



## Communication on Progress May, 2018

### 1. About NextEV and NIO

Founded in November 2014, NextEV is a global company with world-class research and development, design, manufacturing centers and user service centers in Shanghai, Beijing, San Jose, Munich, London, and fourteen other locations. NextEV has more than 4000 employees from nearly 40 countries.

From the year of 2017, NextEV officially renamed as NIO. The NIO represents a new day. It is a symbol of our vision for a brighter tomorrow and for blue skies, as well as our commitment to positive change.

NIO's Chinese name is Weilai, which translates into Blue Sky Coming, which is the essence of our logo. The NIO logo represents 'Blue Sky Coming'. The top half is about the sky, openness, our vision, the future. The bottom half is about the earth, direction, action and forward momentum. Blue Sky Coming is our guiding philosophy.



## 2. Letter of Commitment

I am pleased to confirm that NIO Co.,Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-corruption.

In this second annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders by our channels of communication.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'W. Li', followed by a vertical line and a horizontal flourish.

[Signature]

[Name Mr. William Li]

[Title: Founder/Chairman/CEO]



### 3. Contents of Practical Action

#### 3.1 Human Rights

We support the internationally recognized human rights contained with the Universal Declaration of Human Rights and seek to avoid complicity in human rights abuses. Improving the awareness of human rights of our employees. We have prepared a code of conduct to make our behavior clear for us.

We have taken the following measures to protect human rights of our employees:

- A software called "Speak out" has been developed for employees to submit their complains. These complains will be quickly submitted to the relevant departments and be resolved immediately.
- A training course has been conducted for all employees to improve the awareness of human rights.

#### 3.2 Labour

We support the UNGC principles on labour standards and following the local laws. Respect employees' rights which are established in the ILO's Declaration on Fundamental Principles and Rights at Work, including freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.

- A software called "speak out" can be used to report their problem, when they got unfair treatment.
- We have brought basic medical insurance for every employees.
- We follow the basic regular wage pay system and local law of labour.
- We set labour union in order to better establishing and stabilizing labour relation, and organizing various activities to enrich staff's life.

#### 3.3 Environment

As a green-car company we committed to create a better life and a sustainable developed future. Our Code of Conduct comply with the ISO 14001 standards and other international conventions.

We are committed to reduce waste and reduce resource consumption. Reduce or eliminate pollutant emissions. Improve product design to minimize environmental impact in production. Reduce any significant adverse impact of new development program to a minimum. Enhance the environmental awareness of employees.

All the projects we operating have been fully assessed to meet the Global Compact environmental principles and local Laws. We have and will continuously work with our environmental actions and strive to be innovative when it comes to environmental friendly products and services.



### 3.4 Anti-corruption

We support the UNGC principles on anti-corruption. Committing to create a probity working atmosphere.

Our "Social Responsibility Guide" and "code of conduct" contains our policy on anti-corruption and response. We have developed a reporting system for the Code of Conduct or the Corporate Social Responsibility Guide.

## 4. Measurement of Outcomes

### 4.1 Human Rights

We regularly investigate whether the company has committed human rights violations and no such event has occurred so far.

### 4.2 Labour

Our company has not yet occurred incidents of violations of the Global Compact Labour principles. We have been selected by a Chinese media as "the best employer" of 2016.

### 4.3 Environment

We are committed to be an Environment - friendly Company, and following technologies or systems have been used in our factory:

- Photovoltaic solar power system
- Ground source heat pump system
- Recycling of water resources system

We ensure our products environment-friendly, new energy driven and recycled to the maximum extent, such as:

- Our unveiled vehicle are all battery electric driven without any exhaust emission.
- The service life of our battery is longer than normal, and we help our government working related regulations out that impelling unified battery specification and cascade utilization of EV industry.

We create new business mode by encouraging customers to rent battery so as to avoid wasting of resource, and could recycle old battery in a whole plan.

### 4.4 Anti-corruption

Any reported corruption will be handled in accordance with company policy and external authorities. We have an external auditor to verify our financial situation yearly.