuously set new records based on various domestic or international safety evaluation standards. We spare no effort to improve safety and go beyond the standard requirements to design additional protection for scenarios not covered by these standards.

As of April 10 2024, the safety ratings of NIO models are as follows:

	C-IASI	C-NCAP	Euro NCAP
ES8	/	★★★★★ 2019	★★★★★ 2021
EL7 (ES7)	/	/	★★★★★ 2023
EL6 (ES6)	/	/	★★★★★ 2024
EC6	Highest safety rating of the year 2020	/	/
ET7	/	★★★★★ 2022	★★★★★ 2022
ET5	Highest safety rating of the year 2022	/	★★★★★ 2023
ET5T	/	/	★★★★★ 2023

All NIO's Models Participated in Euro NCAP Received Five-Star Ratings

NIO EL7 Achieves Euro NCAP Five-Star Safety Rating

NIO EL7

NIO ET5 Achieves Euro NCAP Five-Star Safety Rating

NIO ET5

NIO EL6 Achieves Euro NCAP Five-Star Safety Rating

NIO EL6

NIO ET5T
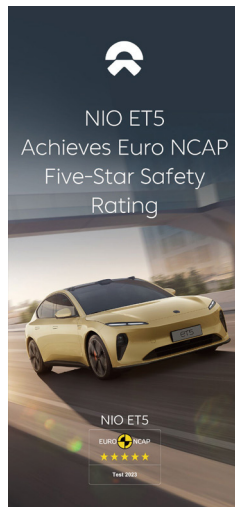
As one of the most authoritative safety testing organizations in the automotive industry, Euro NCAP has a set of strict and comprehensive testing standards. Since the new Euro NCAP 2023 protocol came into effect, NIO was the first automotive brand to receive a five-star rating and all of its subsequent models assessed by Euro NCAP had also received a five-star rating.

On July 12, 2023, NIO's two models, the ET5 and the EL7 (ES7), were the first to receive the five-star Euro NCAP safety ratings (based on the new 2023 protocol). In the four occupant protection crash tests, both models set new scores since 2020 as sedan and SUV, respectively. Following this, NIO's ET5T and EL6 (ES6) also received five-star Euro NCAP ratings in October 2023 and April 2024, respectively.

NIO ET5 Received the Highest Euro NCAP Safety Rating and the Highest C-IASI Rating of 2023

In April 2023, the NIO ET5 model received the highest safety rating from C-IASI 2023 with "Good" performance in all test items. In the roof strength test, NIO ET5 achieved a roof strength of 118.576 kN, with a compressive capacity that is 5.6 times the vehicle weight, far exceeding the level of similar models in the same segment. By the end of the reporting period, ET5 ranked first among all sedan models for which C-IASI published results. Moreover, with excellent collision energy absorption performance, NIO ET5 can limit the collision force outside the high-strength occupant cabin to the maximum extent. This makes it the first battery electric vehicle to receive "Good" ratings in the C-IASI's driver-side and passenger-side small overlap frontal crash tests with zero defects.
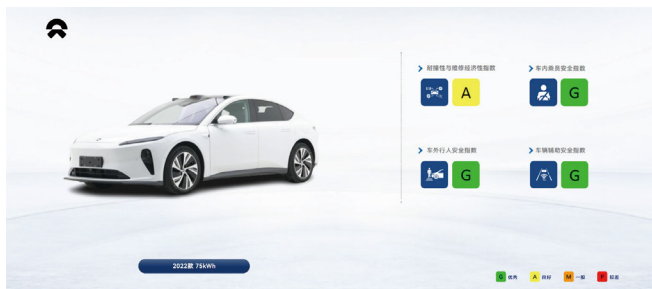
In July 2023, NIO ET5 also achieved the highest Euro NCAP score for sedans since 2020. In the two Euro NCAP frontal crash tests for occupant protection, NIO ET5 almost received full marks. In the Mobile Progressive Deformable Barrier test and Full Width Rigid Barrier test, its front A-pillar did not deform. Also, the structure of the occupant cabin remained almost intact, maximizing the survival space inside the vehicle. The NIO ET5 also earned perfect scores in two lateral impact tests, demonstrating all-around protection for far-side occupants.

C-IASI Rating Results for NIO ET5
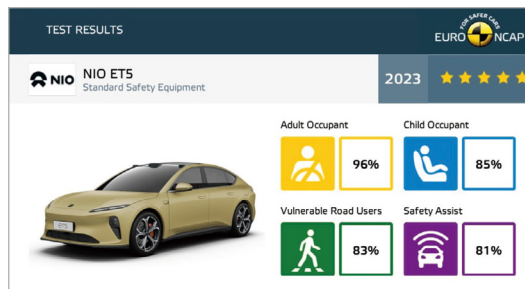
Euro NCAP Rating Results for NIO ET5

Active Safety

Active safety features can help users avoid potential risks and achieve better driving safety. Relying on advanced hardware and architecture, as well as full-stack in-house developed algorithms, NIO has been continuously iterating the active safety features of its products, and launched NIO Active Safety 2.0 in January 2024.

Unlike traditional active safety systems that fulfil standard test specifications, NIO Active Safety 2.0 is committed to going beyond the requirements of safety tests. With active safety features such as GOA and MAI+, the safety system senses the state of the environment, the vehicle, and the driver to provide enhanced and all-around protection.

25 Safety and Driving Assistance Features as Standard Equipment

Forward Collision Warning (FCW)

Automatic Emergency Braking (AEB)

Blind Spot Detection (BSD)

Lane Change Alert (LCA)

Advanced Driver Monitoring System (ADMS)

Door Open Warning (DOW)

Lane Departure Warning (LDW)

Lane Keeping Assist (LKA)

Emergency Active Stop (EAS)

Emergency Lane Keeping (ELK)

Intelligent Adaptive Cruise Control (i-ACC)

Lane Centering Control (LCC)

Auto Lane Change (ALC)

Traffic Sign Recognition (TSR)

Environment Simulation Display (ESD)

Advanced Go Notifier (AGN)

Shiftless Automatic Parking Assist with Fusion (S-APA With Fusion)

Power Swap Assisted Parking (PSAP)

Automatic Emergency Steering (AES)

Nearby Summon (NBS)

Rear Cross Traffic Alert with Brake (RCTA-B)

Front Cross Traffic Alert with Brake (FCTA-B)

Mis-Acceleration Intervention for All Scenarios (MAI+)

Remote Parking Assist (RPA)

General Objects Warning and Assist (GOA)

Mis-Acceleration Intervention for All Scenarios

NIO is the first Chinese automaker to release MAI. If a driver suddenly presses the accelerator pedal when the vehicle is starting up or moving at a low speed, there may be a risk of collision with other vehicles or pedestrians in the front. At this point, MAI+ will limit the acceleration and warn the driver so as to minimize the collision risk due to mis-acceleration.
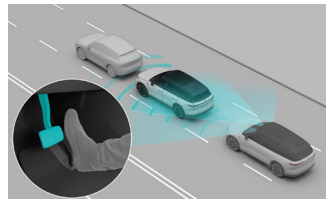
GOA, an Active Safety Feature That Goes Above the Industry Standards

Traditional AEB features target only pedestrians, bicycles, and motorized vehicles, with no coverage of other irregular objects. In 2024, NIO released a full-stack in-house developed, industry-leading feature GOA. With this feature, the vehicles are capable of warning the driver and applying brakes when detecting any of more than 30 common non-standard objects like traffic cones, water-filled barriers, and falling rocks, lowering the risk of accidents. Relying on the ultralong-range LiDAR of NIO NT2.0 models, GOA can recognize objects more than 100 meters away, and respond instantly after detecting any objects with a height of higher than 40 cm. Moreover, it supports braking at a speed up to 90 km/h and maintains high-level detection and responsiveness even in low light scenarios.

Passive Safety

Passive safety systems are an important line of defense for ensuring the safety of vehicles. In the event of an unavoidable accident, the passive safety system plays a key role in protecting the occupants. By investing efforts in developing passive safety features, we set new safety records for protecting occupants.

Front Center Airbag Standard on All NT2.0 Models

To enhance safety in side collisions, all eight NIO NT 2.0 models available in the market are equipped with the front center airbag as standard, making NIO the first car company in the world to do so. The airbag is deployed between the front occupants to absorb impact energy and provide support, offering sound safety protection. Specifically, the airbag prevents injuries caused by secondary collisions such as head-on collisions and side impacts and reduce injuries from contact between the occupants and the center armrest, seats, and interior trims. It also protects the occupants from suffering the lateral curvature of the spine.

NIO's In-House Developed Smart Driver's Seat Restraint System for Better Driving Safety

NIO equips its All-New ES8 with a smart driver's seat restraint system which is the first in the world and developed in-house. The system is built on innovatively designed hardware and algorithms. Unlike ordinary seat belts and restraint systems, it can optimize the restraint force based on the driver's height and weight to achieve the most appropriate passive protection. This system helps us in reducing secondary injuries in collisions and is more user-friendly especially for female drivers.

Health and Safety

NIO is committed to providing users with a cabin space with a healthy environment, fresh air, and pleasant smell in all scenarios, to develop itself into the industry benchmark in defining cabin environment standards. To this end, we care about health from the product definition and development stages and have created "healthy cabins" in two dimensions: passive health and active health. NIO ES7 was awarded "China's Healthy Car" by Automotive Data of China Co., Ltd. (hereinafter referred to as "ADC"), one of the major subsidiaries of China Automotive Technology and Research Center (CATARC) during the reporting period, and in January 2024, it received the full five-star certification of the China-Automotive Health Index. In addition, during the reporting period, NIO ET5T, ES6, EC7, and ES8 were among the first models to receive the "Zero Formaldehyde Vehicle" certification issued by ADC and the China Association for Consumer Products Quality and Safety Promotion (CACPQSP); NIO ET7 has been recognized by the European Green NCAP, an automotive emissions testing organization, as a five-star model.

Active Health

We have established three lines of defense to control air quality: air quality monitoring system, anti-bacterial and anti-allergic activated carbon filter, and the "anti-bacterial, anti-mold, and low-odor" principle. These measures help us proactively monitor the quality of the air inside and outside the vehicle and activate the air circulation system based on the monitoring results. By doing so, we can minimize the risks of volatile organic compounds, odors and microorganisms, proactively maintaining the freshness of the air inside the cabin.

Passive Health

We have established a mechanism to monitor and manage the entire process from material selection, component and vehicle development to mass production. Relying on our internal chemical safety working group, we implement material source control, process monitoring, and make continuous improvements.

3.2.2

Battery Safety

Battery safety is the lifeline of new energy vehicle development. To ensure battery safety, we have set up a cross-functional battery safety team. This team implements full lifecycle management of batteries from product development, supply chain management, charging and swapping operations, user services, monitoring and emergency response, safety incident investigation, analysis and improvement, to battery decommissioning.

Research and Development of Battery Products

We have been pursuing the technology leadership, safety, and reliability of battery systems. Our product development has always orientated to a "Zero Accident" goal since the beginning. To this end, we prepare stringent standards and control plans for materials, cells, and systems to ensure that every step is conducted in compliance with the design requirements and is traceable.

Demanding Product Design and Test Requirements

Thermal Safety	Crash Safety	Corrosion Resistance
Battery thermal safety has always been a priority in the battery industry, and the national standard requires 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.	NIO requires that batteries must perform better than the five-star safety requirements for side impact and small overlap crash tests in Euro NCAP. The side extrusion force applied on the battery during testing is far higher than the national standard which simulates a maximum acceleration of 28g during crash testing, while NIO's corporate standard reaches a maximum of 50g.	NIO designs the batterynhousing by referring to the ECE R100 and ISO 11997-1-2017 Cycle B (salt spray test) standards and the parts must meet the requirements of a 840-hour salt spray test, far stricter than the national standard.

Thermal Shock	Bottom Protection	Electric Shock Prevention
During the design and development, NIO's corporate standard requires the battery thermal shock to be at the range of -40℃ to 85℃, which is more rigorous than the national standard of -40℃ to 60℃.	NIO's corporate standard defines 12 major working condition tests on the bottom of the batteries, which are not currently required by the national standard.	NIO's insulation resistance and equipotential requirements are more stringent than the national standard: NIO requires insulation resistance of 500 Ω/V, while the national standard requires 100Ω/V; NIO requires equipotential of 0.04Ω, while the national standard requires 0.1Ω.

Battery Supply Chain Management

Excellent battery design needs to be realized through a stable industrialization and manufacturing process in the supply chain. NIO adopts a multi-module systematic management of the battery packs, cells, machinery, electronics and electrics for its battery partners, identifying and controlling the industrialization process in an all-round way, from the industrialization requirements of the partners to the application of the OK2X (OK to X) tool for production line acceptance inspection and intelligent supply chain monitoring, to ensure a continuous and stable industrialization and manufacturing process and guarantee the safety of the batteries.

Statement of Requirements for Battery Partner Industrialization

In accordance with the special characteristics of the industrialization process of battery products, NIO has formulated a total of more than 30 SORs for the battery packs, cells, machinery, electrical and electronic parts, and raw materials. These statement of requirements (SORs) are made to guide the industrialization design of battery partners of different material groups and ensure that the production line of battery products meets the requirements of green production and battery safety from the design point of view.

Production Line Acceptance Inspection

NIO participates in the acceptance inspection of the production lines of our partners, and uses the OK2X tool to review the risk identification, design and planning, installation and commissioning, and release of the production line, so as to ensure that the battery production lines comply with the design requirements, and to guarantee the stable production and the reliable quality of the batteries.

Intelligent Supply Chain

A stable manufacturing process guarantees battery quality and safety. NIO's intelligent supply chain monitors nearly 200 parameters of the battery manufacturing process and pushes the results to the relevant NIO teams through big data, so that they can grasp the supply chain situation in time and react agilely to protect the quality of the battery.

Battery Operation Management

Charging and Swapping Operations

As the service time of vehicles gets longer, the battery housing may be damaged due to bumps or traffic accidents, resulting in the lowering of the protection level and the destruction of airtightness. The battery swapping provides a valuable opportunity for battery surface inspection. With the support of AI image recognition, the daily real-time inspection of batteries reaches more than 70,000 pieces with the detection rate of the surface of the batteries achieving 98%. This effectively reduces the safety risk of the battery in the circulation system.

In addition, NIO has established the BSEI for batteries and applied the swapping system to inspect battery conditions on the market side. For batteries with potential risks, we intercept them at the Power Swap Station based on the battery safety and health assessment to prevent safety accidents. Moreover, we adjust the charging current of batteries at the Power Swap Station to enhance their lifespan. Meanwhile, we screen out representative batteries for dismantling and characterization. Based on this, we constantly calibrate and iterate the safety model and cloud monitoring algorithm to guide the development of new products and realize the closed loop management of battery safety.

Battery Repair Quality

NIO values every vehicle service. We have targeted management of the spare parts of batteries which can only be ordered via the authorized and certified service outlets for repair. NIO has established a standard repair process card for battery 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 repair. In addition to 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 modules.

Monitoring and Emergency Response

In terms of monitoring and emergency response, as one of the first companies to be connected to China's national monitoring and management platform for new energy vehicles, NIO actively cooperates with the national monitoring and management. By the end of the reporting period, 100% of new vehicles had been connected to the platform within the required time, and 100% responses to Level 3 alarms and release of disposal reports.

NIO has also established a "data-driven, algorithm-led, early warning and response, closed-loop quality" battery early warning and monitoring system. Driven by data and algorithms, the system relies on NIO's self-developed battery early warning and monitoring platform. The system can realize early warning of dangers, diagnosis of failures, and analysis of triggers of problems, to ensure timely treatment of hidden dangers and problems.

In addition, NIO has developed the NIO Control Tower (NCT), through the Level-3 battery emergency response system, to pull forces from headquarters and cities to respond to and dispose of the incidents in a timely manner. Once a battery early warning risk is triggered, a voice call, chat group creation, user care, and onsite control confirmation can be completed within 30 seconds, with more than 80% cases in the core area can be handled within 30 minutes.

Battery Safety Investigation and Improvement

Based on design analysis and cases in the field, NIO has categorized the battery safety risks into eight levels, and prioritized actions for each level. During the reporting period, the investigation rate of battery safety issues was 100%.

Battery Decommissioning Management

NIO has engaged enterprises listed on the vehicle battery recycling whitelist approved by China's Ministry of Industry and Information Technology to conduct recycling based on regional needs. By the end of the reporting period, NIO had established recycling outlets and completed the relevant filings. During the reporting period, NIO recycled a total of 452 batteries.
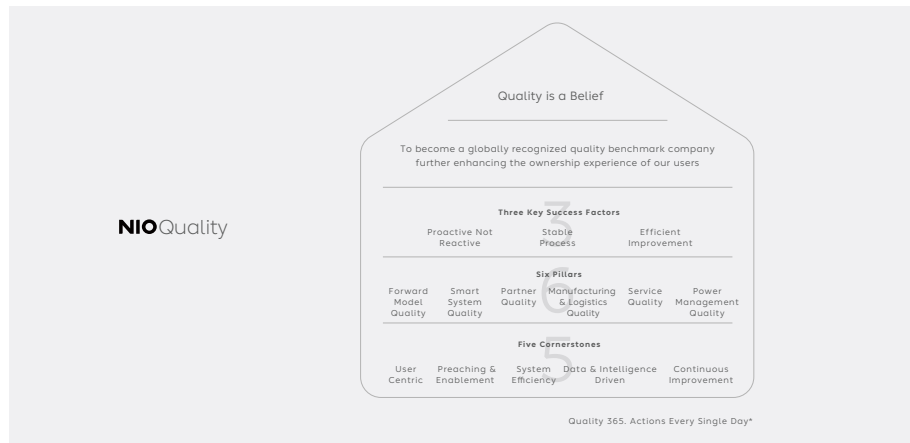
We have established strict requirements and implemented supervision and control for our recycling partners regarding transportation, packaging, storage, and information security. In addition, we have developed different recycling processes for decommissioned and scrapped batteries based on their origins. We monitor and manage the real-time performance and service status of batteries through an internal battery management system to ensure the traceability, safety, and compliance of battery recycling.

3.3

Excellent Quality

Quality is our belief. As a user enterprise, NIO aims to develop into a global quality leader to provide users with better services. This is the philosophy upheld by all employees. With that, we will able to realize a climate where everyone attaches importance to quality.

Quality management integrates three key success factors, namely Proactive Not Reactive, Stable Process, and Efficient Improvement, into all NIO's businesses. Our quality management system covers Forward Model Quality, Partner Quality, Manufacturing & Logistics Quality, Service Quality, and NIO's innovative businesses, such as Power Management Quality and Smart System Quality. These six pillars of the NIO Quality Management System run through the entire value chain from user needs to user service, with User-Centric Mindset, Preaching & Enablement, System Efficiency, Data & Intelligence Driven, and Continuous Improvement as the cornerstones to ensure that the quality strategy is put into practice.

NIOQuality

Quality is a Belief

To become a globally recognized quality benchmark company further enhancing the ownership experience of our users

Three Key Success Factors

| Proactive Not Reactive | Stable Process | Efficient Improvement |

Six Pillars

| Forward Model Quality | Smart System Quality | Partner Quality | Manufacturing & Logistics Quality | Service Quality | Power Management Quality |

Five Cornerstones

| User Centric | Preaching & Enablement | System Efficiency | Data & Intelligence Driven | Continuous Improvement |

Quality 365. Actions Every Single Day*

3.3.1

Three Key Success Factors of NIO Quality

• **Proactive Not Reactive**

Focus on early failure prevention and getting things done correctly from the start, so as to reduce the cost of quality throughout the product's life cycle and improve user satisfaction.

• **Stable Process**

Manage the process throughout the lifecycle of products and services to eliminate specific causes that worsen the process, ensuring stable process quality.

• **Efficient Improvement**

Respond to issues with quick actions and solve them effectively, review the issues to pinpoint root causes, and draft and implement improvement plans to avoid repeating the issues.

3.3.2

Six Pillars of NIO Quality

Forward Model Quality

Forward Model Quality (FMQ) is comprehensive preventive quality management focusing on early product definition, modelling, engineering development, software development, process development, and quality control processes. It emphasizes failure prevention, strives to get it right the first time, and creates a failure prevention ecosystem that is capable, self-driven, iterative and shares a common goal.

Digital Prototype Review

Empowered by ultrahigh-fidelity technology, NIO creatively applies VR technology to perceived quality inspection so as to avoid or improve possible negative experiences before the production of the vehicle. The relentless pursuit of beauty and perfection is reflected in every detail of its products.

Smart System Quality

In the era vehicles are defined by computing power and software, the vehicle development is made more complicated because of multi-domain fusion center computing platform, rapid software iterations, and personalized needs of users. NIO has established the software and smart hardware quality management system to achieve life cycle release and version management of software and parts developed both in-house and by business partners, efficient coordination between software and hardware development, and quick field issue analysis and resolution.

The World's First Inhouse-Developed Hardware-in-the-Loop (HIL) Simulation Cluster for Assisted and Intelligent Driving:
The fully automated quality verification of assisted and intelligent driving is conducted through a combination of "online + offline" use case simulation, enabling a verification capacity of one million kilometers per day, which is more efficient than the industry average.

Inhouse-Developed Quality Supervision Platform for Smart Cabin:
Cumulatively covering over 600 test benches and 400,000 scenarios, the platform enables 24/7 unattended and uninterrupted code inspection to ensure the robust operations of the on-board digital systems.

三大智能系统持续迭代，常用常新
Three Ever-Evolving Smart Systems

aspen 白杨   alder 赤杨   banyan 榕

Partner Quality

NIO has established a partner quality management methodology by arranging experts from different functional modules to reengineer and innovate all aspects of the supply chain, including process systems, technological processes, equipment automation, Lean Six Sigma, etc. NIO has set up a review system called NIO Quality Premium Partner (NQPP) to empower its partners and promote the co-creation and reinvention of the supply chain.

The First Mass-Produced Air Spring in China

The development and mass production of automotive air suspension was once dominated by Europe and the US. In order to provide users with better suspension performance, NIO dived deep into the air spring supply chain, set up a new team with its partners in a short period of time, worked on the development of new technologies, built a new factory, and the world's first fully automated production line, and helped to grow 15 new Chinese partners of air springs. These efforts finally gave birth to the made-in-China air springs with excellent quality and cost-effectiveness, which pushed forward the development of the entire industrial chain of Chinese air springs.

Manufacturing & Logistics Quality

Building upon product development, manufacturing development and quality engineering, NIO has established multi-cycle closed-loop management of manufacturing and logistics quality. The inhouse-developed "Sky Eye" manufacturing quality management platform has integrated issue management, change point management and vehicle management into the full-process data-driven quality management for high-quality deliveries based on digitization of key production factors including people, machines, materials, methods and environment.

Industry's First Intelligent Inspection System for In-Vehicle Video-Audio Quality

• It can engage the vehicle's own hardware and software for the inspection of the functions and detection of noises of the speakers, microphones, and moving parts on the vehicles, 100% replacing manual tests, to ensure high-quality sound of the 7.1.4 Surround Sound System.

• It has freed human inspectors from more than 1,000 times of hunching over and 1,000 times of body twisting per day, as well as potential hearing damage.

Service Quality

NIO has established an outstanding quality assurance system covering the entire chain of user operations, maintenance and repair, and issue solving, leveraging its technical genes and its broad range of user touch points. In particular, NIO's Q-Graph, the industry's first knowledge graph centering on quality, and the large language model Q-GPT have helped increase the quality improvement efficiency by 50% compared with conventional quality practices.
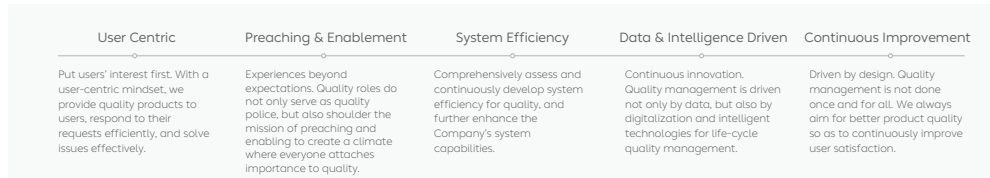
The World's First In-Vehicle Instant Feedback Mechanism

Users only need to say, "Hi, NOMI. I've spotted an issue", and the quality management system kicks off the issue analysis and resolution task with "zero latency" using the vehicle's real-time information. On average, the first feedback is sent back to the users within 24 hours, and the final feedback within 48 hours, a leading quality response mechanism compared with the industry's average after-sales response time of one week.

Power Management Quality

NIO's Power Management Quality covers three business areas, namely battery charging and swapping, battery operations, and road-side services, centering on users' interests, and aiming for zero defect, to ensure high battery safety and high user satisfaction. Driven by efficient improvements, it has achieved early warning, quick responses and end-to-end closed-loop of product and service iterations based on the inhouse-developed digital management platform, guaranteeing optimal user experience.

3.3.3

Five Cornerstones of NIO Quality

User Centric	Preaching & Enablement	System Efficiency	Data & Intelligence Driven	Continuous Improvement
Put users' interest first. With a user-centric mindset, we provide quality products to users, respond to their requests efficiently, and solve issues effectively.	Experiences beyond expectations. Quality roles do not only serve as quality police, but also shoulder the mission of preaching and enabling to create a climate where everyone attaches importance to quality.	Comprehensively assess and continuously develop system efficiency for quality, and further enhance the Company's system capabilities.	Continuous innovation. Quality management is driven not only by data, but also by digitalization and intelligent technologies for life-cycle quality management.	Driven by design. Quality management is not done once and for all. We always aim for better product quality so as to continuously improve user satisfaction.

The assurance of quality products lies in the expertise of professional talents. NIO has established a quality and safety training system covering all employees. In 2018, we established the Quality Academy. Since then, we have conducted internal and external training and activities for quality empowerment. We are committed to enhancing the quality awareness of all employees and creating a culture of quality. All our employees have received the orientation training for quality. The training coverage rate reached 100% among employees.

With the mission of knowledge preaching and enablement, the Quality Academy actively conducts professional quality training sessions, including training on quality tools. In addition, we have established an internal lecturer training system and continue to develop courses by accumulating quality-related expertise in the vehicle manufacturing industry. Furthermore, the Company has systematically reviewed the knowledge base and courses needed for different quality-related positions to enhance the capabilities of relevant personnel. We have clearly defined the capabilities required for each position and developed a training map for employees, guiding them in continuously enhancing their knowledge and skills. During the reporting period, the Quality Academy offered 371 professional quality courses, with a total of 32,037 participants.

Additionally, NIO regularly conducts large-scale quality training projects and activities such as Project "Terminator", Project NAVI, and Quality Month. The coverage of these projects is expanded to empower partners, aiming to enhance quality awareness within the supply chain, improve product quality, and enhance industry influence.

Project "Terminator"

This project aims to cultivate and certify talents with the ability to solve complex problems and establish a problem-solving system customized for NIO. As of the end of the reporting period, the project had trained 1,428 people.

Project NAVI

This project aims to cultivate and certify a group of talents with failure prevention thinking and ability to master problem prevention methods and tools, and continuously cultivate reserve forces who can put all that into practice in the early phase of a new car model development project. During the reporting period, Project NAVI was conducted on a monthly basis. Customized courses were provided based on the fields that the internal and external trainees worked in. Since its launch in 2019 until the end of the reporting period, a total of 3,750 trainees had completed the empowerment training.

Quality Month Series Activities for an Immersive FMQ Culture

In September 2023, we conducted a series of activities for the Quality Month, with a focus on the FMQ. We created an immersive cultural atmosphere for the FMQ with extensive publicity, live streaming sessions, and offline workshops, attracting over 9,000 participants.

The "Raise Hands for Quality Improvement" Activity for Enhanced Quality Awareness Among Front-Line Technicians

During the reporting period, the Company held the "Raise Hands for Quality Improvement" activity at factories to encourage front-line technicians to actively identify, report and intercept issues. For any issue reported that checks out at the end, the reporting technician can receive reward points based on the category of the issue. During the reporting period, NIO F1 and NIO F2 jointly held 3 offline "Quality Issue Reporting" activities, effectively intercepting 983 issues.

3.3.4

Quality Management System

High-quality products and services rely on a sound and efficient quality management system and business processes. NIO has established the quality management system covering the entire value chain from user demands to user services. Our quality management system certification encompasses the design, R&D, manufacturing, and supply chain management of smart electric vehicles, digital software and hardware development, electric drive design and manufacturing, as well as NIO's businesses including the NIO Power, NIO Life, and NIO Phone. The system is continuously expanded based on business maturity. By the end of the reporting period, 15 subsidiaries of the Company had obtained quality management system certifications.

ISO 9001 Quality Management System Certification

International Automotive Task Force (IATF) 16949 Quality Management System Certification

Meanwhile, NIO focuses on business processes and adopts a quality management mechanism across the business chain. We aim to help all employees understand the value delivery chain from user demands to user satisfaction. Procedures and process documents are formulated based on the business process structure, covering the whole process of quality management regarding product definition, R&D, supply chain, manufacturing, and after-sales service. This ensures a comprehensive quality assurance system across the entire business chain.

3.3.5

Product Recall

NIO strictly adheres to national regulations such as the *Regulation on the Administration of Recall of Defective Auto Products* and the *Measures for the Implementation of the Regulation on the Administration of the Recall of Defective Auto Products,* and has formulated the *Vehicle Safety Recall Procedure* accordingly. For the European market, NIO has conducted thorough research on local laws and regulations and has formulated the *European Vehicle Recall Process.* This ensures the standardization of our recall process in European market and protects the interests of users and stakeholders.

We have established an efficient recall mechanism to respond to product safety risks. Once a recall decision is made, we will promptly file with the competent government department, contact affected users to complete the recall as soon as possible, and coordinate the preparation of replacement parts and accessories to minimize the impact on users. During the reporting period, NIO initiated one voluntary recall. Since January 6, 2023, NIO has recalled and provided free repairs to 997 units of 2022 NIO ET5 produced between September 7, 2022, and October 10, 2022. The recall completion rate was 100%, accounting for 0.62% of the total number of cars delivered in 2023.

4.0

Sustainable Value Chain

NIO understands that the journey towards blue skies cannot be accomplished without the synergy of the value chain. We are committed to delivering experiences beyond users' expectations by listening to and working with them to create and share. For our partners, we have established a sustainable supply chain strategy and are committed to building a responsible supply chain with a standardized management system. At the same time, we actively participate in standardization organizations and industry conferences and are happy to share our technical knowledge and experience to grow together with the industry ecosystem, jointly pushing the boundaries of the industry.

Into the Chapter With NOMI

Industry-University-Research Co-Prosperity

We insist on forward engineering and work closely with universities and research institutions. During the reporting period, NIO launched 33 research cooperation projects, received a total of 57 cooperation applications, released 22 papers, and obtained 14 patents. We also participated in the compilation of the ESG enterprise standards for the Chinese automotive industry to promote the industry's prosperity and sustainable development. In addition, we recognize the importance of cultivating talent in the industry and continuously support Formula Student China and Formula Student Germany, providing a stage for outstanding automotive professionals at home and abroad to showcase themselves and promoting the development of the global automotive industry.

Worry-Free Service

We provide users with a full range of worry-free services covering multiple car-related scenarios, including repair and maintenance, roadside rescue, and value-added services such as chauffeur and car washing. NIO keeps a close eye on vehicle conditions through Service Guardian, a one-stop diagnostic platform, NIO Control Tower (NCT), and Remote Rescue Service System. Through the NOMI problem feedback channel, I can contact the excellent after-sales team with the fastest speed to protect users on every journey. At the same time, I listen carefully to the user's demands. When the user makes a suggestion to me, I will respond positively and transfer the problem back to the operation team to accelerate the implementation of the solution.

Responsible Supply Chain

My high-quality, personalized interactions with users can not be achieved without the efforts of NIO and its supply chain partners. We are committed to building a responsible supply chain that is sustainable, low-carbon, and resilient, for which we seek and work with partners who meet NIO's commitment to sustainable supply chain development for a harmonious cooperative ecology with win-win results. During the reporting period, we focused on key mineral product projects and made efforts to avoid using mineral products from conflict-affected and high-risk areas. We have formulated *Due Diligence Management Policy for Critical Minerals, NIO Critical Minerals Management Manual*, and other institutional documents, and have gradually established a key mineral product management system, giving full consideration to the issue of key minerals in the process of partner admission and day-to-day management, so as to avoid any significant negative impacts on the society and the environment.

Joyful Lifestyle

NIO has established a lifestyle community where NIO shares joy and grows together with its users. I have accompanied countless users to visit 145 NIO Houses and 335 NIO Spaces around the world, and participated in events such as NIO Welcome Party, Holiday with NIO, NIO CUP series of sports events, NIO Summer, and the annual event NIO Day. I shared joy with users in more than 1,400 community groups and 7,000 community events.

4.1

Innovation in Industry-University -Research Cooperation

4.1.1

Technological Innovation and Cooperation

Technological innovation serves as a key pillar for the development of the new energy vehicle industry and market players. NIO collaborates with universities and research institutions to carry out forward-looking explorations. We are also dedicated to driving business development through technological innovation. At the same time, we actively cultivate industry talent and participate in standardization organizations and industry conferences, leveraging our experience in technological innovation and development. On this basis, we thrive and prosper together with the industry.

NIO actively responds to national strategies on science and technology and makes tireless efforts to achieve scientific and technological progress. During the reporting period, NIO was approved to implement nearly 10 projects on this front by the Ministry of Industry and Information Technology, the National Natural Science Foundation of China and other national authorities. These projects involve vehicle, safety, intelligent cabins, intelligent manufacturing and other technologies.

In addition, we continue to deepen collaboration on innovation with scholars from leading universities and research institutions, aiming to advance smart electric vehicle technologies through innovation. In 2021, we set up the USTC-NIO Smart Electric Vehicle Joint Laboratory with the University of Science and Technology of China (USTC). In 2022, we established the HFUT-NIO Innovation Research Institute with Hefei University of Technology (HFUT).

During the reporting period, NIO kicked off a total of 11 research projects, released 3 pieces of academic paper, and obtained 7 patents, based on the two technical collaborative platforms.

With these research projects, we jointly cultivated 22 undergraduate, post-graduate and PhD students.

Besides, we publish the *NIO Scientific Research Collaboration Projects* on a regular basis, so as to better collaborate with universities, research institutions and other organizations on scientific research.

During the reporting period, NIO published 33 research projects, received a total of 57 cooperation applications, released 22 pieces of academic paper, and obtained 14 patents.

4.1.2

Developing Industry Talent

Recognizing talent as the primary resource for scientific and technological development, we support their development with diverse measures. During the reporting period, we joined the employment project promoted by the Ministry of Education of the People's Republic of China and carried out employment projects with 32 universities across China such as Peking University and Shanghai Jiao Tong University. During the collaboration, we actively carried out lectures on technologies, targeted training and field trips. We organized more than 20 exchange activities, attracting more than 500 professors and students. And over one thousand students joined NIO as interns.

"Second Classroom on Smart Electric Vehicles"

During the reporting period, NIO joined hands with USTC to develop the "Second Classroom on Smart Electric Vehicles" and organized two rounds of "NIO Elite Camp". These activities helped over 60 students acquire industrial information and cutting-edge core technologies related to smart electric vehicles. In addition, NIO has formed the "NIO Elite Class" upon the Practice Base for Professional Master's Students jointly established with the Institute of Advanced Technology, USTC. It aims to build a comprehensive talent cultivation platform to train and develop international, versatile and innovative talent for technological progress and innovation through scenario-based practices in smart electric vehicles.
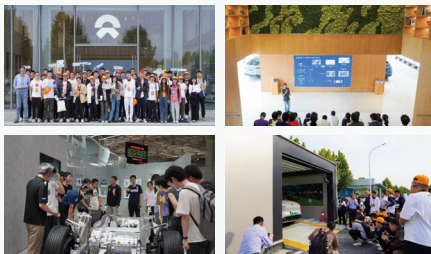
Visits and Practices at NIO

Formula Student Electric China

the 2023 "NIO Cup" Formula Student Autonomous China (FSAC) kicked off at Luogang Central Park in Hefei City. NIO has been sponsoring the Formula Student China for 9 consecutive years. During the reporting period, NIO established the "NIO Awards", donated "Power Up" teaching aids to competing teams, and organized the "Winter Elite Camp", an exclusive internship program, for team members. We extended in-depth support for the competition from multiple dimensions and helped the youth to chase their auto dream.

In addition, since becoming a partner of the Formula Student Germany in 2022, we have been participating in Formula Student Germany during the reporting period by sponsoring the "Elefant Racing" team and providing the ET7 as the race car for use throughout the season. NIO will continue to support the development of young talents around the world, provide a stage for outstanding automotive talents at home and abroad to showcase themselves, and promote the development of the global automotive industry.
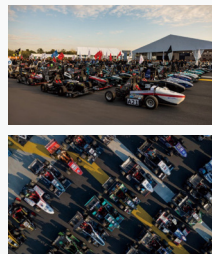
2023 NIO Cup Formula Student China

4.1.3

Contribution to Industry Development

NIO actively facilitates the formulation of industry standards and contributes to the standardized development of the industry. We participate in various industry activities to share and exchange development experience and promote prosperity of the industry's ecosystem. Leveraging in-house platform of technical standards and the NIO technical standard database, we are actively engaged in the compilation of relevant national, industrial, social organization, and local standards to promote advances in industrial technologies. 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. Meanwhile, we led the formulation of the technical standard in Singapore: *Technical Reference - Electric Vehicles Charging System - Part 4: Battery Swapping (TR 25-4)*. In terms of external exchanges and communication, NIO delivered more than 100 industry presentations during the reporting period to strengthen industrial communication and interaction.

Meanwhile, NIO actively promotes the construction of sustainable development standards for the automotive industry. In February 2024, the *Guidance on ESG Information Disclosure for China Automotive Industry (T/CAAMTB 171-2023)*, *Evaluation Guidance on ESG of China Automotive Industry (T/CAAMTB 172-2023)*, and *ESG Management System of China Automotive Industry— Requirements with Guidance for Use (T/CAAMTB 173-2023)*, which NIO has participated in compiling, were formally released by China Association of Automobile Manufacturers. This series of standards is the first set of ESG group standards in the Chinese automotive industry, which will further provide guidance and standardization for ESG management in automotive enterprises.

NIO Invited to the 2023 World New Energy Vehicle Congress

NIO at the *Germany Handelsblatt* Auto Gipfel 2023

NIO Invited to Future China Global Forum 2023

NIO at the Technology of Mobility Conference and Exhibition (TMCE) 2023

NIO Invited to 2023 World Internet Conference Wuzhen Summit

NIO Power Europe Plant at Hungarian Investment Promotion Agency (HIPA) Automotive Conference 2023

The Series of ESG Group Standards for China's Automotive Industry Which NIO Partook in Compilation

4.2

Responsible Supply Chain

NIO is committed to building a responsible supply chain that is sustainable, low-carbon, and resilient. We implement full-process control over the admission and daily management of our business partners with constantly optimized policies and procedures. We also incorporate the ESG concept in our supply chain management with a special focus on issues where we can make a difference, aiming to build a harmonious and win-win cooperative ecosystem together with our partners. During the reporting period, NIO earned a spot on the "2023 Green Manufacturing List" by the Ministry of Industry and Information Technology . This indicates that we have passed the Ministry's assessment and obtained certification of green supply chain management strategies and partner sustainability management.

4.2.1

Partner Admission and Management

For partner admission to industrialization, NIO has formulated and continues to optimize partner management processes and policies, including the *NIO Partner Cooperation Guideline*, the *Partner Industrialization Management Procedure* and the *NIO Partner Management Handbook*, etc. During the reporting period, NIO has further iterated the relevant management methodologies, which provide the Company, as well as its partners, with timely and efficient processes, methodologies, and tools, to help build high-quality supply chain.

To better identify potential partner risks, detect problems, and take targeted countermeasures in time during the entire product lifecycle, we implement a lifecycle partner audit system from partner admission, project development, and project commissioning to mass production for continuous improvement. The scope of the audit covers quality, business risks, financial risks, engineering capability, supply and operation capability, and other dimensions. At the same time, NIO provides partners with the *NIO Partner Code of Conduct*, which sets out requirements on business ethics, labor management, environmental protection, etc., and provides guidance on partners' sustainable development. As of the end of the reporting period, NIO had a total of 501 tier-1 partners[1] on vehicle level, batteries, and electric drive systems.

| Supply Chain Indicators			2023	Unit
Percentage of partners by region (based on the total number of partners)	Mainland China	Southern region of China	5.79	%
		Eastern region of China	80.63	%
		Northern region of China	3.39	%
		Central region of China	3.59	%
		Northeastern China	2.40	%
		Southwestern region of China	2.00	%
		Northwestern region of China	0.40	%
	Hong Kong, Macau, Taiwan and overseas		1.80	%
Code of Conduct signature rate	Tier-1 partners' Code of Conduct signature rate		73.05	%

1 The tier-1 partners mentioned here refer to NIO's direct purchase partners. Indirect partners are not included.

At the stage of partner admission, we conduct screening, evaluation and audit of potential partners based on internal policies such as the *Potential Partner Assessment (PPA) Process* in 11 major modules such as R&D capability and sustainable development. During the reporting period, NIO completed 249 PPAs of potential vehicle partners and 114 PPAs of potential electric drive system partners.

In addition to the PPA, NIO also conducts a comprehensive assessment of partners' finance, engineering and supply capabilities, as well as operational and commercial risks, and requires partners to obtain the Partner Industrialization Development Proposal (PIP) approval before being admitted to the partner list. We classify our partners into three groups, namely green, yellow and red, for differentiation management.

PPA Result	Description
Green	Pass
Yellow	Pass with conditions
Red	Fail
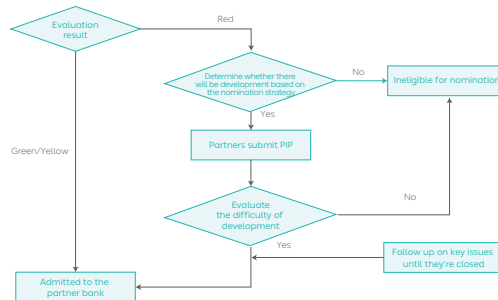
NIO's PPA Rating and Follow-Up Process

Sustainable Development Audit

Among the 11 NIO PPA modules, the "Sustainable Development" module is key for us to ensure a sustainable supply chain. The module covers 5 areas, namely legal compliance, occupational health and safety, labor rights, environmental protection and supply chain management. In particular, we apply a one-vote veto system to potential partners who violate laws and regulations (child labor, illegal employment of underage workers, and paying below the local minimum wage), or companies which lack Environmental Impact Assessment (EIA) clauses for being in specific sectors. Meanwhile, we also utilize external databases to further investigate the performance of potential partners to ensure that their overall performance in all aspects meets our requirements and standards. During the reporting period, NIO conducted a total of 229 sustainable development audits of potential partners and existing partners. Among them, 9 enterprises were rejected due to serious problems found at the admission stage.

In addition, we are actively exploring ways to promote sustainability management for our partners. For partners that have obtained Responsible Business Alliance (RBA) reports and certificates and Responsible Supply Chain Initiative (RSCI) certificates, we plan to exempt them from the sustainability audit or they can use these certificates as a substitute for sustainability audit. This can effectively reduce the costs borne by partners in response to audits conducted by different parties. During the reporting period, 7 partners have submitted full RBA reports and were exempt from or took that as a substitute for sustainability audit after NIO's assessment.

4.2.2

Sustainable Supply Chain Management

During the reporting period, NIO published its *Global Supply Chain Sustainability Policy*. The document sets out sustainability standards for our partners in such areas as environmental impact, labor relations, diversity and respect, anti-discrimination, anti-sexual harassment and anti-bullying, health and safety, human rights, and partner diversity, as well as provisions on whistleblowing of relevant violations and anti-retaliation measures.

In addition, during the reporting period, we established a cross-departmental supply chain sustainability center. We continue to promote sustainable development of our supply chain through cross-departmental cooperation with clear functions, as well as close collaboration with upstream and downstream partners.

NIO's Sustainable Supply Chain Strategies

Sustainable and Compliant Supply Chain
• Establish a sustainable and compliant supply chain system covering multiple areas, including environmental protection, conflict minerals, human rights, and trade compliance.

Low-Carbon Supply Chain
• Develop a carbon reduction roadmap for supply chain.

• Seek viable low-carbon materials.

Open Communication on NIO Norway Sustainable Supply Chain Management

NIO is committed to operating business in an ethical, responsible and sustainable manner. We have formulated the *NIO Norway Sustainable Supply Chain Policy* and the *NIO Norway AS – Statement under the Norwegian Transparency Act* according to the *Norwegian Transparency Act*. We have also publicized the relevant due diligence statement, which is intended to provide the public with information of NIO Norway's organization, structure, guidelines and procedures, as well as key findings from the due diligence assessment and NIO Norway's measures to prevent or mitigate the risks of violating human rights and infringing decent working conditions in its own operations and supply chain.

Critical Minerals Management System

NIO is committed to building a sustainability compliance system for its supply chain with continuous improvement, covering key areas such as environment, conflict minerals, human rights, and trade compliance. During the reporting period, we carried out the critical mineral project, working to avoid using minerals from conflict-affected and high-risk regions. We have identified critical minerals that are important to our business development but pose certain risks in terms of supply and have established a critical minerals management system through the formulation of institutional documents such as the *Due Diligence Management Policy for Critical Minerals* and the *NIO Critical Minerals Management Manual*. We also conduct regular reviews of our partners listed on the Qualified Partner List, including training on critical minerals and due diligence, and implementation of risk management programs.

Scope of NIO's Critical Minerals Management System

Tantalum, Tin, Tungsten, and Gold	Lithium, Cobalt, Nickel, and Natural Graphite
· Traditional conflict minerals	· Battery-related minerals

Due Diligence Management Process for the Supply Chain of Critical Minerals

Determine critical minerals > Identify and classify minerals > Define a due diligence plan > Distribute and collect questionnaires > Review questionnaire information and data

Manage risk changes < Evaluate countermeasure effectiveness < Implement the risk management plan < Design a risk management plan < Evaluate risks of the supply chain of critical minerals

In February 2024, we carried out due diligence on critical minerals and distributed questionnaires to 138 partners, including vehicle body exterior, interior, electronics equipments and chassis, battery and electric drive system partners. The total value of goods from partners accounts for more than 60% of the value of vehicles. For smooth due diligence, we have conducted 3 due diligence training sessions for our partners and procurement personnel. For partners covered by due diligence, more than 90% have completed the training.

Localized Supply Chain

NIO put forward the concept of "localized supply chain" as early as 2021, and encourage supply chain partners to build factories around NIO's Hefei production bases. After building the NeoPark in Hefei, we continued to build the Automotive Parts Industrial Park of Smart Electric Vehicles in Lu'an Economic and Technological Development Area. As of the end of the reporting period, the manufacturers in the Industrial Park had been in full operation and were scheduled to supply NIO with chassis, bodies, and other components derived from renewable cast aluminum.

Meanwhile, we are building a base for localization with a total planned area of over 1,000 mu (666,666 m²) in Shouxian County, Huainan City, Anhui Province, 25 kilometers away from NIO's F2 plant. With that, NIO will continue to attract partners to form a complete industrial cluster layout, and work together with partners to build a highly efficient and sustainable value chain.

As of the end of the reporting period, NIO had more than 110 vehicle partners in Anhui Province, and we have achieved a high percentage of localized sourcing in the Yangtze River Delta region (i.e., Anhui, Zhejiang, Jiangsu and Shanghai), with nearly 80% of the value of our shipments. In addition to vehicles, NIO's battery exchange business is also steadily progressing with the localization of its supply chain, with 40% of the value of parts and components supplied by partners in Anhui Province.

4.2.3

Daily Management of Partners

NIO is committed to working with partners to improve quality and provide users with experiences beyond expectations. We have formulated the *NIO Partner Cooperation Guidelines* (NPCG), and continue to implement and improve the NIO Partner Quality System (NPQS).

At the stage of project development and commissioning, we conduct Process Audit (PA) and NPQS audit of our partners. Such audits aim to ensure that the production readiness, development status, and supply chain quality control capability of the corresponding project milestones and delivery stages satisfy NIO's process requirements for vehicle development and industrialization development of parts and components. At the stage of mass production, we continue to conduct targeted NPQS audit and PA to ensure stable supply chain production, consistent process standards, and timely troubleshooting. Our PA covers 100% of our vehicle and electric drive system partners, and NPQS audits are conducted on selected key partners. During the reporting period, we conducted a total of 433 NPQS audits of vehicle partners.

In addition, regarding the identified supply chain risks, NIO has put in place contingency plans and corresponding verification plans, and developed a series of internal processes including the *Partner Emergency Investigation and Handling Form*. In case of interruption of cooperation with a particular partner, we will promptly start the response procedures and take measures to avoid production disruption and delivery delay.

NIO Partner Management System

NPQS covers IATF 16949 quality management system, ISO 14001 environmental management system, industry-related management tools, and NPCG requirements. According to the differences in project stages, partner characteristics and production processes, NPQS audits are further subdivided into 4 categories, namely Launch Readiness Review (LRR), Focused Partner Assessment (FPA), Focused Sub-Partner Assessment (FSA), and Special Process Assessment (SPA), with distinctions made in specific audit clauses.

According to the NPQS results, we rate partners with grades A, B and C. Partners with unqualified results are required to provide rectification reports and constantly follow up on the rectification until all issues are closed. For partners who fail the audit and do not complete the rectification within the deadline, NIO will take control measures, including but not limited to new business suspension.

| Rating	Compliance Level	Description
A	≥90%	Pass
B	≥80% and <90%	Pass with conditions
C	<80%	Fail

Management by Classification: Top Focus Partners

To further improve the efficiency of partner quality management and better focus on key issues, during the reporting period, NIO introduced a new methodology to classify partners with the category of Top Focus Partners for those special conditions such as those with low-capacity or in innovative supply chains, and applied more targeted management plans.

We identify and screen low-capacity partners by taking account of their geographical location, business nature, existing customers, the complexity of their products and processes, and capabilities, and implement incoming material quality control at early stage with "change management/system audit" and NPQS audit, so as to reduce related risks.

For partners identified with high risks, we will visit the partner on site, analyze the pain points, identify the issues, and propose improvement plans. At the same time, we will provide effective training to relevant staff of the partner, to help them build a long-acting management system. After that, we will provide continuous support in quality control and lean production, and regularly follow up on our partners' management system and the effectiveness of issue rectification to ensure that they can meet our standards for quality control and lean production.

Sub-Tier Partner Management

In addition to first-tier partners who have direct cooperation with NIO, the Company also pays attention to the quality management system and supply quality of sub-tier partners. We require all first-tier partners to be responsible for the quality management system and product quality of their sub-tier partners with an evaluation and verification system for lower-tier partners (including second-tier ones and below) to push ahead improvement measures so that quality management by sub-tier partners fulfill NIO's quality control requirements for project development and mass production. Besides, NIO has established a sub-tier partner management system and conducts differentiated management based on sub-tier partners' products and processes, which are classified into general processes and special ones.
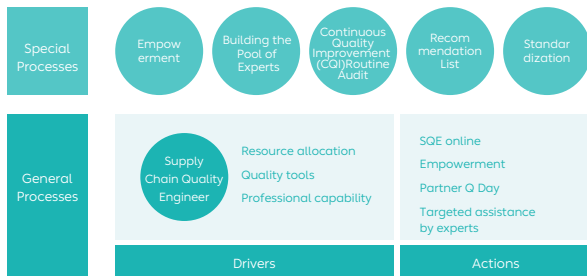
For sub-tier partners with general processes, NIO improves sub-tier partners' capabilities by conducting audits and empowerment activities for partners through Supplier Quality Engineers (SQE) of first-tier partners. We have introduced a routine review of SQE/procurement centers to the annual PA of our first-tier partners and have been carrying out regular and on-demand SQE inspections of mass production partners across the board. In March 2024, we organized online special enabling courses on supply chain SQE in 6 major areas such as quality awareness and lower-tier partner management. We also carried out comprehensive inspections with a focus on SQE-related resource allocation and professional performance.

NIO's Sub-Tier Partner Management

In addition, we place emphasis on second-tier partners and below who are involved in such special processes as heat treatment, e-coating, painting, welding and soldering. We also participate in the sub-tier partner nomination decision and offer suggestions if necessary. NIO adopts active and diversified measures to empower sub-tier partners of special processes, including the special empowerment project of Sniper, development of expert teams, and routine audits. During the reporting period, we carried out 13 large-scale special empowerment activities under the project Sniper, established the first batch of in-house expert teams for special processes, and conducted comprehensive audits on sub-tier partners involved in special processes.

Special Empowerment Courses on Supply Chain SQE

Partner Encouragement

To encourage partners to continuously improve product and delivery quality, we have established the NQPP system. The NQPP system focuses on three dimensions of quality, delivery, integrity and responsiveness, and contains 6 modules and 13 evaluation indicators that can assess partner quality management throughout product lifecycle. NIO empowers partners with expertise, experience sharing, and other assistance while implementing the NQPP system. As relevant regulations and requirements are put into practice, we strive to cultivate the potential of partners for strong growth. By the end of the reporting period, we had successfully organized the NQPP award ceremony for 3 consecutive years, selecting a total of 130 premium partners.

NQPP Award Ceremony

4.2.4

Partner Empowerment for Innovation

NIO has been committed to shaping a joyful lifestyle for users and satisfying their diversified and personalized needs by optimizing the supply chain management. We have developed an empowerment mechanism of "innovative supply chain" to stimulate partners' creativity. Meanwhile, we provide diversified empowerment training for our partners, share resources with them, and actively explore opportunities for innovation, so as to achieve win-win progress through cooperation.

Innovative Supply Chain

Taking into account users' diversified demands, NIO continuously innovates for auto-making methods beyond traditional ones. We develop customized services with upstream partners, thus jointly promoting technological and service innovations in the field of electric vehicles. 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. The task force then identifies potential partners and innovative cooperation models, after which NIO's cross-functional 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 partners, especially in the key areas including design, techniques and management. In doing so, we facilitate the program until the successful launch of the product, while ensuring NIO's standards and needs are sufficiently met. Furthermore, we stimulate upstream innovation and unleash the potential of higher productivity.

"Innovative Supply Chain" Empowerment Mechanism

Efficient Mobility With the SkyRide Full Active Suspension System

NIO is devoted to delivering the ultimate driving experience to users. Along with ClearMotion, a US-based auto technology start-up, we explore innovative technologies to enhance users' driving experience. At NIO Day on December 23, 2023, the NIO ET9, a smart electric executive flagship sedan, was announced to feature the SkyRide Full Active Suspension system, a joint innovation with ClearMotion. The system is able to absorb shocks caused by bumpy roads , thus providing a smoother and more comfortable ride for users. The NIO ET9 is estimated to enter production by the end of 2024. This cooperation marks a key milestone in the evolution of auto technology, providing users with a smooth and stable driving experience.

The ET9's SkyRide Chassis System

Diversified Empowerment System

NIO is committed to building friendly and stable partnerships and exploring approaches to provide necessary support. We regularly carry out Partner Empowerment Day, special empowerment projects (such as the issue prevention project "NAVI", the problem-solving certification project "Terminator", and the special process project "Sniper"), FMQ, and empowerment activities for new project commissioning and mass production. We also utilize third-party resources to continuously optimize the quality module NPQS, and management on employees, organizations and operations for partners' capability enhancement throughout the process. At the same time, we encourage and facilitate partners to share experience and learn from each other, thereby contributing to the sustainable supply chain of the new energy vehicle industry.

Empowerment Training

We endeavor to help partners improve the technical capabilities, efficiency and management, jointly building a healthy and mutually complementary eco-system for the industry. NIO's partner empowerment activities mainly consist of 4 major projects, namely general training, the problem-solving certification project "Terminator", the issue prevention project "NAVI", and the special process project "Sniper". The topics of each project fully meet the different improvement needs of our partners. During the reporting period, NIO has achieved 100% coverage of quality training for battery, electric drive and tier 1 partners through diversified partner empowerment activities and on-site visits to continuously improve partners'quality awareness and capability.

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.

From February 10 to 11, 2023, the Company held the Partner Empowerment Day in Hefei, involving a total of 278 regular partners and newly developed ones. Our expert teams shared in-depth insights and had discussions on issues of concern with partners during the event. This helped partners better understand our processes of project development, commissioning and mass production, as well as our expectations for partners. In doing so, we aimed to advance industry development and provide users with high-quality products and services.

Partner Empowerment Day

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.

On May 30, 2023, the special event of "Terminator" for partners was officially kicked off with 34 participants from 25 partner companies across the country. In this event, we worked with partners to conduct projects regarding products, with a view to helping them handle complex problems and enhancing their knowledge and skill in solving such problems.

2023 Partners at "Terminator" Event Site

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

On December 21, 2023, the NPQS management publicity conference was successfully held at NIO F1, with a total of 170 attendees from 65 partner companies. The conference aimed to introduce NPQS audit modules, quality enhancement methods and extensive referential resources to partners' management staffs. While promoting the quality awareness of partners, we enhanced quality and reduced costs for win-win cooperation.

NPQS Management Publicity Conference

Project Sniper	It is a specialized training program for special techniques and processes. Topics includes e-coating, heat treatment, welding, and painting processes.

On November 24, 2023, we successfully organized the Surface Treatment Technology Exchange Summit at NIO F2. The summit convened more than 130 participants, including leaders of relevant industry associations, technical experts of benchmark enterprises and professional technicians from partner companies. During the reporting period, NIO organized a total of 13 large-scale empowerment activities, covering a number of special processes such as casting, welding, thermoforming, rubber, e-coating and painting. These activities constituted a platform for partners to learn from each other and share their experience, thus contributing to industry development and innovation for each special processes.

Surface Treatment Technology Exchange Summit

Digitalized Empowerment

NIO earnestly presses ahead with the "digitalized empowerment" for partners and sets the "4+2+N+N" overall strategy for the digital development of partners. The strategy involves 4 digital platforms that cover industrial development, data management, quality monitoring and knowledge library. These platforms can effectively integrate various resources of NIO and our upstream and downstream partners, and promote intelligent and sustainable development of the industry chain. Moreover, the strategy contains 2 digital empowerment actions that are customized based on the needs of NIO and characteristics of partners. These actions include various modules such as talent development, technology upgrading and culture building. Combining these can help create a NIO digital ecosystem and realize resource integration and concerted innovation. On this basis, we aim to raise partners' market competitiveness and expand opportunities for common progress.

NIO's "4+2+N+N" Strategy for the Digital Development of Partners

We take digital measures to enhance the transparency and synergy of the supply chain from 3 dimensions of data connectivity, task cooperation and spatial connection (type-A/B/C synergy, respectively).

Type-A Synergy

In-Depth Synergy Based on Data Connectivity

Supported by partners' data interconnectivity, the data of NIO and manufacturing partners are connected for synergy in delivery, inventory, productivity and quality.

Type-B Synergy

Task Cooperation for New Project Development

With a focus on partners' new project development, we have established an industrial development management platform for partners. The platform coordinates and manages project progress and quality, so as to ensure controllable and stable project development and higher development efficiency.

Type-C Synergy

A More Open and Lightweight Platform for Collaboration

We have built a lightweight turnkey platform for supply chain synergy upon the Feishu base, making for synergy in task and document management with partners.

4.3

Worry-Free User Service

With the vision of "Build a User Enterprise" and the guideline of optimizing user experience, NIO is always committed to shaping a joyful lifestyle for users. To this end, we continuously improve the pre-sales and after-sales service system and service network, listen to users' voices through diversified channels, and constantly iterate products and services. This aims to create experiences beyond expectations. In addition, we have built a vibrant community to share joy, and grow with our users. Also, we join hands with the NIO Users Trust to closely connect with our users and shape a better future together.

We have established a global user service network that includes the mobile application, NIO app, as well as channels such as NIO House and NIO Space. Supported by such platforms, we strive to provide users with a timely and accessible service experience both online and offline.

By the end of the reporting period,

NIO had built a total of 145 NIO House (including 6 overseas) and 335 NIO Space (including 9 overseas) globally,

covering 150 prefecture-level cities in China and 5 European countries.

4.3.1

All-Round Worry-Free Service

NIO strives to deliver a joyful experience for users throughout their journeys, providing transparent, high-standard, and consistent services for test drive, car usages, and maintenance. We assign a thoughtful, tasteful and reliable NIO Fellow and a professional after-sales team to each user, providing heartwarming services and professional advice to user throughout the product lifecycle.

Safe Driving Service

NIO is committed to providing users with a comfortable and safe test drive experience, and enhancing the driving and after-sales service experience through continuously optimizing a service guarantee system.

Seamless Test Drive

We have formulated and enforced internal policies such as the *Test Drive Process* and the *Safe Management Policy for Test Drive of Regional Company* to clarify risk communication with users during test drives, test drive capability requirements, as well as the types and risk assessment of test drive routes. We implement comprehensive test drive safety training to related personnel so as to ensure that they possess an essential set of test drive service skills. Moreover, we make the internal driving level exam a mandatory requirement. In addition, we have designed both fixed and non-fixed test drive routes to meet the needs of different users, and regularly conduct route risk assessment to ensure the safety of test drives. Before a test drive, a NIO Fellow will communicate test drive appointments, models and routes with user on a one-to-one basis, as well as introduce precautions to each test drive user and sign the *Test Drive Safety Agreement* with the user. This ensures that the user is equipped with test drive qualifications and informed about precautions.

To ensure that the test drive process is standardized, and the test drive experiences is continuously improved, we apply regular assessments by third-party and mystery guest inspections in actual test drive sessions. During the reporting period, we also newly added test drive questions in user satisfaction survey, inviting users to evaluate their test drive experiences from 6 dimensions, including pre-trip reminder, attitude of personnel, professionalism of explanation, targeted introduction, duration of test drive, and tidiness of the car. Meanwhile, we have incorporated test drive satisfaction in the assessment for NIO Fellows to prioritize user satisfaction improvements, and to continuously optimize user test drive experiences.

After-Sales Services

Guided by the aspiration to create a convenient, effortless, and reassuring driving experience, we provide value-added services such as vehicle repair and maintenance, roadside rescue and chauffeur as well as car washing, covering a total of 20 driving scenarios. During the reporting period, we continuously improved service experiences and maintenance quality. Specifically, we increased quality courtesy cars, car washing and chauffeur partners, as well as optimized the order dispatch process, in an effort to provide better value-added services. In the meantime, we launched a Warm Winter Campaign for users in colder regions to improve their driving experience in winter.
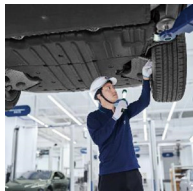
Vehicle Repair

Vehicle Maintenance

Door-To-Door Tire Repair

Reassuring Accident Service

Maintenance and Courtesy Car Service & Car Pickup and Delivery Service

Chauffeur Service

Warm Winter Campaign

To guarantee pleasant driving experiences for users in the colder areas for northern China during winter, since the winter of 2018, NIO has been launching the Warm Winter Campaign for users in 8 provinces. To this end, we have provided users with services like free replacement, storage and free testing of winter tires, as well as free addition of antifreeze and windshield water. In the winter of 2023, NIO continued to carry out the Warm Winter Campaign, expanding the service scope to 10 northern provinces, and newly added winter tire rental service. By the closing date of the Warm Winter Campaign at the end of February 2024, we had provided warm winter services for 7,929 users.

	During the Reporting Period, the After-Sales Services Provided to Users	By the End of the Reporting Period, the Cumulative After-Sales Services Provided to Users
After-sales services	1,458,397 times	6,891,489 times
Roadside rescue services	38,845 times	89,854 times
Car pickup and delivery services	1,602,549 times	2,686,981 times
Maintenance and courtesy car services	115,312 times	178,874 times
Maintenance at service centers	1,151,602 times	2,449,217 times
Mobile services	306,795 times	669,517 times
Value-added services	1,917,145 times	4,463,757 times
Total users	376,364 persons	454,842 persons

After-Sales Service Awards Won by NIO During the Reporting Period		
Winning Models	Awards	Awarded by
ES6	China Automotive After-Sales Service Customer Satisfaction Survey No.1 in new energy SUV	China Automobile Maintenance and Repair Trade Association
ES8	China Automotive Customer Satisfaction Index No.1 in after-sales service (luxury brands)	China Association for Quality

Service Network

NIO has created a one-stop service ecosystem, NIO Service, for users, providing holistic services from delivery and driving to maintenance, and has built an after-sales service network across the world.

NIO Delivery Center

A NIO delivery will help users complete the acceptance inspection of the new car and learn the car's functions, ensuring a smooth delivery of car for users.
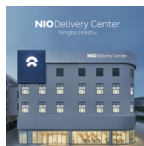
NIO Service Center

The one-stop vehicle service site provides users with a worry-free service experience with meticulous care and advanced technology.

Power Mobile

The mobile "NIO Service Center" offers door-to-door assistance to users, providing support for maintenance and emergency charging.

To ensure a high standard and consistent service level of NIO Service Center (NSC), we have formulated and constantly improved internal policies such as the *National General Service Standard* and the *Space and Safety Standard*. During the reporting period, we updated the *Space and Safety Standard* to further standardize the vehicle beautification business and NIO Cafés at NSC. Meanwhile, we have further promoted and improved documentation including the *One Book for One City System for NIO Service Centers and the One Book for One Store System for NIO Service Centers*. Each store is responsible for enhancing the standards of space layout, personnel reception, model vehicles and test vehicles, test drive routes, etc., to provide users with a more distinctive experience. By the end of the reporting period, the coverage rate of the *One Book for One Store System for NIO Service Centers* had reached 100%.

To strengthen the accessibility of after-sales services, we selected eligible partners to build an Authorized Service Center (ASC), thus expanding the coverage of our service. Moreover, we continuously improve policies and the assessment system to ensure consistency in service at the ASC. During the reporting period, we established an ASC maintenance service standard system which includes the *ASC Service Process Standard*, the *ASC Space and Safety Standard* and the *ASC Maintenance Quality System Standard*. Such policies comprehensively regulate the behaviors and etiquette of service personnel and service process, as well as the standards for space and safety and maintenance quality systems.

By the end of the reporting period,

NIO had built a total of 82 NSC (including 2 overseas) and 228 ASC (including 54 overseas) globally,

covering 150 prefecture-level cities in China and 5 countries in Europe.

After-Sales Service Guarantee

To provide timely warnings and responses to vehicle-related malfunctions and user feedback, NIO has set up the Guardian/One-Stop Diagnostic Platform, NCT, and the Remote Rescue Service System covering both China and Europe. Such platforms enable us to provide proactive, timely, and efficient mobile services for NIO users.

Guardian/One-Stop Diagnostic Platform	NCT	Remote Rescue Service System
As an intelligent monitoring and diagnostic system, the platform achieves real-time vehicle fault warnings through the collection and monitoring of vehicle operation data. At the same time, the platform provides functions such as remote diagnosis, historical fault tracing, and the creation of fault repositories. By the end of the reporting period, the real-time monitoring item of the Guardian/One-Stop Diagnostic Platform had increased to 73, with a comprehensive accuracy rate of fault diagnosis and warning exceeding 90%, reducing the waiting time of users by 30% in fault scenarios, and actively serving approximately 118,000 vehicles.	NCT can receive abnormal warnings and feedback from multiple channels, such as the Guardian Platform and users, and help front-line service personnel respond quickly. Through phone calls, messages, and manual follow-up, NCT has achieved a 10-minute response to warnings and user needs.	The system can help maintenance personnel deal with vehicle abnormalities remotely and complete online rescue. Upon receiving the user's authorization, the system will create an interactive session to remotely repair vehicle faults, enabling such functions as remote rescue for an update failure of FOTA, functional fault troubleshooting, and fault clearance. By the end of the reporting period, the success rate for the remote rescue for an update failure of the FOTA had reached more than 80%, reducing rescue time by 70%, and significantly shortening the waiting time of users.

NIO Service Guarantee System

Building upon the foundation of NIO Fellow, NIO focuses on user needs and continuously develops a comprehensive after-sales personnel training system. Through initiatives like the Shine Project and the Shine Landing, NIO trains new recruits for after-sales positions, enabling them to quickly master after-sales and maintenance skills. This is achieved through a combination of online courses, continuous on-the-job training, skills competitions, technical training camps, and school-enterprise cooperation, to cultivate after-sales service teams with strong practical skills.

Outstanding Service Team

NIO provides users with a professional and elite service team, consisting of considerate and reliable NIO Fellows and after-sales service and maintenance personnel with strong practical skills to guarantee user service experiences.

We continuously improve the training system for NIO Fellows, and carry out diversified training that comprehensively enhances the practical skills of Fellows across three dimensions: job role, product knowledge, and driving proficiency in both online and offline forms. In addition, we have published the internal *NIO Fellow* magazine, which compiles the best service practices, organizing activities within the Elite Fellow Club, and recognizing the Annual Top Fellow. By doing so, we promote internal experience exchanges, and continue to provide users with professional and worry-free services.

Orientation Training for New NIO Fellows in Huixing, Chongqing

Orientation Training for New NIO Fellows in Wenzhou, Zhejiang

Responsible Marketing

NIO strictly abides by the relevant laws and regulations of the places where it operates such as the *Advertising Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Law of the People's Republic of China Against Unfair Competition* and the *Electronic Commerce Law of the People's Republic of China*. We also strictly regulate the content and terminology of advertisements, and prohibit the dissemination of false, exaggerated or misleading advertising information to the public.

We have formulated store operation and sales management policies such as the *General Operation Standards* and the *Sales Process Manual* to regulate the service standards of stores and sales personnel. Also, we regard responsible sales awareness as a fundamental assessment criterion for sales personnel. Additionally, we utilize backend data to monitor whether sales-related personnel have inappropriate sales behavior, and implement a corresponding reporting, investigation, and disciplinary mechanism to promptly prevent potential users from being misled.

Moreover, by establishing a rigorous review process for product data and marketing materials, we ensure the objectivity, authenticity, accuracy, reliability and timeliness of information released to the public. Meanwhile, NIO takes a prudent approach to marketing scenarios and marketing content, and irregularly provides themed training for sales personnel, including offline sales process and live-streaming marketing considerations. During the reporting period, the Company did not receive any warnings, fines, or penalties from domestic or overseas authorities for violating regulations and voluntary codes related to marketing communications.

NIO's Open Lectures on Legal Affairs – Responsible Livestreaming Marketing Training

Live-streaming is widely changing people's interaction and consumption habits. To implement the requirements of responsible marketing in livestreaming, we conducted targeted compliance courses related to livestreaming during the reporting period. To be specific, we invited internal legal experts to interpret the requirements of external laws and regulations, and introduce the system of legal norms related to livestreaming, specific compliance contents, the code of conduct and legal responsibility of influencers, as well as how to correctly publish advertisements to relevant employees, so as to raise the awareness of livestreaming marketers.

4.3.2

Enhancing User Satisfaction

Taking user satisfaction as a measurement, NIO continuously optimizes performance in every contact with users across all scenarios. Through the satisfaction survey system, we gain an in-depth insight into the experience and feedback from users, and improve the whole-process experience based on the demands of users, striving to create experiences beyond expectations.

We continue to optimize the user satisfaction survey system. Through mechanisms such as the user satisfaction survey, five-star rating, "Mystery Guest", and explicit inspections, we actively listen to users' voices and continuously track user satisfaction towards our products and services. During the reporting period, we updated the satisfaction survey, and included the user experience score, a new measurement indicator. Meanwhile, we expanded the scenario coverage of the explicit inspection mechanism and updated the frequency and content of explicit inspections. In doing so, we strive to reflect the genuine experiences and feelings of users with more comprehensive scenario coverage and evaluation indicators, guiding us in continuous improvements in user satisfaction. During the reporting period, the average annual score on user satisfaction surveys was 4.69, and the average annual score on the five-star rating was 4.84.

To promptly handle and address any issues and feedback from users related to products and services, in addition to user satisfaction surveys, we have also built a diversified and efficient demand collection and feedback system. Users can give feedback to us through NIO exclusive service group, NIO hotline, Auto Mall and Debug channels (applications on the vehicle's center display, NOMI, NIO Fellow, NIO app discussion forum). We are committed to responding to users in a timely manner and addressing user feedback accurately.

Satisfaction Survey System

Survey Tools	User Satisfaction Survey	Five-Star Rating	Mystery Guest	Explicit Inspections
Scenarios	Covering more than 20 scenarios such as test-drive, interaction with NIO Fellow, reception at a NIO store, car delivery, user community activity, NIO House experience, NIO Joyride, one click for power, vehicle maintenance, Power Swap and NIO Destination.			
Mechanisms	Monthly overall satisfaction survey	A quick satisfaction survey triggered after each service	An undercover inspection to assess genuine user experience	An inspection of key user experience touchpoints and process standards

During the reporting period,

we collected a total of 4,003,027 pieces of user feedback through

NIO exclusive service group, NIO hotline, and Auto Mall,

with a 48-hour closure rate of 98.4%,

and an average processing timeframe of 10.7 hours;

a total of 345,252 pieces of user feedback through the Debug channel,

with a 24-hour first-time response rate of 93.1%.

During the reporting period,

we received 3,759 product-related complaints from users,

with an annual complaint resolution rate of 100%,

and an average complaint handling timeframe of 59.5 hours;

NIO's consumer complaint response rate and complaint closure

rate were both 100%.

In addition to collecting offline and online user feedback, we also organized livestreaming and face-to-face experience salons to collect the most genuine experience feelings of users through topic discussions. During the reporting period, NIO conducted 6 livestreaming experience salons, 9 offline experience salons, and 192 regional offline experience salons. Discussions covered topics such as the release of new models and software features, adjustments to rights and benefits, hardware and software experience, and experience of using the NIO Phone and NIO app. We communicated in depth with users to guide our responses to user needs.

After collecting user feedback from various channels, we use a digital system to identify and capture key information, and categorize and grade the feedback based on scenarios and content. For key feedback, we will promptly create a ticket, assign it to the responsible colleague in the region or at the headquarters for a solution, and consistently follow up on the implementation to ensure that the user's demand is properly met.

In addition, NIO has made the results of the user satisfaction survey a regular topic of discussion at NIO's Executive Committee (EC) meetings. Also, we conduct regular satisfaction joint meetings to analyze overall user feedback and conduct cross-departmental reviews, to identify areas for improvement and continuously upgrade user product and service experience. During the reporting period, we carried out a total of 12 service and operation satisfaction joint meetings, and initiated special projects to address feedback through cross-departmental collaboration, further improving user satisfaction.

During the reporting period, to further improve user satisfaction, we set up an online after-sales satisfaction system, Service Operations - Issue to Resolved (SO-ITR). The system filters feedback overviews and specific cases of after-sales scenarios such as maintenance service, Worry-free Service/Insurance Package, and NIO Auto Mall by region, helping after-sales personnel in each region to keep abreast of user feedback and improve user experience. In addition, we set up a cross-departmental Maintenance Duration Team and Maintenance Quality Team. With digital toolkits, iteration and optimization of relevant standards, and focused support provided for key regions, they work to shorten maintenance duration and improve the service quality. By the end of the reporting period, 67% of the vehicles were delivered within 24 hours after being sent for maintenance. Users are provided with more convenient and efficient maintenance services.

User Experience Salon: NOP+ Night Tour in Chengdu

In October 2023, NIO's Autonomous Driving Operations Team and dozens of users in Chengdu had an immersive experience of the brand-new NOP+. We selected an all-expressway driving route in Chengdu where NOP+ is available. After users arrived at the camping site, they were invited to provide feedback on the NOP+ user experience.

At first, users participated in a mini-salon at NIO Space, where they were briefly introduced to the iteration, usage, and matters requiring attention of NOP+. After arriving at the destination, users discussed the NOP+ driving experience and the areas for improvement. Along with the Autonomous Driving Operations Team, they also explored the advantages and application scenarios of NOP+, providing ideas for iteration.

Suspension System Improvement

NIO attaches great importance to every user's driving experience, and provides users with new driving experience with continuous iterations. NT1.X models have been delivered for more than 5 years, and are on the verge of being discontinued. Despite that, we have still conducted multiple rounds of updates through FOTA, and assembled a coordinated experience team by the end of 2022 to identify key problems and corresponding solutions in response to the feedback from users about the instability of air suspension comfort. Through continuous development and fixing of platform issues with several external partners, and simultaneous adjustments to NIO's underlying code architecture, Aspen 3.4 and Alder 1.2.5 were officially released to the NT1.X users on August 31, 2023. These versions improved the overall comfort of the vehicles with the air suspension system, and gained unanimous positive feedback from the users.

4.3.3

Joyful Lifestyle

Beyond cars, NIO also gathers like-minded, insightful and tasteful users to build a lifestyle community where users can share joy and grow together starting with smart EVs. Through the online channel, NIO App, and the offline channel, NIO Houses, we timely reach out to users and build a close connection with them, and expand NIO quality to NIO Life products to create surprises for users in life.

NIO App is NIO's service platform designed for users. In addition to functions such as car purchase, car owner services, NIO Power Map, and NIO Life, NIO App is also an online community for NIO users, where they can get access to the latest NIO news and local information, share their daily life with other users, and participate in various topic discussions and activities, as well as communities of interest, thus enjoying a joyful lifestyle.

| Access to the Latest Information | Participate in Topic Discussions | Learn About Local News | Join in Various Communities |

A NIO House is a free space for NIO users and their friends. Every NIO House is a multifunctional delightful space, which provides users with seven core functional areas for communication, thinking and relaxing, offering a colorful experience. Under the guidance of the design DNA, "Pure, Human, Progressive, and Sophisticated", every NIO House we have built integrates the characteristics and culture that are unique to the city. We strive to provide users with unique, warm and comfortable experience. A NIO Space is also where NIO displays the brand, sells products, as well as reaches out to more users with a compact and sophisticated design, and a wider coverage.

During the reporting period, NIO built 47 new NIO Houses (including 4 overseas),

131 new NIO Spaces (including 5 overseas).

Forums -
A Place Where Ideas and Inspiration Meet
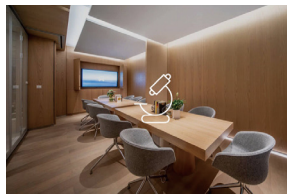
Lab -
Bookable Meeting Rooms and Shared Workspaces
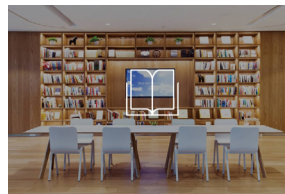
Library -
A Museum of Knowledge and Space for Relaxation and Solitude
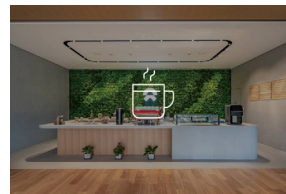
NIO Café -
A Taste of NIO's Exclusive Coffee
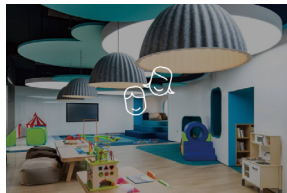
Joy Camp -
A Paradise for Children
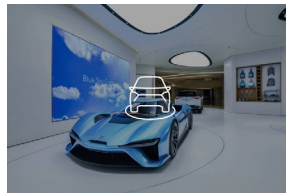
Gallery -
A Space to Introduce NIO Brand and Products
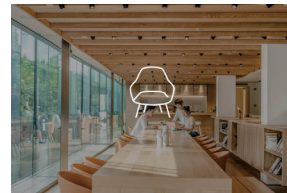
Living Room -
A Relaxing and Cozy Lounge

NIO Houses Newly Built During the Reporting Period

The world's largest NIO House locates in Hefei Xinqiao Industrial Park. This NIO House is connected to F2, and integrates a user center, an exhibition center and a delivery center. In addition to purchasing vehicles, users can also have gatherings, go shopping and visit factories.

NIO House
Hefei Xinqiao Industrial Park

NIO opened its first airport NIO House at Shanghai Hongqiao International Airport, providing users with a quiet and ideal place to rest and relax while travelling. Meanwhile, the world's first BLUE SKY LAB concept store was opened here, displaying and selling more than 30 BLUE SKY LAB clothing, shoes and bags, and home furnishing products, providing users with a convenient and comfortable shopping experience.

To guarantee the consistency and high quality of offline spaces, all NIO's offline spaces have formulated their own store manuals which detail curation requirements and test drive routes, etc. At the same time, we have established the Space Quality Operations mechanism, with dedicated personnel serving as space quality experts and being responsible for managing the operational quality of all offline touch points and carrying out self-review on space quality. We also continue to conduct third-party review on NIO Houses and NIO Spaces. In detail, we randomly inspect stores every month, checking and following up on rectification for 238 items under the modules of brand image, space safety, exhibition operations and service personnel. During the reporting period, NIO inspected all NIO Houses and NIO Spaces, and the completion rate of rectification reached 100%.

User Community Operations

We provide users with spaces for sharing, discussing, chatting and all kinds of activities through the online and offline scenarios of NIO App and NIO Houses, so as to promote users to share news and gain new knowledge. NIO is committed to creating a community atmosphere of "sincerity, sharing, diversity, and inclusive" and actively maintains community order. We have formulated the *NIO User Community Management Guidelines* applicable to all scenarios of NIO App, which regulates the content posted by users in the community, and explains the process and measures for handling violations, in order to maintain the community's healthy development. Additionally, we have instituted the NIO Point and NIO Growth Value systems to provide users with physical and virtual incentives respectively, thus promoting interactions and sharing within the community.

Meanwhile, to ensure the safety and reliability of NIO user activities, we have established and implemented policies such as the *General Guidelines on Community Operations and Management*. We carry out audits depending on the organizer of activities, file for each activity, conduct qualification reviews and background checks of each partner, etc. to ensure the reliability of activity plans. NIO has also developed the risk alert mechanism and clarified dos and don'ts in event organization, hence providing high-quality experiences for users.

NIO User Communities

NIO encourages friendly interactions between users. In the "community" section on NIO APP, users can discover and join communities across the country that cover a wide range of areas, and make like-minded friends. By the end of the reporting period, NIO had provided more than 1,400 communities and over 7,000 activities for over 268,000 users to share their joy. NIO user communities touch on various areas including sports, travel, photography, food and drinks, pets, public welfare, books and movies. By enriching users' daily life through online topic discussions and offline activities, we provide users with an opportunity to experience the diversity of life.

To standardize the operations of user communities, NIO has formulated the *Management Policy for NIO User Communities* and established a comprehensive community management system, clarifying rules for the establishment, management, and user feedback of different types of communities, so as to ensure orderly operations.

User Community Stories

During the reporting period, more than 50 communities from different places shared warm and interesting stories with us. For example, the Active Planet community is exploring interesting routes and meeting natural challenges together. NIO Qinglong Running Community is running for freedom in life. Also, there are stories about reading, sharing scientific and technological knowledge, and engaging in public welfare activities.

User Activities

During the reporting period, NIO launched 6 themed activity seasons online, namely, Happy New Year, Come and Do Sports, Talk about Music, Gourmet Food, Have Fun in Summer Vacation, and Enjoy Family Banquet, to motivate the high-quality sharing of user content and themed activities.

Spring Sport Community Activities

To advocate a healthy and active lifestyle, in the spring of 2023, NIO launched the sport-themed community activity season in collaboration with NIO Life to give online mystery boxes of the same theme. More than 1,500 pieces of high-quality user content were posted, while 63 communities organized 168 offline activities with the participation of more than 700 users, attracting over 3,700 new users' attention online.

Mid-Autumn Family Banquet

In the Autumn of 2023, we organized community Mid-Autumn banquets, and shared the festive atmosphere with the online community. At the same time, we held 231 offline events along with User Joy Partners, where over 1,850 users and their families spent the Mid-Autumn Festival and National Day holiday.

NIO Welcome Party

We irregularly organize welcome parties for users who newly join the NIO community. In 2023, nearly 4,000 welcome parties were organized across the country with the participation of more than 98,000 new users, who embarked on a journey to a joyful lifestyle.

NIO Day - "A New Journey"

NIO Day is not only an event to launch NIO products and the latest technologies, but also a gathering to share users' growth and gains. Through the event, we share the enthusiasm for life and deliver warmth to users. Since it was first held in 2017, NIO Day has become an annual highlight moment for NIO and its users.

In 2023, Xi'an was selected as the host city after a 48-hour voting period. On December 23, 2023, under the theme of "A New Journey", NIO Day 2023 continued to create unforgettable moments such as the Users Charity Marketplace, NIO Band's performance of the theme song, release of the user document series, and other wonderful performances. More than 2,000 users co-created and planned the NIO Day, leaving countless warm and inspiring moments on and behind the stage.

User Co-Creation

NIO values the feedback and insights of users, and incorporates them into every aspect of our operations. We provide multiple channels for users to participate in brand building, product iteration and the organization of large-scale events, such as NIO User Advisors, NIO User Navigators, User Joy Partners, and NIO User Creative. Users share their genuine feelings and feedback, growing alongside with NIO.

NIO User Advisors
NIO User Advisors are engaged in NIO's brand building, including the preparation and organization of large-scale events such as NIO Day and NIO Cup.

NIO User Navigators
NIO User Navigators deeply experience NIO software and hardware products to help with iteration and update.

NIO Radio
An exclusive audio community co-created by NIO users, where they share the latest news and fun.

NIO Band
A crossover band of NIO users, who create theme songs for events including NIO Summer and NIO Day.

NIO User Creative
A stage for NIO users to share their creativity by capturing the moments with their cars, co-creating the brand image of NIO.

User Joy Partners
A unique co-creation and resource sharing platform to provide benefits for users through three major types of merchant partners: food, experiences, and accommodations.

Users Co-Creation

NIO User Advisors

NIO User Navigators

NIO User Creative

NIO Band

During the reporting period, NIO continued to deepen user participation in co-creation, covering the entire product lifecycle, and invited various types of users, such as NIO's followers, early-bird users, Key Opinion Consumers/Leaders and expert users, to gain insight into user feedback and optimize products with the R&D team through workshops, one-on-one in-depth interviews, focus group discussions (FGD), and internal testing.

NIO User Navigators: A New Beginning

During the reporting period, more than 6,200 NIO User Navigators from more than 50 cities around the world were invited to participate in 11 FOTA releases. NIO User Navigators also participated in product and feature iterations of the NIO App, NIO Phone, NIO Link, cabin infotainment applications, NOMI's innovative interactions, intelligent driving, etc., and contributed to the optimization and iteration of NIO's products for a better user experience.

NIO Life

Committed to integrating global design resources, and bringing good design and products into daily life, NIO created NIO Life, an original lifestyle brand. Users can purchase NIO Phone and NIO Life's apparel, shoes and bags, outdoor gear, household supplies, children's products, sport gear, designer toys, food, wine, and other products via NIO APP.

By the end of the reporting period,

NIO life had cooperated with more than 630 independent designers and top design institutions to launch over 3,300 original products,

and won more than 23 internationally renowned awards. Additionally, NIO Life invited users to co-create a joyful lifestyle.

By the end of the reporting period,

more than 650 users had been involved in NIO Life product design, product experience and endorsement, etc.

NIO Phone

BLUE SKY LAB won the Dezeen Design Award.

NIO Life won the Intertek's Green Leaf Achievement.

THE SKY DOME won the iF Design Award and the MUSE Design Gold Award.

The Wireless Car Microphone won the iF Design Award and MUSE Design Silver Award.

4.3.4

NIO Users Trust

Adhering to the vision of building a user enterprise, NIO is committed to deepening the connection between NIO users and in the community. To this end, William LI, Founder of NIO, donated 50 million NIO shares from his holding in 2019 to establish an independent trust institution - NIO Users Trust, which he jointly managed with a Board of Directors consisting of user representatives selected by vote.

The NIO Users Trust has formulated and adopted the *NIO Users Trust Charter* approved by the global user community through voting. The charter clearly describes the organizational structure, decision-making procedures, management of trust assets, and proceeds utilization. Moreover, a clear operating model and management structure have been built to achieve the target of deeply connecting to users in the community.

The NIO Users Trust is composed of the Board of Directors and a professional secretariat appointed by the Board. The Board consists of the Asset Management Committee, the Proceeds Management Committee, and the Supervision and Administrative 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 operations. At the same time, it undertakes important responsibilities in communicating with NIO users and providing services as well as support.

In April 2023, after a series of procedures including sign-up, the Board's primary evaluation, release of the final candidates, and vote by the global user community, 4 new Directors of the Board were elected by users from 6 countries. They, along with the 4 incumbent Directors from the 3rd Board, and William LI, Protector of the Trust, together constituted the 4th Board of Directors of the NIO Users Trust.

NIO Users Trust Operating Model

Participate in the election voluntarily/Vote for candidates

NIO Community Users — Represent — Board of Directors

Give feedback and suggestions/Supervise
Provide service and support

Appoint
Report to

Secretariat of NIO Users Trust

Management Structure and Responsibilities of the NIO Users Trust

Board of Directors

Asset Management Committee — Responsible for the preservation and appreciation of the Trust assets.

Proceeds Management Committee — Responsible for the distribution and decision-making of the Trust proceeds.

Supervision and Administrative Committee — Responsible for the supervision and inquiry on the other two committees.

Secretariat

NIO Users Trust has an independent Secretariat. The secretary-general presides over daily operations of the Trust and reports directly to the Board.

The NIO Users Trust continues to make efforts in the following three aspects: public welfare, care for users, and joint growth with users. The Trust updates the *Annual Community Support Program* on a yearly basis, and follow up on its implementation. Since its establishment, more than 27,000 users have participated in relevant activities benefiting more than 38,000 families, and provided care for 144,500 users.

Support Programs and Annual Summaries of the Three Categories

Public Welfare

Actively fulfilling social responsibilities and translating the aspirations into actions has become part of the lifestyle of NIO users.

Support Program

The Trust initiated the NIO User Trust Foundation to provide charitable support and 1:1 matching donation for enthusiastic NIO users or organizations in a more compliant and professional manner, with a maximum of RMB50,000.00 for a single project; and RMB100,000.00 for the same project or the same organization for the same year.

Annual Summary

The "User Charity Marketplace", jointly organized by the NIO User Trust Foundation and the Xi'an Charity Association, was successfully held at the Xi'an Olympic Sports Center. 220 users from 28 cities set up their own charity booths and received 4,581 donations of RMB124,379.18. With the 1:1 matching donation by the Trust, a total of RMB 248,758.36 was donated to the Xi'an Charity Association to help with the development of local charity.

Care for Users

Contributing their efforts with no strings attached, they have warmed the entire NIO community.

Support Program

If a user or any of their immediate family member (spouse, children, parents) suffers from an accidental injury or major illness that leads to a significant financial difficulty, upon the user's application and the guarantee from 3 other users, the NIO User Trust will provide the user's family with an owner's care fund after evaluation, with a maximum of RMB50,000.00.

Annual Summary

In response to floods in many places, users in Beijing, Tianjin, Hebei, Fujian, Jilin and Shanghai took the initiative, collaborating with the Trust to organize rescue and mutual aid projects to help more than 1,100 users and other citizens affected by the floods.

Joint Growth With Users

The diverse NIO user community, composed of users who love to learn and exchange ideas, is realizing the aspiration of sharing value and growing together.

Support Program

The NIO Users Trust supports users in the community to carry out learning and communication activities. The maximum fund of support for a single activity is RMB5,000.00. At the same time, it has set up a channel to apply for special activities for joint growth. Those have been evaluated and approved by the Board of Directors can receive a maximum of RMB20,000.00.

Annual Summary

2023 joint growth support program expanded from support for certified industry communities to support joint growth activities for the entire NIO community. User communities in several cities and regions around the world spontaneously organized activities on topics such as sports injury prevention, first aid skills popularization, human resource counselling, international logistics industry forum, vocal music skills improvement, and wine culture and knowledge training. The NIO Users Trust responded actively and supported these activities upon receiving applications.

5.0
Employee Care

NIO is well aware that a high-quality team of talent is the cornerstone of the Company's long-term growth. In recent years, the competition in the smart electric vehicle industry has become increasingly intense. In this context, we always persist in establishing long-term talent development plans in a forward-thinking way. We recruit global top talent and help them achieve personal growth with our unique value-driven talent system. Besides, we are also committed to building an equal, diverse, and inclusive workplace for employees. We strive to achieve mutual growth of both the Company and individuals through a comprehensive employee care and communication system, so as to boost the long-term development of the Company.

Into the Chapter With NOMI

Diversity, Inclusivity, and Equal Opportunity

We insist on the establishment of a diversified and global talent team. With a global workforce from 20 countries and regions, 1,168 ethnic minorities and 344 employees with disabilities, we are committed to providing an inclusive workplace with equal opportunity for our employees to leverage their full potential. As a member of the UNGC, NIO abides by the *Universal Declaration of Human Rights* and the *International Labour Organization* (*ILO*) *Declaration on Fundamental Principles and Rights at Work.* We do not tolerate any discrimination or harassment based on age, ancestry, color, religion, marital status, health status, race, gender, etc.

Employee Care and Communication

NIO always unites employees with sincerity, through competitive salary and incentives, all-round welfare system, rich and colorful activities, to create a pleasant working environment for employees to grow together. During the reporting period, we organized more than 1,740 employee activities, covering a diverse range of themes such as traditional festivals, sports events and parent-child activities. At the same time, we have established 25 clubs in total and hold more club activities monthly, with over 600 activities held throughout the year.

During the reporting period, we conducted our customary employee satisfaction survey, which covered 8 dimensions and was distributed to 28,791 employees worldwide, helping us to gain a more comprehensive understanding of the needs and concerns of our employees, so that we can improve and optimize the working environment and management measures in a targeted manner. At the same time, we organized a total of 821 Value Compass sessions at our global operation sites, supporting face-to-face exchanges with 20,864 employees, so that each employee could truly understand the core values advocated by NIO.

Talent Development and Training

We pay attention to each employee's personal growth and career development through NIO's value-driven mechanism. From value creation, value assessment, value growth, to value incentives, we look after each stage of the employee's career development and accompany the employee's growth. At the same time, we provide rich training resources for our employees, adopting the Training & Development Instructor (TDI) training system and the internal training platform of NIO Academy which cover the four dimensions of leadership, expertise, value and innovation to equip employees with an all-round knowledge system.

124

5.1

Talent Attraction and Retention

We are committed to attracting like-minded talent to join us, and creating a diverse, equal and inclusive workplace, with the aim of building a competitive talent team. The Company strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations in the countries or regions where it operates, so as to effectively protect the legitimate rights and interests of employees. Over the past year, we continued to enhance our employer brand reputation and industry influence, receiving multiple industry recognition for our talent recruitment and management, as well as our cooperation with universities on talent cultivation.

Awards Related to Human Resources Management

No.	Awarding Institution	Award
1	zhaopin.com	2023 Best Employer of China
2	nowcoder.com	2023 NFuture Top Graduate Employer
3	Liepin	2023 Extraordinary Employer
4	Beisen	2023 China Talent Management Excellence Award
5	Offer Xiansheng	Most Influential Employer
6	haitou.cc × liexing-ai.com	Most Influential Employer
7	shixiseng.com	2023 Best Employer
8	CIWEI	Youth Friendly Employer
9	ACMcoder	Best Employer in Recruitment Experience
10	Lockin U	Most Popular Global Employer

5.1.1

Talent Recruitment and Cultivation

The Company complies with internal recruitments such as the *NIO Recruitment Management Policy*, and continuously improves its talent recruitment system through 4 channels, i.e., campus recruitment, social recruitment, internal referral, and rehiring. On this basis, we have formed the NIO talent pool and made candidate portraits based on the demand of corporate development, so as to match and attract quality candidates more efficiently.

NIO Talent Recruitment Channels

Campus Recruitment

Attract young, energetic, and innovative talent 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 fresh college graduates, vocational college graduates, and interns respectively.

During the reporting period, NIO received 270 thousand applications from fresh college graduates, an increase of 26% year over year. Among them, more than 67% are from universities under the 985 project and the 211 project, and the top 200 institutions in the world. By the end of the reporting period, 1,286 employees had been hired in the 2023 campus recruitment.

Internal Referral

Discover candidates who matches with the Company's culture and values to further enhance team cohesion

Internal referral is an important channel for NIO to recruit better-matched talent. We continuously launch programs such as the "Special Campaigns for Internal Referral" and "Star Employee Profiles" in our internal subscription channel to enhance the internal exposure of hot jobs and to increase the internal influence of our business units. In addition, we have selected quarterly "referral ambassadors" to continuously optimize the incentive mechanism for internal referral. During the reporting period, we received over 155 thousand resumes through internal referral, which became the recruitment channel with the highest onboarding rate.

In addition, we have launched the "NIO Internal Recruitment Platform" to select every outstanding candidate in a more timely and accurate manner through efficient management process and screening tools.

Social Recruitment

Search for experienced and knowledgeable talents for key positions

We have made significant progress in the process of social recruitment from the initial screening of resumes to employee onboarding. We have continued to improve the overall quality of recruitment with more efficient processing and faster response, with our processing efficiency increased by 43.62% compared to the same period last year.

During the reporting period, 1.9 million candidates from 13 countries around the world submitted their resumes to NIO. We are attracting more and more talent with diverse geographical and professional backgrounds.

Rehiring

Attract talent who have knowledge about the Company and experience to maintain talent flow

During the reporting period, we continued to optimize the *NIO Rehiring Policy*, refined the practical manual and relevant rules for rehiring HR, and regularly reviewed and analyzed the rehiring data, to ensure more efficient and accurate rehiring of suitable candidates.

Open Day Activities to Bring in a New Force With Thriving Energy

Through the open day activities, NIO enhances communication and cooperation with national and international universities and colleges, so that teachers and students can have a clearer understanding of the development of the new energy industry, NIO's unique values, product technologies, and business model. By doing so, we strive to cultivate talent in the smart electric vehicle industry, so as to create a new force with thriving energy. During the reporting period, NIO invited more than a thousand teachers and students from more than 10 universities, including Tsinghua University, Fudan University, Shanghai Jiao Tong University, and East China Normal University, to NIO's office, NIO House, and NIO factories through 20 open day activities. This helped the students to understand how NIO creates value for users through R&D, production, and user service. Besides, we also invited the Company's senior management to the open day activities to share with students and teachers industry opportunities and challenges, as well as NIO's insights on long-termism in the light of the opportunities of the times.

5.1.2

Diversity, Inclusivity, and Equal Opportunity

We believe that diversity and inclusivity in the workplace is one of the key elements to promote innovation and enhance team cohesion. We insist on the establishment of a diversified and global talent team. With a global workforce from 20 countries and regions, 1,168 ethnic minorities and 344 employees with disabilities, we are committed to providing an inclusive workplace with equal opportunity for our employees to leverage their full potential.

NIO abides by the *Universal Declaration of Human Rights* and the *Declaration of the ILO Declaration 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*. We do not tolerate any discrimination or harassment based on age, ancestry, color, religion, family care or sick leave status, mental disability, physical disability, marital status, health status, genetic information, military or veteran status, national origin, race, gender, gender identity, gender expression, sexual orientation or preference, or any other characteristic protected or immutable by law. We also welcome talent with different professional backgrounds to join NIO and bring different perspectives and innovative thinking to us.

NIO cares about and emphasizes the needs of female employees, and is committed to helping women in the workplace achieve a better work-life balance and enhance their sense of well-being when working at NIO. We provide our employees with a series of leaves such as maternity leave, paternity leave, parental leave and nursing care leave, and we have also set up mother and baby rooms in each of our operation sites to provide a comfortable and private space for NIO mothers. During the reporting period, we celebrated Women's Day and Mother's Day with activities that incorporate local characteristics of the office, and conducted four women's care programs, including parenting seminars, matrimonial property law, mantle healing, and aesthetically pleasing ways of life storage, to help women in the workplace better cope with professional and family pressure. During the reporting period, the percentage of female employees in NIO increased by 1.8% compared to 2022.

Celebrations for Female Employees on Special Days

On March 8, 2023, we held a celebration on the theme of "May You Be Your Own Sunshine" at our premises nationwide. With a focus on females' experiences and feelings, we carried out a series of activities such as the ceremonial flower arrangement, the lady photo studio, exclusive afternoon tea, and beauty shot.

On May 12, 2023, we celebrated Mother's Day with the theme "In the Name of Love". We provided milk and snacks in 18 nursing rooms in 15 office locations across the country for female employees during their childbearing period, sending our care and warmth. Meanwhile, we set up a handicraft workshop to encourage employees to make a gift for their mothers.

Group Photo of "Balloon Bouquet Beauty Shot Activity" in Nanjing

We are highly concerned about and strongly opposed to any form of sexual harassment, discrimination, and bullying in the workplace, including but not limited to, sexual advances, unethical requests and any form of humiliation, such as abusive or disrespectful jokes, comments or behavior. All new employees, at the time of joining NIO, are informed of the Company's existing reporting channels and management mechanisms against workplace discrimination and harassment. This fully protects their rights and interests. During the reporting period, NIO established an anti-sexual harassment, anti-discrimination and anti-bullying working team (Care Team). Also, we developed the *Global Anti-Harassment, Anti-Discrimination and Anti-Bullying Policy* and the *Care Team Operation Mechanism (Trial)*. Under these documents, a dedicated investigation team and process were established, with multiple internal and external reporting channels provided. For verified complaints of harassment and discrimination, NIO will issue a disciplinary notice to the violators in accordance with the Company's rules and regulations. In serious cases, the violators will be subject to penalties including but not limited to: termination of the employment contract, notification within the Company, and referral to judicial authorities.

Meanwhile, NIO is committed to protecting the legitimate rights and interests of each employee and rejects the use of child labor, forced labor, human trafficking or any other form of human rights violations at any stage of production or processing. We develop and follow the *Employment Management Policy*, which clearly states that candidates should be at least 18 years old. In recruitment, we verify the age and identity information of each applicant. If any inconsistency is found, we will deal with it as appropriate in accordance with the local laws and regulations. We advocate efficient work and discourage overtime work. To ensure proper working hours, we have implemented an overtime approval policy and adopt both the standard working hours system and the comprehensive working hours system. Employees who need to work overtime are required to obtain prior written permission from the department heads and get recorded by the Human Resource Department. During the reporting period, the Company did not have any violations involving child labor or forced labor.

In order to create a positive and harmonious workplace atmosphere and establish friendly interaction and trust with our employees, we always maintain communication with them in a sincere and open manner. We convey the company's values, culture and information to our employees through channels such as our official account, Message channel, Value platform and Value Red Packet platform, and build diversified channels such as NIO Home, Speak Out forum and Listening mailbox to provide a platform for employees to express their demands and ideas.

NIOer Service

A one-stop HR service platform.

Message

An information platform that mainly conveys the official news of the Company.

Morning 858

A multimedia platform that assists the organization and its employees in communication dissemination, listening, and growth, under the principle of being real, relaxing, and inspiring.

Speak Out

An popular in-house platform for employees to express their opinions and attitudes, and get responses.

Listening Mailbox

Employees can supervise and give feedback to NIO Value Committee anytime via listening@nio.com.

Diversified Communication Channels

NIO recognizes the right of employees to free association and believes that open communication and direct contact between employees and the management is the most effective way to resolve workplace issues. We actively negotiate in order to reach a consensus on labor conditions and benefits, and have formulated the *Staff Congress Management Policy*, which clarifies their rights and duties, the process of representative election, etc., to effectively safeguard the legitimate rights and interests of the employees and their democratic rights. As of the end of the reporting period, NIO had conducted equal consultation and negotiation with employee representatives on the *Collective Contract*, and the collective bargaining agreement had achieved full coverage of domestic employees.

5.2

Talent Development and Training

5.2.1

Employee Development

NIO always focuses on each employee's personal growth and career development by providing ample development opportunities and training resources. For employee development, we have built NIO's value-driven mechanism, which promotes employees to proactively manage their goals and processes, evaluate work results and value behaviors, and customize career development plans. Through the joint efforts of NIO and employees, a positive and growing workplace has been created. In addition to the customized Landing Project, NIO's new employees can also access diverse courses to enhance their professional competence and plan careers wisely.

We have launched a value-driven mechanism with NIO characteristics for closed-loop talent management, which encompasses value creation, value assessment, value growth, and value incentives. Throughout employees' career development, this mechanism ensures that our talent management practices align with the NIO's core values.

Value Creation

As the starting point of NIO's value-driven mechanism, VAU works as NIO's goal and process management tool, covering three parts: Vision, Action, and Upgrade. 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. This helps employees better advance their work and ultimately achieve the Company's targets of value creation. We conduct VAU setting and communication on an annual and quarterly basis, summarizing and reviewing the previous quarter's or year's VAUs. At the meeting, we also define the Company's future development path based on NIO's strategies and goals. The common goals and visions motivate employees to work together with the Company to drive its sustainable development.

Value Creation

Vision Action Upgrade - VAU

Value Assessment

Evaluate work results - Enabler Indicator (EI)

Evaluate value behaviors - Value Indicator (VI)

Value Incentives

Honorary awards

+

Tangible rewards

Value Growth

NIO Career Path - NCP

NIO's Value-Driven Mechanism

Dynamically and agilely track, iterate and optimize goals and progress in practice so as to respond to changes in the pursuit of goals and proceed in the right direction.
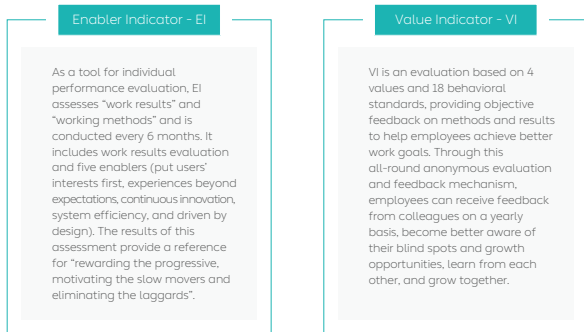
Ambitious goals that are expected to be achieved, which usually reflect organizational strategies and higher-level objectives, guiding the way forward

Key actions to achieve goals. By developing and tracking challenging and measurable behaviors, we are able to identify the progress of goals.

VAU: NIO's Goal and Process Management Tool

129

Value Assessment

To identify the reasonableness of an employee's goals, we conduct value assessment of individual behaviors, performance, and values based on the Enabler Indicator (EI) and the Value Indicator (VI). Out of the two, 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. This helps employees to identify the blind spots and opportunities for improvements. The assessment results will be calibrated and reviewed by departments of different levels to maximize fairness. If employees have doubts about the results, they can appeal to the Human Resource Department or the project team before, during, or after the evaluation process to ensure the fairness of the assessment.

Enabler Indicator - EI

As a tool for 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). The results of this assessment provide a reference for "rewarding the progressive, motivating the slow movers and eliminating the laggards".

Value Indicator - VI

VI 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 grow together.

Value Assessment System

Value Growth

Based on the NIO Value System, the Company has established a career development system, namely NIO Career Path (NCP). Under the system, two promotion windows are provided every year, and employees can choose their direction of promotion, either the managerial path, or the professional path. During the reporting period, we developed talent action plans for key managerial posts and professional posts in our existing and reserve talent pools. Based on our key talent portraits, we select candidates for training to build an organized and strong talent pool and to support the long-term development of NIO.

To establish a fair, objective and transparent promotion evaluation process, we announce the standards and requirements for each job grade to all employees. Meanwhile, 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. If employees have doubts about the results, they can appeal to the NCPT for a second review and evaluation, ensuring the fairness and accuracy of the promotion decisions. By the end of the reporting period, 100% of the employees had undergone regular performance and career development assessments (excluding probationary employees).
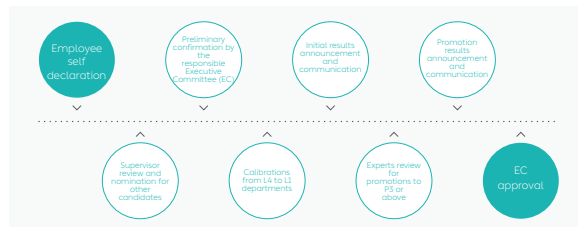
NIO's Employee Promotion Evaluation Process

In addition to promotion, employees can explore more career interests and development directions through internal job transfer to fully tap into their potential and value. We have developed and comply with the *NIO Internal Recruitment Management Policy*. The policy explicitly defines the relevant approval process, providing an orderly and proper transfer channel for employee development. During the reporting period, 14,264 employees were successfully promoted, and more than 3,994 employees completed internal job transfer, commencing their new career journeys at NIO.

Value Incentives

Through spiritual and material value incentives, NIO encourages employees to practice the Company's values of "Honesty, Care, Vision, and Action". For material incentives, we provide employees with annual/monthly performance bonuses, annual salary adjustments, stock ownership, etc. For spiritual incentives, we have launched the NIO Medal of Value system, Value System Emoji Package and Value Packet. Additionally, to recognize the outstanding contributions of teams and individuals who have practiced NIO values, at the NIO Values Ceremony, we present a series of awards such as the individual award "Value Star" and team award "NIO Achievement Award".

NIO Value Gala

To celebrate the 9th anniversary of NIO, under the theme of "Believe and Go Beyond", we planned a series of activities, forming a "4+2" matrix. The matrix includes 4 regular activities, namely "9th to Meet You", "9th to With You", "9th to Face You", and "Will I Am", and 2 new anniversary activities, namely the "Is Meeting You" exhibition and the 9th anniversary customized card campaign.

In addition, we conducted various interaction such as granting the "NIO Achievement Award" and "NIO Super Star" prize. By doing so, we recognize employees and events practicing NIO's values and share with them the values and achievements of the Company. The ceremony attracted a total of 23,990 viewers, reflecting employees' enthusiasm for practicing NIO values.

NIO Value Gala 2023 Event Site

5.2.2

Talent Training

On the basis of our value-driven talent system, we have also prepared rich and diverse training resources for employees. Our Learning & Development Center (LDC) provides customized training sessions for different business clusters. In this way, we have effectively integrated internal resources and helped various business departments in organizational development and talent cultivation. Using the Welearn learning platform, we provide employees with rich NIO empowerment courses, allowing them to learn conveniently and efficiently. We also pay attention to the improvement of our employees' academic and vocational skills, and set internal targets to support the continuous improvement of our employees. During the reporting period, a total of 17 employees enrolled in NIO's continuing education program to enhance their professionalism and competitiveness, and a total of 103 employees enrolled in the two specialist and post-secondary education classes offered by the Anhui Federation of Trade Unions, which provided adequate support for the personal development of employees in different positions.

We understand that internal experience sharing, and transfer is an important way to enrich the knowledge system of our employees, and for this reason we have created NIO Academy, an internal training platform. With rich teaching and training resources and a team of professional in-house instructors, the platform provides employees with the knowledge and skills they need to cope with the rapidly changing market and industry demands.

NIO continues to optimize the training system of Training & Development Instructor (TDI). We provide a four-step training journey for candidate instructors, namely workshop kick-off, empowerment, practice, and certification, helping them fully acquire teaching and communication skills and the TDI certification. We grant dedicated NIO Points to TDIs based on their rank and teaching hours, and provide regular teaching skill training at different levels, free seats in high quality external courses and workshops, etc. to attract NIO's outstanding talent to the TDI team. During the reporting period, a total of 176 internal candidates were certified, enhancing NIO's instructor team and driving knowledge sharing and transfer within the Company.

The constantly improving TDI training system provides a solid foundation for NIO's internal training. Furthermore, we provide our employees with a comprehensive training system and teaching resources 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 landing of the NIO Value System.

During the reporting period, we made targeted upgrades to the online General Training Courses and designed relevant training camps, allowing employees to have a more comprehensive and in-depth learning experience. In addition, we upgraded the content of our Landing Project. Specifically, we added the "Five Enablers" activity to help employees better understand the code of conduct at NIO. Also, the learning content of "To feel about the user enterprise" to help participants better understand how to create a joyful lifestyle for users from three dimensions: product, service, and community.

Value - Sales Landing Program

During the reporting period, we added the Sales Landing Program to better help new hires in sales functions across China adapt quickly to work in NIO. We conducted 126 on-site training sessions in 16 cities across China, with each lasting five to seven days. The training covers NIO's development history, NIO Value System, compliance and information security policies, and NIO's products and sales processes, enhancing the expertise and comprehensive capabilities of our sales staff.

Sales Landing Training Site

Leadership

We offer management training to employees at different levels through two systems: the "layered competency training system" and the "application and practice-oriented training system". We provide courses including Star Blue, Mist, Aurora, Mars, and Nebula, so as to help them develop leadership skills and establish a leadership development framework based on the NIO Value System.

During the reporting period, we upgraded our leadership development projects. Based on the responsibilities of and competency requirements for leaders at different levels, we iterated the leadership course content for basic-level, middle-level, and senior leaders. In addition, we defined the layering criteria for the leadership projects and gradually covered managers meeting different levels of requirements with such development models as "resource allocation" and "compulsory job position competency training" to better support NIO's business development. In 2023, we conducted 55 leadership training sessions for 2,532 participants.

Leadership - Mars Class

During the reporting period, in order to further enhance the management efficiency in various complex scenarios, we carried out Mars Class for senior managers. During the 3.5-day training event, we replicated the real work cadence and actual problems encountered in the workplace, and allowed everyone to fully practice and expose the problems by using the format of competitions instead of training sessions. At the same time, we invited internal guests to comment on trainees' performance and share their experience, helping participants to reflect on their own management style, identify the direction of management improvement, and continuously improve their management ability.

Training Site of Mars Class Program

Expertise

We offer development programs and professional courses to talent of different specialties, aiming to build a professional learning ecosystem and complete the pathway and enrich the resources for employees' career development. This section includes professional talent projects, NCP courses, external resource platforms, and external learning/education projects.

During the reporting period, based on the NCP plan, we focused on the deepened development of the professional posts and invited internal experts to prepare "Learning Maps" and "lists of core professional courses", to make sure that employees have acquired necessary knowledge and skills in key areas. In 2023, we invited 389 experts to share on professional topics, and conducted a total of 447 professional training sessions for 48,148 participants, breaking down the barriers of different professions, broadening horizons, and providing a richer space for learning and growth for employees.

Expertise - Redwoods On-the-Job Training (OJT) Program

NIO invited internal instructors and external experts to join the Redwoods OJT Program to encourage sharing and exchanges across different professions. The program was open to employees in all professional paths across the country, offered training courses based on the NCP professional competencies and insights into the latest trends of different areas. And the training videos were recorded and uploaded to the Welearn platform as part of the internal knowledge base.

The 33rd Session of Redwoods OJT Program

Innovation

Through customized projects such as LDC for business cluster-specific support and digital transformation courses on the online learning platform, we have constantly been analyzing the requirements and integrating resources based on business needs to facilitate the organizational and talent transformation. The courses include Star Shine Program, Dandelion Program, Titans Program, Star Inspiration Program, etc.

During the reporting period, we iterated and upgraded the training for employees in the Industrialization cluster as well as the Product Design and Development (PD&D) cluster. In the school-enterprise cooperation of the Industrialization cluster, we provided diverse training courses, more on-site visits and practice opportunities, as well as stage-by-stage evaluations based on the needs for talent and of positions. By doing so, we further enriched the interns' knowledge of the equipment and their hands-on skills. And for the PD&D cluster, we established TDI management process and other systematic processes, to clarify the objectives of talent training and develop a professional training organization.

Innovation - Journey of Radiance

Based on the organizational and personnel development needs of NIO, we carried out the training and development program for some leaders from three dimensions: "work values", "management skills", and "potential & willingness". The whole program consisted of three phases: "self-awareness", "knowledge input", and "simulation and exercises", allowing participants to fully practice, think and summarize. In this program, 41 participants shared their management experience online and brilliant thoughts and ideas were generated from the exchanges of different minds.

Journey of Radiance Training Site

5.3

Employee Care and Communication

5.3.1

Compensation and Incentives

5.3.2

Benefits and Care

NIO always enhances employee cohesion with sincerity and care, injecting care for employees into each communication and daily work. With competitive compensation and incentive system, comprehensive benefits and care, as well as diverse activities, employees enjoy a pleasant working environment at NIO, and make friends with like-minded people here. We also take employees' voices and feedback as a key cornerstone for NIO's talent management improvement for constantly upgrading work experience, and better career development at NIO.

We have always adhered to the principle of equal pay for equal work, and designed a compensation framework of "competitive cash payment, market-leading long-term incentives, and benefits with care", with continuous optimization. At NIO, we evaluate employee compensation based on four dimensions: market dynamics, personal values, business performance, and competence. All NIO employees own the shares of the Company, which means that every employee is a shareholder and can share the Company's achievements. During the reporting period, we conducted actions like annual overall salary survey, store incentive mechanism survey, and college graduate salary survey, and applied the takeaways to the annual salary adjustment, to motivate employees to the maximum with a sound compensation system.

We are committed to creating a joyful community where employees grow together. To this end, we have established a comprehensive benefit system for employees which consists of seven parts such as health and safety, risk protection, family care, and holidays. During the reporting period, in terms of family care, we offered caring allowances for employees, while in terms of work-life balance, Employee Clubs were added for a better work-life balance and improved sense of well-being.

Summary of NIO's Employee Benefits

Employee Care Activities

In addition to the care and allowances for staff suffering sickness, we also brought care to NIOers on special occasions like hot summer days and important festivals. During the Spring Festival, William Li, Chairman of NIO, cooked dumplings for the staff working at the Power Swap Stations. He also visited the frontline employees on duty at the stores and presented them with red packets to express his gratitude and support for their hard work. Moreover, on hot summer days, the Company visited more than 1,100 employees at road-side service centers and other high-temperature workplaces and presented them with heatstroke prevention supplies. Through these efforts, our hard-working employees were better motivated.

NIO's Chairman William Li visited employees on duty during the Spring Festival.

"Staying Healthy With NIO for a Better Future" Free Clinics

To help employees better learn about their health conditions, NIO provided two free clinics at the Caohejing Office in Shanghai in December 2023 and January 2024 respectively collaborating with the Third Affiliated Hospital of the Second Military Medical University under the theme of "Staying Healthy With NIO for a Better Future". Thirteen experts from the hospital were invited to the voluntary clinics, and free blood glucose, blood temperature and ultrasonic tests were available on side, helping employees learn about their health indicators and get professional guidance and advice from medical specialists. More than 600 employees participated in these activities to leverage professional medical resources, identify potential health issues, and address related concerns in a timely manner.

Free Clinics at NIO

5.3.3

Employee Activities

NIO actively organizes various activities to help employees balance work and life, and enhance their sense of well-being. During the reporting period, the Company added the fun games and tug-of-war at the factories that were filled with creativity, fun and warmth. In addition, attaching importance to the bond between the Company and the families of employees, we organized parent-child activities like "Daddy's Day Out" and Baby's Summer Camp for better interactions between employees and their kids. During the reporting period, we organized more than 1,740 employee activities, covering a diverse range of themes such as traditional festivals, sports and parent-child relationship.

Traditional Festivals

Lantern Festival, Dragon Boat Festival, Father's Day, Mother's Day, Children's Day, etc.

Special Care

Haircut Event on the second day of the second lunar month, Smile Auction Day, Daddy's Day Out, Baby's Summer Camp, etc.

Sports

Fun games, badminton games, tug-of-war, etc.

Dragon Boat Festival Race

Value Compass Workshop

Badminton Games

Parent-Child Activities

Employee Activities

In addition to organizing various activities, NIO also encourages and supports employees to gather to share what they enjoy doing off work by providing venues and resources. We pay close attention to the actual needs of our employees. During the reporting period, we established six new clubs, bringing the total number of clubs up to 25. In addition, we held different NIO tournaments as a platform for employees to share and pursue what they like doing. Over 50 club events were held each month, and more than 600 were held throughout the year, covering more than 5,000 employees.

NIO Clubs

Golf Club, Live Action Role-Playing Murder Mystery Club, Dance Club, Yoga Club, Basketball Club, Tennis Club, etc.

NIO Tournaments

NIO Employee's Football Match, NIO Employee's Basketball Match, NIO Employee's Badminton Match, Honor of Kings Competition, etc.

NIO Employee Club Activities

NIO Employee Club Activity Calendar

Live Action Role-Playing Club Activity

Yoga Club Activity

5.3.4

Employee Communication

The employee satisfaction survey is conducted on a regular basis, and serves as an important reference and guiding direction for the continuous management optimization of the Company. We also organize Value Compass seminars, face-to-face talks with William and other employee communication activities, in order to talk with our employees in a respectful and inclusive manner. During the reporting period, the employee satisfaction rating was 3.97 points (out of 5).

2023 NIO Employee Satisfaction Survey

The Company attaches great importance to the feelings and needs of employees about their work, and thus carries out employee satisfaction survey every year. The employee survey questionnaire covers eight dimensions, namely willingness to work, willingness to recommend, willingness to stay, willingness to strive, confidence and identity, environment and atmosphere, development and incentive, efficiency and support. The questionnaire is translated into eight languages, helping the Company acquire a comprehensive picture of employees' needs and concerns. During the reporting period, with interns also covered in the survey, a total of 28,791 employees globally were involved in the survey, providing their feelings and thoughts about the Company's management and work environment, which helped with the optimization of work environment and management measures in a targeted manner.

Willing to Work	Willing to Recommend	Willing to Stay	Willing to Strive

Confidence and Identity

Mission and vision
Confidence in the company

Environment and Atmosphere

Alignment of goals
Team communication
Care and respect

Organization   Team

Employee Satisfaction Indicator

Individual   Support

Development and Incentive

Development opportunities
Material reward
Feedback and recognition
Training and learning

Efficiency and Support

Processes and mechanisms
Cross collaboration

Employee Satisfaction Survey Questionnaire

Will I Am – Talk With William Face to Face

Will I Am is an important platform for cultural and strategic communication at NIO, and also a stage for dialogues between William, the founder of NIO, and employees. Since 2016, Will I Am has been held on a quarterly basis either online or offline with live streaming for our employees worldwide, with an average of around 15,000 employees watching each time. During the meeting, William talks to NIOers about the business models, company strategies and values and culture of NIO, so that employees can better learn about what is going on in the Company, and get actively involved in the Company's decision-making and improvement processes with their voices and contributions, which further enhances employee engagement, and sense of belonging and ownership.

Broadcast of Will I Am - Talk With William Face to Face

NIO Townhall Meetings at European Office

In our European workplace, the founders of the Company, Mr. William Li and Mr. Lihong Qin, hold quarterly townhall meetings, which brings together more than 1,000 European employees through a combination of online and offline forms, and continues to enhance the cohesion of the organization and everyone's sense of belonging.

Townhall Meeting at the European Office

5.4

# Occupational Health and Safety

5.4.1

Safe Production and Operations

NIO regards the occupational health and safety of its employees as an important responsibility and has established the *NIO Environment, Health, Safety Policy*. With the mission of creating a safe and healthy working environment, all NIO's work must be carried out under the premise of ensuring the health and safety of employees. We strictly comply with the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Fire Protection Law of the People's Republic of China*, and other laws and regulations related to work safety and occupational health in places where we operate. With a series of measures such as the formulation of risk identification and control management procedure regarding work safety and occupational health and the establishment of the emergency response system, we are committed to improving the occupational health and safety protection and awareness of employees continuously and working with our employees to build a solid safety system.

Robust safety management and an efficient emergency response system are key to guaranteeing NIO's production safety. To this end, we improved the safety risk identification and control management procedures and called on all employees to participate in the safety inspection mechanism, to remove hidden dangers in a timely manner and ensure a safe and stable production process. Meanwhile, we actively promoted safety reviews covering the manufacturing sites, delivery centers, NIO Houses and after-market service sites to achieve full coverage of business areas with safety inspections, and make every employee a guardian of work safety.

Safety Risk Identification and Management

NIO has built a comprehensive closed-loop system of safety risk identification and management covering all business touch points, which enables us to conduct risk assessment, upon identifying the sources of danger, based on existing management procedures and develop layered risk classification and control. Meanwhile, we compiled a list of hidden danger checklist and EHS auditing plans at all levels to review the potential risks one by one, and take appropriate measures to continuously remove hidden dangers and reduce the occurrence of risks, thus ensuring employees' safety and health.
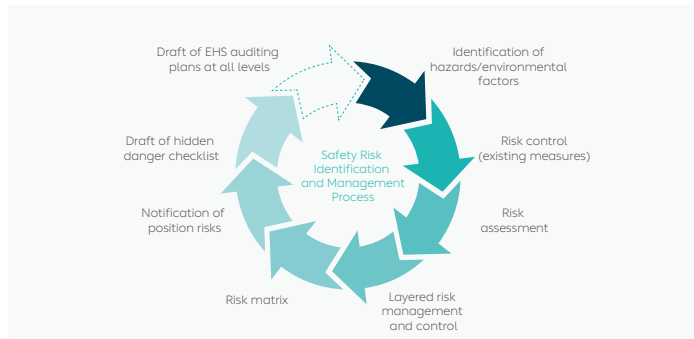
Safety Risk Identification and Management Procedures

Creating a safe and healthy working environment is our mission, and NIO continues to put into practice the original aspiration of "Blue Sky Coming", in the implementation of socially and environmentally responsible planning and decision-making. We are committed to optimizing the EHS system at the corporate level and supporting the implementation and establishment of the EHS management system for each function in the form of an umbrella-shaped structure to improve the efficiency and effectiveness of the system.

Systematization & Standardization & Globalization

- Establishment and alignment of EHS management systems for each function
- Development and use of safety technology standards
- Dynamic loop-closing for risk identification and hazard management
- Focus on capability improvement of major risk identification and prevention
- EHS compliance management in Europe and the US

Team Capability Building

- Professional capacity-building of the COE function at the headquarters
- Professional competence and training empowerment of local EHS teams
- Specialized competencies for EHS related positions in other departments
- EHS management skills and leadership for managers at all levels

Evolution Mechanisms

- Mature corporate auditing mechanism and auditing capability
- Self-auditing and improvement capacity of local teams
- Top-down management review and decision-making mechanism
- Development and application of digital and intelligent technologies
- Integration of several management systems

In terms of safety signage management, we formulated and released the *City EHS Visual Standards Manual and Laboratory EHS Visual Standards Manual* during the reporting period in accordance with the industry guidelines like *Safety Signs and Guideline for the Use (GB 2894-2008)*, aiming to unify the visualized EHS management across different cities and labs. The above documents include general signs, signs for collision avoidance and fixed positions, safety operation signs, signs for hazardous waste and chemicals signs, fire prevention signs, EHS tagline signs, etc. These documents provide guidance for the visual EHS management of NIO's various testing sites, so as to reduce the risk of accidents and injuries and improve the safety awareness and behavior of employees.

蔚来汽车
区域EHS目视化标准手册
City EHS Visual
Standards Manual
(2023年版)

NIO

NIO's City EHS Visual Standards Manual

蔚来汽车
试验室EHS目视化标准手册
Laboratory EHS Visual
Standards Manual
(2023年版)

NIO

NIO's Laboratory EHS Visual Standards Manual

Emergency Response System

To help NIO respond to emergencies during operations accurately and quickly, we have been upgrading and iterating the Company's emergency response system to ensure the safety of personnel and the Company as much as possible. NIO has established an emergency response system with clear division of duties and responsibilities, and customized response and management procedures applicable to specific emergencies, such as traffic accidents, battery fires, and various emergencies during the production, helping employees learn to respond to these different emergencies effectively. During the reporting period, we conducted more than 500 company-wide emergency drills of various types, covering emergency evacuations, vehicle battery fire, acute poisoning, mechanical injuries, chemical leakage, flood and typhoon disaster prevention, enabling employees to act quickly in response to emergencies and improving their emergency response capabilities.

Fire Drill in NIO Hangzhou

On December 22, 2023, for a better safety culture in the Company and safe and smooth production and operations of Power Swap Stations, the Power Swap Station at Liangzhu Service Center in Hangzhou held a fire drill offline together with the local fire brigade. This activity aimed to enhance staff's ability to extinguish fires and deal with emergencies with the introduction to the use of fire extinguishers, fire hoses, breathing apparatus and other emergency equipment, as well as hands-on training on the use of fire extinguishers. The drill further strengthened the fire safety awareness of NIO staff working at Power Swap Stations and enabled them to master the emergency handling procedures related to the site, putting in place better coordination between the staff and fire-fighting authorities for improved production safety.

2023 Fire Drill and Fire Emergency Evacuation Drill in NIO Hangzhou

EHS First Aid Class – Training on Automated External Defibrillator (AED)

Cardiopulmonary resuscitation or defibrillation within four minutes after a cardiac arrest has a higher probability of saving life. On May 11, 2023, we invited experts in Anting, Shanghai from the Red Cross Society of China to provide eight class hours of full-day certification training for our employees. The training covered external chest compression, artificial respiration and the use of AED in cardiopulmonary resuscitation (CPR), to help employees acquire professional first aid skills.

AED Training and First Aid Drill

We sign EHS agreements with our partners to guarantee their safety. Under the agreements, NIO requires partners to strictly comply with the *Safety and Environmental Management Regulations* when providing services at NIO's sites or designated third-party sites. For violations of the regulations, we will take a series of measures, such as requesting rectification within a certain period of time, sending warning letters or even claiming for compensation, so as to effectively enhance our partners' safe operation norms and awareness. In the case of serious violations, we may terminate the partnership or cancel the contract. Through active collaboration and communication, we work together with our partners to create a safe workplace that protects and supports our employees.

5.4.2

Occupational Health and Safety

NIO is committed to providing comprehensive occupational health protection for employees through a scientific, systematic and standardized approach. Strictly abiding by the laws and regulations in the countries and regions where we operate, such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the Company continues to improve the construction of the employee health and safety management system. Meanwhile, 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 Program*, ensuring employees a healthy and safe workplace to work and live in.

To effectively prevent and reduce the occurrence of occupational diseases, we identify various types of occupational disease hazards and risks based on the occupational health hazard management procedures. We also implement appropriate prevention and management by conducting employee occupational health assessment and on-site detection for occupational hazards. In addition, we analyze the results of employees' occupational health assessment in a regular manner to understand the occupational health status of our employees so that potential health issues can be detected in a timely manner and appropriate measures can be taken for intervention and management. During the reporting period, the occupational health management system of NIO's regional companies was officially launched, realizing the online automatic transfer of the occupational health approval process for employee onboarding and offboarding. The system can record the employee's health files, health assessment results and other information, realizing the lifecycle management of employee occupational health.

ISO 45001 Occupational Health and Safety Management System Certification

Occupational Health Hazard Management Procedure

Identification
• Based on relevant laws and regulations, internal policies, work flows of each position, chemicals checklists, 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 assessment, conducting on- site detection of occupational hazards, putting up notices and conducting regular management trainings

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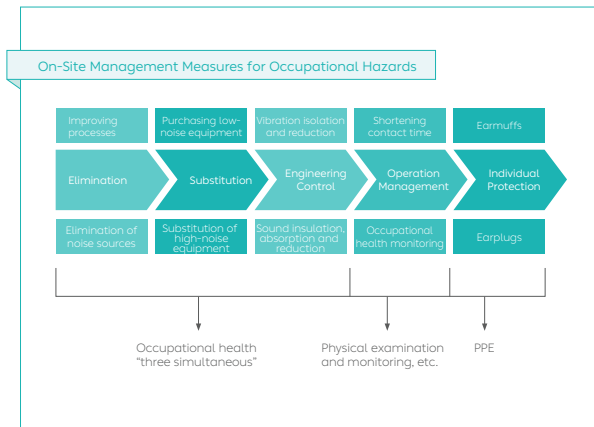

The Occupational Health Management System of Regional Companies

Taking noise-related occupational hazards as an example, we have identified the positions exposed to occupational hazards and established the on-site management processes for these positions. We also take all necessary measures to ensure employees' occupational health, including applying the "three simultaneous" principle (i.e. the occupational health-related facilities are constructed, put into production and used at the same time as the main project), providing employee health examinations and monitoring, and enforcing the wearing of PPE (Personal Protective Equipment). During the reporting period, the coverage rate of physical examinations for employees in positions exposed to occupational hazards reached 100%, and zero incumbent employee suffered from occupational contraindications or occupational diseases.

On-Site Management Measures for Occupational Hazards

Improving processes | Purchasing low-noise equipment | Vibration isolation and reduction | Shortening contact time | Earmuffs

Elimination | Substitution | Engineering Control | Operation Management | Individual Protection

Elimination of noise sources | Substitution of high-noise equipment | Sound insulation, absorption and reduction | Occupational health monitoring | Earplugs

Occupational health "three simultaneous" | Physical examination and monitoring, etc. | PPE

For special operations that the Company may be involved in, such as electrician operations, welding and thermal cutting, hazardous chemical operations and operations in confined spaces, we require the position related personnel to obtain a special appliance operator certificate before working. During the reporting period, we issued and notified employees to sign the occupational hazard notification in the onboarding system. Meanwhile, we labelled the positions exposed to occupational hazards in the HR Department's employee system, which automatically triggers the offboarding physical examination process when the employee leaves. By doing so, we can identify and handle work-related health issues in a timely manner, realizing the lifecycle management of employees' occupational health. In addition, we help employees prevent and reduce potential threats that may harm their health by clarifying the wearing of PPE, providing employees with free health consultations and other ways to protect employees' physical and mental health.

Scenarios of Wearing PPE

We are aware of the importance of PPE for preventing potential risks and protecting the safety of personnel. To ensure that every employee knows when, where and under what circumstances they should wear the appropriate PPE, we have standardized the marking of PPE wear requirements. Meanwhile, we have clarified the regulations on the wearing of PPE such as work clothes, hard hats, protective masks, work gloves, earplugs, protective glasses, safety belts and electrical insulating safety shoes in different work scenarios, to ensure the safety and health of employees at work.

Hard Hats | Protective Masks | Work Gloves | Work Clothes | Earplugs | Protective Glasses | Safety Belts | Electrical Insulating Safety Shoes

Scenarios of Wearing PPE

5.4.3
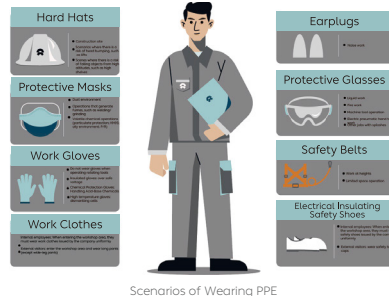
Employee Awareness Enhancement

NIO actively empowers employees through various channels. For instance, we actively communicate and convey the importance of work safety through a series of safety-themed activities such as training sessions and drills to improve employees' safety awareness and skills. During the reporting period, we held 6 safety activities themed on safety month, firefighting month, 5S for laboratories, hand safety month and industrial vehicle month, with more than 50,000 times of participation, realizing a 100% coverage rate of safety training for new factory employees.

Safety-Themed Activities

Attaching importance to fostering and raising employees' awareness of safety and occupational health, NIO empowers employees through multiple communication channels. The Company actively communicates and conveys the importance of safety through internal subscription account, WeChat public account, thematic publicity posters, videos and thematic broadcasts. During the reporting period, we published a series of posts with themes of Safety Talk, Health Disco, First Aid Superman, EHS Library on our internal subscription account, which took the form of illustrations to be more interesting and accessible. Meanwhile, we provide employees with the EHS Helpdesk, a window for reporting safety hazards and accidents, and help employees solve daily occupational health and safety related issues.

5S for Labs

In November 2023, to help remove potential safety hazards at laboratory, implement the standardization of laboratory safety, and improve the safety awareness and safety management ability of personnel working at the site, we launched the 5S (i.e., Seiri, Seiton, Seiso, Seiketsu, Shitsuke) special activity. Covering 10 test sites, 99 laboratories, and 29 departments across the country, this activity aims to continuously safeguard and optimize the operating environment and test conditions of the test sites, and to enhance the safety awareness of employees.

Certified Machinery Risk Evaluator (CMRE) Training

During the reporting period, we organized a certified machinery risk evaluator training, which provided our employees with a two-day course and rich learning content, including knowledge related to the identification and elimination of mechanical risks. All participants successfully passed the examination at the end of the training and were certified as CMREs. This helps to improve the overall work safety of the Company, and helps us better respond to potential safety risks, ensuring employees' occupational health and safety.

NIO EHS Helpdesk

NIO's internal EHS Helpdesk is designed to help employees address a variety of common environmental, occupational health and safety issues. Services provided by the platform include but are not limited to the following:

- **Safety hazard and incident reporting window:**
Set up a special channel on the platform for employees to report and record safety hazards and accidents, helping the Company identify and solve safety problems in a timely manner and safeguard the safety of employees;

- **PPE collection window:**
Provide guidelines and training materials on the use of various safety tools to help employees properly use and maintain the tools;

- **Safety tool user guide:**
Include safety demonstration videos such as the tutorials of dry powder fire extinguishers, AEDs, and eyewash equipment, as well as other safety promotional materials to help employees learn about a variety of safety topics and improve their safety awareness and behavior.

5S for Labs

CMRE Training

NIO EHS Helpdesk

5.5

Employee-Related Performance Statistics

Indicators[1]		2023	Unit
Employee type	Full-time employee	32,820	Person
	Part-time employee	4,097	Person
Employee Diversity			
By gender	Male	23,020	Person
	Female	8,139	Person
	Undisclosed	1,661	Person
By age	30 or below	13,240	Person
	31-50	18,326	Person
	51 or above	53	Person
	Undisclosed	1,201	Person
By geographical region	China (including Hong Kong SAR, Macao SAR and Taiwan)	31,506	Person
	Europe	1,188	Person
	North America	122	Person
	Other	4	Person
By job level	Senior management/professional employees	234	Person
	Middle management/professional employees	12,743	Person
	General employees	19,843	Person
Other categories	Number of employees with disabilities	344	Person
	Number of employees of ethnic minority groups	1,168	Person
	Percentage of women in the management team	18.60	%
Parental Leave			
Return rate of employees on parental leave		81.87	%

Indicators		2023	Unit
Number of New Employees			
Number of new employees		13,886	Person
By gender	Male	9,435	Person
	Female	3,918	Person
	Undisclosed	533	Person
By geographical region	China (including Hong Kong SAR, Macao SAR and Taiwan)	13,353	Person
	Europe	507	Person
	North America	24	Person
	Other	2	Person
By age	30 or below	8,011	Person
	31-50	5,334	Person
	51 or above	7	Person
	Undisclosed	534	Person
Employee Turnover Rate			
Total employee turnover rate		8.10	%
By gender	Male	8.19	%
	Female	8.31	%
	Undisclosed	5.90	%
By age	30 or below	11.36	%
	31-50	5.76	%
	51 or above	1.89	%
	Undisclosed	8.24	%
By geographical region	China (including Hong Kong SAR, Macao SAR and Taiwan)	8.13	%
	Europe	7.66	%
	North America	5.74	%
	Other	0	%

Indicators		2023	Unit
Talent Training and Development[2]			
Hours of training per capita		40.38	Hour/person
By gender	Male	70.14	%
	Female	24.80	%
	Undisclosed	5.06	%
By job level	Senior management/professional employees	0.71	%
	Middle management/professional employees	38.83	%
	General employees	60.46	%
By gender	Male	42.03	Hour/person
	Female	40.38	Hour/person
	Undisclosed	41.51	Hour/person
By job level	Senior management/professional employees	25.70	Hour/person
	Middle management/professional employees	39.98	Hour/person
	General employees	42.82	Hour/person
Occupational Health and Safety			
Work injuries	Lost workdays due to work injuries	475	Day
	Number of employees who died at work	0	Person
	Percentage of employees who died at work	0	Person / 200,000 man-hours
	Number of occupational injuries cases with serious consequences (excluding fatalities)	0	Number of cases
	Ratio of occupational injuries cases with serious consequences (excluding fatalities)	0	Number of cases / 200,000 man-hours
	Total recordable incidents (TRI)	29	Number of incidents
	Total recordable incident rate (TRIR)	0.08	Number of incidents / 200,000 man-hours
Work-related health issues	Number of cases of occupational diseases	0	Number of cases
Occupational health and safety management system	Ratio of employees covered by occupational health and safety management system	100	%
Occupational health and safety training	Total duration of training	209,083.17	Hour
	Total number of trainees	32,820	Person
	Safety training coverage for new factory employees	100	%

[1] All indicators cover full-time employees, except for "Employee type" which includes both full-time and part-time employees.

[2] During the reporting period, we continued to improve the scope of data collection and included the training programs of various businesses in our statistics on top of the NIO Academy data, which contributed to the increase in training data during the reporting period as compared with 2022 (the 2022 data only included the NIO Academy data).

6.0

Charitable Actions

NIO always stays true to the original aspiration of "Blue Sky Coming". Together with our users, we organize and participate in environmental protection, care for vulnerable groups and non-profit educational activities. We firmly believe that every effort will converge into an upward force and pass the warmth and energy on to the society.

Users always work together with NIO in practicing charity. We work together with NIO Users Trust, NIO Users Trust Foundation, NIO charity communities and user volunteers to accomplish more professional and standardized charitable endeavors. We have formulated the *Standard Operating Procedures for Charity Communities* and the *Guidelines for Community Founding*, to help build a well-managed platform for organizing and publishing charitable activities, clarify directions and objectives of charitable actions, and accumulate high-quality charitable activities to attract more people in the charitable undertakings.

We always stay true to the original aspiration with our user volunteers. Since the establishment of NIO user volunteer communities, user volunteers have been making charitable contributions to the society for five consecutive years, sharing and delivering kindness both inside and outside of the communities. Users have voluntarily set up 14 charity communities such as Weibei Charity Community in Beijing, Qingwei Charity Community in Qingdao, Shenwei Charity Community in Shenzhen and other communities in cities including Shanghai, Hangzhou and Chengdu. By the end of the reporting period, a total of 15,790 users and their children had joined NIO user volunteer groups, including 1,196 children of NIO users as "little volunteers". During the reporting period, there were a total of 14,897 person-times in charitable activities such as environmental protection, care for children, and social responsibility, with a cumulative total of 172,472 volunteer hours in 229 cities including some in Europe for the first time with many touching moments left.

Into the Chapter With NOMI

As a companion along the way, I have seen countless touching moments of a total of **15,790 user volunteers and 1,196 children of NIO users as "little volunteers"** when they engaged in charitable activities, such as protecting the environment, caring for vulnerable groups, and participating in non-profit educational activities. We work together with our users and the NIO Users Trust to make charitable contributions in different areas.

I was brought to nature by our users to **plant trees** and **clean the beaches**. We shared joy while working hard protecting mountains and oceans. At the same time, I witnessed more than ten charity communities actively carrying out various charitable activities to care for the vulnerable groups, including sponsoring and accompanying **children with cleft lip and palate and autism, left-behind children, and people with disabilities.** Besides, in various educational and charitable activities, I could see that children's love and passion for nature and music were inspired…I also saw the contemplation and concern on the faces of users who wanted to help others eagerly, and many smiling faces filled with deep sincerity and care. NOMI will always be there for our users wherever they are needed.

6.1

Contributions to Ecological Protection

NIO has been taking actions in ecological conservation by reducing the impact of its own operations on the environment while working with different organizations in ecological protection. During the reporting period, the NIO Users Trust took the lead in "NIO Climate Action" and the construction of Sanjiangyuan Ecological Village as an environmental research base, helping cope with climate change and conserve ecological diversity. In addition, NIO joined hands with user volunteers in tree planting, beach cleanup and other activities, to keep mountains green and waters clean.

Protection of Mountains and Rivers: Weibei Charity Community - Tree Planting

On April 4, 2023 during the Qingming Festival, Weibei Charity Community invited users to plant trees at the "Beijing Internet+ National Voluntary Tree Planting Base" in Fangshan, Beijing. User volunteers and their children dug holes, filled them with soil, planted evergreen cypress trees that symbolize strength and nobility and watered the trees. All the participants received the *Certificate of Voluntary Tree Planting Activities*, as well as pleasure from sowing the seeds of hope.

On June 3, 2023, Weibei Charity Community invited users to nature for a tree protection activity at the Beijing Youth Outdoor Sports Camp. During the activity, 28 volunteers, under professional guidance, painted the whitening agent on tree trunks that can reduce adverse impacts of low temperatures, pests and sunburn, protecting the ecological environment with concrete efforts.
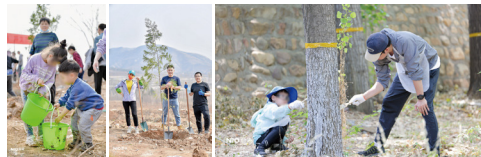
Tree Planting and Trunk Whitening

Contributions to the Oceans: Qingwei Charity Community - Beach Cleanup

Qingwei Charity Community, voluntarily initiated by NIO users in Qingdao, has been persistently carrying out marine environmental protection activities since its inception. In April 2023, Qingwei Charity Community carried on with the ocean conservation campaign. The community organized NIO users and their children to participate in the marine protection knowledge sharing and beach cleanup activity. During the activity, the community members gave lectures on the importance of marine environmental protection and beach cleanup for participants in the NIO House, to raise their awareness of marine protection. After that, led by NIO House staff and Qingwei Charity Community, volunteers, with litter pickup tools, joined a race of cleaning up litter on the bathing beach of Qingdao Lu Xun Park. They contributed to marine protection and restoration with practical actions.
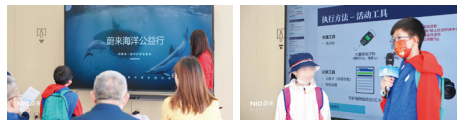
Knowledge Sharing on Marine Protection
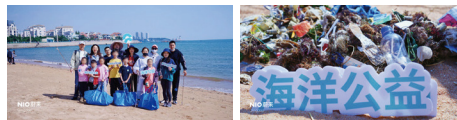
Marine Litter Cleanup

6.2

Care for Vulnerable Groups

NIO has always adhered to the concept of caring for society, continuously paying attention to and helping vulnerable groups. With the organization and support of the NIO Users Trust, NIO users raised funds for vulnerable groups via charity bazaars. In addition, over ten user charity communities actively carried out various charitable activities, such as funding and accompanying children with cleft lip and palate and autism, left-behind children and persons with disabilities, taking concrete actions to pass on love and care to these groups.

Charity Bazaar at NIO Day

On December 23, 2023, 220 NIO users from 28 cities across China set up stalls in the Charity Bazaar at NIO Day supported by the NIO Users Trust. The bazaar received a total amount of RMB 124,379 from 4,581 people in charitable donation to NIO Users Trust and NIO Users Trust Foundation. The NIO Users Trust then donated the same volume which brought the total to RMB 248,758. The fund was donated to three charity programs of Xi'an Charity Association, namely charitable meals, Spring Festival supplies and bridge construction.

Charitable Meals

Build canteens to provide nutritious, hygienic, and affordable meals for the elderly with disabilities, or living alone.

Spring Festival Supplies

Donate Spring Festival supplies to hard-working but impoverished sanitation workers.

Bridge Construction

Construct bridges for villagers in the mountainous areas in southern Shaanxi and the northern foothills of the Qinling Mountains to help ease the transportation difficulties there.

Charity Bazaar at NIO Day

Flood Prevention and Relief Support for the Beijing-Tianjin-Hebei Region

In the summer of 2023, the Beijing-Tianjin-Hebei region was hit by a sudden heavy downpour due to a typhoon. NIO users from Beijing, Tianjin, Hebei, Fujian, Jilin and Shanghai proactively served as volunteers for flood prevention and relief, organizing rescue and mutual aid activities and providing help to more than 1,100 NIO uses and community members. The Directors of the NIO Users Trust awarded certificates to the user communities on behalf of the NIO Users Trust Foundation, and worked together with multiple stakeholders to pay close attention to the situation of disaster. At the same time, some families of NIO users suffering from major illnesses and accidents also received funding from NIO Users Trust within its scope, and got through the difficulties.

Operation Smile

The year of 2023 marked the third year that NIO House joined the "Operation Smile of China Charities Aid Foundation for Children" to help children with cleft lip and palate. From April 29 to May 5, 2023, through "Operation Smile", NIO Houses held 58 charity auctions nationwide, with a total of more than RMB 220,000 donated by nearly 700 users from more than 50 cities across China. The NIO Users Trust and Users Foundation donated on a 1:1 matching basis. All the money raised would be used for the medical treatment of children with cleft lip and palate, to help more of them and their families overcome difficulties.

Funding was not the only way of help. NIO users also brought their companionship and love to children with cleft lip and palate. In August 2023, 20 NIO users and 1 Director of the NIO Users Trust participated in the "2023 Operation Smile in Jinan" as non-medical volunteers, making their contributions to the surgery and recovery of those with cleft lip and palate.

Care for Children in Difficulties

In cooperation with the Beijing Zhen'ai Rehabilitation Center for Children with Autism, the Beijing Miaoyu Language Correction and Rehabilitation Technology Center, and the Qiangbang Angels Baseball Base, Weibei Charity Community carried out charitable activities for children in difficulties. These activities included accompanying autistic and hearing-impaired children (for art classes, sketching, spring excursions, birthday parties, sports, etc.), gifts from the "stars" (creating cultural and creative products based on the works of children with autism and auctioning them off), and the "Weibei Supply Station" that met the material needs of left-behind children. NIO user volunteers helped children in difficulties with financial aid and accompanied them with patience and sincerity, passing on their love and care to them.

Ninghai NIO User Philanthropic Camp - Helping the Disabled

On May 21, 2023, the national day of assisting disabled persons, Ninghai NIO User Community worked with Ninghai Disabled Persons' Federation and Ninghai County Committee of the Communist Youth League to jointly hold the "Welcome the Asian Games, Help the Disabled" - Ninghai Bay fitness activities for persons with disabilities. NIO user volunteers gathered to help those with disabilities assemble wheelchairs, get on the car and go to the venue to join the fun games. NIO user volunteers helped the participants with disabilities enjoy the fun of sports, and brought happiness and hope to them.

A Certificate Awarded by NIO Users Trust for Users Participating in Flood Relief

Operation Smile Charity Trip

Art Classes and Sketching Activities

Ninghai Bay Fitness Activities for Disabled Persons

154

6.3

Participation in Non-Profit Educational Activities

NIO believes that education is not only about books and exams, but also about the awareness and knowledge about nature and aesthetics. NIO cooperates with the NIO Users Trust and user communities for the improvement of educational welfare and inspire children's love of nature and music.

Wild Academy - Qianyang Parent-Child Aesthetic Education Camp

Wild Academy, one of NIO user charity communities, is dedicated to parent-child explorations of the sustainable development of humanity and nature. In the summers of 2022 and 2023, Wild Academy, cooperating with professors from the Art Education Center of Fudan University, the Shanghai Bloom Education Fund, and the Shanghai Guangbo Institute of Further Education, organized the "Non-Profit Aesthetic Education Summer Camp" in Qianyang Village, Pingnan County, Fujian Province, China. The ancient village was enlisted in the fifth batch of traditional villages under state protection in 2019. Moreover, supported by the local government, Wild Academy set up a "Youth Aesthetic Education Base". In summer camp activities, young people followed instructors to learn about the protection of ancient Chinese villages, natural ecology, ancient ceramic art and other aesthetic knowledge. Summer camp activities not only enabled children to feel the beauty of ancient villages, but also made the ancient villages on the brink of oblivion seen, restored and retained by the next generation.

Summer Camp Activities

Music Classes for Children

In 2023, with the matching donation of the NIO Users Trust and NIO Users Trust Foundation, Shenwei Charity Community launched a non-profit aesthetic education program - "Music Classes for Children". Bearing in mind the concept that "aesthetic education is not to train artists, but to pass on values of positivity and optimism", the community donated harmonicas to Shitang Primary School in Huidong City, Guangdong Province, and organized handicraft making and open-air cinema for more than 100 students, enabling them to feel and experience the beauty of art in practice.

Music Classes for Children

Appendix 1 Report Indicator Index

Chapter	HKEX	SGX	SASB	GRI	UN SDGs
Hello, We Are NIO			TR-AU-000.B TR-AU-410a.2	2-1; 2-6	
Worry-Free Trips With NIO Power		List of relevant certifications		203-1	
Full-Stack Core Technologies for New Intelligent Driving Experience					
1.0 Efficient Governance					
1.1 Efficient Corporate Governance					
1.1.1 Governance Structure				2-9; 2-10; 405-1	
1.1.2 Board Governance Structure and Responsibilities		Board independence Women on the board			
1.1.3 Risk Management				2-24	
1.2 ESG Governance					
1.2.1 Governance Structure				2-12; 2-24	
1.2.2 Stakeholder Engagement				2-16; 2-29	
1.2.3 Materiality Assessment				3-1; 3-2	
1.3 Compliance Management and Business Ethics					
1.3.1 Strengthening Compliance Management	B7			206-1	
1.3.2 Adhering to Business Ethics	B7.1	Anti-corruption disclosures		2-25; 2-27; 205-1; 205-2; 205-3	
1.3.3 Ethics and Compliance Reporting and Whistleblower Protection	B7.2				
1.3.4 Compliance and Business Ethics Training	B7.3	Anti-corruption training for employees			
1.4 Information Protection and Privacy		List of relevant certifications			
1.4.1 Safeguarding Data Security					
1.4.2 Safeguarding Cybersecurity					
1.4.3 Protecting Personal Information	B6.5; B6			418-1	
1.4.4 Reinforcing Information Security Culture					

Chapter	HKEX	SGX	SASB	GRI	UN SDGs
2.0 A Blue Sky		List of relevant certifications			
2.1 Climate Risk Management					
2.1.1 Governance					
2.1.2 Strategy	A4; A4.1	List of relevant certifications		201-2	
2.1.3 Risk Management	B5.4				
2.1.4 Metrics and Targets					
2.2 Circular Economy					
2.2.1 "Car to Car" Resource Reutilization Model			TR-AU-440b.3	301-2	
2.2.2 Battery Pack Recycling					
2.2.3 BLUE SKY LAB		List of relevant certifications			
2.3 Green Design					
2.3.1 Lightweight Design				302-5	
2.3.2 Improvement of Energy Efficiency				302-5	
2.3.3 Clean+ Materials		List of relevant certifications		301-3	
2.3.4 Management of Hazardous Substances		List of relevant certifications			
2.4 Green Manufacturing					
2.4.1 Energy and Carbon Management	A2; A2.3; A3; A3.1	List of relevant certifications		302-4	
2.4.2 Water Resource Management	A2; A2.4; A3; A3.1			303-1; 303-2	
2.4.3 Compliant Discharge	A1; A1.5; A1.6; A3; A3.1			306-1; 306-2	
2.5 Green Logistics					
2.5.1 Green Packaging					
2.5.2 Green Warehousing					
2.5.3 Green Transportation					
2.6 Green Delivery and Experiences		List of relevant certifications		302-5	
2.7 Building a Clean Homeland Together				203-1; 304-3	
2.8 Environment-Related Performance Statistics	A1.1; A1.2; A1.3; A1.4; A2.1; A2.2; A2.5	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3 Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3 Total energy consumption Energy consumption intensity Total water consumption Water consumption intensity Total waste generated	TR-AU-440b.1 TR-AU-440b.2	301-3; 302-1; 302-3; 303-3; 303-4; 303-5; 305-1; 305-2; 305-4; 305-7; 306-1; 306-4; 306-5	

Chapter	HKEX	SGX	SASB	GRI	UN SDGs
3.0 Superior Products					
3.1 Innovation and R&D					
3.1.1 Focusing on In-House Research and Development	B6.3	List of relevant certifications			
3.1.2 Driven by User Experience					
3.2 Safeguarding Driving Safety					
3.2.1 Safety Products	B6	List of relevant certifications	TR-AU-250a.1	416-1	
3.2.2 Battery Safety					
3.3 Excellent Quality					
3.3.1 Three Key Success Factors of NIO Quality					
3.3.2 Six Pillars of NIO Quality					
3.3.3 Five Cornerstones of NIO Quality					
3.3.4 Quality Management System		List of relevant certifications			
3.3.5 Product Recall	B6.1; B6.4		TR-AU-250a.3		
4.0 Sustainable Value Chain					
4.1 Innovation in Industry-University-Research Cooperation					
4.1.1 Technological Innovation and Cooperation					
4.1.2 Developing Industry Talent					
4.1.3 Contribution to Industry Development					
4.2 Responsible Supply Chain					
4.2.1 Partner Admission and Management	B5; B5.1; B5.2; B5.3			308-1; 308-2; 414-1; 414-2	
4.2.2 Sustainable Supply Chain Management	B5; B5.3				
4.2.3 Daily Management of Partners			TR-AU-440a.1		
4.2.4 Partner Empowerment for Innovation					
4.3 Worry-Free User Service					
4.3.1 All-Round Worry-Free Service	B6			417-1; 417-2; 417-3	
4.3.2 Enhancing User Satisfaction	B6.2		TR-AU-250a.2		
4.3.3 Joyful Lifestyle					
4.3.4 NIO Users Trust					

Chapter	HKEX	SGX	SASB	GRI	UN SDGs
5.0 Employee Care					
5.1 Talent Attraction and Retention	B1				
5.1.1 Talent Recruitment and Cultivation	B1				
5.1.2 Diversity, Inclusivity, and Equal Opportunity	B1; B4; B4.1; B4.2		TR-AU-310a.1	2-30; 405-1; 406-1	
5.2 Talent Development and Training					
5.2.1 Employee Development	B1				
5.2.2 Talent Training	B3			404-2; 404-3	
5.3 Employee Care and Communication					
5.3.1 Compensation and Incentives	B1				
5.3.2 Benefits and Care	B1			401-2	
5.3.3 Employee Activities					
5.3.4 Employee Communication					
5.4 Occupational Health and Safety					
5.4.1 Safe Production and Operations	B2; B2.3			403-1; 403-2; 403-3; 403-4	
5.4.2 Occupational Health and Safety	B2; B2.3	List of relevant certifications		403-6; 403-7; 403-10	
5.4.3 Employee Awareness Enhancement				403-5	
5.5 Employee-Related Performance Statistics	B1.1; B1.2; B2.1; B2.2; B3.1; B3.2	Current employees by gender New hires and turnover by gender Current employees by age groups New hires and turnover by age groups Total turnover Total number of employees Average training hours per employee Average training hours per employee by gender Women in the management team Fatalities High-consequence injuries Recordable injuries Recordable work-related ill health cases		401-1; 401-3; 403-5; 403-8; 403-9; 404-1	
6.0 Charitable Actions	B8; B8.1; B8.2			203-1	
6.1 Contributions to Ecological Protection	B8.1			203-1	
6.2 Care for Vulnerable Groups	B8.1; B8.2			203-1	
6.3 Participation in Non-Profit Educational Activities	B8.1; B8.2			203-1	

Appendix 2 List of Laws, Regulations and Internal Rules

Laws, Regulations and Standards		
GB/T 19515-2023 Road Vehicles - Recyclability and Recoverability Rate - Requirement and Calculation Method	Sustainability Reporting Standards of the Global Reporting Initiative	Anti-Money Laundering Law of the People's Republic of China
IATF 16949 Quality Management System	Sustainability Accounting Standards Board (SASB) Standards	Personal Information Protection Law of the People's Republic of China
ISO 14001 Environmental Management System	New York Stock Exchange Corporate Governance Rules	Company Law of the People's Republic of China
ISO 14064-1:2018: Specification with Guidance for Quantification and Reporting of Greenhouse Gas Emissions and Removals	Several Provisions on the Management of Automobile Data Security (for Trial Implementation)	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste
ISO 14067:2018 - Greenhouse Gases - Carbon Footprint of Products - Requirements and Guidelines for Quantification	Regulation on the Administration of Recall of Defective Auto Products	Advertising Law of the People's Republic of China
ISO 22628:2002 Road Vehicles - Recyclability and Recoverability - Calculation Method	Measures for the Implementation of the Regulation on the Administration of the Recall of Defective Auto Products	Labor Law of the People's Republic of China
ISO 26262 Functional Safety Management Process	Universal Declaration of Human Rights	Labor Contract Law of the People's Republic of China
ISO 45001 Occupational Health and Safety Management System	Transparency Act	Data Security Law of the People's Republic of China
ISO 50001 Energy Management System	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited	Law of the People's Republic of China on the Prevention and Control of Water Pollution
ISO 9001 Quality Management System	Singapore Exchange Securities Trading Limited Listing Manual	Fire Protection Law of the People's Republic of China
ISO/IEC 27001 Information Security Management System	Singapore Exchange Core ESG Metrics	Law of the People's Republic of China on the Protection of Consumer Rights and Interests
ISO/IEC 27701 Privacy Information Management System	General Data Protection Regulation	Securities Law of the People's Republic of China
Safety Signs and Guideline for the Use (GB 2894-2008)	Work Safety Law of the People's Republic of China	Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
Foreign Corrupt Practices Act	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution	Patent Law of the People's Republic of China
ILO Declaration on Fundamental Principles and Rights at Work	Electronic Commerce Law of the People's Republic of China	
Sponge City Special Plan of Hefei (2016-2030)	Anti-Unfair Competition Law of the People's Republic of China	
Environmental, Social and Governance Reporting Guide	Anti-Monopoly Law of the People's Republic of China	

Internal Rules		
ASC Service Process Standard	Safe Management Policy for Test Drive of Regional Company	City EHS Visual Standards Manual
ASC Space and Safety Standard	National General Service Standard	Laboratory EHS Visual Standards Manual
ASC Maintenance Quality System Standard	Global Anti-Corruption Policy	NIO Privacy Policy
NIO Norway Sustainable Supply Chain Policy	Global Anti-Harassment, Anti-Discrimination and Anti-Bullying Policy	NIO User Community Management Guidelines
NIO Information Security Strategy	Global Supply Chain Sustainability Policy	Management Policy for NIO User Communities
Safety and Environmental Management Regulations	Global Policy on Conflicts of Interest	NIO Data Classification and Grading Strategy
Materials List	Global Trade Compliance Policy	NIO Users Trust Charter
NIO Partner Management Handbook	Global Code of Business Conduct and Ethics	NIO Recruitment Management Policy
Ethics and Compliance Whistleblower Policy and Procedures	Code of Conduct and Ethics	Information Security and Confidentiality Management Requirements (Trial)
Care Team Operation Mechanism (Trial)	Guidelines for Community Founding	General Industrial Waste Management Regulation
Standard Operating Procedures for Charity Communities	Test Drive Safety Agreement	One Book for One City System for NIO Service Centers
Due Diligence Management Policy for Critical Minerals	Test Drive Process	One Book for One Store System for NIO Service Centers
Partner Industrialization Management Procedure	Security Specification for Data System Products	Employment Management Policy
Partner Emergency Investigation and Handling Form	Charter of the Nominating and ESG Committee of the Board of Directors of NIO Inc .	Employee Handbook
Environment Management Policy	Hazardous Waste Management Policy	General Guidelines on Community Operations and Management
Clawback Policy	NIO Personal Information Protection Management Policy	General Operation Standards
Collective Contract	Digital Safety & Security Capability Assessment Criteria for NIO Partner	Vehicle Safety Recall Procedure
Space and Safety Standard	NIO Critical Minerals Management Manual	Sales Process Manual
Annual Community Support Program	NIO Partner Code of Conduct	Staff Congress Management Policy
European Vehicle Recall Process	NIO Internal Recruitment Management Policy	Occupational Health Management Program
Potential Partner Assessment (PPA) Process	NIO Partner Cooperation Guideline	

Appendix 3 Certification of GHG Assessment

The Road Ahead Starts With NIO