ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023

ESG

ENVIRONMENTAL
SOCIAL
GOVERNANCE

CONTENTS

ABOUT THIS REPORT

Reporting entity:
Niu Technologies and its subsidiaries (hereinafter referred to as "Niu," the "Company," or "we")

Reporting period:
Unless otherwise noted, the scope of this Report is consistent with that of the Company's annual report. This Report covers the period from January 1, 2023 to December 31, 2023, and some information in the Report may be extended outside the reporting period.

Reporting standards:
This report has been prepared with reference to the following criteria:
O Nasdaq ESG Reporting Guide 2.0
O Global Reporting Initiative (GRI) Standards 2021
O United Nations Sustainable Development Goals

Sources:
The information and data cited in the Report is sourced from the Company's internal documents, statistical reports, and financial reports, and has been compiled and reviewed by the relevant internal departments. Unless otherwise noted, all monetary figures in this Report are in Renminbi (RMB).

Reporting language:
The report is published in Chinese and English. If there is any conflict between the Chinese version and its English translation, the Chinese version shall prevail.

Release format:
The electronic version of this Report is available on the Company's official website. We welcome readers' feedback on the Report. If you have any questions or comments, please send an email to ir@niu.com.

Disclaimer:
The Report may contain some forward-looking statements, which are subject to material changes due to uncertainties. The Company assumes no responsibility for updating any forward-looking statements in the Report.

MESSAGE FROM THE CEO

The global economy faced numerous challenges in 2023, with market uncertainties testing the resilience of industries worldwide. In the face of these unprecedented conditions, NIU achieved remarkable global results, driven by our innovative products and robust market strategies. In China, we operate near 3,000 sales and service stores across 251 cities. Internationally, our products are being sold in more than 50 countries across five continents, gaining significant popularity, particularly in Europe and North America. Over the course of the year, we sold nearly 710,000 two-wheeled electric vehicles, with approximately 600,000 units sold in China and around 110,000 units in international markets. This significant achievement reflects our unique insights into market demand and our relentless pursuit of product innovation.

We are dedicated to promoting environmental protection and sustainability through technological innovation. Our R&D team continues to make significant breakthroughs in material applications and smart technologies. For instance, our X3 full-scenario smart off-road electric motorbike features a high-strength aluminum alloy frame which reduces the weight of the vehicle body, improves shock resistance and enhances environmental protection . Leveraging big data, we optimized battery performance, significantly improved durability, and boosted safety. By the end of 2023, we have cumulatively sold more than 4.2 million units worldwide, enabled users to cover an astounding distance of 20.6 billion kilometers, and reduced carbon emissions by more than 5.16 million tons - equivalent to planting nearly 255 million trees.

With the support of smart technologies, NIU continues to make industry breakthroughs. February 2024, we launched our "new generation performance flagships", the e-motorcycle NX and e-bicycle NXT series. The NX Hyper version sets a new performance benchmark for electric motorcycles, boasting a maximum power of 20,000W and a top speed of 135km/h. The NXT Ultra version redefines endurance for premium electric bicycles, with ultra-long battery life enabling users to drive up to 170km, and the ability to fast charge within 3.8 hours. Our

NIU Smart™ and NIU Energy™ technologies provide users with an enhanced smart riding experience, integrating intelligent human-vehicle interaction, vehicle health management, and OTA firmware updates all through the NIU App's intelligent controls, to make travel more convenient and safer.

Our commitment to intelligent manufacturing is laying a solid foundation for continuous product improvements. Our global R&D and manufacturing base for smart mobility products in the West Taihu Lake Science and Technology Zone in Changzhou utilizes state-of-the-art automated assembly lines and has an annual production capacity of up to two million units. Through digitization and intelligent technologies, we have enhanced production efficiency and product quality while also making solid progress in energy conservation and environmental protection. The Changzhou Photovoltaic Phase I project was connected to the grid in May 2023 and is generating 750,000 kWh of power annually, reducing carbon emissions and energy consumption.

We understand the importance of corporate social responsibility and have integrated it into our corporate culture and daily operations. Through the NIU Club community platform, we organize various environmental protection activities to raise awareness among our employees and users. We value diversity in talent and are working to create an inclusive and equitable working environment. Our active participation in local community initiatives also contributes to economic development. At our Changzhou production base, we are involved in building local new-energy industry chains that introduce advanced manufacturing technologies and management systems to enhance overall competitiveness and create employment opportunities for the local community.

NIU has established a comprehensive ESG management system to strengthen corporate governance. The four-level structure we have built – comprising of the Board of Directors, Management Team, Sus-

tainable Development Steering Group, and Sustainable Development Working Group - ensures effective implementation of our sustainable development strategy. Our Board is highly independent, with four of the six members being independent directors. We actively promote gender equality across our business and management team, including equal pay for equal work, as well as career development opportunity as evidenced by our female CFO and Board Director. We ensure that all key functions – sales, supply chain, service, product R&D, human resources, and finance and legal – are all involved in the implementation of ESG initiatives. This company-wide participation ensures that ESG initiatives are broadly deployed and executed.

Looking ahead, we will continue to align with China's new energy strategy and "carbon peak and neutrality targets." We will promote technological innovation and product upgrades while deepening our commitment to smart manufacturing and green development. With the guidance of national policies and driven by market demand, we believe NIU is poised for tremendous growth opportunities.

Chief Executive Officer
Dr. Yan Li

ABOUT NIU TECHNOLOGIES

Mission
Redefine urban mobility and make life better

Vision
Become a world-leading urban mobility brand through design and technology

Concept
Technology, style and freedom

COMPANY PROFILE

NIU is a global provider of smart urban mobility solutions. As the first lifestyle brand in China's urban mobility sector, NIU's brand embodies the concepts of Technology, Style, and Freedom. Since its establishment, NIU has been committed to providing global customers with more convenient and more environment-friendly smart urban mobility vehicles to redefine urban mobility and make life better.

NIU has created a new market category - smart electric two-wheeled vehicles – bringing the two-wheelers into the era of the Internet of Everything. NIU has broken the stereotype of the two-wheeler as merely a means of transport primarily for blue-collar workers. In addition to aligning the vehicle with the concept of green travel, NIU has made

technology and intelligence the new trends in the industry.

NIU develops and manufactures high-performance electric motorcycles, mopeds, bicycles, kick-scooters, and electric bicycles. It has a diversified product portfolio that caters to the various demands of our users and addresses different urban travel scenarios. NIU also offers accessories, including riding equipment and daily necessities. For our users, NIU is more than just an electric vehicle brand, its a trendy lifestyle.

NIU is headquartered in Beijing and operates a research and development center in Shanghai and a production base in Changzhou, Jiangsu Province, with an annual capacity of 2 million units. As of the

end of 2023, the Company had 2,856 franchised stores across 251 cities in China, and over 50 distributors across 54 countries and regions.

MAJOR MILESTONES

2014

NIU is founded.

2015

NIU launched its first vehicle, the NQi, and received RMB 72 million in funding from the JD Equity Crowdfunding platform, a record sum for a domestic product in China.

2018

The total distance traveled by NIU scooters topped one billion kilometers. The Company listed on NASDAQ (NASDAQ: NIU) in October.

2020

The NIU 2.0 strategy is initiated with product matrix covering NQi, MQi, UQi, and GOVA series. Global sales exceeded 1.5 million vehicles.

2021

NIU entered the micromobility market with the launch of the KQi kick-scooter series. The cumulative distance traveled by global users topped 10 billion kilometers; global sales exceeded 2.7 million vehicles.

2022

NIU debuted the revolutionary SQi series. The BQi electric bicycle was released overseas. Global sales exceeded 3.5 million; total distance driven by users hit 15 billion kilometers.

2023

NIU launched the MQi L, an electric bicycle with an extended riding range and supercharge function, alongside the high-performance electric motorcycle RQi.

2024

NIU launched the "next-generation performance flagship" electric scooter NX and electric bicycle NXT, redefining the premium segment.

HONORS AND AWARDS

🏆 Company honors and awards

Gazelle Enterprise of Jiangsu High-tech Industrial Development Zone
Jiangsu Productivity Promotion Center

Specialized and Innovative Small and Medium-sized Enterprise in Jiangsu Province
Industry and Information Technology Department of Jiangsu

Key Industrial Enterprise in Wujin District, Changzhou City
People's Government of Wujin, Changzhou

Top 10 Industrial Enterprises / Top 10 Service Enterprises of Changzhou West Taihu Lake Science and Technology Zone
Management Committee of Changzhou West Taihu Lake Science and Technology Zone

China Action Group • ESG Communication Award – Best Case Award
National Business Daily

13th China Finance Summit – "Influential Brand in the Industry"
Shuyang.com

🏆 Product honors and awards

KQi

KQi Youth+ Pro won the "iF Design Award 2023"

KQi2 won the "iF Design Award 2023"

KQi3 Pro won the Gold Award of "New York Product Design Award 2023"

KQi3 Pro won the "Rolling Stone Essentials 2023 - Best Scooter"

KQi3 Max won the "Tom's Guide Awards 2023 - Best electric scooter"

KQi AirX won the "Best of IFA 2023 - Best Mobility Tech"

UQi

UQi+ won the "2023 Red Dot Award"

SQi

SQi won the "2023 Red Dot Award – Best of the Best"

SQi won the "iF Design Award 2023"

SQi won the 13th China Finance Summit - "Outstanding Product Innovation Award"

1 ESG MANAGEMENT AND GOVERNANCE

1.1 ESG DEVELOPMENT STRATEGY

As the world's leading designer and manufacturer of smart electric two-wheelers, we are committed to promoting green mobility and having a positive impact on global urban transportation through innovative technologies and sustainable practices. Guided by the United Nations Sustainable Development Goals (UN SDGs), our ESG strategy focuses on environmental protection, social responsibility, and corporate governance to create long-term value for stakeholders and contribute to a more sustainable future.

NIU upholds the highest standards of **corporate governance** to ensure transparency and accountability in business operations.

- Transparency: Enhance disclosure to ensure all stakeholders understand the Company's ESG practices.

- Compliance: Ensure the Company's operations comply with all relevant laws, regulations, and standards.

- Risk management: Establish an effective risk management system to address ESG risks and opportunities.

- Board diversity: Promote diversity in terms of gender, culture, and professional background to drive inclusive decision-making.

NIU puts **environmental sustainability** at the core of its business and is committed to reducing its carbon footprint and promoting the use of clean energy.

- Green energy utilization: Optimize products' energy efficiency and use environmentally-friendly batteries to reduce the carbon footprint.

- Supply chain management: Ensure sustainable supply chain by using environmentally-friendly materials and production methods.

- Product lifecycle management: Minimize environmental impact from design to recycling.

- Green innovation: Invest in R&D to promote technological innovation to reduce energy waste, such as smart charging.

ESG

NIU bears its corporate **social responsibility** and is committed to creating value for its employees, users, and the community.

- Safety first: Improve product safety and enhance riding safety with intelligent technologies.
- Employee development: Provide training and development opportunities and create a diverse and inclusive working environment.
- Supply chain management: Ensure environmental and social compliance through strict supplier evaluation.
- Community participation: Promote "green lifestyle" globally and enhance public recognition of sustainable transportation.

1.2 ESG GOVERNANCE

NIU recognizes the importance of environmental, social, and governance (ESG) concepts and is committed to promoting harmonious coexistence among all stakeholders and creating sustainable corporate values. To this end, we have established a comprehensive and systematic ESG governance framework to ensure ESG concepts are reflected in all aspects of the Company's operations.

Our ESG governance framework consists of four levels, from top to bottom: the Board, Management Team, Sustainable Development Steering Group, and Sustainable Development Working Group. This multi-level framework ensures that the formulation, implementation, and supervision of ESG strategies fully cover all departments and functions of the Company.

Decision-making > Board: All members of the Board

- Supervise the implementation and execution of the Company's ESG-related strategies
- Regularly review the implementation of ESG strategies

Management > Management Team: Key personnel in charge of ESG-related matters

- Formulate and advance ESG strategies, policies, and goals
- Review and approve ESG goals
- Review the Company's annual ESG report
- Guide and supervise the work of the Sustainable Development Steering Group

Execution > Sustainable Development Steering Group:

Led by NIU's CFO, the Group is composed of middle and senior-level personnel from core departments

- Formulate ESG policies, objectives, and work plans
- Improve communication mechanisms with stakeholders
- Identify ESG risks and opportunities
- Prepare ESG reports and related information disclosures
- Conduct ESG management and other works

Execution > Sustainable Development Working Group:

Include members from the Sales Center, Supply Chain Center, Service Center, Product R&D Center, Human Resources Center, and Finance and Legal Center.

- Coordinate the implementation of the ESG work plan
- Ensure that various ESG initiatives are implemented in all businesses
- Collect and report ESG-related data and information

We focus on building sustainable development skills for the ESG leadership team to enhance the Company's ESG decision-making capabilities and quality. In 2024, we promoted ESG-related concepts to all employees through a subscription account to convey the disclosed sustainable development information and its importance. This move aims to enhance our employee's ESG awareness and, in particular, help enhance ESG network personnel's professional capabilities to ensure they can effectively perform their management responsibilities and play a key role in driving decision-making and overall supervision.
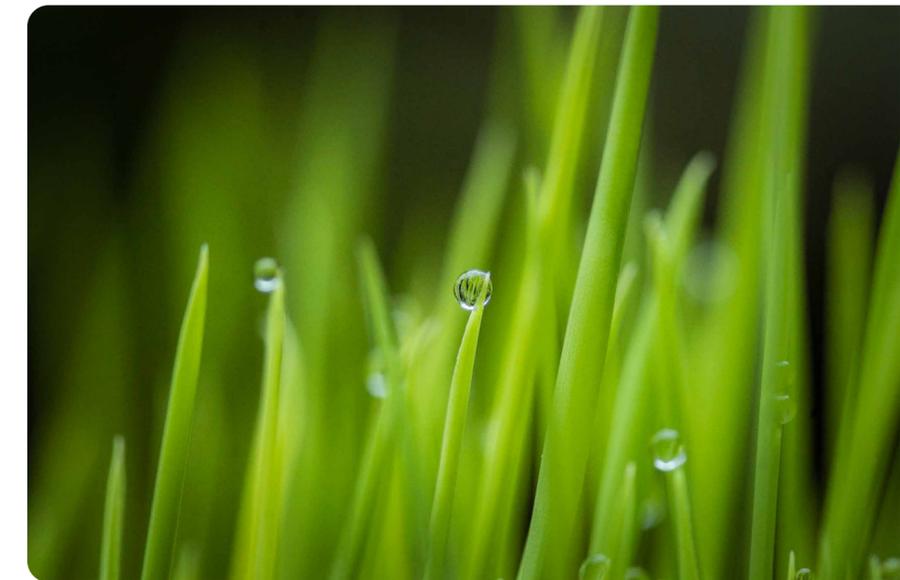
1.3 STAKEHOLDER ENGAGEMENT

NIU uses various communication channels, including but not limited to its official website, social media accounts, and emails, to receive, understand and respond to stakeholder inquiries, safeguard their interests, and implement the ESG work. Any stakeholder associated with the Company's business or sustainable development can easily get in touch with us. We value and cherish the suggestions and feedback of every stakeholder and promise to listen, respond, and address them appropriately.

Communications with Stakeholders

Key stakeholders	Main topics of concern	Communication approach	Response and action
Users and consumers	• R&D and technological innovation • Information security and privacy protection • Product quality and performance • Customer service experience	• Online and offline promotion activities • New product launch events • Market researches • Customer satisfaction surveys	• Provide innovative, high-quality products • Optimize customer service system and customer feedback and complaint mechanisms • Strengthen the information security system and protect customer information
Investors	• Return on investment • Business development risks and opportunities • Corporate governance • R&D and innovation • Information disclosure	• Quarterly earnings release • Roadshows • Regular information disclosures • Inquiries by emails or phone calls	• Regularly publish reports and disclose information truthfully and fully • Strengthen communication with investors via conference calls, online and offline meetings, road shows, and surveys, among others • Improve corporate governance and risk management • Strengthen abilities to identify business risks and seize opportunities • Increase R&D investments
Employees	• Employee rights protection • Occupational health and safety • Employee training and development • Salary and benefits • Diversity and equality	• Town halls • CEO communication channel • Internal reporting and complaint channels • Employee trainings	• Strictly comply with the terms of labor contracts and improve the salary and benefits systems • Disclose the Company's management policies in an open and transparent manner • Provide a safe and healthy work environment • Provide career development opportunities and training for employees • Hold quarterly all-hands meetings and provide direct channels for communication between employees and the CEO • Create an equal, inclusive, and open corporate culture

Communications with Stakeholders

Key stakeholders	Main topics of concern	Communication approach	Response and action
Government and regulators	• Operate in compliance with laws and regulations • Pay taxes according to the law • Energy conservation • Promote industrial development • Promote regional economic and social development • Respond to national strategies and policies	• Government-enterprise seminars • Information reporting	• Strictly abide by relevant laws and regulations, strengthen corporate compliance management, and respond to relevant national policies • Practice corporate social responsibility, promote environmental protection and carry out public welfare activities based on business characteristics • Developing a carbon neutral strategy • Helping rural revitalization
Suppliers and distributors	• Win-win collaboration • Integrity and compliance • Supply chain management • Fair competition • Product quality and safety	• On-site investigation • Distributor meetings • Product review meetings • Commercial agreements • Supplier trainings	• Adhere to the open and transparent business principles, actively fulfill contracts and integrity agreements, implement an open and transparent procurement model, and create a responsible supply chain • Quarterly and annual supplier reviews • Provide innovative, high-quality products • Annual dealer conference, and irregular store visits by management to communicate with dealers in various regions about sales status
Peers and industry associations	• R&D and technological innovation • Intellectual Property Protection • Fair competition • Product quality and safety	• Peer exchange • Cooperation • Industry top performer awards and industry standard formulation	• Strengthen exchanges and cooperation with peers to promote a healthy and orderly competitive environment • Invest in R&D that advances innovation in the industry; earn awards and recognition from industry peers; participate in the establishment of industry standards
Media and Non-government organizations (NGOs)	• Information disclosure and dissemination • Interaction with NGOs	• Press conferences • Product launch events • Social media online interaction • Participate in NGOs	• Hold press conferences, product launches, and other events to keep communication open and transparent • Build and maintain long-term trusting relationships with the media and NGOs
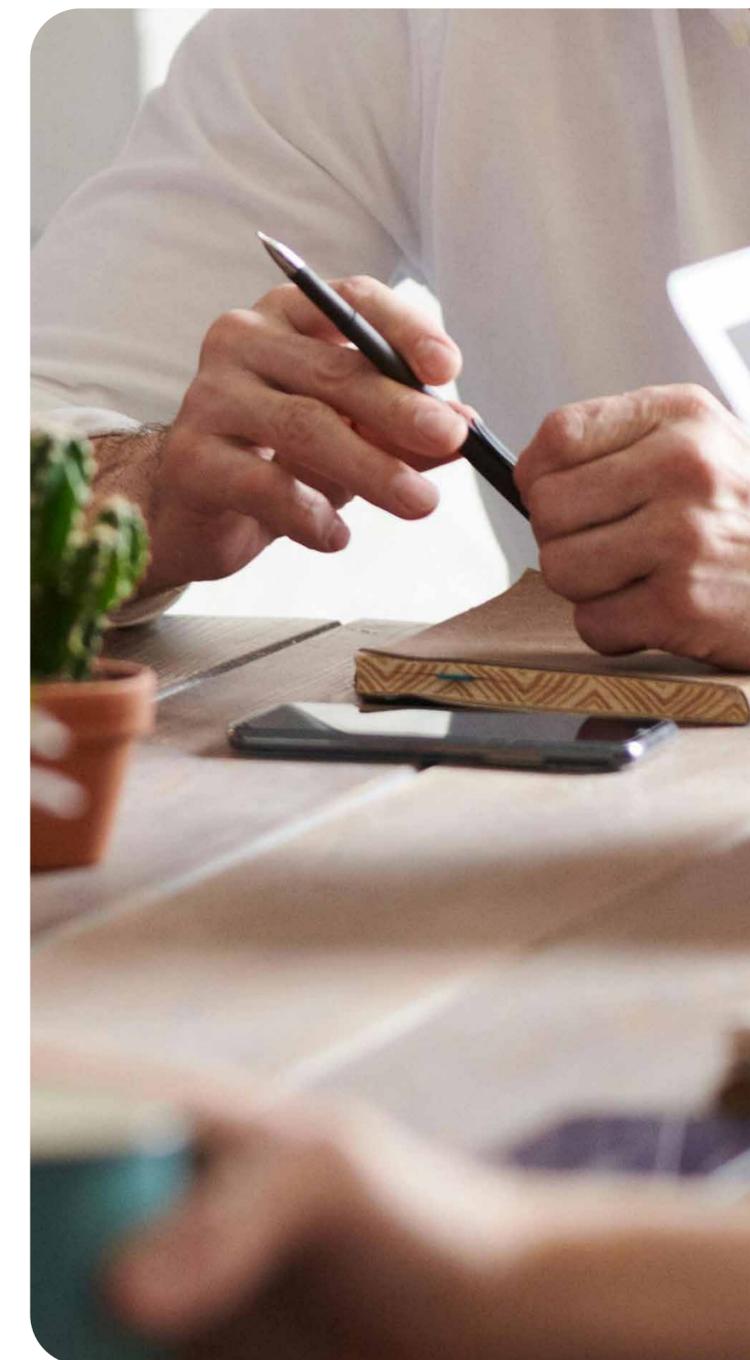
1.4 MATERIALITY ASSESSMENT

With reference to the UN SDGs and the procedures required by the Global Reporting Initiative (GRI) for the determination of materiality, we have incorporated stakeholders and their concerns into our ESG strategic planning and operations so that we can implement ESG requirements in our day-to-day operations and facilitate the Company's virtuous cycle of development.

Materiality assessment process

01 Collect relevant issues

Work	Output
○ Collect information from various perspectives, including national policies, company development plans, ESG disclosure standards, capital market ESG rating indicators, and benchmark issues against peers. ○ Identify and prioritize materials issues as the year goes on against the original material issue list.	Establish a comprehensive and up-to-date sustainable development issue library, including the Company's current and potential ESG issues.

02 Prioritize the issues

Work	Output
○ Collect opinions on sustainable development in our day-to-day operations from stakeholders, including directors, management, employees, customers, investors, business partners, media, and the public. ○ The Management Team guides the Sustainable Development Steering Group in screening, evaluating, and monitoring issues.	Feedback and suggestions collected from various stakeholders serve as the basis for screening issues.
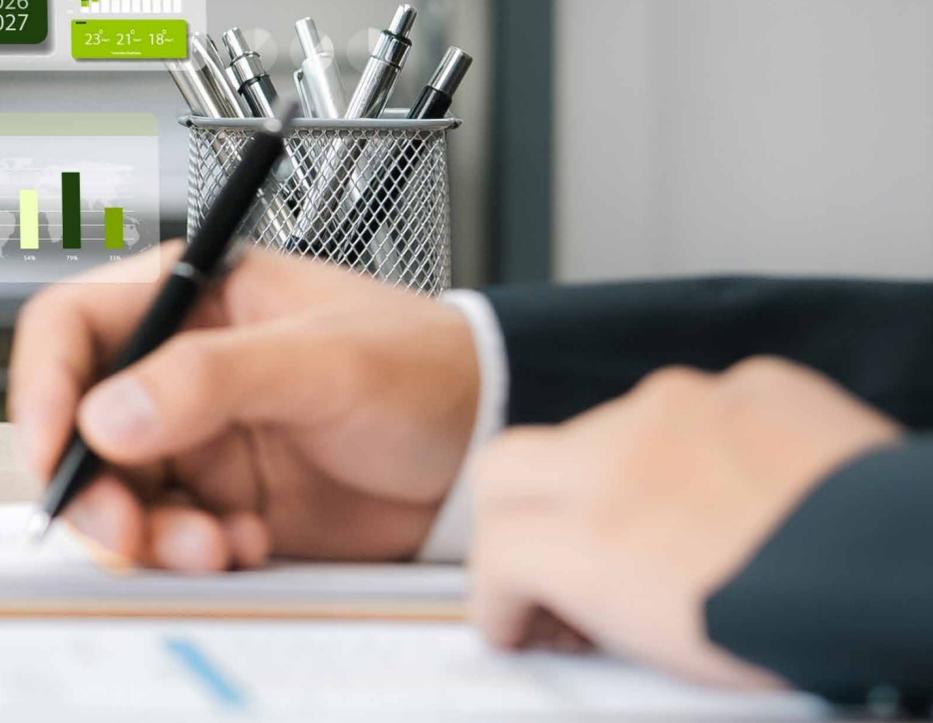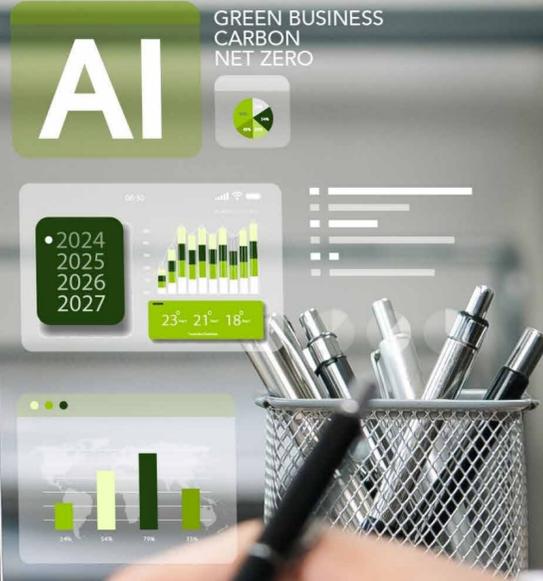
03 Materiality analysis and review

Work

- Compile and analyze survey results in accordance with the principle of materiality.

- Assign different weights to different issues in accordance with their risk levels.

- Prioritize the issues based on "the importance to corporate development" and "the importance to stakeholders," and establish an issue matrix.

- The Company's Management Team and external experts review and evaluate the screening results.

Output

Establish a matrix of important issues and prioritize them by importance.

Review the list of assessed issues to ensure they are material and relevant.

04 Material issue disclosure

Work

- Disclose selected issues in the report to ensure transparency.

- Make special disclosures on material issues to meet the needs of capital markets and stakeholders.

Output

An ESG report that contains and highlights key material issues.

Special disclosure of material issues to enhance the report's transparency and credibility.
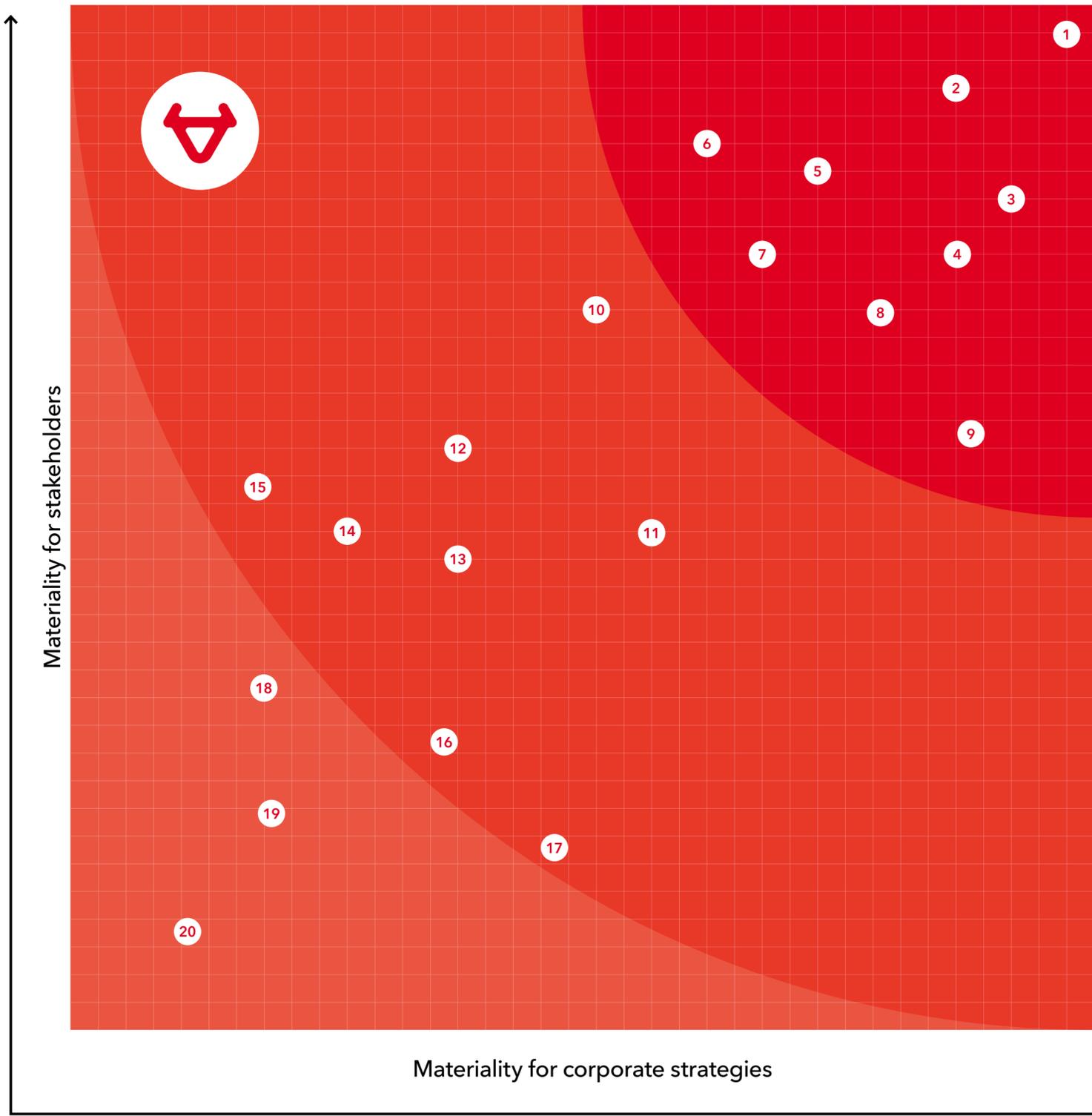
The company identified nine important issues during the materiality assessment process this year: six social and three governance issues. All the material issues and their importance are shown in the following table:

Materiality matrix

Very important topic	Important topics	Relevant topics
1 Product quality and safety (Society)	**10** Climate change and carbon emissions (Environment)	**18** Water management (Environment)
2 Customer service and satisfaction (Society)	**11** Product lifecycle management (Environment)	**19** Waste Management (Environment)
3 R&D and technological innovation (Society)	**12** Energy and resource use (Environment)	**20** Social welfare (Society)
4 Supply chain management (Society)	**13** Employee development and training (Society)	
5 Partner and retail management (Society)	**14** Occupational health and safety (Society)	
6 Responsible marketing (Society)	**15** Diversity and equal opportunity (Society)	
7 Green business opportunities (Governance)	**16** Intellectual property protection (Governance)	
8 Corporate governance (Governance)	**17** Information security and privacy protection (Governance)	
9 Business ethics (Governance)		

1.5 ESG GOALS AND PERFORMANCE

NIU formulates its ESG strategy and goals, tracks its progress, and coordinates with various departments to achieve its goals in accordance with the regulatory requirements of Nasdaq and the guidelines of the Global Reporting Initiative (GRI), as well as international principles and practices. The Board regularly supervises and reviews the ESG goals to ensure they meet the development needs of the external environment and the Company's business.

Environment

As of the end of 2023, NIU users had ridden a total distance of **20.6** billion kilometers, reducing carbon emissions by more than **5.16** million tons. The cumulated emission reduction in the year totaled approximately **1.35** million tons.

The Changzhou Photovoltaic Phase I project was connected to the grid in May 2023, generating **750,000** kWh of power annually. Green power usage accounted for about **25**% of the Company's total annual power consumption.

The Changzhou Photovoltaic Phase II project started construction in December 2023 and is expected to be connected to the grid in September 2024. After the grid integration, it is set to reduce carbon dioxide emissions by approximately **6,540** tons per year.

Established the carbon emissions investigation and accounting mechanism and disclosed the emission data in relation to its operations for the first time. The Company's carbon emissions in 2023 were **1,288** tons of carbon dioxide equivalent.

Society

The customer service satisfaction rate was **95**%, highlighting NIU's brand value.

As of the end of the year, the Company had **582** patents and **936** registered trademarks in total. We also had **316** patent and trademark applications pending approval in mainland China, Europe, and other jurisdictions.

We will formulate human rights policies, employee rights policies, supplier codes of conduct, and environmental health and safety management policies to improve corporate operating norms and social responsibilities further.

Governance

Independent directors account for as high as **66.67**%, representing good independence of the Board.

The Board added a female director for the first time, diversifying its perspective.

The average attendance rate of board meetings was **100**%, and the Board operated in an orderly manner.

There was **zero** corruption and **zero** illegal or irregular incidents throughout the year due to good compliance with business ethics.

We were invited to participate in the S&P Global Corporate Sustainability Assessment, as our ESG governance had gained international recognition and attention.

NIU'S 2024 ESG GOALS

Based on the progress we have made, NIU has set new goals that are consistent with the material issues. Our new goals for 2024 are summarized as follows:

Climate action:

1. **Increase the proportion of clean energy use:** Explore more photovoltaic power application scenarios

2. **Reduce product carbon footprint:** Improve the battery performance and choose lightweight recycled materials

3. **Implement a green logistics plan:** Optimize the logistics network and reduce transportation-related carbon emissions

4. **Improve information transparency regarding climate governance:** Participate in the CDP questionnaire reporting

Compliance and business ethics:

1. **Update compliance policy:** Comply with international business conduct standards and legal and regulatory requirements

2. **Strengthen compliance training:** Enhance employees' understanding and implementation of compliance policies

3. **Strengthen internal audit:** Ensure transparent and compliant business operations

Product stewardship:

1. **Improve product safety and quality:** Conduct improvement programs to ensure consumer safety

2. **Consumer education programs:** Increase consumer awareness of product safety and performance

3. **Establish a rapid response mechanism:** Address product recalls and consumer complaints promptly

Value chain responsibility:

1. **Sustainable development supplier management:** ESG evaluation system

2. **Improve the level of informatization:** Establish supply chain and retail systems

3. **Promote ESG value chain culture**

Employees and community:

1. **Value employees' feedback:** Conduct multi-channel employee satisfaction surveys

2. **Employee development programs:** Provide training and career development opportunities to improve employee skills and career satisfaction

3. **Enhance user connection:** Promote green travel and environmental protection concepts through online and offline activities

4. **Conduct community cooperation:** Explore public welfare opportunities for upstream and downstream sectors

2 TRANSPARENT AND COMPLIANT CORPORATE GOVERNANCE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

2.1 CORPORATE GOVERNANCE

We attach great importance to the improvement and development of corporate governance to ensure the Company's sustainable development and realization of its strategic goals. We strictly comply with the Company Law of the People's Republic of China, the NASDAQ Listing Rules, and all other applicable laws and regulations. We have defined the rights and responsibilities among the Board of Directors, various committees, and senior management, as in our Articles of Association, Committee Charters, Rules of Procedure of the Board of Directors, and other documents. These documents provide clear guidance for the Company's compliant operations and compliance with business ethics standards.

Corporate governance structure

As the Company's highest authority, the Board exercises its decision-making authority on key matters, such as the Company's business policy, financing, investment, and profit distribution, in accordance with the law. The Management Team, which is accountable to and supervised by the Board, assumes the Company's operations management rights, oversees the Company's overall business and development strategy, and makes decisions on operation policies and investment plans. To improve decision-making efficiency, the Company's Board has established three special committees based on their roles and responsibilities, i.e., the Nomination and Corporate Governance Committee, the Compensation Committee, and the Audit Committee.

Duties of the Board and the special committees

The Board

Sales Services

Legal and Compliance

Product R&D

Manufacturing

Finance

Supply Chain

Branding and Marketing

Information Technology

Human Resources

Administration

Nomination and Corporate Governance Committee

- Select and recommend director candidates to the Board.
- Co-review the board composition with the Board, focusing on such characteristics as diversity.
- Recommend the frequency and structure of board meetings.
- Advise the Board on corporate governance-related laws and practices.
- Advise on corporate governance matters and remedial actions required.

Compensation Committee

- Review and approve the compensation for the CEO and other executives.
- Recommend compensation for non-employee directors.
- Review and approve incentive compensation or equity plans.
- Consider the independence when selecting a compensation consultant.

Audit Committee

- Oversee financial reporting and auditing processes.
- Appoint and supervise independent auditors.
- Discuss audit-related issues and management's action plans.
- Review accounting policies and internal controls.
- Approve major related-party transactions.
- Oversee ethics and compliance programs.

Key performance

During the Reporting Period, the Company:

- Held **6** board meetings, with **100**% attendance by directors, and reviewed and approved 17 proposals

- Held **2** Nomination and Corporate Governance Committee meetings, **3** Compensation Committee meetings, and **5** Audit Committee meetings

Board diversity

Board diversity is a key factor in driving corporate innovation and growth. We follow the principle of diversity and select our board members by taking a holistic view of gender, age, culture, educational background, and professional experience. We are committed to building an inclusive and diverse Board to reflect our global vision and diversified market needs.

Gender diversity

Male: 5
Female: 1

Age diversity

≤30 years old: 0
30-50 years old: 3
≥50 years old: 3

Academic qualification diversity

PhD: 2
Master's degree: 3
Bachelor's degree: 1

Board independence

The independence of the Board plays a key role in our corporate governance. We strictly abide by relevant laws, regulations, and exchange rules to ensure each member meets the "independence" requirements pursuant to Nasdaq Listing Rule 5605 and Rule 10A-3 of the Securities Exchange Act of 1934 (as amended, hereinafter referred to as the "Exchange Act"), as well as any additional requirements deemed appropriate by the Board.

In 2023, our Board was composed of six directors, four of whom were independent directors, accounting for 66.67% of the total. The three special committees were composed of independent directors only.

Independent Director	Audit Committee	Compensation Committee	Nomination and Corporate Governance Committee	Financial expert	Industry experts	Risk management experts
Mei-Wei Cheng	Member		Member		✓	
Julian Juul Wolhardt		Member				✓
Changqing Ye	Chairman		Member	✓		✓
Jinshu (John) Zhang	Member	Chairman	Chairman			✓

= Chairman   = Member

Professionalism of the Board

NIU's board is composed of senior professionals with profound academic and professional qualifications and extensive work experience in different fields, including the automotive industry, corporate management, finance, legal, and investment management, among others. Our Board members possess the knowledge and skills required for company operations and can strictly review and monitor the Company's operating and management procedures.

Many Board members have professional knowledge related to risk management, providing clear guidance for the Company's risk management. Among them, our independent director, Mr. John Jinshu Zhang, has a profound legal background and provides support for the Company's compliance risk management strategy with extensive research and practical experience; our executive director, Ms. Fion Wenjuan Zhou, and independent directors, Mr. Changqing Ye and Mr. Julian Juul Wolhardt, have extensive financial management experience and provide professional and deep insights for the Company's financial risk management.

Board composition and skills

Director	Position	Background	Industry experience
Yan Li	Chairman and CEO	Prior to joining NIU in 2016, Dr. Li was a principal of KKR Capstone Limited, overseeing its portfolio operations in China. Prior to that, Dr. Li worked for McKinsey & Company, where he advised companies in the high-tech, industrial goods and retail sectors. Prior to joining McKinsey, Dr. Li worked as a senior research engineer at Qualcomm Inc., focusing on the development of 3G and 4G communications technologies. He holds three patents on 3G communications. Dr. Li holds a Bachelor's degree from the University of California at Berkeley and a Ph.D. in electronics and electrical engineering from Stanford University.	Financial sector Communications industry Business strategy
Fion Wenjuan Zhou	Director	Ms. Fion Zhou has served as the chief financial officer of the Company since November 2021, and she was awarded "Female CFO of the Year" by the Barron's China in 2022. Prior to joining the Company, she served as the chief financial officer of Sogou Inc. (NYSE: SOGO), where she led financial operations and strategic investment. From 2015 to 2019, Ms. Zhou was a finance director of Alibaba Group and served as the chief financial officer of Yidian Zixun. Prior to that, she also held senior finance roles at Viadeo S.A. in Paris and Concord Medical Services Holdings Limited in New York City. Ms. Zhou started her career as an auditor at PricewaterhouseCoopers Zhong Tian in 2006. Ms. Zhou received a bachelor's degree in Financial Management from the University of International Business and Economics and an Executive MBA from HEC Paris. She is a member of the American Institute of Certified Public Accountants and a Chartered Global Management Accountant.	Financial sector Financial management Risk management
Changqing Ye	Independent Director	He is a certified public accountant in China, and has over 25 years of experience in accounting, financial advisory and investment. Mr. Ye served as an investment committee member and then group chief financial officer and managing director of CITIC PE Group. Prior to these positions, Mr. Ye was a partner at PricewaterhouseCoopers. Mr. Ye received his bachelor's degree from Huazhong University of Science and Technology and an MBA from Warwick University.	Financial sector Financial management Risk management
Mei-Wei Cheng	Independent Director	He has extensive corporate management experience and in-depth knowledge of the motor vehicle industry. Mr. Cheng has served as CEO of Siemens Northeast Asia, president and CEO of Siemens China, corporate vice president of Ford Motor Company and chief executive officer of Ford Motor (China) Ltd. Prior to joining Ford, Mr. Cheng held several executive positions at General Electric Corporation and AT&T. Mr. Cheng received his bachelor's degree from Cornell University and an MBA from Rutgers University.	Automobile industry Business strategy Corporate governance
Julian Juul Wolhardt	Independent Director	He is a certified public accountant and certified management accountant in the US. He was a partner at KKR Asia Limited and led Morgan Stanley Private Equity Asia for China. Mr. Wolhardt has broad experience in corporate operations and financial management.	Financial sector Financial management Risk management
John Jinshu Zhang	Independent Director	He has extensive experience in mergers, acquisitions, private placements and public offerings of securities, and other sophisticated business transactions. From 2000 to 2021, Mr. Zhang was a partner at Greenberg Traurig LLP, Reed Smith LLP, Edwards Wildman LLP, and Dentons LLP, successively. Mr. Zhang received his Juris Doctor degree from the University of California, Berkeley.	Legal compliance Risk management

Compensation and incentives

The Company formulates the compensation plan for the CEO and other executive directors in accordance with the relevant laws and regulations of the U.S. Securities and Exchange Commission (SEC), the NASDAQ Stock Exchange, and other regulatory bodies. The current compensation structure for senior management consists primarily of fixed salary and variable compensation (which mainly includes performance-related and share-based compensation). In addition, the Compensation Committee reviews the compensation plan for the CEO and other executive directors of the Company and the Company's long-term equity incentive plan at least on an annual basis in accordance with the Company's objectives. We have not established or set aside any amount for pensions, retirement, or other similar benefits for our directors or executives.

As a technological innovation-driven lithium battery smart electric vehicle company, NIU actively uses equity incentives to enhance the team's pursuit of innovation. The Company launched equity incentive plans in 2016 and 2018, respectively, aiming to attract and retain outstanding talents and enhance the team's cohesion and sense of mission. Under the 2016 Plan, the maximum aggregate number of ordinary shares that could be issued was 5.86 million shares; under the 2018 Plan, the maximum aggregate number of ordinary shares available for issuance was initially 6.73 million shares, which should be increased by a number equal to 1.5% of the total number of the issued and outstanding ordinary shares in the immediately preceding fiscal year, further expanding the scale of incentives. These plans have provided considerable equity incentives to inspire our employees' enthusiasm and creativity and promoted the Company's sustainable innovation and development.

Investor relations

NIU continues to optimize investor relation management and establish an efficient information disclosure system in accordance with all applicable laws and regulations. To this end, we have adopted various communication approaches to interact with investors, including quarterly earnings releases, online investors' meetings, and field visits, and we have strengthened their understanding and trust in the Company.

Besides, we attach great importance to information disclosure and regularly disclose financial status and business developments to the public. We regularly publish financial reports and business updates to ensure investors have the latest and most accurate information. We also hold investor meetings, providing opportunities to communicate directly with the Company's executives, and set up a dedicated investor relations website to provide real-time updates of news, financial data, and regulatory documents.

In addition, we attach importance to the compliance and transparency of related-party transactions, a topic of significant concern to investors. The Company explicitly prohibits controlling shareholders, actual controllers, directors, and senior management from damaging the interests of the Company and minority shareholders through improper related-party transactions. To this end, we have formulated a series of rules and regulations, including the *Articles of Association, Rules of Procedure of the Board of Directors, Code of Business Conduct and Ethics, and Management Policies for Preventing Insider Trading,* aiming at preventing conflicts of interest and ensuring that the rights and interests of all shareholders in related-party transaction decisions are treated fairly and impartially. The establishment and implementation of these systems will help maintain the transparency and credibility of corporate governance and safeguard the Company's and its shareholders' long-term interests.
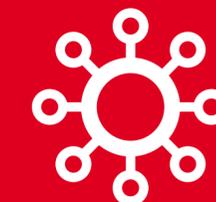
2.2 COMPLIANCE AND RISK MANAGEMENT

NIU attaches significant importance to compliance governance and risk control. In accordance with the internal control framework of the U.S. COSO (organized to sponsor the National Commission on Fraudulent Financial Reporting) and Section 404 of the Sarbanes-Oxley Act, NIU has formulated internal control processes and systems, including the *Internal Audit Work Management System and the Internal Audit Charter,* to supervise and standardize effective corporate compliance management and risk management systems, systematically identify and analyze risks related to operations activities and internal control objectives, formulate risk response strategies, and ensure the Company's robust operations.

Risk management

NIU has established a comprehensive risk management process consisting of four main steps: risk identification, risk assessment, risk mitigation, and risk monitoring. It has also built a risk management framework featuring "three defense lines," with which the Company can effectively identify and assess various risks, such as strategic, financial, market, operational, and legal risks, and develop corresponding action plans.

NIU's risk management system and "three defense lines"

Risk identification - - - - - **Risk assessment** - - - - - **Risk mitigation** - - - - - **Risk monitoring** - - - - - **Compliance system assessment**

Identify various risks that may affect the Company's strategic goals through regular internal audits, management interviews, and business process analysis, among others.

Analyze and assess the risks identified, consider the possibility of occurrence and potential impact, and prioritize the risks.

Develop response strategies, including risk avoidance, risk transfer, risk mitigation, and risk acceptance, based on the risk assessment results.

Continuously monitor the implementation of risk management measures, regularly evaluate the effectiveness of risk management measures, and promptly adjust risk management strategies according to internal and external environment changes.

NIU assesses the effectiveness of the risk management and internal control system every year. The internal audit team constantly updates the risk control matrix and conducts internal control audit tests through interviews, risk assessments, document reviews, and information system audits, among other methods, to ensure an effective operation of the internal control and risk management system. In 2023, the Company has audited 100% of its business.

The Company's compliance system is assessed by various parties, including the CEO, CFO, Audit Committee, internal audit department, and external independent third parties. We conduct self-assessment by organizing compliance supervision and inspection activities, internal audits, and management reviews that cover all compliance areas. We also hire independent third parties to objectively assess the operations of the compliance management system and rectify problems identified. During the Reporting Period, NIU engaged a third-party institution specializing in internal control of information systems to assist the Company in risk assessment and internal control testing of the information system. No substantial loopholes or defects had been identified concerning the information system's general control and application control.

The 1st defense line – operational management control:

Comprising various business units and functions, it is responsible for daily operations and management and designs and implements controls to address risks.

The 2nd defense line – internal monitoring and supervision:

Comprising various departments, including finance, legal, quality, and safety, it continuously monitors risks, implements internal control policies, executes procedures, and facilitates information collection and is dedicated to providing a unified understanding of risks and control throughout the Company.

The 3rd defense line – internal independent audit:

We have established an internal audit department and built an in-house team to regularly evaluate and verify the effectiveness of the Company's risk management measures and internal control systems, follow up with the management to improve and enhance areas identified by the internal control, and report to the Audit Committee every quarter to ensure its independence.

2.3 BUSINESS ETHICS

NIU adheres to the highest standards of corporate governance, ethical behavior, and social responsibility and regulates internal and external business ethics through institutionalized means.

Internally, we have developed a Code of Business Conduct that sets high ethical standards for all employees, ensures compliance with laws and regulations, and promotes honesty and accountability:

- **Identification and reporting of conflicts of interest:** Employees must accurately identify and report potential conflicts of interest to address transparency requirements concerning personal and professional interests.
- **Anti-corruption guidelines:** The company strictly prohibits employees from engaging in bribery or kickbacks and must fully comply with the anti-corruption laws of the jurisdiction.
- **Asset protection:** We emphasize the protection and proper use of Company assets and have established strict guidelines to prevent misuse and theft.
- **Confidential information protection:** Confidential information must be protected, and confidentiality must be maintained regardless of whether an employee leaves the Company.
- **Accuracy of financial reporting:** Accurate and reliable financial reporting is of paramount importance. Employees are obliged to report any inconsistencies or unethical practices promptly.
- **Anti-discrimination and harassment:** We firmly prohibit all forms of discrimination and harassment and are committed to implementing workplace opportunity equality.

Externally, we have developed a Supplier Code of Conduct to clarify our expectations and requirements for suppliers, ensuring they demonstrate the highest business ethics and integrity in all interactions with NIU:

- Zero tolerance for corruption: Suppliers must refrain from any form of bribery or unfair competition.
- Principle of transparency and fairness: Suppliers are required to be honest and transparent in all transactions with NIU.

Anti-corruption and anti-bribery

NIU adopts a zero-tolerance policy for corruption for its employees and business partners and strictly prohibits any form of bribery, kickbacks, improper payments, or profit-taking. We continue to strengthen our internal integrity and honesty system and strengthen supervision and accountability mechanisms by improving systems, creating mechanisms, and advocating our values. In terms of integrity management of business partnerships, we sign an Integrity Agreement with suppliers and distributors before initiating cooperation. We will immediately terminate our cooperation with partners who violate the Company's integrity regulations, and pursue their legal liabilities. In the meantime, we clearly state that all forms of bribery and corruption are prohibited.

In 2023, NIU did not have any corruption-related legal proceedings.

Anti-corruption efforts and achievements

○ **100%** of the Company's board of directors, supervisory board, and management are aware of our anti-corruption policies

○ **100%** of the Company's employees are aware of our anti-corruption policies

○ **100%** of the Company's business partners are aware of our anti-corruption policies, among them:

Number of suppliers that have received anti-corruption policy training: **133**

Antitrust and fair competition

NIU is committed to fair competition and strictly abides by the Anti-monopoly Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, and other relevant laws and regulations. It is committed to protecting the fair competition environment and resisting improper restrictions, collusion, and anti-competitive behaviors. Besides, we request that external publicity should not be released until verified by the Legal Department to ensure the accuracy and compliance of the information.

In 2023, NIU was not involved in any litigation concerning violations of the Anti-monopoly Law, the Anti-unfair Competition Law, or other relevant laws and regulations.

Compliance reporting and whistleblower protection

NIU has established a comprehensive compliance reporting mechanism to encourage employees and external stakeholders to report any violations. The Company has set up a special reporting mailbox, audit@niu.com, to provide whistleblowers with a safe and convenient reporting channel and ensure all reports are taken seriously and responded to in a timely manner. The Company's internal audit and internal control department reports compliance reporting-related matters directly to the Audit Committee every quarter.

Meanwhile, the Company has formulated a strict whistleblower protection policy to ensure the confidentiality of the whistleblower's identity and has taken effective measures to prevent and prohibit any adverse consequences or retaliation against the whistleblower. The Company promises to engage a professional team to fairly and objectively investigate all the information reported and take actions based on the investigation findings to safeguard the authority of the Company's rules and regulations and people's legitimate interests.

Compliance culture development

The Company regularly organizes compliance training, covering such topics as anti-corruption, business ethics, and data protection to ensure that all employees understand and comply with relevant laws, regulations, and company policies. Besides, the Company incorporates compliance awareness into daily work through internal publicity, case sharing, and compliance assessment, creating an honest and transparent corporate culture.

To strengthen the compliance awareness and responsibility of senior executives, we have signed employment agreements with all executives. These agreements stipulate the employment period of the executives and specific circumstances in which the Company can terminate their employment, including failure to perform duties satisfactorily, intentional misconduct, gross negligence, criminal offenses, or dishonest behavior. Meanwhile, these agreements require executives to strictly keep the Company's confidential information and trade secrets and transfer the intellectual properties developed during the employment period to the Company.

2.4 INTELLECTUAL PROPERTY PROTECTION

NIU attaches great importance to intellectual property protection and strictly abides by relevant Chinese laws and regulations, including the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, and the Civil Code of the People's Republic of China. The Company has established a comprehensive intellectual property management system and formulated the Intangible Asset Management System, which defines the management standards for intellectual property rights, such as patents, trademarks, copyrights, and non-patent technologies.

The Company's legal department is responsible for the overall management of intellectual property affairs and manages patents, trademarks, copyrights, and domain names through the internal system. The Company also requires relevant employees to sign the *Confidentiality and Non-compete Agreement* and *Intellectual Property Ownership Agreement* to protect trade secrets and the Company's interests.

Besides, the Company has particularly strict requirements for the intellectual property protection of senior executives. Senior executives are required to not only strictly keep the confidential information of the Company and the clients during their tenure and after leaving the Company but also to transfer the ownership of all inventions, designs, and trade secrets developed during their tenure to the Company, and assist the Company in obtaining relevant patents, copyrights, and other legal protections.

In 2023, the Company did not have any disputes concerning infringement of intellectual property rights. As of December 31, 2023, we had

582 patents

936 trademarks

27 copyrights related to our operations

2 registered domains, including **www.niu.com**

Of these **936** trademarks, **155** are registered in mainland China and **781** in other countries and regions. As of the same date, we had **316** patent and trademark applications pending review in mainland China, Europe, and other jurisdictions.
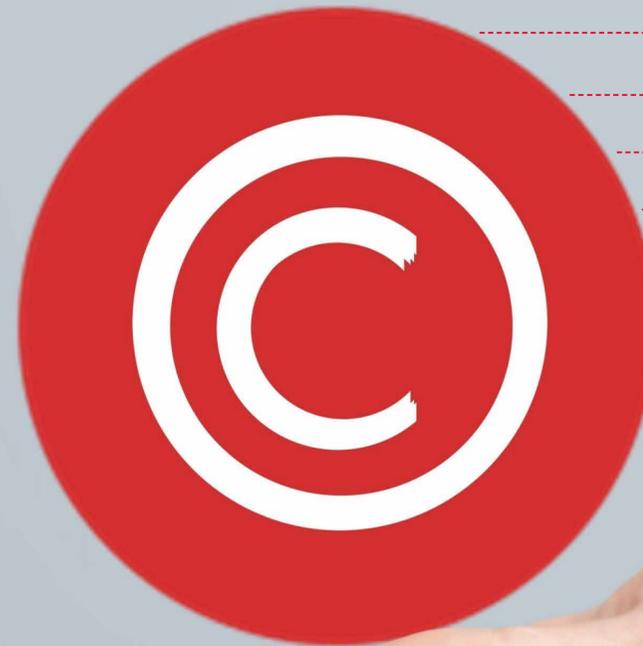
2.5 INFORMATION SECURITY AND PRIVACY PROTECTION

INFORMATION SECURITY

NIU attaches great importance to information security and privacy protection and strictly abides by relevant domestic and foreign laws and regulations, including the *Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China,* and *the Personal Information Protection Law of the People's Republic of China*, and other domestic laws and regulations, as well as the EU's *General Data Protection Regulation (GDPR)* and other overseas data security laws and regulations. Based on these laws and regulations, the Company has formulated the *Information Security Incident Management Measures* to clarify the classification and handling process of information security incidents.

The Company's information security protection work is undertaken by the Information and Data Center, whose primary responsibilities include:

○ Information security management: Critical data is stored on the server, and all data access logs are carefully documented. The server adopts a local and remote dual backup strategy to address potential risks of data loss.

○ Network security management: Optimize network security strategies, implement security controls and defense measures, monitor and respond to firewall and IPS security incidents, and regularly report network usage.

In terms of customer privacy protection, NIU has formulated a comprehensive privacy protection statement and made it public to customers on the Company's website and APP, covering the purpose, use, retention, and processing of information collected and policies regarding disclosure to third parties. The Company has also established unified network security system standards and management norms, including deploying firewalls and network intrusion detection measures. In addition, the Company regularly publicizes the importance of information security through the Feishu subscription account "NIU Information Security Promotion" to enhance the safety awareness of all employees.

To ensure the effectiveness of information security management, NIU requires operations and maintenance personnel to report to their superiors via quarterly work summaries in accordance with the *Information Security Incident Management Measures*, making it one of the important bases for the employees' performance appraisals. Externally, NIU hires professional third parties to assess the network security of the Company's systems every year. In November 2023, the Company obtained the safety protection level 3 (S3A3) certification, demonstrating our outstanding performance in information security management.

During the 2023 Reporting Period, NIU did not receive any verified complaints of violations of customer privacy (including complaints from outside the organization or regulatory bodies), nor did we have any confirmed incidents of customer data leakage, theft, or loss.

3 PROACTIVE CLIMATE ACTION

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

We have placed climate change at the center of our strategy, with a view to responding more proactively to the challenges posed by climate change and reducing the carbon footprint. This serves as a testament to our commitment to "creating a cleaner, greener, and more socially responsible future." As a global leader in smart electric two-wheeled vehicles, we are uniquely positioned to address climate change. Through continuous technological innovation and the adoption of green energy, we are not only providing consumers with a greener travel alternative but also contributing to the efforts to drive the global transition to a low-carbon economy.

This year, for the first time, we adopted the Task Force on Climate-related Financial Disclosure (TCFD) framework to disclose our efforts and progress in addressing climate change in four areas: governance, strategy, risk management, and metrics and targets.

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3.1 CLIMATE GOVERNANCE

To address climate change more effectively, we have made climate governance one of the core components of our ESG strategy. Our climate governance structure is closely integrated with our overall ESG governance structure, ensuring that climate-related strategies and initiatives are effectively developed and implemented. An integrated governance structure allows us to better address the challenges posed by climate change and drive our efforts to transition to low-carbon development.

The Board oversees the Company's initiatives in addressing climate change and guides policy development. The Management Team, consisting of personnel in charge of ESG-related matters, is responsible for the development and implementation of climate change strategies and targets and works with the Sustainable Development Steering Group. The Sustainable Development Steering Group is responsible for advancing and supervising various tasks.

Climate governance structure

Body	Members	Main responsibilities
Board	All members of the Board	• Regularly monitor and review the Company's initiatives in addressing climate change • Offers guidance to the Management Team on developing and implementing appropriate policies and targets
Management Team	Key personnel in charge of ESG-related matters	• Develop and implement climate change-related policies, targets, and action plans • Regularly assess key risks and opportunities related to climate change • Work closely with the Sustainable Development Steering Group to ensure that the Company's climate strategies are effectively implemented across all departments • Enhance climate change governance-related responsibilities and initiatives and define future directions and improvement plans
Sustainable Development Steering Group	Led by NIU's CFO, the Group is composed of middle and senior-level employees from core departments	• Guide and supervise the progress of tasks to ensure the effective implementation of the Company's climate change strategies

Moving forward, we plan to refine our climate change management through the following initiatives. By continuously improving and implementing climate governance initiatives, we will be better positioned to respond to the challenges posed by climate change and advance the industry's green transformation on a journey towards a more sustainable future.

○ **Develop policies and targets**: Develop long-term carbon neutrality targets and renewable energy use targets for NIU.

○ **Assess risks:** Identify and assess climate change risks and opportunities on a scenario-specific basis, expanding the scope to cover more physical, transition, and emerging risks.

○ **Implement actions and projects:** Promote climate change actions such as technological innovation, energy management, and carbon reduction throughout the supply chain.

○ **Monitoring and reporting:** Establish a rigorous climate performance monitoring mechanism and publish regular climate performance reports to ensure transparency and continuous improvement.

3.2 CLIMATE STRATEGY

Our climate strategy focuses on understanding, mitigating, and managing the direct impactclimate change has on potential financial and reputational risks to our business operations and our ability to provide products to customers. We have been monitoring economic trends and macro-policy developments related to climate change for a while, which our climate change strategies and initiatives are based off of. We also analyze the potential risks, impact, and opportunities brought by climate change to future business development to ensure that appropriate response measures and action plans are put in place. This enables us to not only to mitigate climate change related risks and their related impact, but also to better identify opportunities for business expansion.

We have identified multiple climate risks that could significantly impact our business based on an in-depth study of current climate change trends, policy developments, and industry practices. In accordance with the TCFD's recommended framework, we break down climate-related risks into two major categories: (1) transition risks related to the transition to a low-carbon economy, and (2) physical risks that are related to the physical impact of climate change.

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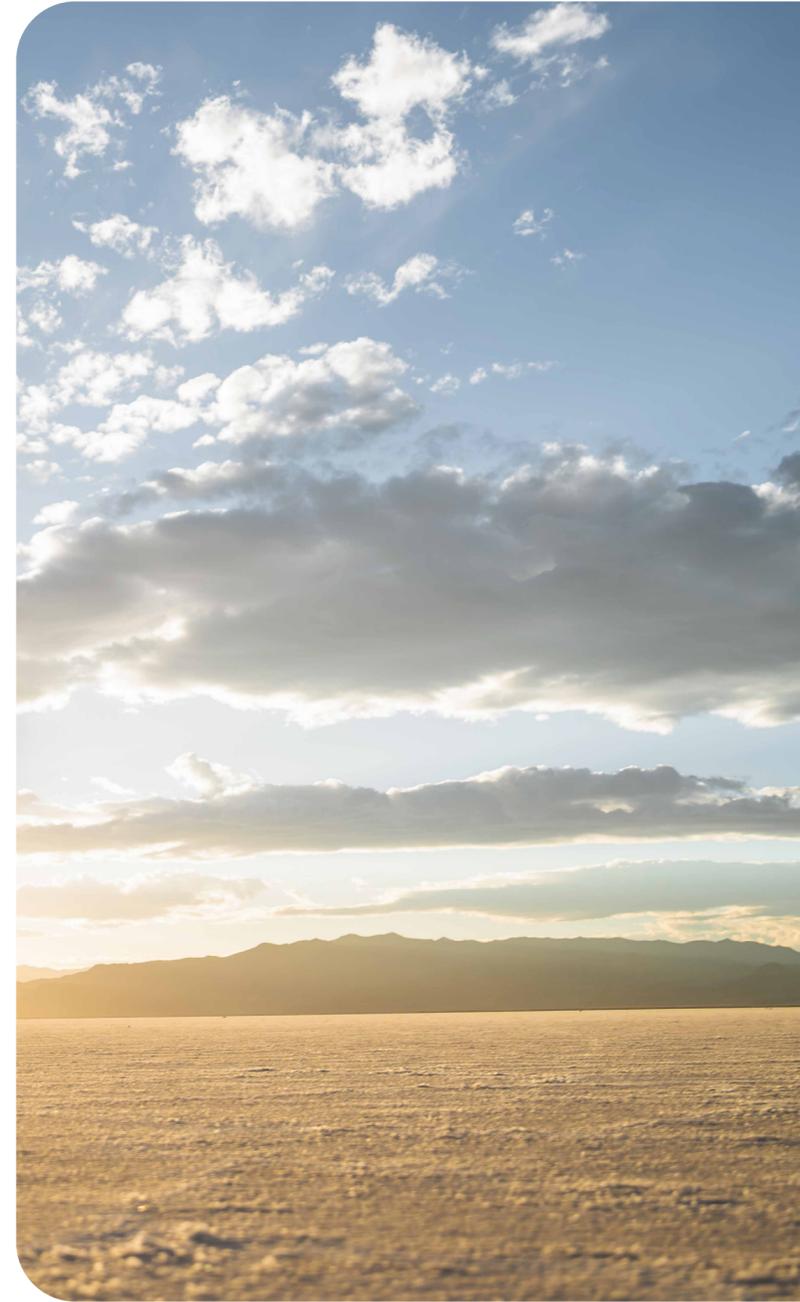
Climate-related risks and opportunities

Type	Risk	Description	Potential impacts	Time horizon	Measures and opportunities
Transition risks	Legal and policy risks	The government might introduce new environmental regulations and policies aimed at curbing greenhouse gas emissions and facilitating the shift towards cleaner energy sources, potentially resulting in more stringent compliance requirements for the production and sales procedures.	Increased compliance cost, potential fines or production restrictions.	Medium- and long-term	We closely monitor and follow policy trends and promptly respond to any policy changes. We constantly optimize management processes to ensure our products meet environmental standards and regulations. By demonstrating leading compliance performance, we also aim to enhance corporate reputation and attract environmentally conscious consumers.
Transition risks	Technical risks	The pursuit of low-carbon economic activities has driven the advancement of lightweight materials, new battery technologies and smarter control systems. Companies are required to adopt more cost-effective materials and develop low-carbon products in response.	Weakened market competitiveness and increased R&D costs due to technological backwardness.	Medium- and long-term	Expand R&D efforts to improve battery technology, performance, and range. Closely monitor emerging material technologies and swiftly incorporate new materials. Establish partnerships with technology companies and research institutions to launch GoFar™ long-range technology developed in-house. Achieve market leadership through technological innovation and better meet consumer demand for high-performance and eco-friendly products.
Transition risks	Cost risks	Climate-related risks can create additional costs for NIU, such as carbon taxes and higher costs for traditional energy and batteries.	Increased operating costs, generating an adverse impact on financial performance.	Medium- and long-term	Develop alternative materials to decrease reliance on a single source of energy and resource. Accelerate the construction of photovoltaic projects and increase the use of clean energy. Reduce long-term operating costs by using alternative materials and clean energy sources, which would, in turn, result in increased sustainable competitiveness for NIU.
Physical risks	Acute risks	Climate change can generate extreme weather events, including heavy rainfall, typhoons, and prolonged droughts. Such events may disrupt production and supply chain operations.	Production and supply chain disruptions, incurring losses.	Short-term	Set up a risk assessment mechanism to identify potential climate-related risks and vulnerabilities. Develop resilient facilities to withstand disasters and enhance crisis management capabilities. Strengthen disaster resilience to increase operational stability under extreme weather conditions, thereby enhancing customer trust.
Physical risks	Chronic risks	Progressive risks from long-term climate change, such as rising temperatures and sea levels, may affect our operations in the long term.	Increased long-term operating costs, creating a potential need for adjustments to business strategies.	Long-term	Regularly identify and assess these risks and take appropriate response measures to ensure continued stable business operations. Enhance our adaptability and long-term competitiveness under climate change through a first-mover approach and business strategy adjustments.

3.3 CLIMATE RISK MANAGEMENT

To effectively respond to the challenges and opportunities brought by climate change, we have established a comprehensive climate change risk management system under the TCFD framework. By incorporating climate change risks into our day-to-day risk management process, we can regularly identify, assess, and respond to these risks, ensuring that the Company maintains sound development in a changing environment.

Our risk management system places a particular focus on the physical and transition risks posed by climate change. Taking into account the Company's specific circumstances, we have formulated detailed response measures with a view to minimizing potential negative impacts and seizing possible opportunities.

Climate Risk Management System

Stage	Responsible departments	Steps	Description
Identification of risks and opportunities	Sustainable Development Steering Group	Information gathering/monitoring (internal and external risk information)	Stay informed about external risks by regularly monitoring changes and trends in the broader environment. Collect and monitor possible risks in the Company's internal operations.
Assessment of risks and opportunities	Management Team	1. Designate and prioritize risk scenarios 2. Risk/scenario refinement 3. Impact analysis 4. Develop response measures	Develop different risk scenarios based on the internal and external risk information gathered and identify those to be prioritized. Further refine and analyze designated risk scenarios to ensure a deep understanding of each scenario. Assess the potential impact of each risk scenario on the Company and conduct a thorough impact analysis. Develop appropriate response measures based on the results of the impact analysis.
Management of risks and opportunities	Board	1 Implement response measures 2. Proposals / reports	The Sustainable Development Working Group is responsible for the implementation and execution of specific response measures. During the implementation process, the Working Group makes proposals and reports on progress and results to the Steering Group.
	Sustainable Development Working Group	1. Implement response measures 2. Proposals / reports	The Sustainable Development Working Group is responsible for the implementation and execution of specific response measures. During the implementation process, the Working Group makes proposals and reports on progress and results to the Steering Group.
		Information gathering / monitoring	During the implementation of response measures, collect and monitor information on an ongoing basis to ensure a real-time understanding of risk changes and the effectiveness of response measures.
		Communication mechanisms	Maintain communication with stakeholders through ESG reporting and other disclosures to ensure transparency and accountability.

3.4 METRICS AND TARGETS

In line with China's goal of achieving peak emissions by 2030 and carbon neutrality by 2060, we proactively address climate change by gradually reducing greenhouse gas emissions from our operations and by increasing the proportion of renewable energy in the energy mix. This also reflects our efforts towards the goal to "limit global temperature increase to 1.5°C above pre-industrial levels," as set out in the Paris Agreement. We have recognized the importance of managing climate change risks and plan to carry out appropriate actions. This year, for the first time, we disclosed operational carbon emissions. In the coming years, we will progressively augment our climate strategy and targets towards achieving comprehensive sustainable development.

Operational Carbon Emissions (Scope 1 & Scope 2):

Item	Unit	2021	2022	2023
Scope 1 emissions [1]				
Changzhou facility	Tons of carbon dioxide	–	–	28.47
Scope 2 emissions [2]				
Beijing Office	Tons of carbon dioxide	60.22	33.24	43.95
Shanghai Office	Tons of carbon dioxide	61.26	66.55	65.09
Changzhou facility	Tons of carbon dioxide	1,724.15	1,652.28	1,150.31
Total	Tons of carbon dioxide	1,845.63	1,752.07	1,259.35
Operational carbon emissions				
Grand total	Tons of carbon dioxide	1,845.63	1,752.07	1,287.82
Emission intensity per capita [3]	Tons of carbon dioxide/person	2.79	2.61	2.16
Emission intensity per unit area [4]	Tons of carbon dioxide/square meter	0.03	0.02	0.01
Emission intensity per unit of electric vehicle production	Tons of carbon dioxide/thousand electric vehicles	1.78	2.11	1.81
Emission intensity per unit of operating revenue	Tons of carbon dioxide/RMB million of revenue	0.50	0.55	0.49

Our Scope 1 emissions are relatively low, mainly due to the fact that material transportation within the facility is mostly done by electric vehicles, which are charged at the charging stations in the facility. This means that our photovoltaic power generation system is the primary source of our Scope 1 emissions. While providing the facility with clean energy and reducing the use of traditional fossil fuels, this system produces a small amount of greenhouse gas emissions when it is running and during the manufacturing process as well.

In 2023, Phase I of a distributed photovoltaic project for our Changzhou manufacturing base became operational, bringing the share of green power in total power consumption across the facility to more than 27%. This has resulted in significantly reduced Scope 2 emissions. Meanwhile, despite fluctuations in electricity consumption after the pandemic, our

Beijing and Shanghai offices have implemented emission reduction initiatives towards creating a green workplace, ranging from optimizing the energy efficiency of office equipment to reducing energy waste and encouraging low-carbon behavior in the workplace. These practices, reducing the Company's operational carbon footprint and facilitating further emission reduction in the future, demonstrate our commitment to sustainability.

NIU is still in the rapid growth stage, hence the challenge in setting the baseline for future emission reduction targets. Stabilizing business and the data accumulated will help us set the baseline for defining emission reduction targets. We aim to identify specific emission reduction targets and disclose Scope 3 emissions in the coming years to drive our efforts towards greater efficiency and sustainability.

[1] Scope 1 covers direct emissions from the Company's photovoltaic power generation. The selected emission factor data are sourced from Clean Production of Solar PV in China. Assuming the lifespan of a solar PV system is 25 years and the sunshine duration in central China is 1,300 hours, the carbon emissions from the solar PV system would be 38g/kWh (source: Page 20 of solar-clean-production.pdf (greenpeace.org.cn)). The photovoltaic project in our Changzhou facility generated 749,152 kWh in 2023 after becoming operational in the same year. Based on this, the carbon emissions are estimated to be 28.47 tons of carbon dioxide (749,152 * 38/1000000).

[2] Scope 2 covers indirect emissions from purchased energy (electricity). The emission factor data used for the calculations for 2021 are taken from the data for the North China region and the East China region published by the Ministry of Ecology and Environment and the National Bureau of Statistics; the emission factor data used for the calculations for 2022 and 2023 are based on the average emission factors for the national power grid in 2022 published by the Ministry of Ecology and Environment

[3] To narrow the intensity difference per capita caused by changes in the number of people during the year, all carbon emissions per capita, energy consumption per capita and resource consumption per capita in this report are calculated based on the average number of active full-time employees of the Company during the Reporting period.

[4] To reduce the intensity difference per unit caused by changes in office area during the year, all emissions per unit area, energy consumption, and resource consumption per capita in this report are calculated based on the Company's average office area during the Reporting period

4 ENVIRONMENTAL PROTECTION AND RESOURCE MANAGEMENT

| 7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 15 LIFE ON LAND |

4.1 ENVIRONMENTAL MANAGEMENT

In full recognition of the important role of enterprises in environmental protection, we strictly abide by national laws and regulations on energy and resource utilization, including the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste.

We formulated and adopted the Environmental Health and Safety Management Policy, aiming to standardize environmental management requirements, foster a culture of ESG responsibility, raise employees' awareness of environmental responsibility, and promote energy and resource conservation in daily work and life. To achieve the goal of environmental sustainability, we are committed to improving energy efficiency, strictly managing water resources, creating a green workplace, and implementing waste management. We have adopted a range of innovative and forward-looking environmental protection measures that are aligned with China's decarbonization initiative, demonstrating our strong commitment to environmental protection. During the Reporting period, we did not violate any laws and regulations on greenhouse gas emissions, pollutant emissions, or waste generation.

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Green manufacturing

Based on our green supply chain philosophy, we incorporate sustainability principles throughout the entire lifecycle of our electric two-wheelers. This spans from manufacturing, packaging, and logistics to transportation and resource recycling. We are dedicated to building green factories through a range of initiatives, placing a strong emphasis on low carbon development, green energy utilization, and waste and emissions reduction.

We uphold the principles of green manufacturing and strictly comply with the Environmental Protection Law of the People's Republic of China and the pertinent regulations governing polluting emissions in the regions we operate. To reduce waste, we actively monitor and manage the use of resources and polluting emissions in the manufacturing process. We are committed to cultivating a low-carbon energy framework through careful control and optimization of our production processes.

Green manufacturing	Specific measures
Lean production	• Utilize JIT production methods to reduce inventory and waste and achieve efficient production • Implement automated production techniques to reduce human errors, thereby improving production efficiency and resource utilization
Digital systems	• Optimize supply chain management, improve operational efficiency, and reduce waste through SRM, RMS, OMS, ERP, MES, WMS, and TMS systems • Implement digital systems to realize accurate deployment and utilization of resources and reduce waste

Green manufacturing	Specific measures
Fully automated production lines	• We have built fully automated production and assembly lines as well as testing lines for two-wheelers and kick-scooters, boosting production efficiency and reducing energy consumption and waste • Fully automated assembly lines and testing lines reduce human intervention and improve product quality and productivity
Automation and intelligent technology	• Our production facility features automated torque assembly and functional testing, which reduce waste and energy consumption • Autonomous diagnosis and data analysis of core modules increase equipment utilization and reduce downtime and energy waste • Automated loading and distribution of parts and vehicles improves logistics efficiency and reduces carbon emissions
Large production capacity and efficient logistics	• Our production facility has an annual capacity of 2 million units and successfully manufactures and delivers over 10,000 units a day. This contributes to higher production and logistics efficiency and lower energy and resource consumption per unit of product
Independent R&D and innovation	• Our production facility houses several independent R&D laboratories, which improve product quality and performance and reduce resource consumption • Our proprietary systems, such as smart BMS for lithium-ion batteries and CLOUD ECU intelligent central control system, optimize energy use efficiency and improve production efficiency
Advanced testing technology	• Performance, environment, strength, and durability testing laboratories ensure product quality and reduce rework and waste

Green packing

We are dedicated to promoting sustainability and upholding our environmental obligations by recycling, reducing, and recovering packing materials. The outer packing of our upstream products is of great environmental concern to us. Consequently, we have cooperated with our suppliers to replace un-reusable plastic packing bags with cloth bags. We are also encouraging the adoption of uniform-sized packaging materials, which reduces packaging waste. To reduce resource consumption while conserving resources and ensuring products can be safely delivered, we have adopted a precise and integrated approach to packing materials used for deliveries.

Green packing	Specific measures
Reusable packing	• Replace un-reusable plastic packing bags with cloth bags and, upon receiving the supplies, return the cloth bags to the upstream suppliers for re-use • Recycle about 2 million cloth bags each year • Encourage approximately 40 suppliers to adopt uniform-sized plastic baskets and boxes
Reduction of packing materials	• Adopt a precise and integrated approach to product packing • Depending on the size of the vehicle, distinct specifications are set for wooden support and carton • The average volume of packaging materials consumed by a single vehicle varies between 1.20 and 1.60 cubic meters
Resource recovery	• Encourage recycling and recovery of packaging materials

Product packaging material usage at the Changzhou facility in 2023

Materials used for finished product packaging	Unit	2023
Carton	1	383,484
Paper	1	8,213,968
Plastic	1	10,191,565
Packaging bags	1	5,145,504

Green logistics

Featuring systematic data transmission, accurate stocking verification system, real-time warehouse data, and the launch of online communication channels, NIU's product Transportation Management System (TMS) not only enhances the efficiency and accuracy of the logistics and transportation processes but also minimizes the need for paper documentation. This directly aligns with our green operational philosophy. Meanwhile, optimized shipment processes and higher on-time delivery rates have significantly improved customer satisfaction.

Green workplace

In our daily office activities, we promote green practices among our staff. We have implemented measures such as conserving energy and resources, adopting a digital office approach, promoting eco-friendly commuting, and ensuring waste sorting, with a view to boosting environmental awareness and enhancing practices in the workplace.

Office paper used in 2023

Office paper used[5]	Unit	2023
A4 paper	Kg	229.21
A3 paper	Kg	4.37
Total	Kg	233.58

[5] The office paper statistics cover the paper usage of the Company's Beijing and Shanghai offices throughout 2023. The paper weight is determined as follows: The weight of A4 and A3 paper is 70gsm (i.e., one square meter of paper weighs 70 grams). The areas of a piece of A4 paper and an A3 paper are 0.06237 square meters and 0.12474 square meters, respectively. The calculation formula is the number of papers * paper area * 70/1000, hence, the paper weight in kilograms.

4.2 RESOURCE UTILIZATION

Energy management

We adhere to the green development philosophy amidst global climate change and energy resource constraints. Our efforts range from optimizing energy consumption to implementing energy-saving measures and developing renewable energy. While focusing on improving energy efficiency in our production operations, we also actively explore and promote distributed photovoltaic power generation projects to reduce carbon emissions as we move towards the goal of achieving sustainability. Below is a summary of our energy consumption and key initiatives for photovoltaic power generation for the period 2021 to 2023:

Energy consumption	Unit	2021[6]	2022	2023
Beijing	kWh	84,582.00	58,277.37	77070.94
Shanghai	kWh	102,299.00	116,701.00	114,129.00
Electricity bought at Changzhou facility	kWh	2,877,420.00	2,897,212.00	2,017,021.00
Photovoltaic power generated at Changzhou facility	kWh	–	–	749,152.00
Total	kWh	3,064,301.00	3,072,190.37	2,957,372.94
Consumption intensity per capita	kWh person	4,625.36	4,575.12	4,966.20
Consumption intensity per unit area	kWh/square meter	45.28	32.62	31.38
Consumption intensity per unit of electric vehicle production	kWh/thousand electric vehicles	2,952.37	3,694.34	4,166.48
Consumption intensity per unit of operating revenue	kWh/RMB 1 million operating income	827.18	969.57	1,115.25

[6] There is a discrepancy between the energy consumption data in 2021 and the data disclosed in the 2021 ESG report, primarily because the 2021 ESG report, the first time we calculated the energy consumption, only included the energy consumption data of some facilities at the Changzhou facility. As we continue to improve and strengthen our ESG system, we have established a data retrospective statistical mechanism, through which we have added the energy consumption data of the Shanghai and Beijing offices and the remaining facilities of the Changzhou plant. The data have been corrected and disclosed in this report to ensure completeness and accuracy.
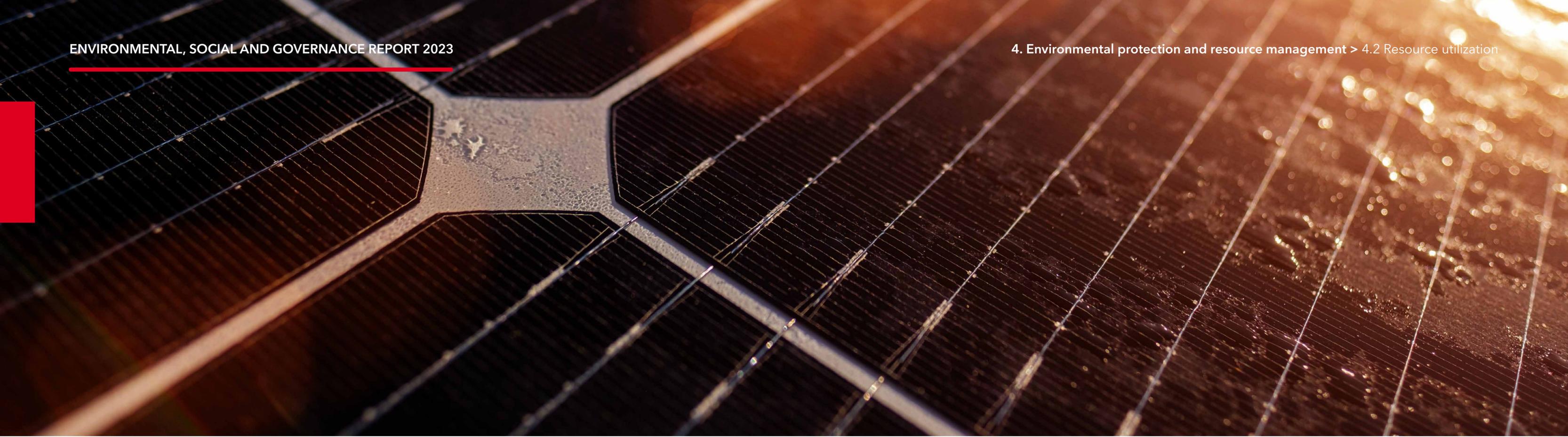
Energy consumption in our Beijing and Shanghai offices fluctuated between 2021 and 2023 due to the pandemic and changes in office space. Our manufacturing base in Changzhou had much higher overall energy consumption than that in the Beijing and Shanghai offices. To lower energy consumption and emissions from manufacturing, we have launched a distributed photovoltaic project, making full use of the facility's roof space. The project has yielded significant results since its launch in May 2022. It became operational in May 2023, generating nearly 750,000 kWh of electricity. Moving forward, we will continue to explore and expand photovoltaic power generation projects to further reduce carbon emissions and conserve resources, contributing to China's decarbonization initiatives.

May 2022

We began working on Phase I of a distributed photovoltaic project for our Changzhou manufacturing base

May 2023

Phase I of the project became fully operational

- Installation area: 11,000 square meters

- Installed capacity: 1.4MW

- Total electricity generated in 2023: 750,000 kWh

December 2023

Construction of Phase II commenced

- Projected to outfit the facility's remaining unused roof space: 50,000 square meters

- Installed capacity: 6MW

September 2024

Phase II expected to be operational

- Estimated carbon dioxide emissions reduction: 6,540 tons

- Estimated water savings: 27,600 tons

- Equivalent tree planting: 3,900 trees

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Water utilization	Unit	2021[7]	2022	2023
Beijing	Metric tons	977.00	998.79	1,154.30
Shanghai	Metric tons	153.00	192.00	168.00
Changzhou	Metric tons	30,117.00	30,184.00	25,358.00
Total	Metric tons	31,247.00	31,374.79	26,680.30
Intensity of consumption per capita	Metric tons / person	47.17	46.72	44.80
Intensity of consumption per unit area	Metric tons / square meter	0.46	0.33	0.28
Consumption intensity per unit of electric vehicle production	Metric tons / thousand vehicles	30.11	37.73	37.59
Consumption intensity per unit of operating revenue	Metric tons / RMB1 million in operating revenue	8.43	9.90	10.06

The period between 2021 and 2023 saw clear trends and changes in NIU's use of water resources. Water consumption in the Beijing and Shanghai offices fluctuated depending on the number of office users as well as the gross floor area, but the overall intensity of consumption per capita stayed stable. Water consumption in our Changzhou manufacturing base showed a decreasing trend overall, especially in 2023. The significant drop in water consumption at the production facility demonstrates NIU's efforts and progress in enhancing water management, meeting the challenges from water use, and improving water efficiency.

[7] There is a discrepancy between the water utilization in 2021 and the data disclosed in the 2021 ESG report, primarily because the 2021 ESG report, the first time we calculated the data, only included the water utilization of some facilities in the Changzhou plant. As we continue to improve and strengthen our ESG system, we have established a data retrospective statistical mechanism, through which we have added the water utilization data of the Shanghai and Beijing offices and the remaining facilities of the Changzhou plant. The data have been corrected and disclosed in this report to ensure completeness and accuracy.

Water resource management

We are dedicated to ensuring the efficient use and sustainable management of water resources by establishing a systematic water management system. Regular collection and analysis of water use data enables us to identify and address issues in the water use process promptly, thus ensuring a rational allocation of water resources. In practice, we have adopted a series of specific measures to improve water use efficiency. This includes the introduction of advanced water-saving technologies and equipment to reduce water consumption in production and operations. We also conduct publicity and training programs on water conservation for employees to raise their awareness amid our efforts toward the goal of achieving sustainable water resource management.

4.3 WASTE MANAGEMENT

Our main sources of waste include production waste, packing material waste from incoming materials, returned scrap, and domestic waste from business operations. To address this, we have implemented management policies outlining procedures for the collection, storage and depositing for different types of scrap and waste. These policies clearly define the responsibilities and tasks of relevant functions to ensure standardized management, orderly operations, and environmental safety. Production process-generated waste is recovered and delivered to qualified recovery and recycling companies for treatment. The types of waste and their corresponding weights are as follows:

Waste recycling[8]	Recycled weight (ton) in 2023	Recycled weight (ton) in 2022	Recycled weight (ton) in 2021
Iron	20.67	63.99	102.11
Cardboard	111.68	159.75	350.84
Plastic foam	10.01	18.90	
EPE	6.63	5.65	1.93
Motors	514 Units	2.76	1.88
Battery cells and packs	100.00	45.00	3.60
Others	0.58	5.13	5.67

[8] Unless otherwise noted, the weight unit of all the recycled materials is in tons. The mass of recycled battery cells and battery packs is an estimated approximate value.

Among the different types of waste, battery packs represent one of our key focuses due to their significant environmental impact from improper disposal. As a solution, we have established a full life-cycle management process covering battery pack assembly, sale, customer use, recovery, and recycling. BID coding and big data monitoring are utilized to remind customers about battery pack maintenance and recovery. Recovered battery packs, as well as those used in the R&D process, are delivered to qualified recovery companies for cascade utilization or disassembly for reuse by upstream companies, contributing to sustainability. In 2023, we increased the recycling of used battery cells and packs, recycling approximately 100 tons, an increase of 122% over 2022.

4.4 BIODIVERSITY CONSERVATION

As a responsible company, we fully recognize the importance of biodiversity and natural ecology conservation for sustainable development. In line with the United Nations' Sustainable Development Goal 15, Life on Land, we have taken concrete actions for the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources. To make a substantial contribution to biodiversity conservation, we are committed to incorporating biodiversity conservation into our future development strategy, minimizing the impact of our production operations on the natural environment, and exploring ways to promote biodiversity conservation. We plan to:

○ **Achieve environmentally friendly production operations**

We are dedicated to reducing the environmental impact of our manufacturing operations by optimizing supply chain management and production processes. Specific measures include:

- Integrating biodiversity conservation into our supplier assessment system

- Improving the efficiency of resource utilization and reducing waste emissions

- Exploring the use of more recyclable and environmentally friendly materials

- Increasing greening area using local plant species while staying compliant with safety requirements

○ **Raise environmental awareness and maintain information transparency**

We are committed to raising awareness of biodiversity conservation within and outside NIU and to maintaining information transparency. Specific actions include:

- Conducting biodiversity conservation-related training and activities for employees

- Raising environmental awareness and promoting green practices among our staff

- Disclosing in detail our strategies, actions, and progress in biodiversity conservation in the ESG report

- Maintaining information transparency and staying open to public oversight

To date, we have achieved remarkable results in plastic recycling. We have implemented a comprehensive plastics recycling program that includes recycling of plastic waste from manufacturing processes as well as plastic parts from end-of-life vehicles. In 2023, we recycled more than 13 tons of plastic materials. This not only reduces plastics pollution, but also lowers the demand for virgin plastics, thus mitigating the impact of plastics production on the ecosystem. By reducing plastic pollution, we are making a positive contribution to preserving biodiversity in marine and terrestrial ecosystems.

Waste recycling	Recycled weight (kg) in 2023	Recycled weight (kg) in 2022	Recycled weight (kg) in 2021
ABS	3,807.13	10,677.00	2,963.42
Polypropylene	9,864.37	18,992.00	6,048.33
Total	13,671.50	29,669.00	9,011.75

5 PRODUCT AND VALUE CHAIN MANAGEMENT

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

5.1 PRODUCT INNOVATIONS

Our mission is to create the premium e-scooters of the future with leading technology and design. To maintain sustainable market competitiveness in the long term, we are committed to delivering lighter, smarter, and more distinctive products based on proprietary R&D, design, and manufacturing.

To develop products, we have established core R&D departments for Industrial Design, Innovative Experience, and Core Technology to introduce cutting-edge trends into corporate and product development and help elevate our industry. We have an extensive quality management, inspection, and production system that meets the high standards of domestic and international inspection organizations. With the introduction of new materials, new technologies, and new structures, we ensure the high quality of our products while creating smart and reliable products for users. All departments work together to continuously break through the technological limitations of two-wheeled travel and provide smarter, safer, and more innovative and comfortable mobility solutions.

Adopting a user-centric approach, we create differentiated products that address user pain points and meet diverse user needs. We improve production efficiency and product performance through innovative methods and lead innovation in the industry by staying abreast of technology trends and developing forward-looking strategic technology roadmaps. We are also nurturing new quality productive forces by offering more intelligent and connected electric mobility solutions.

Investments in Innovation

Indicator	2023	2022	2021
Investment in R&D (RMB thousand)	150,986	176,478	135,218
Percentage of R&D staff	30%	30%	32%
Number of registered patents	582	563	545

Core technology

Focus on researching core technologies such as intelligent hardware and electric powertrain systems; develop NIU's exclusive smart power platform to continuously improve the riding experience..

Innovative experience

Get insight into future consumer trends, industry dynamics, and user pain points to develop a more competitive intelligent interactive system; optimize the riding experience based on NIU Cloud-ECU big data.

Niu's Five New Quality Productive Forces

New quality productive forces refer to the use of new technologies, new models, new business formats, and other innovative means to increase production efficiency, improve product performance, trigger changes in consumer demand, and promote industrial change.

Industrial design

Interpret users' needs and riding scenarios, introduce automotive-grade design standards to create products that are aesthetic, improve the driver experience, and lead the industry standards in all aspects.

Resource development

Develop new materials, technologies, and structures based on product definitions and establish strategic partnerships with leading suppliers.

Quality process

Develop industry-leading quality assurance systems and quality inspection standards, and continuously improve product technology and process level.

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INNOVATIVE PRODUCT OF THE YEAR

NX e-Motorcycle and NXT e-Bicycle: Next-generation flagship models that offer a brand-new intelligent experience

Elevating the classic tradition with an innovative twist

Since its launch, the NIU N-Series has won market acclaim with its unique NIU design and state-of-the-art technology. The new NX and NXT models not only inherit this tradition but also introduce revolutionary improvements in appearance and performance. The new design features a switchable magnetic transparent panel and aerodynamic body shape and combines pioneering aesthetic elements, creating an avant-garde and futuristic atmosphere. The three new color options of legendary black, interstellar gray, and forest green highlight that a NIU product is not just a functional mode of transport — it embodies a lifestyle.

The NXT series inherits and optimizes the double-arm fence frame design of the NQi series. A re-optimized stress structure provides dramatically enhanced frame strength while remaining lightweight. This, coupled with greatly improved safety and comfort, creates a riding experience comparable to that of an electric motorcycle.

Exceptional performance offering a riding experience like no other

Equipped with three 72V28Ah lithium-ion batteries and an electric motor with a maximum power of 20,000W, the NX Hyper e-motorcycle reaches a top speed of 135km/h and boasts a 0-50km/h acceleration in 2.45 seconds and 0-100KM/h acceleration in 7.5 seconds, delivering impressive speed and acceleration. The NXT Ultra e-bicycle, featuring a 48V56Ah oversized battery and NIU's latest GoFar long-range system, offers a 170km range and only takes 3.8 hours to charge from 0 to 80%, ideal for long-distance travel and frequent use.
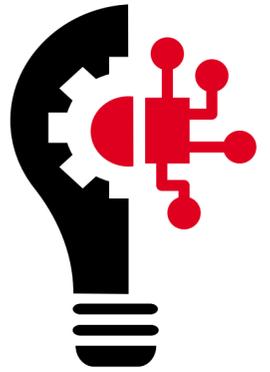
Intelligent safety assurance

As an industry leader, we are committed to ensuring riding safety. Both the NX and NXT series come with automotive-grade millimeter-wave radar technology and newly developed BSD blind zone monitoring and RCW rear collision warning systems, capable of alerting drivers of an approaching vehicle from the rear left or right side. These, along with an automotive-grade riding recorder, set a new standard for riding safety. Meanwhile, both series come standard with TFT intelligent color screen, application of 16 megapixel full-color technology to achieve a full viewing angle under crowded road conditions. Besides, the "NIU LINK CROWN" allows users to adjust various functions without lifting their hands off the handlebar while riding. This convenience of operation adds to the safety and intelligence features.

Innovative riding modes providing a personalized riding experience

Our ongoing innovation efforts have significantly improved user experience by introducing a variety of customized riding modes. The NX series, in particular, comes with Catapult Mode, enabling instant acceleration and is capable of releasing a strong current of up to 360A. The Master Mode allows users to customize the power curve based on their preferences. In addition, the new Rain and Snow Mode offers additional safety and control in adverse weather conditions.

Consistent innovation and upgrades to intelligent driving

The new NX and NXT versions feature a battery with a built-in FindMy function and an NFC key that supports Huawei Wallet, perfectly integrating with the smart ecosystem and providing a seamless user experience. In addition, the two new models are also equipped with "OkGo" senseless unlocking, Autohold ramp parking, central control with ultra-long standby time, remote search via App, automatic cruise control, OTA updates, and other intelligent configurations that come standard with our offerings. Backed by our technological R&D capabilities and original design advantages, the new models, with the performance and smart experience elevated to a whole new level, will once again redefine the standards of urban mobility.

Industry leadership

We have played an active role in promoting the industry's technical standards and building its ecosystem, helping elevate the overall level of the industry through close cooperation with various parties. In 2023, we continued to be an active voice in the industry and helped draft a number of industry standards, reflecting not only our industry leadership but also our commitment to safety and technological innovation. Some of the industry, local, and group standards we helped draft from 2023 to date include:

○ The National *Safety Technical Specification of Lithium-ion Battery for Electric Bicycle*
○ The National *General Technical Specification for Electric Scooters*
○ The Guangdong Provincial level *General Specification for Communication Protocol of Electric Bicycle*
○ The Beijing Municipal level *Technical Specifications* for *Lithium-ion Power Battery Packs for Electric Bicycles*
○ Shanghai *Express Delivery Terminal Facilities: Section 2, 3 and 4*

Meanwhile, serving as an executive director unit of the Guangdong Quality Inspection Association, NIU's presence and corporate responsibility in the industry have been widely recognized by peers.

CASE

Recognition for Innovation and Growth
2023: Gazelle Enterprise of Jiangsu High-tech Industrial Development Zone
2024: Specialized and Innovative SME in Jiangsu Province

5.2 PRODUCT STEWARDSHIP

We put product quality first and strictly abide by laws and regulations, including the Product Quality Law of the People's Republic of China, as well as industrial standards including the Safety Specifications for Electric Motorcycles and Electric Mopeds (GB24155-2020), the Safety Technical Specifications for Electric Bicycle (GB17761-2018) and the Structure, Performance Requirements and Test Methods for Brake Hose (GB16897-2022). We also comply with global standards, including the Standard for Electrical Systems for eBikes (UL2849) published by UL Solutions, the global leader in applied safety science, as well as the Standards for Electric Bicycles (EN15194) issued by the European Committee for Standardization. During the Reporting period, no product quality incidents or recalls occurred in domestic or overseas markets due to safety or health reasons.

CASE

Quality management

Based on ISO9000 and other industry standards, we have established a comprehensive management strategy to ensure our products meet the highest quality and safety standards at all stages of production. We continue to improve our quality management mechanism, which covers R&D quality management, incoming materials quality control, production quality control, feedback and improvement in product quality, and safety testing and certification.

Quality management system

Production stage >	R&D quality management	Incoming materials quality control	Production quality management	Feedback and improvement in product quality	Safety testing and certification
Key measures >	• We implement quality management and monitoring measures at every stage of the product development process with tests covering safety and reliability, software and hardware function, and battery power performance. • During the design stage, we conduct dynamic and static CAE strength and rigidity analysis on all our e-scooter frames. The finished frames and vehicles must pass vibration and endurance tests to minimize safety risks.	• In accordance with the Incoming Quality Control Inspection Manual, we fully inspect critical parts, and for other parts, we conduct full or random inspections based on the class of materials. • We employ a proprietary intelligent battery inspection system for full inspection of battery packs and conduct regular training for inspectors to ensure that they operate with the highest possible levels of proficiency.	• We focus on key process controls in the manufacturing and assembly process. Our Input Process Quality Controllers (IPQC) ensure the quality of materials and the consistency of key parts in the first round of inspection. • We use advanced fixed-torque equipment to monitor in real-time the critical torque processes and carry out an initial and final inspection, road testing, and distribution inspection according to inspection standards to ensure the quality of every vehicle.	• In accordance with the Customer Consultation and Complaint Management Rules, the Certified Quality Engineer adds customer complaints collected from sales and after-sales channels to the QMS (quality management system) and conducts internal analysis, tracking and feedback to formulate product quality improvement plans. • We closely monitor the list of customer complaints and feedback on a monthly basis to guide our quality improvement efforts, ensuring continuous improvement of product quality.	• Products must undergo a series of rigorous safety tests and certification procedures before they are released to the market to ensure their safety and reliability across various environmental conditions. Tests include battery safety, crash, and long-term durability to ensure compliance with domestic and international standards such as GB24155-2020, GB17761-2018, UL2849, and EN15194.

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CASE

Test Report -
Products

TÜVRheinland®
Precisely Right.

Report No.: **244560080a 001**
Page 1 of 22

Client: **JIANGSU NIU ELECTRIC TECHNOLOGY CO., LTD**

Contact Information: No.387 Changting Road, West Taihu Science and Technology Industrial
Park, Changzhou City,Jiangsu P.R. China

Identification/ Motor-dirven cycle
Model No(s): XQi3

Condition at delivery: Test item complete and undamaged.

Sample Receiving date: 2023-11-22, 2024-01-30

Testing Period: 2023-11-22 to 2023-11-30 & 2024-01-30 to 2024-02-01

Place of testing: Chemical laboratory Shanghai

Test Specification: Test result:
Customer's requirement:
1. Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): PASS
   Cadmium Content
2. Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): Total PASS
   lead content in substrate materials
3. Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): PASS
   Phthalates

For and on behalf of
TÜV Rheinland (Shanghai) Co., Ltd.
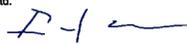
2024-02-04   Ryan Chen / Section Manager
Date   Name/Position

Sample information is provided by customer. Test result is shown according to the kind and extent of tests performed.
This test report relates to the above mentioned test sample. Without permission of the test center this test report is not permitted to be duplicated in extracts. This test report
does not entitle to carry any safety mark on this or similar products.
"Decision Rule" document announced in our website (https://www.tuv.com/landingpage/en/gm-gcn/) describes the statement of conformity and its rule of enforcement for
test results are applicable throughout this test report.

TÜV Rheinland (Shanghai) Co., Ltd., Shanghai TÜV Rheinland Building, No. 177 , Lane 777, West Guangzhong Road, Jing'an District, Shanghai, 200072, P.R.China
Tel +86 21 6108 1188 · Fax +86 21 6108 1099 · Mail: service-gc@tuv.com · Web: www.tuv.com

Environmental benefits of products

As a leading provider of smart urban mobility solutions, NIU created a new market category - smart electric two-wheeled vehicles - offering environmentally friendly, energy-efficient, and cost-effective mobility solutions. Since its establishment in 2014, NIU has integrated eco-friendly principles into product design, mitigating their environmental impact at the source. Through ongoing development of lithium-ion battery technology and lightweight product design, we have significantly reduced the energy footprint of our offerings, contributing to China's decarbonization initiatives.

NIU pays close attention to environmental awareness and policies, constantly improves its products to reduce the use of harmful substances, and plans to cut down the use of plastic parts in some products. In 2024, one of our products passed the environmental protection test in California, USA, marking a global recognition of our environmental protection efforts.

In addition, NIU provides environmental product declarations or eco-labels for all its products and puts environmental protection icons on recycled/recyclable plastic parts to raise consumers' environmental protection awareness. This not only reflects our commitment to environmental protection but also demonstrates our strong stance on sustainable development.

The Annual Riding Report

We have issued the Annual Riding Report since 2019, which combines the collective efforts and achievements of NIU users worldwide based on our comprehensive big data. It offers NIU fans yearly insights into the cumulative distance ridden, carbon emissions reductions, and the equivalent number of trees planted. As of December 2023, the cumulative distance covered by NIU fans across the world surpassed 20.6 billion kilometers, equivalent to a reduction of over 5.16 million tons of carbon dioxide emissions. This reduction is also equivalent to planting 260 million trees in the Mu Us Desert in north China. Moving forward, we will continue to empower green mobility through our offerings, contributing to the sustainable long-term development of the industry.

"Rider Achievement" Reward

We rolled out a "Rider Achievement" mode within the NIU App to inspire environmentally conscious riding practices. Users can earn rewards based on the distance, conditions, and ride duration, accumulating points that can be exchanged for virtual or physical pins as well as other merchandise. The points-based reward system encourages users to ride more frequently and increase their contribution to sustainability. It not only instills a sense of pride among riders but also reinforces the notion that riding a NIU vehicle is part of a green and eco-friendly lifestyle.

5.3 CUSTOMER SERVICE

NIU is a customer-centric company committed to providing excellent customer service and great customer experiences. We strictly abide by relevant laws and regulations including the Law of the People's Republic of China on the Protection of Consumer Rights and Interests. We have formulated several systems and processes to improve customer service and elevate the customer experience, including the Products and Services Management System, the Customer Consultation and Complaint Management Rules, the Control Procedure for Product, Technology and Service Processes, the Refunds and Exchanges Procedures, and the Customer Satisfaction Management Procedures.

Our customer service system covers the entire process from pre-sales engagement through to sales fulfillment and after-sales support. In the pre-sales stage, we provide detailed product information as well as advice and guidance on purchases to help customers choose the most suitable products. In the sales fulfillment stage, our sales team answers customers' queries and provides professional advice. After-sales service is the most important part of the process. We have established a 24-hour customer service hotline and online customer service system to ensure that customers can get help anytime.

Full-cycle customer service

Pre-sales services:

- ✓ We provide customers with detailed product information, configuration options, and customization services.
- ✓ We interact with customers across multiple platforms to ensure that customers have quick access to the latest information on new product releases, special offers, and technical specifications.
- ✓ We provide personalized consulting services and answer customers' queries through a team of professional sales consultants to help them choose the most suitable products for their needs.

Sales fulfillment services

- ✓ We offer various payment options during the purchase process to streamline the process.
- ✓ We keep customers up-to-date on the status of their orders with real-time order execution updates and a transparent logistics tracking system.
- ✓ Our sales and customer service teams provide instant online support to resolve any problems customers encounter during the purchase or payment process.

After-sales services

- ✓ We provide comprehensive after-sales support, including warranty and maintenance services, and respond promptly to customers' technical support needs and complaints to ensure that every problem is solved in a professional and satisfactory manner.
- ✓ We regularly follow up and collect customer feedback on products via phone, email, or NIU App to continuously track and improve product performance.
- ✓ We have over 1,000 service stores in China offering services such as repair, maintenance, and component replacement.
- ✓ Upon a request for repair via our app or by calling the customer service center, we guarantee repairs will be completed within eight hours for general malfunctions and within 72 hours for more challenging problems, as per our after-sales policy.

Customer relationship management

To ensure that every customer's voice is heard and valued, we provide comprehensive customer consultation and feedback channels, including online sales platforms (e.g., Tmall, JD.com), Weibo, our customer service hotline (400-6388-666), and the NIU App. In addition, we have formulated the Customer Consultation and Complaint Management Rules to standardize the response process our staff uses. This helps to ensure timely and effective responses to customer inquiries and complaints, improves the quality of customer service, and protects NIU's brand and reputation.

To enhance communication efficiency, we have also developed an intelligent customer service system that can automatically answer frequently asked questions, greatly reducing customer waiting time. For issues requiring technical support, we have set up a specialized technical support team with experienced engineers to provide professional guidance.

We conduct customer satisfaction survey statistics and analysis every week through the 400 hotline, APP online, and JD.com and Tmall platforms and sets a satisfaction indicator, i.e., customer complaint rate <2‰, gradually improving customer satisfaction. The survey covers a wide range of aspects such as product quality, service attitude, response time, and problem-solving efficiency.

Customer Satisfaction

Indicator	2023	2022	2021	2020
Customer satisfaction	**95%**	**95%**	**94%**	**95%**

Responsible marketing

We uphold the highest standards of integrity in all our operations and strictly abide by the Advertising Law of the People's Republic of China and other laws and regulations governing marketing activity. We operate a comprehensive compliance and review system for external communications to avoid exaggeration and false advertising during the marketing process and to ensure that all our advertising content provides complete, accurate, objective, and truthful information to consumers to protect their rights and interests.

Training for responsible marketing

NIU conducts systematic and standardized training for the sales team to ensure that potential risks and correct use methods are fully explained to customers during product promotion. The online training platform, or PXB, contains relevant learning documents, videos, and online exams and may help the sales representatives master compliance, marketing, and other knowledge and skills. In 2023, a total of 10,348 people participated in the PXB online exams, and 34,783 people used the software for learning.

The Company also conducts regular offline training for all stores. To ensure the training quality, the Company prioritizes the Top 30 cities, organizing two rounds of training each year for sales stores in such cities and one training annually in other cities. In addition, the Company conducts two offline training sessions every year for outstanding stores across the country. In 2023, we organized 13 offline trainings with 725 participants.

Throughout the entire sales, delivery, and after-sales service process, NIU adheres to fair marketing strategies and ensures that all problems identified or questions raised are properly addressed or responded to in time. NIU also conducts special training on vehicle craftsmanship, vehicle disassembly and assembly, and vehicle diagnosis and repair for regional managers at after-sales service centers to facilitate the launch of new vehicle models and enhance the professional skills of after-sales service personnel.

Overview of sales center training in 2023

Type of training	Number of participants
Store compliance training	2,323
Marketing system training	1,291
Business knowledge training	2,986

Product marking and labeling

In keeping with the principles of responsible marketing, we are committed to providing transparent and detailed product information. We ensure each product comes with a product manual and a product certificate. In mainland China, we provide Chinese manuals, while in overseas markets, we provide English User Manuals to ensure our users can easily obtain product usage guides and relevant information. Customers may also download product manuals containing such information as safe riding tips, battery installation and safe use instructions, and after-sales services through the internet.

We include clear instructions for use as well as candid information on each product's possible environmental and social impacts in the user manual, certification of quality, and product label. We communicate the following key messages through these labels:

- **Sourcing of raw materials:** Disclose the sources of raw materials and ensure that their sourcing process is in line with sustainable development and ethical standards.

- **Environmental impact substances:** Clearly label all substances in a product that may have an impact on the environment to increase information transparency.

- **Safe use guidelines:** Provide comprehensive safe operation guidelines to ensure safe and correct use of products by users and reduce the potential risks caused by improper operation.

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5.4 SUPPLY CHAIN MANAGEMENT
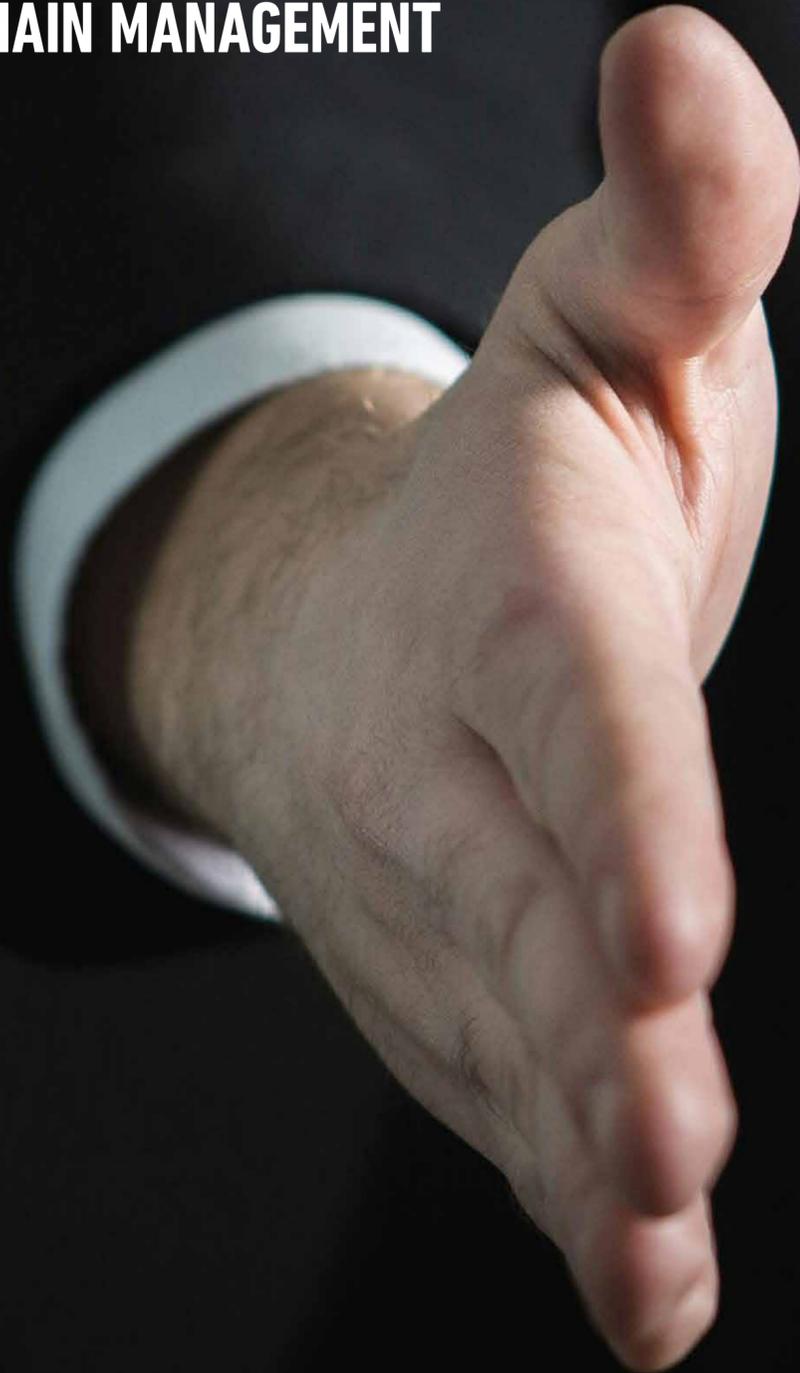
We abide by applicable laws and regulations of the regions where we operate and have implemented the Supplier Management System to standardize processes related to supplier development, selection, evaluation, review, rectification, and replacement. We require all suppliers to observe the *Code of Business Conduct and Ethics, Supplier Code of Conduct and Supplier Reward and Punishment System* we have enacted. Additionally, we attach great importance to environmental and social risk management of the supply chain, incorporating the standards and requirements for environmental and social risk management of suppliers into the entire supplier management process, spanning supplier admission, supplier partnerships, and supplier auditing for comprehensive risk control and management.

Supplier Management System

1 Supplier screening

- ○ **Fair and impartial screening process:** We conduct the screening process with fairness and impartiality, assessing potential suppliers based on their ability to deliver high-quality products and services.

- ○ **Evaluating quality and environmental standards:** We assess potential suppliers on aspects such as product quality, process technology, business health, and in particular, their certifications, including IATF 16949, ISO 9001, environmental protection credentials (such as environmental impact assessments for construction projects), and 3C (China Compulsory Certification) validation.

- ○ **Preference given to environmentally conscious suppliers:** Aiming to strengthen green supply chain procurement management from the earliest stage, we give preference to suppliers that use recyclable and environmentally friendly materials.

- ○ **Conflict minerals due diligence:** We actively encourage key suppliers to conduct due diligence on any raw materials or parts they supply to ensure that they do not involve conflict minerals.

- ○ **Initial assessment and qualification confirmation:** We prepare a Prequalification Form for Potential Suppliers to provide an initial assessment, ensuring that the suppliers meet the requirements under NIU's Supplier ESG Code of Conduct and Code of Business Conduct and Ethics.

- ○ **Signing agreements:** Each qualified supplier signs an Integrity Agreement and Quality Assurance Agreement with us. In addition, specific suppliers that supply key materials and high-risk products are asked to sign a separate Warranty Against the Use of Prohibited Substances.

2 Ongoing supplier assessment and development

○ **Routine management and feedback:** In the event that materials or parts are found to have defects, repeat instances of the same defect, or contribute to significant customer complaints, the Supplier Quality Engineer (SQE) will issue a Supplier Quality Feedback Form, which requires suppliers to undertake necessary rectifications within a stipulated timeframe. In addition, whenever there are updates to our technical or quality requirements, on-site training will be offered to suppliers to improve their production and management capabilities.

○ **Supplier ESG training and development:** We provide ongoing assistance and training, especially on product quality improvement, environmental management, and social responsibility. We also regularly update training and development programs based on supplier performance and the Company's needs.

○ **Monthly audits and performance tracking:** We implement a detailed monthly audit program and conduct performance evaluations in areas including quality, environmental protection, and business ethics based on the Rules of Supplier Reward and Punishment. We set a certain amount of reward or punishment for each assessment to encourage suppliers to improve their overall performance, particularly to ensure that relevant environmental and social responsibilities are fulfilled.

○ **Rectification Plan:** During on-site audits, a Rectification Plan will be prepared, which lists identified issues and mandates suppliers to respond in a prompt manner and attend relevant training programs. Within one month of the audit, a re-evaluation is conducted, and suppliers that fail to meet our standards are replaced.

○ **Tiered supplier management:** Our suppliers are categorized into three tiers and managed according to the impact components would have on the safe performance of our products. Audits are done annually for tier-1 suppliers, every two years for tier-2 suppliers, and every three years for tier-3 suppliers.

3 Supplier management and evaluation

○ **Comprehensive risk control:** We work towards enhancing risk management across the supply chain and regularly assess supplier risks, paying particular attention to the identification and control of environmental and social risks. We also work to ensure suppliers manage their own ESG risks to mitigate supplier default risk and avoid exposing ourselves to supply chain disruptions.

○ **Risk rectification and monitoring:** Suppliers posing ESG risks, such as supply disruptions or major quality issues, are required to submit rectification plans and formulate appropriate response plans within a stipulated timeframe. Suppliers that fail to formulate response plans in a timely manner are subject to further measures, including rectification within a specified timeframe and potentially being replaced.

○ **Annual supplier evaluation:** We have developed a suite of supplier assessment tools based on the Supplier Code of Conduct, which covers basic qualifications, product raw material traceability, product quality, process technology, among other factors. The supplier assessment tool helps us assess potential risks and determine risk levels based on the results of supplier review and evaluation, optimize our supply chain risk management strategies, and ensure the safety and stability of our supply chain.

Number of Suppliers

Total number of suppliers (including tier one and non-tier one suppliers)	305
Total number of major ESG suppliers	31

5.5 DISTRIBUTOR MANAGEMENT

Partnering with distributors is an important driver of our business growth. We have established a well-developed distributor management system that outlines specific requirements for the admission, training, review, and evaluation of each distributor. We have also maintained stable and close partnerships with distributors.

Distributor management strategy

Stage >	Distributor admission and screening	Training and support	Distributor audits and evaluation	Relationship maintenance and development
Key measures >	• To maintain the high standard and professionalism of our distributor network, we have implemented a strict onboarding process to ensure that all distributors meet our eligibility criteria. • Consider potential distributors based on their market reputation, financial stability and operational capability to maintain NIU's brand image and market competitiveness.	• Provide a comprehensive training program to ensure that distributors gain understanding and knowledge of our product features and marketing strategies. • Hold regular workshops and meetings to enhance distributors' sales skills and service levels.	• Implement a systematic assessment mechanism to regularly evaluate the sales performance and service quality of distributors to ensure our performance targets are met. • Incentivize or correct based on audit results to continuously optimize the performance of distributors.	• Maintain long-term relationships with distributors and address their queries and issues through regular communication and feedback. • Foster deeper partnerships with distributors to explore market opportunities together.

6 EMPLOYEE AND COMMUNITY RELATIONS

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

6.1 HUMAN RIGHTS COMMITMENT

We recognize the importance of respecting and protecting human rights in growing our business globally. We have formulated comprehensive human rights policies that reflect the core principles of the United Nations Global Compact and the Universal Declaration of Human Rights, including zero tolerance for all forms of forced labor and child labor, ensuring workplace safety and health, and strictly prohibiting any form of workplace bullying, discrimination, sexual harassment or any other form of inappropriate behavior. Our Human Rights Policies are aligned with international human rights principles and initiatives. Moreover, we strictly abide by the labor laws and human rights standards of the countries and regions in which we operate. Our Human Rights Policies cover all employees and suppliers of NIU.

We make active efforts to mitigate all adverse impacts of our business activities on human rights, including the following specific measures:

○ **Regular human rights risk assessments:** We regularly conduct human rights risk assessments to identify and mitigate potential adverse impacts of our business activities on employees and communities and to guide our business decisions and improve our human rights practices.

○ **Employee education and training on human rights issues:** We actively encourage employee participation in training and education programs to enhance human rights awareness and practices and to ensure that employees understand how to uphold these standards in their day-to-day work.

○ **Communication mechanism and problem solving:** To ensure effective communication, a special office has been set up in the workshop to address employees' queries and concerns.

○ **Displaying posters on Employee Rights and Benefits:** We display posters on Employee Rights and Benefits in workshops. Employees can directly provide feedback through the government platform.

○ **Transparent and open communication:** We maintain open and transparent communication with all stakeholders, disclose our human rights policies and practices, and encourage reporting of any potential human rights abuses.

○ **Prompt response to human rights risk incidents:** We act swiftly to respond to human rights risk incidents, including taking appropriate corrective measures, conducting thorough investigations, proactively resolving problems, and providing appropriate remedies to those affected.

6.2 HUMAN CAPITAL MANAGEMENT

Employee recruitment

We at all times respect and adhere to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other labor and social security laws and regulations in China and other places where we operate. Committed to safeguarding employees' rights and interests, we have established clear guidelines on compensation, recruitment, hiring, working hours, equal pay for equal work, vacations, and other employee benefits, which help enhance the efficiency of our human resource management and corporate operations.

Our employee recruitment process is conducted fairly, transparently, and openly. We offer equitable employment opportunities to individuals regardless of gender, age, race, religious affiliation, nationality, or disability. We strictly abide by labor regulations and prohibit any form of illegal employment practices, including but not limited to the use of forced labor and child labor. We sign labor contracts with our employees on a voluntary basis in accordance with the law and that our employees have the right to resign at any time after serving reasonable notice and following a transparent resigned process. During the Reporting Period, we did not identify any serious violation of regulations regarding the prohibition of child labor and forced labor within the Company.

In addition, we have strengthened the supervision of our suppliers and partners. Through regular audits and communication, we ensure their adherence to relevant laws and regulations on compliance with employment law and employment equality.

Workforce breakdown

Indicator	Description	2023
Total number of employees		550
By gender	Female	154
	Male	396
By age group	< 30 years old	133
	30-50 years old	410
	> 50 years old	7
By education level	Doctoral degree	1
	Master's degree	43
	Bachelor's degree	379
	Junior college degree	107
	Technical secondary school degree and below	20
By region	North China (Beijing)	152
	East China (Shanghai/Changzhou)	379
	Overseas (including Hong Kong, Macao and Taiwan)	19
Number of employees with disabilities		7

Number of new employee hires[9]		88
By gender	Female	17
	Male	71
By age group	< 30 years old	25
	30-50 years old	62
	> 50 years old	1
By region[10]	North China	19
	East China	59
	Overseas (including Hong Kong, Macao, and Taiwan)	10

Annual rate of employee turnover[12]		25%
By gender	Female	23%
	Male	25%
By age group	< 30 years old	24%
	30-50 years old	25%
	> 50 years old	0
By region	North China	27%
	East China	25%
	Overseas (including Hong Kong, Macao, and Taiwan)	5%

Overall employment rate[11]		86%
By gender	Female	85%
	Male	86%

Employee performance appraisal

While ensuring equal compensation for equal work, our salary framework is also rooted in market standards and aligns with employees' skills, performance, and job duties, as detailed below:

○ We revamped our Performance Management System to foster the mutual growth of employees and the business. These revisions enhanced the clarity of performance evaluation criteria and procedures.

○ We have implemented detailed performance appraisal and incentive mechanisms, including regular performance appraisals, goal setting, and personal development plans for employees.

○ We ensure that each employee's performance is fairly evaluated and rewarded accordingly.

○ We refined performance feedback and salary disbursement protocols to enforce the implementation of transparent and fair guidelines. This approach allows us to adhere to information transparency and timely communication with staff throughout the process from assessment to disbursement of salaries.

[9] Number of new employee hires excluding temporary or part-time employees and outsourced workers

[10] By employees' place of work (instead of their registered birthplace)

[11] Calculation: Annual employment rate = (Number of employees at the end of the year / Number of employees at the beginning of the year) x 100%. Employment rate excluding employees on short-term contracts/part-time employees

[12] Calculation: Number of employee turnover ÷ (Number of employee turnover + Number of Employees at the end of the year) x 100%. The turnover rate also excluds employees on short-term contracts/part-time employees

Employee rights and benefits

We fully recognize the importance of employee benefits in enhancing employees' sense of belonging, happiness, and team cohesion. Therefore, we are implementing a comprehensive and motivating mechanism for safeguarding employee rights and benefits to ensure a genuine commitment to employee well-being that would be felt by all staff.

○ **Employee benefits:** We contributed to social insurance schemes (including pension, medical insurance, unemployment insurance, job-related injury insurance, and maternity insurance) and a housing provident fund. We also provide annual health check-ups and purchase supplementary medical insurance for employees to safeguard their health. In addition, we distributed gift boxes for traditional Chinese holidays like the Mid-autumn Festival, Dragon Boat Festival, and Lunar New Year, as well as on employees' anniversaries at NIU.

○ **Employee information security:** We have compiled a comprehensive employee information database according to NIU's information management policies, ensuring the accuracy of employees' personally identifiable information and the security of personal information. We have also taken the necessary technical and management measures to prevent the leakage, destruction, and loss of employee information as part of our efforts to protect the privacy rights and interests of employees.

○ **Employee communications:** We encourage an open and transparent communication culture. We hold quarterly town hall meetings where the CEO provides staff with updates on our strategy and performance. We also hold one-on-one meetings and interdepartmental meetings to discuss performance and implement improvements. These communications ensure employees' voices are heard and valued. We publish an editorial column to solicit feedback and highlight significant team events.

○ **Employee grievance:** We have established a grievance mechanism to provide employees with fair and transparent feedback and grievance channels, which facilitate employees' ability to file complaints through the human resources management system and enable outsourced workers to communicate directly with relevant departments.

KPIs of employee family benefits

Indicator	By gender	2023	2022	2021
Total number of employees that were entitled to parental leave[13]	Female	23	13	11
	Male	67	22	12
Total number of employees that took parental leave	Female	23	13	11
	Male	67	22	12
Total number of employees that returned to work in the Reporting period after parental leave ended	Female	23	13	11
	Male	67	22	12
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Female	12	8	5
	Male	44	15	11
Return to work rate of employees that took parental leave[14]	Female	100%	100%	100%
	Male	100%	100%	100%

[8] Excluding prenatal check-up leave

[9] Return to work rate = Total number of employees that did return to work after parental leave / Total number of employees due to return to work after taking parental leave, excluding non-regular employees

Employee development and professional training

We support every employee in the development of their career at NIU and provide them with career development opportunities and a wide array of training programs, empowering them to unlock their true potential and contribute their expertise within any specialized domain. We also motivate our workforce to implement sustainability initiatives and contribute to NIU's R&D innovation, core competitiveness, and sustained growth.

Career development system

We have established a comprehensive career development system to provide employees with clear promotion paths and a wide range of development opportunities. Through the implementation of an OKR management system and a qualification assessment and review mechanism, we ensure that employee development is aligned with NIU's business goals. We conduct regular performance appraisals for all employees to assess their performance from multiple perspectives. We provide generous incentives for high-performing employees, including performance-based compensation increases, promotions, and equity-based incentives.

We have rolled out a management pipeline program to nurture future leaders, identifying exceptional employees with managerial aptitude for management training. We are also encouraging managerial rotation that offers employees cross-departmental learning and training opportunities to broaden their horizons and skills.

Comprehensive training system

We have built a multi-dimensional and comprehensive training system, including training for new recruits, professional skills training, and management training for middle and senior-level personnel:

○ New employee orientation: To accelerate the onboarding process for new recruits and acquaint them with our operations, we have established a comprehensive orientation program that covers corporate culture, design concepts, manufacturing processes, and safety compliance.

○ Professional skills training: We require all departments to develop professional skills training programs that cater to their specific needs. We encourage all our employees to participate in external certification programs. These trainings cover the latest trends in the industry and the application of technology tools, ensuring our team's sustained industry-leading position.

○ Leadership training: We conduct a range of high-quality training programs for management personnel, such as an Objectives and Key Results (OKR) program, advanced seminars, and leadership training camps. These programs are designed to enhance their decision-making abilities, team leadership, strategic planning, and change management skills, thereby improving the management performance across the Company.

6.3 OCCUPATIONAL HEALTH AND SAFETY

Ensuring employee safety and health is at the forefront of our priorities. We strictly abide by national laws and regulations and have formulated and implemented the Work Safety Rules and Systems and the Comprehensive Contingency Plans for Work Safety Incidents, aiming to create a safe and healthy working environment for our employees. NIU's health and safety system covers all staff, ensuring productivity while minimizing workplace accidents. This system not only encompasses general work safety management but also outlines battery safety management that are specific to the electric vehicle industry, reflecting our deep commitment to employee safety.

These comprehensive safety and health management measures have resulted in a remarkable record of zero work-related injuries and zero recordable incidents over the past three years (2021-2023). This not only exemplifies our efforts in occupational safety and health management, but also lays a solid foundation for sustainable business growth.

Work safety management system

We have established a comprehensive management system that outlines detailed work safety rules, safe operating procedures, and emergency response plans. The safe operating procedures are tailored to specific roles to ensure that every employee has a clear understanding of the safety requirements. The emergency response plans cover a wide range of possible emergencies, such as fires and chemical spills, for which we also conduct emergency drills.

We have also set up a work safety steering group and a work safety office to ensure the full implementation. The steering group is led by the senior management, reflecting the high priority we attach to work safety. The work safety office is responsible for day-to-day safety inspections, training and incident investigations, and ensuring that safety management measures are effectively implemented.

We employ a variety of methods to foster a work safety culture and raise employees' safety awareness, including posting safety bulletin boards, organizing safety knowledge contests, and selecting outstanding safety specialists. We also encourage employees to actively participate in work safety improvement and have implemented a mechanism to reward any suggestion related to work safety.

Work safety risk management

To manage work safety risks, we employ the LEC risk assessment method to fully identify and classify all potential risks. The LEC method considers the likelihood of incidents (L), the frequency of exposure to hazardous environments (E), and the possible consequences (C), enabling us to comprehensively and objectively assess various risks.

We have developed targeted risk control measures based on the assessment results. For high-risk areas, we take control measures such as adding protective equipment and improving process flows. For low and medium risk areas, we mitigate risks by strengthening education and training and improving operational procedures. All risk control measures are regularly evaluated for effectiveness and adjusted according to actual circumstances.

Additionally, we have implemented a comprehensive contingency plan, covering the entire process from emergency response activation to post-incident response. This plan outlines the response procedures for different levels of incidents, the division of responsibilities among departments, and the required emergency resources. We undertake regular emergency drills to ensure swift and effective response and conduct analysis after the drills for further improvement.

Contingency process

Emergency response activation:

- Collect information and determine the severity level of incidents.
- Activate the appropriate level of emergency response.
- Establish an on-site emergency response command to coordinate emergency resources.

Incident management:

- The on-site emergency response command is in charge of field work.
- Take necessary measures to control the development of incidents, including isolation, evacuation and rescue.
- Conduct safety assessments to ensure the safety of rescue personnel.

Information reporting and communication:

- Report incidents to relevant authorities and emergency response agencies.
- Regularly update the progress of incidents.
- Disclose information on incidents, ensuring transparency.

Incident investigation and analysis:

- Set up an incident investigation team to collect data and analyze the causes.
- Compile investigation reports and propose improvement measures.
- Refine preventive measures and contingency plans based on investigation findings.

Post-incident response and recovery:

- Thoroughly clean up incident impacts, including contaminant treatment and site restoration.
- Arrange medical and psychological assistance for affected individuals.
- Restore normal production and operations.

Evaluation and revision:

- Evaluate the effectiveness of emergency response and rescue operations.
- Revise contingency plans based on lessons learned to improve the efficiency and effectiveness of future emergency responses.

CASE

NIU excelled in the firefighting skills competition as part of its commitment to ensuring work safety

In keeping with the work safety principle of "holding safety as a top priority with a focus placed on prevention," we have continuously strengthened employees' safety awareness and response capabilities. In 2023, we came in first in the individual comprehensive skills competition category and second in the "two-person, three-fire-hose connection" competition category in the "Flame Blue" firefighting skills competition held in Wujin District. This not only demonstrates our employees' work safety skills but is also a strong testament to our commitment to ensuring work safety.

Occupational health protection

We have taken a range of measures to safeguard the health of employees, including establishing individual occupational health records for every employee. The records, containing employees' work history, exposure to occupational hazards, and health check-up results, facilitate long-term monitoring and management of the well-being of our employees,

We regularly assess workplace occupational hazards, such as noise, dust, and harmful gases, to prevent potential risks in time. For identified problems, we immediately take action such as increasing protective equipment and improving process flows. We also conduct annual employee health check-ups, including occupational disease check-ups for employees who have special job duties.

We offer all employees supplementary health insurance for enhanced protection, covering critical illnesses, and accidents and injuries. We operate onsite fitness facilities, such as gyms, to encourage employees to exercise. Our canteen provides nutritious and balanced meals to ensure that our employees have a healthy diet.

Health and safety training

Health and safety training is an important component of NIU's safety management. We have implemented a multi-dimensional safety training program and a comprehensive three-tier training system at the company-wide, departmental, and group levels. New recruits are required to receive company-level safety training during onboarding, which includes NIU's safety policies and basic safety knowledge. Departmental-level training provides more targeted safety guidance. Group-level training offers detailed safety instructions related to daily operations.

The training covers a wide range of aspects such as a safety introduction for new recruits, safe operating procedures, fire safety, and first aid. We have also designed specialized training tailored to different roles. For example, training is focused on the safe operation of equipment for production line employees, as well as laboratory safety and chemical safety for R&D personnel.

We regularly invite industry experts to conduct training sessions on work safety to help employees stay up to date on safety-related information. We also offer rewards to encourage employees to participate in external safety training and certification programs such as safety specialist certification and first aid certification. These diversified training methods have continuously helped improve our employees' safety awareness and response capabilities.

CASE

Dual training program at our Changzhou manufacturing base for enhancing work safety awareness and response skills

In response to the government's call for ensuring work safety, we organized in 2023 two training sessions on work safety at our Changzhou manufacturing base for our employees as well as for the heads of the outsourcing agency. This reflects our strong commitment to enhancing work safety awareness and response skills.

6.4 COMMUNITY ENGAGEMENT

Pioneering a green lifestyle

We strongly believe that environmental protection is more than a responsibility – it is a lifestyle. We have continued to spread the concept of low-carbon and sustainable development through product design and branding campaigns. Sustainability has become a prominent subject of discussion among NIU riders on social media, highlighting that NIU's green brand image has taken hold.

To capitalize on events such as Arbor Day and Earth Day, we have promoted the concept of green mobility and consistently reinforced our "making life electric" philosophy through online campaigns and offline activities. In the past year, we organized multiple large offline events to enhance engagement with users and to inspire more individuals to embrace green riding.

NIU's "Protect the Earth" Actions

June 2023

- #From NIU to the Wild # By promoting green travel and leave-no-trace camping, NIU encouraged everyone to protect the Earth and make it a better place while enjoying nature.

November 2023

- Joined JD.com's Green Impact Initiative to act together to protect the Earth.

April 2024

- NIU and NIU users explored sustainable riding together as part of the "small actions" to protect the planet.

- During the event celebrating Earth Day, users who join the NIU Earth Day Movement have a chance to win a new Kqi Air scooter for free!

- Embracing the ESG values on World Earth Day, NIU held a "Small Actions, Big Impact" event featuring hiking and mountain clean-up in Longquan Mountain, Chengdu.

May 2024

- NIU and Baoyue MINI held a hiking and mountain clean-up event at World Xiangjing Qixidi in Huadu, Guangzhou.

NIU and Baoyue MINI: Promoting sustainability through a mountain hike and clean- up campaign

CASE

NIU and Baoyue MINI held a hiking and mountain clean-up campaign at World Xiangjing Qixidi in Huadu, Guangzhou on April 27, 2024. While offering participants an opportunity to get close to nature and experience outdoor activities, NIU promoted environmentally conscious and low-carbon practices through the campaign. Participants wore uniform clothing made of eco-friendly fabrics, carried trash bags and tools, and picked up trash along the trail.

The event also featured a mountainside tea party, frisbee games, and handicrafts using eco-friendly materials, allowing participants to engage with each other and gain a deeper understanding of the significance of environmental protection. The event demonstrates NIU's active efforts to drive sustainability and inspire greater adoption of eco-friendly practices.

Building a better community

While offering a green and convenient urban mobility solution, we are also fostering a way of life characterized by progress, joy, and independence. We have extended the appeal of smart electric two-wheelers by engaging with users to create a NIU community that shares in the joy of eco-friendly living and grows together. Through this platform, we want to provide:

○ **A diverse and inclusive environment:** Participants in the NIU community may be ordinary office workers, independent photographers, long-distance travel enthusiasts, urban trendsetters, or environmental advocates. The NIU community provides them with a platform for self-expression and value creation.

○ **Active community engagement:** Through this platform, NIU fans not only share experiences and insights but also participate in and organize offline community events. This allows them to experience growth and joy while deepening engagement with other community participants.

○ **Sustained value creation:** Committed to promoting more sustainable and profound values with NIU fans, we work to instill a sense of belonging and fulfillment among them through ongoing innovation and services.

Through the NIU community, NIU fans can share their riding stories, capture scenic riding moments, and organize offline community events. Each participant embodies the NIU lifestyle in their daily lives, contributing to a greener future.

NIU CLUB events
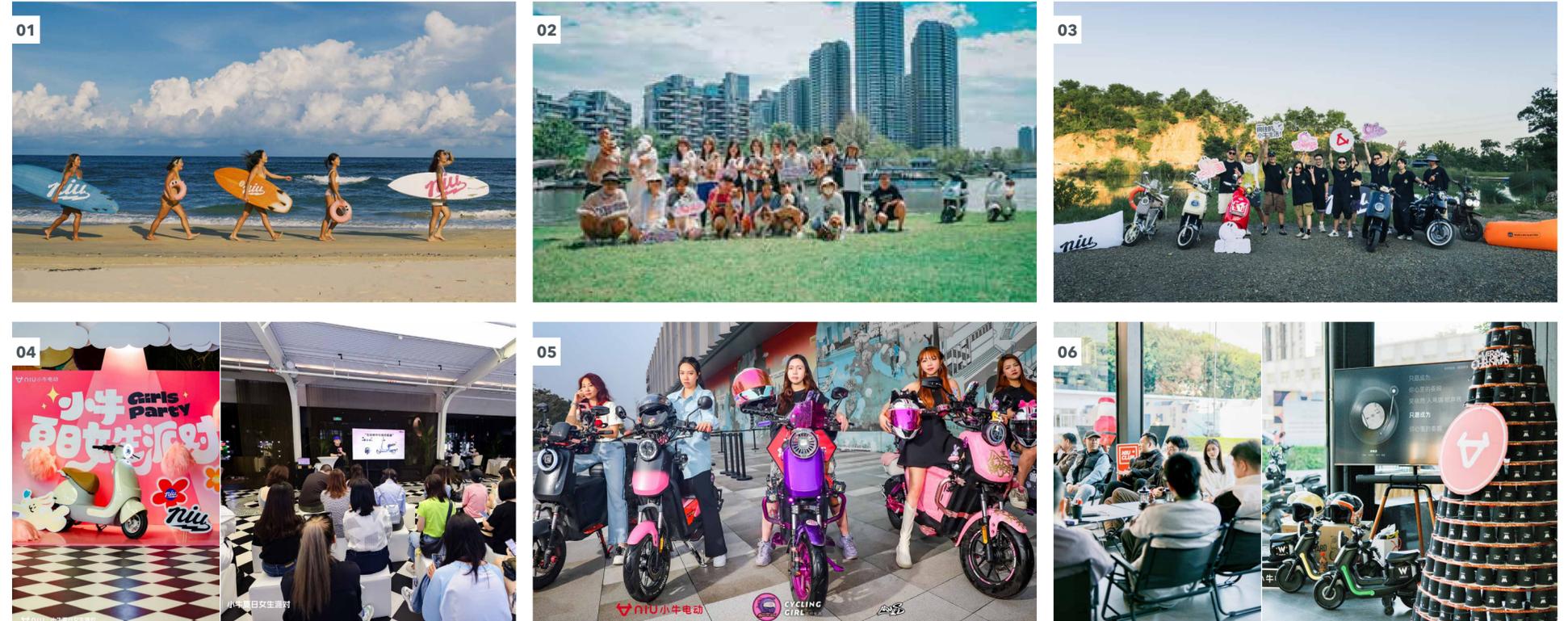
1. *NIU CLUB* Celebrating the International Surfing Day

2. *NIU CLUB* Pet Waterfront Party

3. *NIU CLUB* Camping and Mine Riding

4. *NIU CLUB* Girls Summer Party

5. *NIU CLUB* Celebrating Second Anniversary of Cycling Girl

6. *NIU CLUB* Fans Gathering over Coffee

APPENDIX INDEX OF REPORTING STANDARDS

No.	GRI Disclosures	Nasdaq ESG Reporting Guidelines	Section
GRI 2-1	Organizational details		Company profile
GRI 2-2	Entities included in the organization's sustainability reporting		About this report
GRI 2-3	Reporting period, frequency and contact point		About this report
GRI 2-5	External assurance	G10. External Assurance	Not applicable
GRI 2-6	Activities, value chain, and other business relationships		Company profile 5. Product and value chain management
GRI 2-7	Employees		6. Employee and community relations
GRI 2-8	Workers who are not employees		6. Employee and community relations
GRI 2-9	Governance structure and composition	G2. Board Independence	1.2 ESG governance 2.1 Corporate governance
GRI 2-10	Nomination and selection of the highest governance body	G2. Board Independence	2.1 Corporate governance
GRI 2-11	Chair of the highest governance body	G2. Board Independence	2.1 Corporate governance
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	G2. Board Independence	1.2 ESG governance 2.1 Corporate governance
GRI 2-13	Delegation of responsibility for managing impacts		2.1 Corporate governance

No.	GRI Disclosures	Nasdaq ESG Reporting Guidelines	Section
GRI 2-14	Role of the highest governance body in sustainability reporting	E8. Climate Oversight / Board	1.2 ESG governance
GRI 2-15	Conflicts of interest	G2. Board Independence	2.1 Corporate governance
GRI 2-16	Communication of critical concerns		1.3 Stakeholder engagement 1.4 Materiality assessment 2.1 Corporate governance
GRI 2-17	Collective knowledge of the highest governance body		1.2 ESG governance
GRI 2-19	Remuneration policies	G3. Incentivized Pay	2.1 Corporate governance
GRI 2-20	Process to determine remuneration	G3. Incentivized Pay	2.1 Corporate governance
GRI 2-22	Statement on sustainable development strategy		1.1 ESG development strategies
GRI 2-23	Policy commitments		2.3 Business ethics 6.1 Human rights commitment
GRI 2-24	Embedding policy commitments		2.3 Business ethics
GRI 2-25	Processes to remediate negative impacts		2.2 Compliance and risk management 2.3 Business ethics
GRI 2-26	Mechanisms for seeking advice and raising concerns		2.2 Compliance and risk management 2.3 Business ethics

No.	GRI Disclosures	Nasdaq ESG Reporting Guidelines	Section
GRI 2-27	Compliance with laws and regulations		2.2 Compliance and risk management 2.3 Business ethics 2.4 Intellectual property protection 2.5 Information security and privacy protection
GRI 2-29	Approach to stakeholder engagement		1.3 Stakeholder engagement 1.4 Materiality assessment
GRI 2-30	Collective bargaining agreements	G4. Collective Bargaining	Not applicable
GRI 3-1	Process to determine material topics		1.4 Materiality assessment
GRI 3-2	List of material topics	G8. ESG Reporting G9. Disclosure Practices	1.4 Materiality assessment
GRI 3-3	Management of material topics		1.4 Materiality assessment
GRI 201-1	Direct economic value generated and distributed		Message from the CEO
GRI 201-2	Financial implications and other risks and opportunities due to climate change	E9. Climate Oversight/Management E10. Climate Risk Mitigation	3.2 Climate strategy
GRI 201-3	Defined benefit plan obligations and other retirement plans		6.2 Human capital management
GRI 201-4	Financial assistance received from government		Received $400,000 government grants in 2023
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	S2. Gender Pay Ratio	Not applicable
GRI 202-2	Proportion of senior management hired from the local community		Not applicable
GRI 203-1	Infrastructure investments and services supported		5.2 Product stewardship 6.4 Community engagement

No.	GRI Disclosures	Nasdaq ESG Reporting Guidelines	Section
GRI 205-1	Operations assessed for risks related to corruption	G5. Supplier Code of Conduct G6. Ethics & Anti-Corruption	2.3 Business ethics
GRI 205-2	Communication and training about anti-corruption policies and procedures		2.3 Business ethics
GRI 205-3	Confirmed incidents of corruption and actions taken		2.3 Business ethics
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		2.3 Business ethics
GRI 301-1	Materials used by weight or volume	E7. Environmental Operations	4.1 Environmental management
GRI 301-2	Recycled input materials used		4.1 Environmental management
GRI 301-3	Reclaimed products and their packaging materials		4.1 Environmental management
GRI 302-1	Energy consumption within the organization	E3. Energy Usage	4.2 Resource utilization
GRI 302-2	Energy consumption outside of the organization		4.2 Resource utilization
GRI 302-3	Energy intensity	E4. Energy Intensity	4.2 Resource utilization
GRI 302-4	Reduction of energy consumption		4.2 Resource utilization
GRI 302-5	Reductions in energy requirements of products and service	E3. Energy Usage	4.1 Environmental management 5.1 Product innovations
GRI 303-1	Interactions with water as a shared resource	E6. Water Usage	4.2 Resource utilization
GRI 303-2	Management of water discharge-related impacts		4.2 Resource utilization
GRI 303-3	Water withdrawal		4.2 Resource utilization
GRI 303-4	Water discharge		4.2 Resource utilization
GRI 303-5	Water consumption		4.2 Resource utilization

No.	GRI Disclosures	Nasdaq ESG Reporting Guidelines	Section
GRI 304-1	Direct (Scope 1) GHG emissions		3.4 Metrics and targets
GRI 305-1	Energy indirect (Scope 2) GHG emissions	E1. GHG Emissions	3.4 Metrics and targets
GRI 305-3	Other indirect (Scope 3) GHG emissions		Not applicable
GRI 305-4	GHG emissions intensity	E2. Emissions Intensity	3.4 Metrics and targets
GRI 305-5	Reduction of GHG emissions	E1. GHG Emissions	3.4 Metrics and targets
GRI 306-1	Waste generation and significant waste related impacts		4.3 Waste management
GRI 306-2	Management of significant waste-related impacts		4.3 Waste management
GRI 306-3	Waste generated		4.3 Waste management
GRI 306-4	Waste diverted from disposal		4.3 Waste management
GRI 306-5	Waste directed to disposal		4.3 Waste management
GRI 308-1	New suppliers that were screened using environmental criteria	G5. Supplier Code of Conduct	5.4 Supply chain management
GRI 308-2	Negative environmental impacts in the supply chain and actions taken		5.4 Supply chain management
GRI 401-1	New employee hires and employee turnover		6.2 Human capital management
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees		6.2 Human capital management
GRI 401-3	Parental leave		6.2 Human capital management

No.	GRI Disclosures	Nasdaq ESG Reporting Guidelines	Section
GRI 402-1	Minimum notice periods regarding operational changes		Abide by laws and regulations in the regions we operate
GRI 403-1	Occupational health and safety management system		6.3 Occupational health and safety
GRI 403-2	Hazard identification, risk assessment, and incident investigation		6.3 Occupational health and safety
GRI 403-3	Occupational health services		6.3 Occupational health and safety
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety		6.3 Occupational health and safety
GRI 403-5	Worker training on occupational health and safety		6.3 Occupational health and safety
GRI 403-6	Promotion of worker health	S7. Injury Rate S8. Global Health & Safety	6.2 Human capital management 6.3 Occupational health and safety
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		6.3 Occupational health and safety
GRI 403-8	Workers covered by an occupational health and safety management system		6.3 Occupational health and safety
GRI 403-9	Work-related injuries		6.3 Occupational health and safety
GRI 403-10	Work-related ill health		6.3 Occupational health and safety
GRI 404-1	Average hours of training per year per employee		Not applicable

No.	GRI Disclosures	Nasdaq ESG Reporting Guidelines	Section
GRI 404-2	Programs for upgrading employee skills and transition assistance programs		5.3 Customer service 6.2 Human capital management
GRI 404-3	Percentage of employees receiving regular performance and career development reviews		6.2 Human capital management
GRI 405-1	Diversity of governance bodies and employees	S4. Gender Diversity G1. Board Diversity	2.1 Corporate governance 6.2 Human capital management
GRI 405-2	Ratio of basic salary and remuneration of women to men	S2. Gender Pay Ratio	6.2 Human capital management
GRI 406-1	Incidents of discrimination and corrective actions taken	S6. Non-Discrimination	2.3 Business ethics 6.1 Human rights commitment
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	G4. Collective Bargaining	Not applicable
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	S9. Child & Forced Labor	5.4 Supply chain management 6.1 Human rights commitment 6.2 Human capital management No incidents

No.	GRI Disclosures	Nasdaq ESG Reporting Guidelines	Section
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	S10. Human Rights	5.4 Supply chain management 6.1 Human rights commitment 6.2 Human capital management No incidents
GRI 414-1	New suppliers that were screened using social criteria	G5. Supplier Code of Conduct	5.4 Supply chain management
GRI 414-2	Negative social impacts in the supply chain and actions taken		5.4 Supply chain management
GRI 416-1	Assessment of the health and safety impacts of product and service categories		5.2 Product stewardship 5.3 Customer service
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		5.2 Product stewardship 5.3 Customer service No incidents
GRI 417-1	Requirements for product and service information and labeling		5.2 Product stewardship 5.3 Customer service
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling		5.3 Customer service No incidents
GRI 417-3	Incidents of non-compliance concerning marketing communications		5.2 Product stewardship No incidents
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G7. Data Privacy	2.5 Information security and privacy protection No incidents