

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021



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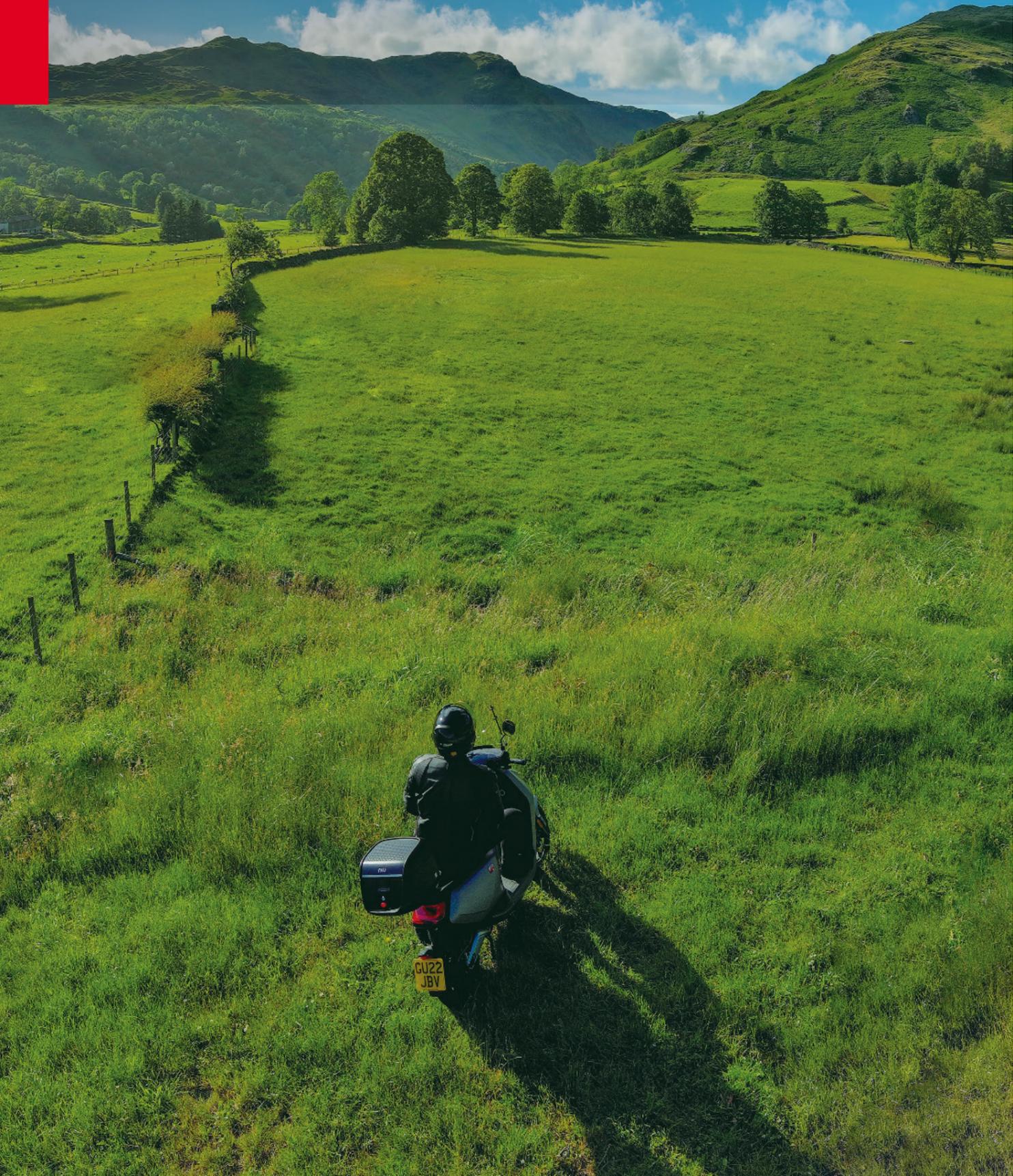
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ABOUT THIS REPORT



This report is the first Environmental, Social and Governance Report (“ESG Report” or the “Report”) issued by Niu Technologies and its subsidiaries (“Niu Technologies”, the “Company” or “we”). The Company’s management is well aware of its responsibilities to the Company’s Environmental, Social and Governance strategy and reporting. This Report has been reviewed and approved by the management, who is responsible for the authenticity of this Report.

ORGANIZATIONAL STRUCTURE

Unless otherwise noted, the scope of this Report is consistent with that of the annual report.

REPORT PERIOD

This report is an annual report, covering the year from January 1, 2021 to December 31, 2021. To enhance its readability, some of its contents relate to previous years or the period from the reporting date to the disclosure date of this Report.

SOURCE OF INFORMATION

The data and cases used in the Report are sourced from the Company’s internal documents, statistics reports and the summaries of related duty performance.

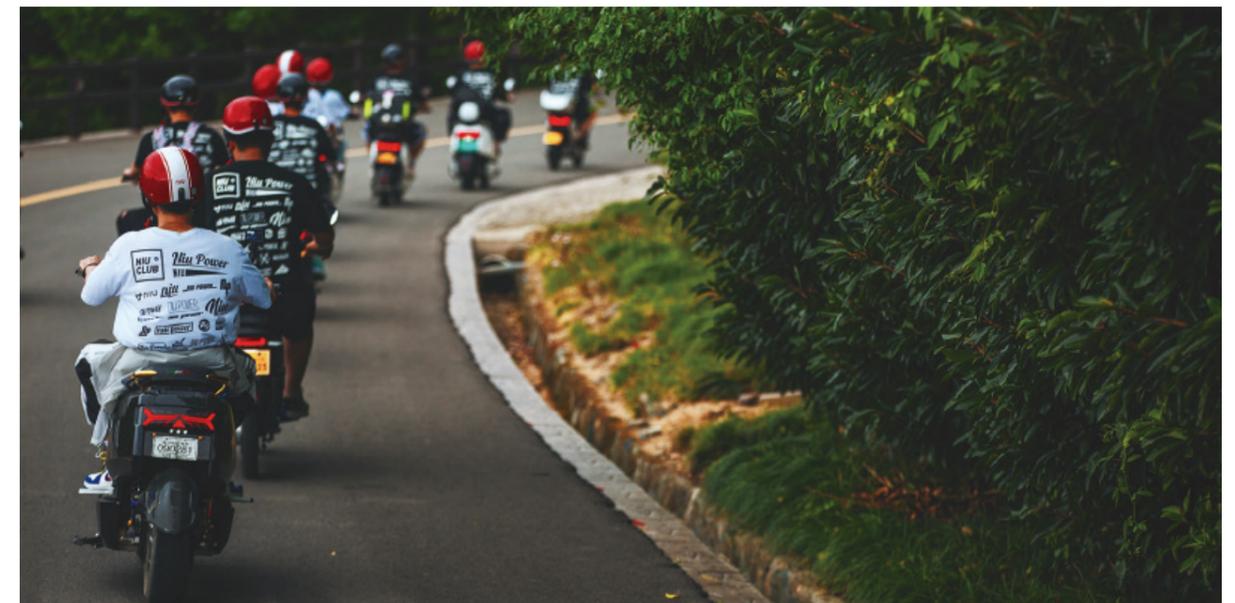
REPORTING GUIDANCE

This Report has been prepared in reference to the following criteria. The currency involved in this Report is RMB yuan unless otherwise noted.

- Nasdaq *ESG Reporting Guide 2.0*
- The Core option in the Sustainability Reporting Guidelines of the Global Reporting Initiative
- United Nations Sustainable Development Goals

RELEASING FORMAT

This electronic version of this Report is available on the Company’s official website. This report is available in Chinese and English. If there is any conflict between the Chinese version and its English translation, the Chinese version will prevail. We welcome readers’ feedback on the Report. If there are any questions or comments, please send email to ir@niu.com.



MESSAGE FROM THE CEO



MAKE LIFE ELECTRIC

 **10,049,929,952^{KM}**
Total Distance Driven

 **681,563**
Today's Active Riders

 **2,512,482,538^{KG}**
Total CO2 Emissions Saved

 **125,624,127**
Equivalent Trees Planted

* As of 15 October 2021

DEAR STAKEHOLDERS:

Since the establishment in 2014, Niu Technologies has used its original design and unique brand image to steadily expand in the market. Capitalizing on our advantages in intelligent technology and lithium-ion batteries, we strive to find solutions to users' pain points while lighting the path toward innovation and intelligent development. We believe in our responsibilities as a member of the community and are making conscious contributions to society in a number of ways. Furthermore, we work hand in hand with stakeholders to make a constructive impact on protecting the environment and promoting the low carbon economy.

In September 2020, we initiated the Niu Technologies 2.0 goal of launching a diverse portfolio of urban mobility solutions including electric motorcycles, electric bicycles, kick-scooters, and e-bikes, targeting different markets around the world. Under this campaign, we aim to achieve annual sales of 5 million products and annual revenue of RMB20 billion during the 5-year period from 2021 to 2025, which will solidify our position as a global leader in urban mobility solutions. We first launched our Niu Technologies 2.0 Strategy in 2021. We have made substantial progress towards becoming a large, globalized enterprise and recorded a successful start of the Niu Technologies 2.0 era. In terms of products launched into the market, we introduced 15 new models in 2021 from MQi-GT EVO and MQi2s at the higher end to the GOVA F0 and C0 for the mass market. The total number of new products launched in 2021 supersedes the total number of new products that we have launched over the last three years. In terms of brand awareness, we have been a leading name widely recognized in China. In terms of channel expansion, we boast a wide retail network of 3,100 stores across China and are present in more than 50 countries or regions worldwide. In terms of sales volume, we have reaped more than a million vehicles sales globally and have become one of China's top ten e-scooter manufacturers.

In 2020, China announced its vision of reaching peak CO2 emissions by 2030 and achieving carbon neutrality by 2060 ("Dual Carbon"), which provides strong impetus to phase out fossil fuel vehicles and continue its replacement with electric vehicles. However, neither fossil fuel vehicles nor electric vehicles are solutions to the heavy traffic congestion in urban areas. Electric two-wheelers deliver a superior mobility solution in cities. Electric two-wheel mobility promotes the achievement of the Dual Carbon goal and also reflects a trend towards environmentally-friendly, intelligent and stylish methods of travel. Positioned as a leading provider of smart urban mobility solutions, Niu Technologies is passionate about progressing technology, style, and freedom, while driving development of the e-scooter industry towards a greener future.

Niu Technologies has internalized the concepts of sustainability and green travel, developing them into part of our intrinsic value. For years, we have been putting ESG values into practice and using technology and design to transform traditional models of travelling, and we are proud to be playing a role in redefining urban life through our offerings of environment-friendly and hi-tech electric two-wheelers.

On our company website, several data points can be viewed in real time including the total distance travelled by our riders, the number of active riders on the day viewed, the total CO2 emissions saved, and the number of equivalent trees planted. By the end of 2021, the Company had sold a total of 2.7 million e-scooters globally with a total distance driven by users exceeding 10 billion kilometers. Niu Technologies is the first company to reach a milestone of 10 billion total kilometers ridden by its users in the electric two-wheeler industry. Compared with gasoline cars, our products reduce carbon dioxide emissions by about 2.5 million tons, which is equivalent to planting nearly 125 million trees. Niu Technologies has been travelling down the path of low carbon and environmental protection with its users and partners for the past 8 years, and it is on this road towards a greener and brighter future that Niu Technologies will stand firm.

Niu Technologies
Chief executive officer
Dr. Yan Li
August 2022

ABOUT THE COMPANY



COMPANY PROFILE

Niu Technologies is the first lifestyle company in the urban travel sector in China; the brand embraces style, freedom and technology. Since its establishment, Niu Technologies has been dedicated to providing more convenient, environmentally-friendly and smarter vehicles for its global users under the mission of "Redefine urban mobility and make life better". A Niu scooter is not just a scooter, but represents and embodies a lifestyle.

As a world-leading manufacturer of lithium-ion battery-powered electric two-wheelers, Niu Technologies invented the new product category of smart electric two-wheelers, combining both two-wheel vehicles and the Internet of Things. From a functional mode of transport, the electric two-wheeler has been elevated by Niu to a high-end stylish mode of transport whilst improving awareness towards green mobility solutions and advancing technology.

MISSION:

Redefine urban mobility and make life better

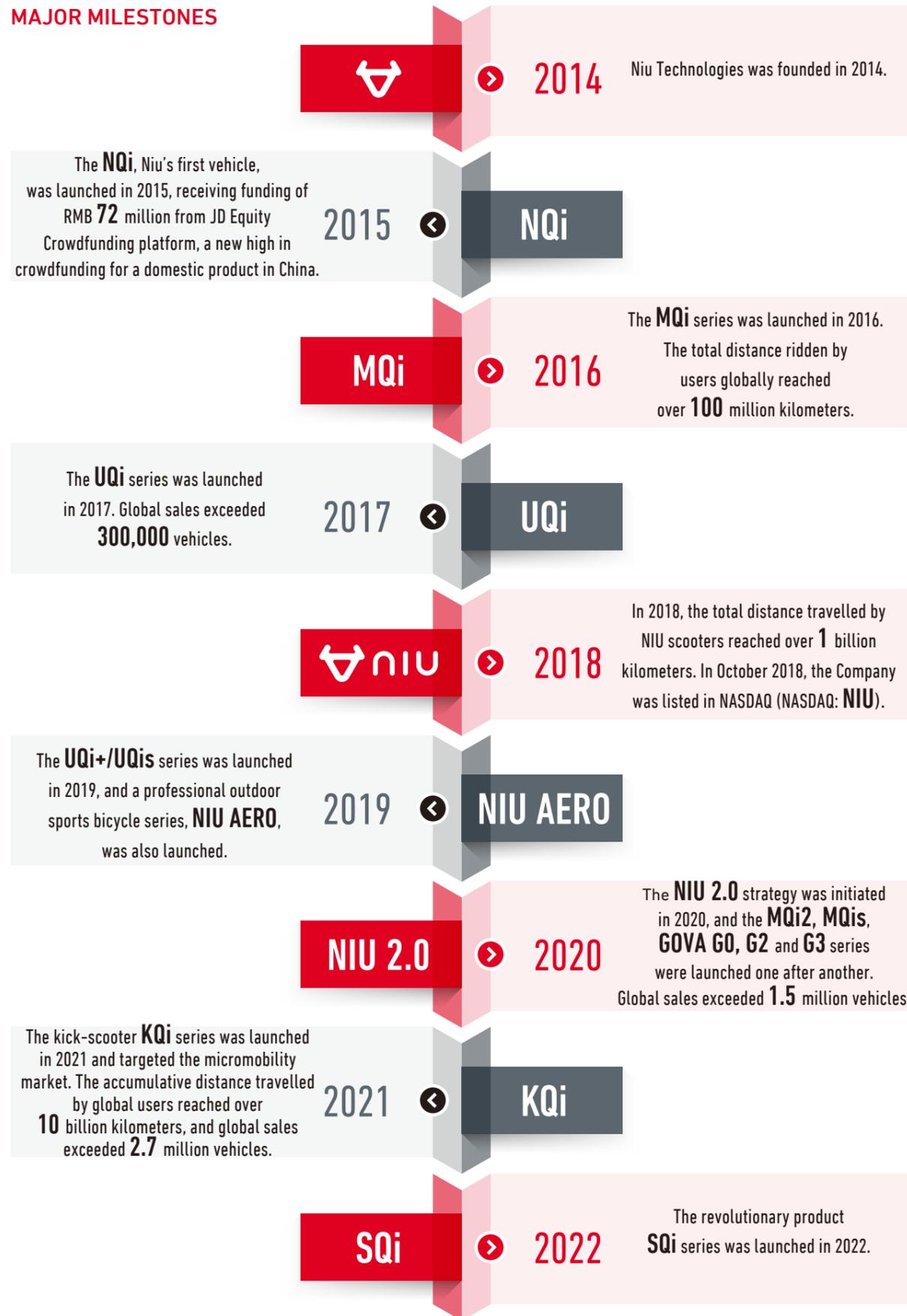
VISION:

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

BRAND CONCEPT:

Technology, Style and Freedom

MAJOR MILESTONES



TOWARDS A GREENER FUTURE

Urban traffic has become a topic of general concern amid the vibrancy and fast pace of city life. Car-owners are often subject to traffic congestion and limited parking, while exhaust fumes represent a major source of air pollution within urban environments. As a result, an increasing number of young eco-conscious consumers have opted for an electric two-wheeler as their transportation tool avoiding city congestion, while offering higher speeds than a traditional bicycle, yet a greener solution compared to gas motorcycles.

Niu Technologies is an emerging player in the current market of electric two-wheelers due to its focus on providing green solutions, its diverse product portfolio and continued improvement on product quality. Since 2014 we have been striving to create products that combine elements of fashion and style with utility and functionality. Our products pay close attention to the construction of core systems including smart functionality, automotive-grade lithium-ion batteries, excellent steering, and shock absorption, to provide users with a richer technological experience.

Consumers choose Niu Technologies due to our ability to cater to a diverse range of urban mobility, while users of Niu Technologies ("NIU fans") are inspired by the NIU lifestyle. Through NIU's social media channels, global NIU fans share their riding stories as well as pictures and initiate offline community activities. Our users are enabled through our scooter to become independent photographers, long-distance travel enthusiasts, urban fashionistas, or environmental advocates who are all active members in the NIU community leading the NIU lifestyle.

To effectively "Redefine urban mobility and make life better", we have organized more than 60 NIU Clubs in various cities globally. We design badges featuring city characteristics and initiate online and offline activities on a regular basis to empower each NIU fan. After the outbreak of the pandemic in Wuhan, we "returned to the heroic city" to be a witness to its return from the once "city under lockdown" back to its former prosperity. In Jiaxing city of Zhejiang province, we initiated the "Riding as Childhood Memory" activity to invite several fathers and their children from NIU fans to enjoy parent-child time in farms. In Xuzhou city of Jiangsu province, we hosted a special wedding ceremony for two NIU fans aged 75 to celebrate their golden wedding anniversary.



Niu Technologies is more than an urban mobility solutions company, but a social medium that promotes a lifestyle. The decision to ride a Niu e-scooter is a statement about the rider's attitude towards life. Moreover, diversified travel scenarios and recognition of the value that Niu Technologies offers have raised the loyalty of NIU fans,

and this growing customer loyalty represents part of the reason for the soaring growth in Niu Technologies' total distance driven in recent years. With an increasing number of product offerings and a vibrant lifestyle, Niu Technologies is making an impact on the way people choose to travel.

NIU FAN CULTURE CONSISTS OF:



SELECTED NIU TOPICS #MAKE LIFE ELECTRIC

We hold positive, socially responsible and environment-friendly concepts, and initiate creative and interesting topics to encourage NIU fans to travel in a green and safe way.



NIU USER STORIES

NIU fans culture features a mode of healthy, environment-friendly and green travel, whether in a bustling city, or during a long-distance riding. NIU fans from all walks of life break geographical and age constraints to share their life and dreams as NIU riders.



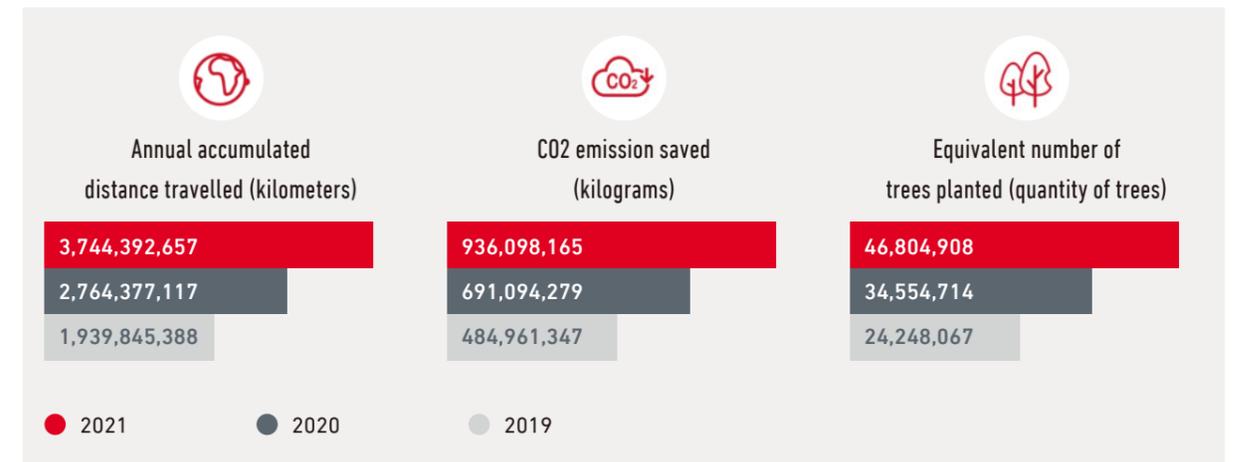
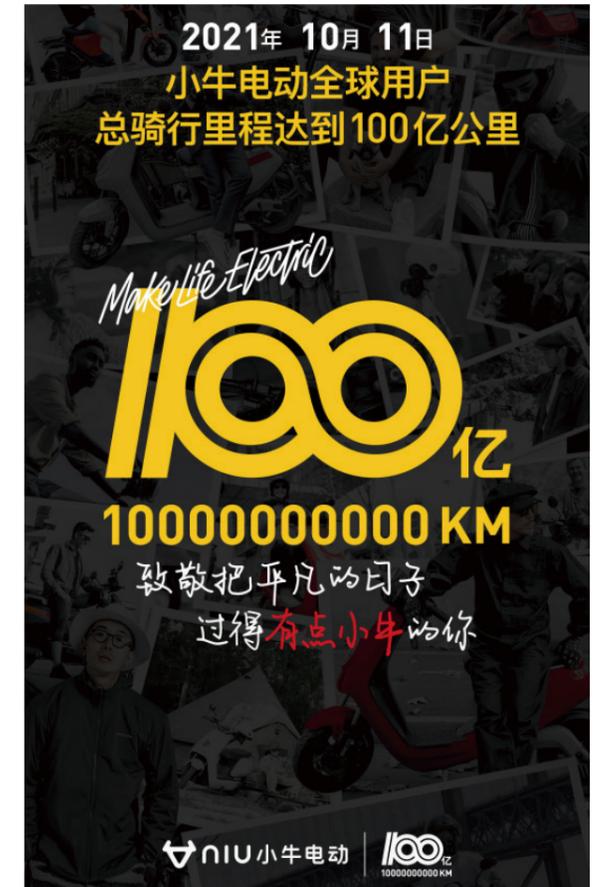
NIU APP COMMUNITY* & NIU CLUB

Through NIU App or offline NIU Club, NIU fans can share their personal thoughts and feelings, novelty of riding and outlook for the future like friends.

* NIU App Community is only available in China market now.

Our shared riding report

To effectively promote green travel, Niu Technologies has been releasing the "Annual Riding Report" since 2019. The report is a collaborative work of NIU fans around the world based on Niu Technologies' big data. NIU fans can easily check the total distance driven by all NIU riders, the total CO2 emissions saved, equivalent number of trees planted and their individual contribution as an owner of a NIU vehicle over the past year. On October 11, 2021, the total distance driven by NIU fans around the world reached an impressive 10 billion kilometers milestone, an achievement we are extremely proud of.



The electricity consumption of Niu electric vehicles can reach as low as **2.2 kWh/hundred kilometers**; the distance of Niu electric vehicle rides exceeded **10 billion kilometers**. Compared with gas-fueled vehicles, **2.5 billion kilograms** of carbon emissions were reduced, the equivalent of planting **125 million trees**.

AWARDS AND HONORS

HONORS



Leading Companies of China-made Goods 2021

issued by Yi Magazine: NIU became the first electric two-wheeler brand that made it to the list.



Little Giant (Innovation Category) Enterprise

Award by the Jiangsu Province's Department of Industry and Information Technology in 2021



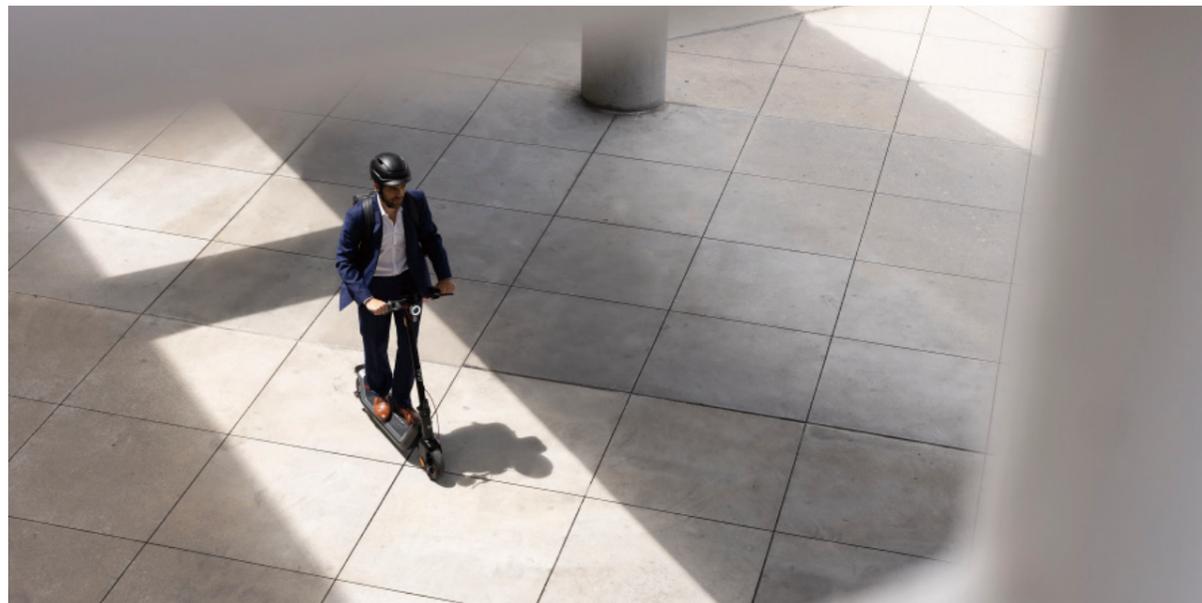
High-tech Gazelle Company

Award by the Jiangsu Province's Productivity Promotion Center in 2021



Top 50 China Concept Stocks with the Most Investment Value 2020

In the China Concept Stock Investment Value Report 2020 jointly issued by Barron's (Chinese version) and Caijing Magazine and Tiger Securities, NIU was ranked 31 in the Top 50 China Concept Stocks with the Most Investment Value 2020 with its improving overall strength and extraordinary investment value.



AWARDS

PRODUCTS: MQI SERIES



NUMBER OF AWARDS 9

AWARDS

- IF Product Design Award
- Red Star Design Award
- Good Design Award
- Successful Design Award
- DFA Design for Asia Awards
- Red-dot Design Award
- IDEA International Design Award
- Golden Pin Design Award * 2

PRODUCTS: UQI SERIES



NUMBER OF AWARDS 9

AWARDS

- IF Product Design Award
- DFA Design for Asia Awards
- Good Design Award
- Golden Pin Design Award
- IDEA International Design Award
- Red-dot Design Award
- Red Star Design Award
- Design Silver Award by National Intellectual Property Administration
- Sina Auto Best Electric Two-Wheeler of the year

CORPORATE GOVERNANCE

In 2021, we continued to improve our corporate governance and risk management systems, communicate with our stakeholders in an open and transparent manner, and implement the *Code of Business Conduct and Ethics* to achieve our long-term goals in relation to corporate governance.

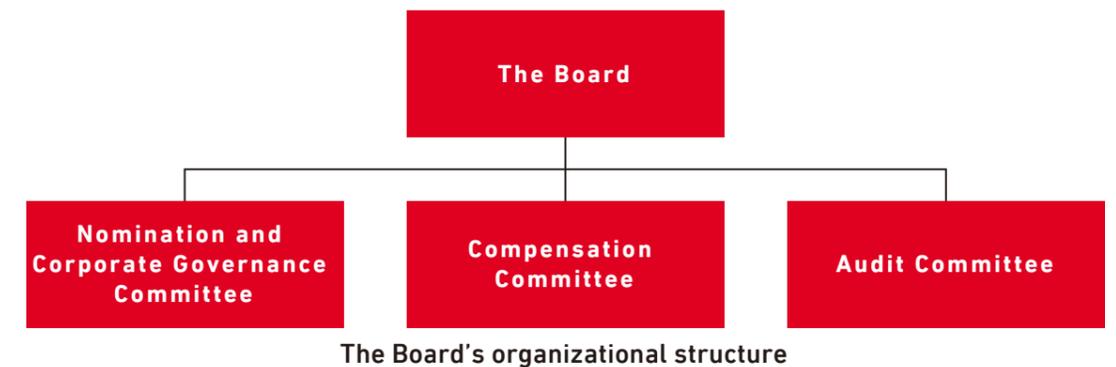


1.1. REGULATING THE GOVERNANCE ENVIRONMENT

1.1.1. A comprehensive governance structures

We believe that a comprehensive governance system provides the backbone for Niu Technologies' sustainable development. For this reason, we continue to abide by the *Company Law of the People's Republic of China*, the *NASDAQ Listing Rules* and other legislation and applicable regulatory requirements. In addition, we have put in place the *Articles of Association* and the *Board of Directors Approval and Authorization Policy*, which clearly define the responsibilities and authorities of the Board and senior management correspondingly. In accordance with these rules, the professional committees under the Board and the independent directors have played their roles in safeguarding the interests of the Company and its shareholders while also ensuring sound and sustainable growth.

Our Board includes two executive directors and four independent directors, with independent directors accounting for 67% of the total. The Board has three committees, which include the Nomination and Corporate Governance Committee, the Compensation Committee, and the Audit Committee. The members of each committee are all independent directors.



Candidates for the Board are considered and selected based on a wide range of factors, including gender, age, cultural and educational background, professional experience, skills and knowledge. The current four non-executive directors have relevant professional qualifications and extensive experience in the motor vehicle industry, finance, legal matters and business administration. Their expertise ensures that the Board effectively monitors and supervises management's processes and procedures and safeguards the interests of all shareholders, including minority shareholders.

Mr. Changqing Ye received his bachelor's degree from Huazhong University of Science and Technology and an MBA from Warwick University. 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 of PricewaterhouseCoopers. Mr. Ye is a certified public accountant in China, and he has over 25 years of experience in accounting, financial advisory and investment.

Mr. Mei-Wei Cheng received his bachelor's degree from Cornell University and an MBA from Rutgers University. Mr. Cheng was the chief executive officer of Siemens Northeast Asia, president and chief executive officer 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 has extensive corporate management experience and in-depth knowledge of the motor vehicle industry.

Mr. Julian Juul Wolhardt 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.

Mr. John Jinshu Zhang received his juris doctor degree from the University of California, Berkeley. 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 has extensive experience in mergers, acquisitions, private placements and public offerings of securities, and other sophisticated business transactions.

1.1.2. A culture of integrity

The Company strictly adheres to the principle of integrity when engaging in business and always follows relevant laws and regulations in the places where it operates. The Company has put in place the Code of Business Conduct and Ethics, which strictly regulate employee behaviors. Compliance training is required for all employees. Employees need to confirm compliance with the Code of Business Conduct and Ethics as well as other company-wide policies. To ensure integrity among our business partners, we sign an integrity agreement with every supplier or distributor before entering into a contract. This agreement clearly states that neither party is allowed to engage in any form of bribery. The Company has also set up a dedicated e-mail (audit@niu.com) to receive fraud reports. As of the end of 2021, the Company had not received any report of major fraud. Going forward, we will intensify our efforts to conduct campaigns and training in this regard to further cultivate a culture of integrity within the Company.

1.2. DEVELOPMENT OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Effective risk management can help the Company deal with risks on all fronts, carry out production and business processes smoothly, and achieve sustainability. Referring to the *Internal Control Framework* suggested by COSO and the *Sarbanes-Oxley Act* (SOX) Section 404, we continue to improve our risk management systems, strengthen the internal controls throughout the business, and cultivate a company-wide risk management culture, so as to provide reasonable assurance on the achievement of risk management objectives.

The Company has adopted a risk management structure with “Three Lines of Defense” to conduct identification and assessment of risks, including strategic risk, financial risk, market risk, operational risk and legal risk, and establish appropriate risk response measures. We have also regularly reviewed and evaluated the design and implementation of internal controls, and carried out special audits based on risk assessments.

THE “THREE LINES OF DEFENSE” SYSTEM IS DESIGNED TO ENSURE THE EFFECTIVENESS OF OUR RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS.

First Line of Defense: Operational Management Control.

As the 1st line of defense, each business department or function is responsible for carrying out their own operational and management duties, maintaining effective internal controls and executing risk control procedures on a day-to-day basis.

Second Line of Defense: Internal Control and Monitoring Functions.

As the 2nd line of defense, the departments of Finance, Legal Affairs, Quality and Safety, among others, are responsible for continuously monitoring risks, implementing internal control policies and procedures, and assisting in collecting information so as to establish a company-wide understanding of risks and internal controls.

Third Line of Defense: Internal Audit.

The Company has set up an Internal Audit department with professional internal audit team. This team regularly conducts independent evaluations and provides assurance over the operating effectiveness of the Company’s risk management and internal control systems, and it monitors and supervises management’s enhancements to the Company’s internal controls. To maintain its independence, the Internal Audit department reports to the Audit Committee on a quarterly basis.

In 2021, we continued to develop our internal control systems in all areas. Through interviews and research, risk assessments, data reviews, and IT audits, among other procedures, we obtained a thorough understanding of the Company’s overall circumstances as well as department-specific business processes. On this basis, we prepared a risk control matrix, conducted the SOX audit, identified control deficiencies and remedial measures, and formulated an internal control manual. In addition, we also engaged external experts to assist us in evaluating and testing the design, implementation and operating effectiveness of our internal controls; and no material deficiencies or weaknesses were found in our internal controls over financial reporting. We also implemented these experts’ recommendations to improve our entity-wide internal control systems.

In order to improve our staff’s risk control awareness, we carried out internal control training on this topic in 2021. During these training courses, we explained to our staff why it is important that we put in place sound risk management and internal control systems, what our strategies are in respect of risk management and internal controls, and what we are required to do under SOX. In the future, we plan to provide training sessions on internal controls that are specially designed for the Company’s critical risk area and key business processes.

1.3. EXCHANGING INFORMATION IN AN OPEN AND TRANSPARENT MANNER

Niu Technologies relies on the continuous support and trust of our stakeholders over the long term as we work to achieve a sound and sustainable growth. Strengthening communication with all stakeholders is the cornerstone of our commitment to fulfilling transparent operation responsibility. We have actively developed a smooth and transparent communication mechanism for both internal and external stakeholders, attentively listened to them and considered their feedback into our decision-making. In addition, we have set up a public mailbox to receive feedback from both internal and external stakeholders. In 2021, we continued to strengthen ties with our stakeholders through different channels to obtain a better understanding of their needs and take actions to live up to their expectations.

CASE:

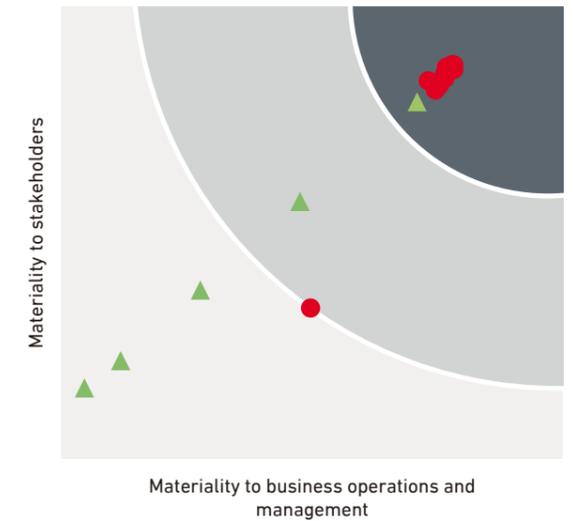
STANDARDIZING BUSINESS PROCESSES AND RAISING THE EFFICIENCY OF OUR APPROVAL PROCESSES

In 2021, we launched a business process management system that features fixed approval nodes to standardize the review and approval process, which not only shortened the approval timeframe and improved the process’s efficiency, but also reduced the amount of paper that would have otherwise been consumed. This improvement aligns with our business philosophy of green operations.



Stakeholder	Topics of concern	How we communicate with the stakeholder and respond
 Users and consumers	<ul style="list-style-type: none"> Product quality and safety Quality customer service Technological innovation Customer privacy protection 	<ul style="list-style-type: none"> Provide high-quality products and services Establish a complete customer service system and customer feedback and complaint mechanism Strengthen our information security system and protect customer information
 Investors	<ul style="list-style-type: none"> Robust growth Technological innovation Operational compliance Information security 	<ul style="list-style-type: none"> Regularly disclose truthfully and comprehensively, and endeavor to improve financial performance and profitability Strengthen communication via roadshows, conference calls, etc. Improve corporate governance and risk management
 Employees	<ul style="list-style-type: none"> Legal employment Occupational health and safety Staff development and professional training 	<ul style="list-style-type: none"> Strictly comply with the terms of labor contracts and improve the salary and welfare system Communicate the Company's policies internally to ensure openness and transparency Provide a safe and healthy work environment Provide career development opportunities and training for staff Regularly conduct surveys to receive employee feedback and provide platforms for equal communication
 Governments and regulators	<ul style="list-style-type: none"> Operational compliance Information security Charitable events Responses to climate change 	<ul style="list-style-type: none"> Comply with laws and regulations, strengthen compliance management, and respond to relevant national policies Fulfill our social responsibilities, promote environmental protection and carry out public benefit activities based on the characteristics of our business
 Suppliers and distributors	<ul style="list-style-type: none"> Operational compliance Management of ESG issues along the supply chain Product quality and safety 	<ul style="list-style-type: none"> Based on the principles of openness and transparency, fulfill our obligations under contracts and the integrity agreement, conduct procurement in an open and transparent manner, and create a responsible supply chain Provide high-quality products and services
 Peers and industry associations	<ul style="list-style-type: none"> Technological innovation Intellectual property protection Product quality and safety 	<ul style="list-style-type: none"> Strengthen exchanges and cooperation with peers to create a healthy and orderly competitive environment Participate in industrial innovation research, achieve mutual benefits and win-win, compete for top awards in the industry, and participate in the establishment of industry standards

Based on our effective communication with our stakeholders and with reference to the procedures required by the Global Reporting Initiative (GRI) for the determination of materiality, we have conducted surveys and interviews with relevant individuals to obtain an understanding of the ESG issues that our major stakeholders are concerned with. We then prioritized these topics according to their materiality in order to identify and report on the key ESG issues specific to the Company.



No.	Materiality	Topic
1	Very important	Technological innovation
2	Very important	Quality customer service
3	Very important	Information security
4	Very important	Product quality and safety
5	Very important	Intellectual property protection
6	Very important	Customer privacy protection
7	Very important	Operational compliance
8	Very important	Occupational health and safety
9	Very important	Management of ESG issues along the supply chain
10	Very important	Staff development and professional training
11	Very important	Legal employment
12	Very important	Publicity of environmental actions
13	Important	Responses to climate change
14	Important	Charitable events
15	Relevant	Resource consumption management
16	Relevant	Solid waste management
17	Relevant	Emissions management

1.4. ENSURING INFORMATION SECURITY AND PROTECTING DATA PRIVACY

To ensure information security and protect data privacy, the Company strictly abides by applicable laws and regulations in China, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, *Methods for Identifying the Illegal Collection and Use of Personal Information by Apps*, *Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications*, and the *Administrative Measures for the Hierarchical Protection of Information Security*, as well as relevant laws and regulations that apply to our overseas operations, such as the European Union's *General Data Protection Regulation* (GDPR), and federal and state privacy regulations in the United States.

In addition, we closely monitor any changes to existing laws and regulations. For example, on April 2, 2022, the China Securities Regulatory Commission (CSRC) issued the *Provisions on Strengthening Confidentiality and Archives Management of Overseas Securities Issuance and Listing by Domestic Enterprises (Draft for Comment)*; and the Cyberspace Administration of China issued the *Administrative Provisions on the Account Information of Internet Users* on June 27, 2022 and the *Security Assessment Measures for Outbound Data Transfers* on July 7, 2022. We have conducted self-inspections within the Company to confirm compliance with the requirements of these regulations.

In 2021, the Company did not experience any cybersecurity incidents or any incident that compromised customer information privacy or data privacy.

1.4.1. Information security management

Data and information security protection system

To ensure data security, we have put in place the *Management Measures for Information Security*, which is designed to help identify information security risk, standardize the process to manage information security on a daily basis, and ensure the confidentiality, integrity and availability of information and data.

- To upgrade our information security protection system, we have installed IPS¹ and anti-virus software, in addition to the Company's existing cybersecurity settings.
- With respect to access to information and data, every employee must pass a security authentication process before they can access the Company's intranet. Data protection strategies are designed depending on the type, importance and confidentiality requirements of the data. We have assigned designated individuals to manage data security and granted roles and access permissions to users that are commensurate with their job responsibilities.
- For data storage management, we have engaged a reliable third-party to store some of our data, and we have signed a confidentiality agreement with this supplier. In addition, we regularly review the third-party's independently audited information security certification reports.

Information security incident response mechanism

To effectively report, handle, investigate, evaluate, and document information security incidents, companies first need to classify them properly. For this reason, we have formulated the Management Measures for Information Security Incidents, which classifies information security incidents into three levels based on the confidentiality level of the information leaked in the incident, the impact on the business, and the magnitude of the resulting losses. This document also clarifies the process for handling incidents at each level to ensure the Company mitigates information security risks in the most efficient way.



Raising awareness to ensure information security

In 2021, we provided information security trainings to our staff on a monthly basis. During these training modules, we covered various topics, including computer virus removal, information security protection, guidelines for cybersecurity behaviors, etc. To further improve the staff's awareness of information security issues, we also sent all our staff reminder e-mails on an ad-hoc basis for staying alert to phishing attempts and new viruses.

Going forward, we will continue to improve our information security system, refine the data security levels, and enhance our cybersecurity in accordance with the Data Security Law of the People's Republic of China and the relevant laws and regulations in places where we operate.

1.4.2. Protecting user privacy

When providing diversified intelligent services through NIU INSPIRE, we obtain personal and private information from customers around the world, and we have recently increased our focus on protecting this information. To this end, we collect, store, process, and use customers' personal information in a legitimate, fair and transparent manner.

- We collect customer data based on the "minimization" principle, ensure that we inform users of our data collection, and obtain their authorization for data usage.
- We only use the data we collect for specific, explicit and legitimate purposes, and we absolutely do not use such data for other unknown purposes.
- We deploy servers in several locations, and perform anonymization, encryption, desensitization, and other necessary procedures over user data that we store. In addition, we do not retain such customer data beyond legal retention period.
- In our daily operations, we take various measures, such as system access control, information desensitization display, and closed-loop management, to avoid customer information leakage.

¹ IPS: Intrusion Prevention System, is a cybersecurity device that serves as a supplement to antivirus programs and packet filters (an application gateway). This computer-based cybersecurity device monitors the network and data transfers between different devices on the network; and it promptly interrupts, adjusts or isolates certain abnormal or harmful data transfers.

SOCIAL RESPONSIBILITIES

Niu Technologies focuses on living our CSR values in daily operation, and putting our commitments into action through product responsibility, care for employees, supply chain management and public welfare activities.



2.1. INNOVATION-DRIVEN

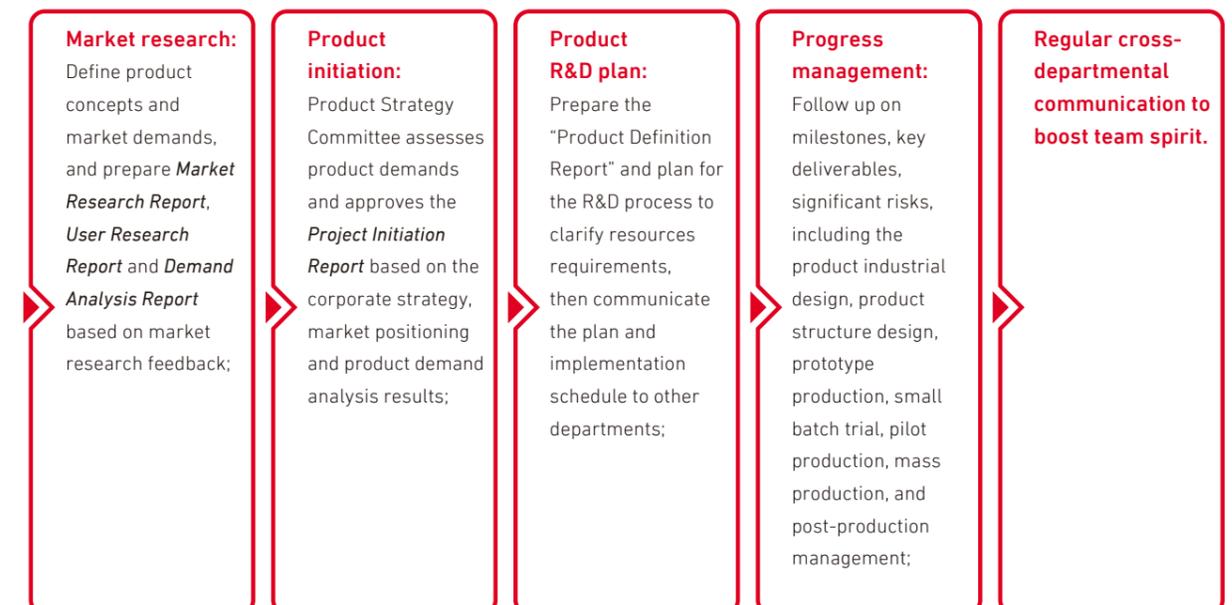
With a mission to “create premium e-scooters of this era leading in technology and design”, the Company is committed to delivering lighter, smarter and more distinctive products based on independent research and development (R&D), design and manufacturing. We redefine the industrial standards by integrating technology and fashion on the basis of the essential elements of two-wheeled electric vehicles. The classic MQi has become the only transportation product that won seven global design awards in the past 20 years. In term of technological innovation, we draw on well-developed and mature technologies from the automotive field while combining intelligent features to realize the integration of vehicle electrical system and OTA software upgrades. We also increased our investments in developing vehicle-machine system, mobile application interaction and BMS battery management to bring exquisite driving experience to users and have gained positive feedback.

Niu Technologies continues to increase investments in R&D and innovation, and R&D personnel account for **31.9%** in 2021 compared to 27.8% in 2020.

2.1.1. Independent R&D

We emphasize integrated design for vehicle development, keeping the same main frame which could adapt to same wheel train, shock absorber brake, battery, and other parts to reduce complexity in production and waste of resources caused by too many types of stock-keeping units.

Process-wise, the Company has established an integrated product development process to shorten R&D cycles of new products and reduce wastes of R&D resources:



CASE:

G2S: LIGHTER E-SCOOTERS WITH LONGER BATTERY RANGE

Based on the new national standard for electric bicycles, we upgraded the design of G2’s main frame by replacing the double-tube cradle-type frame with a single-tube plus double-tube frame, and continuously optimized the strength of the frame through multiple bench vibration tests. Finally, we succeeded in reducing the weight of main frame by 1kg to provide more space for configuring battery and further prolonging driving range. The newly designed e-scooters have been launched in 2022.



One of the Company's directions for innovative R&D in the future is to manufacture lighter e-scooters. We initiated the idea of "lithium-ion battery revolution" when we first launched the Niu N1 products. Using lithium-ion batteries designed for vehicles, the entire battery pack is lighter, allowing users to charge the battery pack more conveniently while prolonging driving range.

2.1.2. NIU Smart™

The independently developed NIU Smart™ is the essence of Niu Technologies' smart vehicles. It integrates a mega-sized database, NIU IoT, Cloud ECU intelligent central controller to continuously analyze riding data, optimize riding experience and enable Niu Technologies' e-scooters to become genuine smart two-wheelers.



NIU Smart™ focuses on delivering smart experience that is safer, healthier, more convenient and joyful. We believe that smart technologies are not just cold parameters nor stacked hardware configurations, but pleasant experience considering riders' each use scenario. NIU Smart™ keeps innovating and centres on users to deliver more pleasant riding experience and smart technologies that **know users better**.

Through NIU Smart™, we have achieved intelligent control, precise positioning and real-time tracking of our e-scooters:

Remote start-up and shutdown	<ul style="list-style-type: none"> Connect via Bluetooth to start an e-scooter, automatically unlock and lock the scooter to effectively avoid theft by placing a mobile phone near the e-scooter When a non-owner uses the e-scooter, the owner can share his or her account to remotely unlock and turn on the power or unlock the scooter lock and turn off the power through a smart application When a non-owner uses an e-scooter for a long time, he or she can apply for permission to operate the smart application as a visitor and use the e-scooter independently
Precise positioning	<ul style="list-style-type: none"> Leading three-mode positioning chips in the automotive industry Positioning through GPS and base stations Precise positioning within 5 meters
Disturbance alarm	<ul style="list-style-type: none"> Effective filter of useless information and reduction of false alarm with an intelligent central controller 13 sensory nerves all over an e-scooter, which can effectively detect whether the vehicle is tilted Customizable alert sensitivity
Theft blacklist	<ul style="list-style-type: none"> Blacklisted stolen e-scooters or batteries are hard to resell

We achieved the following functions to ensure safe driving based on NIU Smart™:

- Navigation projection screen for riders to concentrate on their riding
- Thanks to the brand-new central control and electronic system, the intelligent application automatically gives commands and monitors an e-scooter's electronic system, sensor, instrument, powertrain and lock control, identify issues, and report for repairs with one click
- By installing a tire pressure monitor, changes in tire pressure can be monitored in real time, any abnormality is immediately displayed on the instrument panel
- Through the advanced BMS intelligent battery management system, battery health status is intelligently analyzed and detected.

Stolen e-scooter recovery function

The risk of e-scooters or batteries being stolen is one of the most worrying issues for consumers. Niu Technologies is seriously concerned about this user demand, and we have been exploring and improving the "intelligent security system" based on NIU Smart™. Users are enabled to report the theft through the NIU App, then their stolen scooters will be remotely locked immediately. For battery stolen cases, users will be guided to report the case to the police. After verifying the authenticity, Niu assistant will provide the real-time location of the stolen battery and update the police with relevant information required for investigation to recover the stolen battery.

We have also established a dedicated channel to work with the police. After the police has filed a case, users can add the WeChat account of "Niu Technologies and Police" to facilitate cooperation with the police for quick investigation.

Users are guided to report the case to the police after report of theft

The official WeChat account to assist in the police investigation

From 2016 to 2021, we received 9,761 reports of battery thefts and 16,024 reports of vehicle thefts through the theft report module of NIU App. We will continue to do everything we can to assist our users in recovering stolen e-scooters and batteries.

Number of theft reports received through NIU App		
Year	Number of reported battery thefts	Number of reported vehicle thefts
2016	142	422
2017	622	1,065
2018	2,114	2,278
2019	2,226	2,963
2020	2,048	3,920
2021	2,609	5,376
Total	9,761	16,024

2.1.3. “Lithium-ion battery revolution”

Niu Technologies has been promoting the idea of green travel. As the first electric two-wheeler brand in China to initiate the “lithium-ion battery revolution”, Niu Technologies has been applying the big data to identify the weakest point in battery performance. We analyze the riding data from our smart e-scooters to refine the critical point of discharge within the safe range of the battery, develop our proprietary energy efficiency matrix PACK, dynamically calibrate the intelligent BMS chips, optimize the charging dynamic balance algorithms, and integrate our EBS kinetic energy recovery system, motor, and power control unit. Major systems work together to comprehensively improve batteries’ driving range, power, lifespan, safety and other performance indicators. From laboratory to reality, we are translating theoretical values into optimized performance and enhanced function and security of lithium-ion batteries.

Niu Technologies’ lithium-ion batteries perform better than traditional lead-acid batteries:

- High charge/discharge rate: Lithium-ion batteries charge or discharge 3–6 times faster than traditional lead-acid batteries;
- Smaller and lighter: A lithium-ion battery is usually 1/2 the size and 1/3 the weight of a lead-acid battery with the same capacity;
- More recharge cycles and longer lifespan: Recharge cycles of a lithium-ion battery are 3–6 times that of a lead-acid battery;
- Environment-friendly: Lithium-ion batteries are made of green and non-polluting materials, while lead-acid batteries may cause serious environmental pollution in later use.

In 2021, we cooperated with suppliers to introduce lithium manganese iron phosphate (LMFP) batteries to avoid environmental impact caused by the excessively concentrated development of cobalt and nickel resources. LMFP batteries have the following advantages:

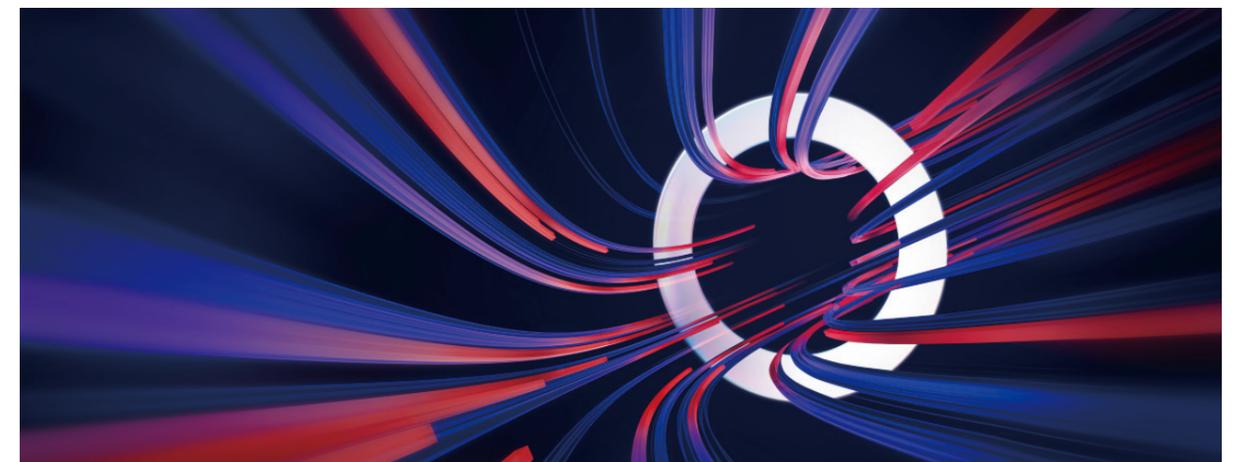
- Enhanced safety: LMFP materials contain olivine-type structured crystals which are stabler and safer compared with other cathode materials such as ternary;
- Enhanced performance: LMFP batteries are safer and significantly improved in terms of voltage platform, energy density and low temperature performance compared with lithium iron phosphate (LFP) batteries, and the recharge cycle is significantly increased compared with other materials such as ternary;
- Decobaltization: Effectively reduce the cost of battery packs by not relying on the precious metal cobalt.

In addition to focused R&D on lithium-ion batteries, the Company is also interested in the R&D and innovation of traditional non-lithium-ion batteries. In 2021, the Company launched a new model of e-scooters equipped with a graphene battery with a driving range of 100 kilometers on a single charge, which is a leading lead-acid battery in the current market.

Meanwhile, the NIU Energy™, an AI powered lithium-ion battery system independently developed by Niu Technologies, integrates several independently developed technologies to create better driving experience by lighter and safer batteries with longer range, longer lifespan and stronger power:

- Based on more than 900 billion riding data, we have effectively explored proprietary energy efficiency, and configured selected 18650 automotive-grade lithium-ion batteries to provide prolong driving range;
- We analyze the data of 400 million battery cells in our e-scooters travelling around the world every day and maximize the performance of each battery cell while protecting the battery health and accurately controlling the battery status. With the help of energy efficiency matrix PACK, dynamic AI self-learning BMS intelligent battery management system and charging dynamic balance algorithms to prolong use life;
- Exclusive BID authentication and independent battery positioning chip to monitor battery location and status anytime, anywhere;
- The unique NIU Boost technology reduces wastage while enabling more efficient and smoother power output.

We are also the first to use V-pole motors in the two-wheeler industry. V-pole motors adopt the original motor rotor technology in the industry and combine the controller’s field weakening control technology to significantly improve the performance of the whole vehicle. Compared with traditional in-wheel motors, the peak value torque of a V-pole motor is increased by more than 25%, and the proportion of high-efficiency area (the range of motor efficiency > 80%) is increased by more than 50%.



2.1.4. Creative industrial design

In the context of industrial design, we use coherent and dynamic lines as well as concise and hi-tech design techniques to create stylish electric two-wheelers and provide more young people with a trendy new way of urban travel. We have also used basic geometric elements in an innovative way to equip our e-scooters with decorative lights, create a visual experience of future technology, and use saturated face design to make our e-scooters more accessible.

To reduce environmental pollution caused by upstream painting process, the spray-free injection moulding technology was partially applied for the surface spray-paint. The final appearance is directly injected through moulding based on the masterbatch color. Coupled with a layer of UV spraying, the product could reflect the paint texture. This breakthrough is a result after repeated tests and adjustments of the masterbatch color to address issues of low color saturation and poor weather resistance. In 2021, we succeeded in developing ABS enamel white materials to achieve the traditional coating effect by only applying protective oil on the surface of materials.

In addition, the rear footrest of the scooter is made of plastic-steel PC to reduce the weight. Colored PP is used to reduce environmental pollution caused by painting and for other PP parts, we also try materials with stronger weather resistance such as ASA. The front rim is made of aluminium and steel composite to significantly reduce the use of aluminium while meeting performance requirements.

2.1.5. Intellectual property protection

As one of the Company's key intangible assets, intellectual property right is a soft power for us to excel in the industry. We promote innovation and highly value the protection of intellectual property rights. We proactively protect the intellectual property rights of the Company and our customers, and also respect the intellectual property rights of others.

We strictly abide by relevant laws and regulations in the places where we operate, establish a systematic and structured system for intellectual property rights management, and formulate the *Intangible Assets Management Rules* to clarify the Company's management standards for protecting intellectual property rights including patents, trademarks, copyrights and non-patented technologies. Measures also implemented by the Company to manage intellectual property rights include patent summary and writing training, FTO² analysis for important projects commissioned and advanced deployment of trademark and brand strategies.

The Company has established a series of measures for protecting intellectual property rights from infringement identification to rights protection to safeguard the Company's rights in a systematic and legal way:

Infringement identification:

Business departments identify infringements during daily operation and report to the Company's Legal Department;

Rights protection planning:

Legal Department verifies the situation and works with external law firms to conduct an assessment and generate a written report on the infringement, and form corresponding solutions subject to the nature and extent of the infringement;

Rights protection implementation:

Legal Department leads the process and takes legal actions against major patent/trademark infringements; sends legal letters to those involved in minor infringement; and lodges complaints against personal infringements on third-party e-commerce platforms.

As of the end of 2021, the Company has acquired a total of 572 patents and software copyrights, and 552 registered trademarks. During 2021, the Company acquired 167 patents and software copyrights, and 350 registered trademarks.

2 FTO: Free To Operate



2.2. OUTSTANDING QUALITY

We have been paying undivided attention to product quality in strict adherence with laws and regulations, including the *Product Quality Law of the People's Republic of China*, *Work Safety Law of the People's Republic of China*, and safety specifications for electric motorcycles, electric mopeds and electric bicycles. We have formulated a quality management system for incoming material inspection, process inspection, after-sales feedback and product performance upgrades, and we are committed to pursuing the best product quality.

In 2021, the pass rate of incoming materials increased by 0.09 percentage point compared with 2020, demonstrating the improvement in suppliers' supply capacity. The first pass yield of products has increased by 1.48 percentage point, demonstrating a significant improvement in the production and manufacturing capacity. The market failure rate has decreased by 0.86 percentage point, indicating the improvement in the stability and reliability of product. During 2021, no product of the Company had to be recalled due to product safety concerns.

2.2.1. Quality control of incoming materials

We comply with the *IQC³ Inspection Manual* in controlling incoming quality of materials from suppliers and conduct 100% full inspection of important parts, and full or random inspection of appearance, size, assembly and function of other materials according to the material classes. We regularly audit suppliers of substandard materials and keep urging their rectification and improvement.

The quality control of battery packs is of paramount importance to the Company. We adopt the self-developed intelligent battery inspection system for 100% full inspection and require inspectors to use special inspection software to test various parameters and software of battery packs according to the established battery pack inspection standards. The Company conducts special trainings for inspectors from time to time to ensure their professionalism.

3 IQC: Incoming Quality Control



2.2.2. Production quality management

We focus on key process controls in the production and assembly process when performing process inspection. IPQC⁴ confirms the material status of the e-scooter, the consistency of key parts and the operation of each key process in the first round of inspection. We use professional fixed-torque equipment for the critical torque that is difficult to control in the production. During IPQC's first round of inspection, the torque of key production processes will be monitored simultaneously. IPQC will then conduct inspections every 2 hours and form a record.

After the completion of the final assembly, we carry out four rounds' inspections including line tail inspection, final inspection, road test and distribution inspection of the product according to the *Inspection Instructions and Appearance Inspection Standards* to ensure the quality of the vehicle.

In 2021, the Company adopted the following measures to optimize quality inspection management:

- Build a fully automatic in-factory road test equipment to automate test process, optimize riding safety and test timeliness;
- Establish a data storage system for inspecting process cards to facilitate the tracking of subsequent quality issues.

2.2.3. Feedback and improvement on product quality

For product quality issues reported by customers, we deal with them according to the *Customer Consultation and Complaint Management Rules*. The CQE⁵ includes customer complaints collected from sales or after-sales channels into the QMS quality management system, and conducts internal analysis, tracking, feedback, summary and leads the plan to promote the improvement of product quality. A list of customer complaints and feedback is generated on a monthly basis.

⁴ IPQC: InPut Process Quality Control

⁵ CQE: Certified Quality Engineer

2.3. CUSTOMER SERVICES

As the world's leading provider of smart urban mobility solutions, we focus on customer service management and are committed to continuously improving customer service quality and optimizing customer experience. To standardize customer services management, we have established a series of systems including the *Products and Services Management System*, *Customer Consultation and Complaint Management Rules* and *Services and Business Support Management System* covering online and offline processes before, during and after sales.

2.3.1. A robust system of customer services

We treat customer feedback or complaints in any form seriously. Customers can voice their complaints or recommendations through online sales platforms (e.g. Tmall, JD.com), Weibo feedback, customer service hotline (400-6388-666) and online applications. Upon receipt of customer complaints or feedback, our staff respond quickly in accordance with the *Customer Consultation and Complaint Management Rules* to ensure timely and effective handling of customer complaints and feedback, thereby promoting quality improvement for better service quality and higher corporate reputation.

- Service Center: Responsible for collecting, processing, verifying and analyzing information related to customer complaints on the market, the center will then report the information promptly to the Quality and Technical Department, and follow up on the effect of the customer complaints improvement plan.
- Quality and Technical Department: Confirms and analyzes the quality-related information reported by the service center, formulates improvement plans for customer complaints, tracks and verifies the results, and regularly reports to the Company's senior management on the handling of major customer complaints.
- Other responsible departments: Responsible for analyzing the reasons for customer complaints, formulating corrective and preventive measures for rectification and implementation.

In response to the demand for return and exchange, we have also formulated documents for online return, exchange and secondary sales.

2.3.2. Response to customers' feedback and satisfaction

To further understand customer demands and expectations, and improve both customer experience and business value, we conduct customer satisfaction surveys every year to collect and evaluate customer comments and feedback. During the Reporting Period, we conducted customer satisfaction surveys through telephone interviews, application push messages and wxj.cn, and received more than 20,000 questionnaires that focused on store service, e-scooter quality, repair and maintenance experience, customer service quality, etc.

The Company takes user experience and feelings in using our products into full consideration during the R&D process, therefore, we conduct market research and user research after product R&D and product launch to guide the R&D team in considering issues from the users' perspective and having a deeper understanding of customers' needs.

CASE:

UPGRADE OF BATTERY AI ALGORITHMS IN RESPONSE TO USER FEEDBACK

In 2015 when we introduced the first e-scooter N1, lead-acid batteries were still widely used in the industry. Users were unable to predict the remaining range of the battery due to inaccurate power display. To address this concern, we changed the traditional five-grid battery display to battery display in percentage, so riders could make an estimate of the remaining mileage with confidence.

At the end of 2021, we made further technological innovations in estimated remaining mileage of the e-scooter in response to user feedback and introduced machine learning AI algorithms to dynamically adapt the estimated remaining mileage based on users' riding habits. This feature has been open for upgrade since June 2022.



2.3.3. Diversified and comprehensive services

Niu Technologies is committed to providing users with comprehensive and customized after-sales services. We created after-sales service brands such as NIU Care, NIU Cover, NIU Wash and established a new industry benchmark in reference to the after-sales service system of the automotive industry.



NIU Care is a brand under which we provide customers with more extensive maintenance services and professional emergency rescue based on riding data and the principle of intelligence, standardization and customization.



NIU Cover is a personal and vehicle insurance service tailored to Niu Technologies' customers and the only insurance brand that integrates driver safety, third-party safety, and vehicle safety in the industry of electric two-wheelers.



NIU Wash is a service open to all users of Niu Technologies, and users are entitled to 2 e-scooter wash coupons every month to enjoy free e-scooter wash service at designated stores.

2.4. CARE FOR EMPLOYEES

2.4.1. Promoting employment equality and diversity

People are valuable assets and we always put our people in roles that best fit them. They can do their best while pursuing a desired career path at the Company. The Company strictly abides by labor and social security laws and regulations in the places where we operate. In addition, we have developed our own employment management policy, based on which our human resources management approach is developed.

Employment management and diversity

We prepare our recruitment plan according to our annual business plan. We recruit employees through external recruitment and internal referral in a fair, just and open manner. We provide equal employment opportunities to people across genders, ages, races, religious beliefs, nationalities, or people with disabilities, and recruit people based on their merits. In addition, we strictly implement the "equal pay for equal work" principle; prohibit the practice of child labor, forced labor or any sort of discrimination.

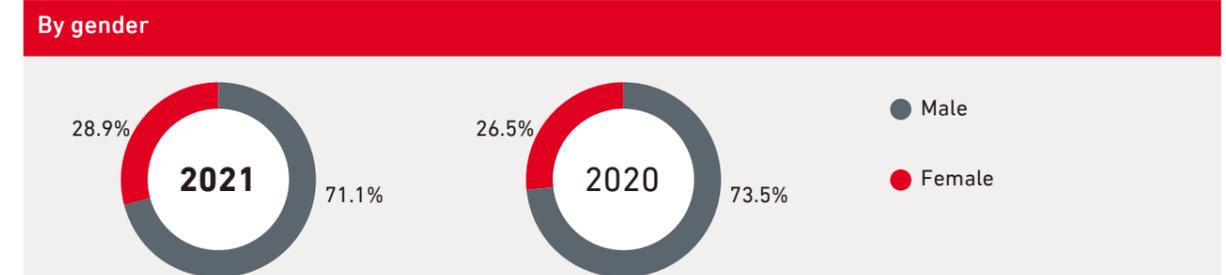
We have developed a digitalized human resource system to help new recruits obtain a quick understanding of the Company and help them fit in. The system can automatically push onboarding guidelines to new recruits and allow them to submit documents online. It also provides an open knowledge library, and a chat bot to answer their questions.

We do not impose any employment restrictions on employees who have left or going to leave the Company, except for non-compete covenant with certain individuals previously in a key role before leaving the Company. In addition, the Human Resources Department conducts interviews with leaving employees to understand the reasons for leaving and receive any feedback from them in respect of the Company's operations. We regularly compile employee turnover data to continuously improve and optimize our human resources management approach.

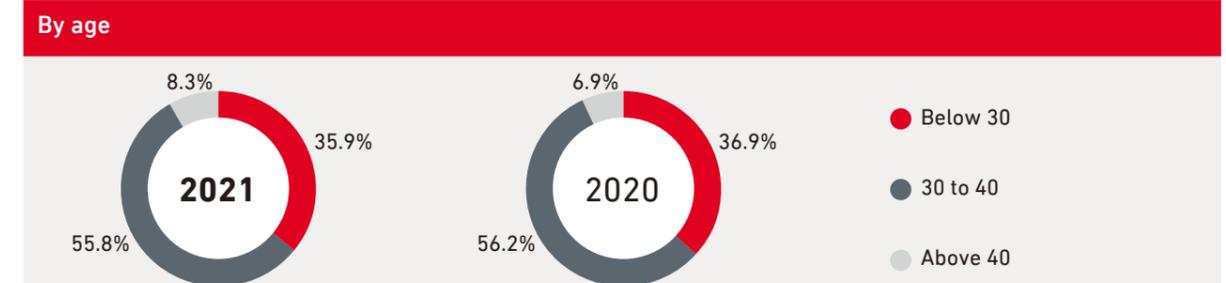
In 2021, the Company had a total of 702 employees and signed employment contracts with all of them. We have also provided appropriate posts to 8 people to suit their different physical condition.

The Company had 203 female employees or 28.9% of total employees were women. The Company's CFO, one of the three key senior management personnel disclosed in our 2021 annual report, is a woman. We fully understand the challenges faced by women in their work and life, and we provide our female employees with additional benefits, for example, extra holiday on the International Women's Day and a gift to female employees on that day, additional items in women's annual medical examination plan.

Staff category	2021	% of total employees	2020	% of total employees
Total	702	100%	623	100%



Special employees	2021	% of total employees	2020	% of total employees
Individuals from an ethnic minority group	19	2.7%	10	1.6%





2.4.2. Employee remuneration and benefits

We are committed to providing our employees with a more attractive remuneration and benefit package as we encourage them to pursue a better and happier life. While raising their sense of belonging and happiness, we continue to enhance our cohesiveness as we:

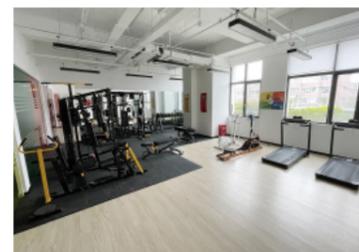
- Contribute to social insurance schemes (including pension, medical insurance, unemployment insurance, job-related injury insurance and maternity insurance) and housing fund as required. We contribute to the housing provident fund at the highest local rate. We have also kept purchasing supplementary medical insurance for our employees for years;
- Ensure every employee's right to rest and take leaves, including annual leave and national public holiday entitlements;
- Implement the standard working hour system, and formulate the *Attendance Management System*;
- Help employees complete the formalities required for obtaining a residence permit, household registration or subsidy under the local government's talent scheme;
- Hold activities or events, including an annual dinner every year, a mini birthday party for employees every month, a tea break every afternoon, and team building activities from time to time (subject to mandatory measures to prevent and control COVID-19);
- Provide employees with a gift card or gift box on important holidays and festivals, and prepare exquisite gifts on the first day, 3rd and 5th anniversaries of employees joining the Company.
- Create a relaxing and comfortable working environment and improve auxiliary facilities, including setting up a gym, a yoga room and food delivery lockers; providing clean dining space; and placing a coffee machine and a beverage machine in the office area.



Birthday party for employees



Canteen



Gym

2.4.3. Employee development and training

Career development

We allow every employee to pursue his or her career development at the Company and realize their value in areas they specialize by unleashing their potential. We have established a qualification assessment and review mechanism, under which we conduct a talent assessment and review at the beginning of each year. Those with great potential and excellent performance will be promoted to higher positions or grades, and promising talents will be singled out for training. Employees are promoted vertically in their professional field.

To motivate talents to grow along with the Company, we have also adopted a number of incentives including pay raises, stock incentive plans, delegation of management duties, and access to certain training courses.

Going forward, we will further refine our talent assessment and review mechanism and carry out customized trainings for various talents to promote a diversified workforce.

Employee training

We continue to consolidate internal and external resources to meet the needs of our employees for further professional development and develop a multi-dimensional and wide-ranging training system that are designed to cover all employees and equip them with the knowledge and skills required to support the Company's sound and sustainable growth.

We offer training sessions in both e-learning and classroom forms, including induction training for new recruits, and engaging external professional organizations to provide management trainings for middle and senior management personnel. Participants must pass an assessment test to complete a course. In addition, we carry out special trainings at least twice a year subject to work or project requirements. We also conduct professional workshops from time to time at the departmental level if the need arises as our business grows.

Going forward, we will continue to extend our training in terms of topics and types, develop a one-stop training platform, and accumulate learning resources to help our people grow.

2.4.4. Occupational health and safety

The Company strictly abides by relevant laws and regulations on occupational health and safety in the places where we operate. We have formulated a work safety and occupational health policy, which covers risk assessment and control, equipment and facility safety, operational safety in special environments, safety education, safety inspection, potential risk mitigation, and contingency plans for safety incidents. This is designed to ensure that the Company creates a safe working environment.

In 2021, we identified, summarized and classified risky behaviors that were likely to cause a safety incident at the production site, and prepared the *Ten Red Lines for Ensuring Work Safety at Factories* to report our findings in a concise way. In 2021, no work-related injuries that were significant or that were more than significant occurred at the Company.

Safety management mechanism

In addition, we have set up a work safety steering group, which is composed of the persons in charge and head of each production-related department. The group is responsible for planning and coordinating efforts to ensure work safety. A work safety office under the group is responsible for communicating with the designated individual of each department to implement work safety measures on a daily basis.

Responsibilities of the work safety steering group include:

1. Implement occupational health and safety laws, regulations and policies of the state and local governments, review and approve the annual work safety plan and long-term goals to ensure work safety, and coordinate and supervise the implementation of work safety measures;
2. Meet regularly to hear reports on how the measures are carried out to ensure work safety at the Company, analyze and decide on major issues identified, and check the Company's progress in implementing the annual work safety plan;
3. Investigate into major safety and environmental pollution incidents and resolve any issues identified; and ask group members to meet in the event of an emergency.

Work safety goals

In 2021, we focused on work safety standardization through site management. We invested more resources in work safety to implement measures and procedures, enhance trainings and education, carry out on-site supervision, inspection and rectification, and conduct emergency drills and safety campaigns. Thanks to these efforts, we provided a safe working environment, with no major casualties reported in the year.



Unblocked fire-fighting devices

Safety inspection and assessment

The Company's *Accountability System for Work Safety* is designed to cultivate a sense of accountability for employees at all levels. We strictly implement the "one-vote veto system" for safe production to prohibit all sorts of non-compliance with regulations and disciplines. To ensure attainability, our work safety goals are divided into subgoals assigned to employees at different levels. We conduct a quarterly inspection that covers on-site workers' compliance with operating standards, normal operation of facilities and equipment, and proper placement of products and shelves.

In 2021, we carried out a corporate investigation into potential risks. As a result of the investigation, more than 60 low to medium potential risks were identified which were appropriately addressed within the year.



Fully equipped miniature fire stations

Raising safety awareness

Every employee or outsourced individual is required to develop a sense of accountability for ensuring work safety. To do so, we have carried out safety training as part of the onboarding process for new recruits, as well as regular and special trainings for employees. We have used real-life scenarios to achieve better training quality and results through on-site sessions and informal discussions.



Stacked inventories to keep a fireproofing distance



Safety training to new recruits as part of their onboarding process



Fire-fighting training



Safety lecture to visiting representatives from our suppliers



Safety training on operating a forklift



On-site safety training at one of our factories

We have prepared a contingency plan and drill plan based on our unique working environment. In September 2021, we developed the *Niu Technologies' Contingency Plan for Safety Incidents* to clarify the organizational structure and responsibilities for handling emergencies. We established a mechanism for prevention and early warnings, and emergency response, and emergency drills were appropriately scheduled according to the drill plan.

Battery safety control

Given the characteristics of battery products, we have imposed additional safety controls, including:

Precautionary measures

- We have built separate battery warehouses on the periphery of our factories, and partitioned them by walls into small spaces;
- These warehouses are equipped with smoke or infrared detectors, which can send alerts automatically to the on-duty personnel;
- We place water cannons inside and fire hydrants outside the warehouses;
- New batteries are subject to voltage, current, temperature or other parameter tests before they are put into storage, and they are charged to around 50%;
- We have set up a power supply area in a corner of our factories, and placed a special explosion-proof battery charging cabinet there;
- All batteries are stored in a dedicated battery explosion-proof cabinet.

Management measures

- Batteries are forbidden to be taken to any e-scooter plant, as the vehicle assembly process does not involve battery assembly;
- Batteries are not allowed to be stored overnight in any places other than battery warehouses;
- A safety inspection is carried out on fire-fighting devices at the battery warehouses on a weekly basis;
- Security personnel patrol around every 2 hours during non-working hours.

Emergency measures

- We have established a battery fire emergency response process and an emergency rescue team to ensure that emergency resources are allocated in a timely manner;
- We regularly conduct trainings and drills to ensure that all our employees perform their duties and appropriately respond to incidents.

CASE:

SAFETY DRILLS TO REINFORCE EMPLOYEES' RESPONSE TO EMERGENCIES

On 27 October 2021, we carried out a fire drill that involved all our staff at the factory in Changzhou. In the drill, we went through the whole process from reporting, evacuation, fire extinguishment, and transfer and treatment of the wounded. The drill has reinforced our employees' ability to respond and escape during a fire, explosion or other emergencies.



Photos from the fire drill

COVID-19 preventive and control measures

In order to improve our ability to prevent and control the COVID-19 pandemic, standardize our work processes and procedures during the pandemic, mitigate or eliminate any harm or impact caused by any emergency, and ensure our people's health and safety, we have prepared the *Niu Technologies' Plan for Preventing COVID-19*, and set up an emergency response steering group. Policies are in place to clarify the responsible personnel and administrative measures for working at the office, working from home and working on site, mechanism for purchasing medical supplies and response under special circumstances has been established. We have taken the following measures:

- Disinfect the office area at least twice a day;
- Mobilize employees to receive nucleic acid tests and encourage them to get vaccinated as required; and
- Closely monitor the latest COVID-19 development and send alerts to all staff.

2.5. OUR PARTNERS

2.5.1. Supplier management

The Company abides by relevant laws and regulations of the places where we operate and has put in place the *Supplier Management System* to standardize the processes of supplier development, selection, evaluation, review, rectification, and replacement. We partner with suppliers in an open manner to achieve mutual benefits and win-win results and are committed to maintaining a long-term stable relationship with reliable suppliers.

As of the end of 2021, we had partnered with a total of 272 suppliers, including 78 of structural parts, 78 of standard parts, 66 of electronic parts, and 50 of electrical parts.



Supplier development and admission

We develop and select suppliers in a fair and just manner. We will consider potential suppliers that are able to provide high-quality products and services and prepare a *Prequalification Form for Potential Suppliers* to provide a preliminary opinion on the qualifications of each potential supplier. The relevant departments of the Company will conduct a review of each shortlisted supplier in terms of its product and service quality, process technology, and business condition, then select better ones for future partnership. We will sign an *Integrity Agreement* and *Quality Assurance Agreement* with each of the admitted qualified suppliers, and separately sign a *Warranty Against the Use of Prohibited Substances* with each special supplier.

Routine management of suppliers

To a supplier who has an unacceptable defect rate of incoming materials, or has repeated records of a same defect, or causes a major customer complaint, the SQE⁶ will issue a *Supplier Quality Feedback Form*, requiring it to make rectifications within a time limit. To suppliers with poor performance, we will carry out on-site assistance to ensure that issues identified are solved in a timely and effective manner. In addition, the SQE will provide on-site trainings to suppliers on any update to our technical or quality requirements.

Annual audit of suppliers

Suppliers are classified into three tiers and managed according to the impact their offerings would have on the safety performance of our products. In every December, we prepare a *Schedule for On-site Audit of Suppliers* for the following year and conduct an on-site audit annually for tier one suppliers, every two years for tier two suppliers, and every three years for tier three suppliers. Our audit also covers suppliers of critical parts, OEMs, or those caused a major customer complaint or quality incident in the previous year. During the on-site audit, the SQE will prepare a *Rectification Plan Based on the On-site Audit of Suppliers* to list the issues identified and require suppliers to respond to the rectification plan in a timely manner. Within one month from the audit, we will perform a re-evaluation and replace those that are still unqualified.

Supplier ESG management

To take environmental and social responsibilities into account during the supplier admission and annual audit, the Company's Quality and Technical Department reviews the supplier's quality standards and certificates (including IATF 16949, and ISO 9001 or equivalent third-party certifications), environmental protection certificates (Environmental impact assessment for construction projects), and the 3C⁷ certification. In addition, we are concerned about how well our suppliers like paint or electrophoresis factories ensure their employees' occupational safety and health. Going forward, we will continue to improve our review of suppliers' performance in environmental and social aspects.

⁶ SQE: Supplier Quality Engineer

⁷ 3C: China Compulsory Certification

CASE:

SELECTING AN ENVIRONMENT-FRIENDLY FURNITURE SUPPLIER

When building an overseas store, we select HEMI, a Netherlands-based furniture manufacturer, as our furniture supplier. HEMI promises that a significant proportion of their products are made from FSC certified wood and ECO-Boards.



2.5.2. Management of retail channels and stores

Compliance management

As of the end of 2021, Niu Technologies had a total of 3,108 exclusive franchise stores in China. We pay close attention to these stores' operation and compliance management:

Compliance training	Nearly 2,000 staff members from 1,492 newly opened stores in 2021 have received compliance training and passed the compliance examination.	
Third-party agencies were engaged to conduct three nationwide inspections of our stores	825 stores inspected in Q2 2021	
	792 stores inspected in Q3 2021	
	2,380 stores inspected in Q4 2021	
Regional managers regularly visit and conduct inspections of local stores	1,816 stores inspected in Q1 2021	Inspection covers: Customer service quality Fire prevention Charging safety Illegal modification
	2,116 stores inspected in Q2 2021	
	2,586 stores inspected in Q3 2021	
	3,008 stores inspected in Q4 2021	



Store inspection

As a global leading provider of urban mobility solution, we regularly review more than 150 overseas flagship stores and premium stores annually. We have reviewed 30% of them either through on-site inspections carried out by local employees or through photos taken and provided by the store staff during the pandemic. Our review mainly covers price tag listing, presentation of company brochures to customers, battery warehousing management, and store cleanliness.

Technical support

We have set up a professional technical team to support the operation of the 3,108 exclusive franchise stores in China. The team provides product and technical trainings to improve the stores' after-sales services, obtains and consolidates feedback from customers in a timely manner, and urges the Quality and Technical Department to provide effective solutions to our customers' pain points and improve customer satisfaction. In 2021, we held more than 50 special training sessions on product technical services and skills of maintenance personnel, compiled 78 product technical documents, replied nearly 14,000 inquires related to maintenance skills, identified 590 pieces of customer feedback, and followed up 237 of them to complete upgrades to our products.

For overseas distributors and dealers, we have developed the "NIU Academy" learning platform, which provides various learning activities designed based on different series to promote sales partners' thorough knowledge of our products and provide guidance on how to offer professional after-sales maintenance services to end customers. In 2021, our overseas partners have completed more than 2,000 activities on each of which an average of 2h 40mins was spent. Moreover, our technical support team has also arranged practical training courses to fulfil special training requests from our overseas partners.

IT assistance

In order to provide our major channel partners with better operational support, we have independently developed store and dealer management systems. Our retail management system (RMS) can fully support the whole process of running a retail store from its setup, purchases, marketing campaigns, warehouse maintenance, after-sales service orders to accounting treatment. There are two sections under our order management system (OMS): one for domestic orders and the other for overseas orders. The domestic pre-sale and after-sale modules provide support for distributors' purchases and sales returns and exchanges. We have been enhancing other features for the overseas section in addition to the existing function of contract and order management.

2.5.3. Exchanges with peers

As a frontrunner in the use of smart lithium-ion batteries for electric two-wheelers, we actively engage in technical exchanges with peers and get involved in establishing industry standards in key areas to raise the technical level of the industry and make progress together with our partners. Niu technologies participated in drafting the following industry standards:

- Jiangsu Bicycle & Electric Vehicle Association — *Communication Protocol for Electric Bicycle*
- Shanghai Bicycle Association — *Technical Requirements for Electric Bicycles Lithium-ion Battery Change Cabinet: Part 1 Cabinet body; Part 2 Lithium-ion battery pack; and Part 3 Communication Protocol*

2.6. ENTHUSIASM FOR PUBLIC WELFARE

While staying true to our original aspiration, we actively engage in activities to promote social wellbeing, encourage positive attitude and work with Niu fans to make our contribution in the fight against COVID-19 and other natural disasters.

Promoting safe riding as the new trend

While product safety is one of our key concerns, we also care about the safety of those who use our products. We launched the campaign on safe riding with helmet to highlight the importance of wearing a helmet when riding an e-scooter to the general public. We spread the message on the Company's new social media account, as well as on the official accounts of 10 provincial and municipal traffic police detachments we work with. We also organized 90 people in 7 riding teams to initiate the "No helmet, No Ride" activity to give away helmets and stickers on the streets.



Promoting Traffic Safety Day on NIU App

Supporting Zhengzhou to ensure travel safety

Our heart was with people in Henan province that suffered heavy rainfalls and floods in July 2021. A number of cities in the province were affected. E-scooters left in parking lots or sheds alike were soaked in water and seriously damaged. As a leading provider of personal urban mobility solution in China, we immediately launched "four services for free" support plan for Henan Niu fans, including road rescue, door-to-door service, inspection and maintenance, and repair and replacement. We sent after-sales service personnel to Zhengzhou to provide free road rescue and maintenance services for the citizens there to ensure they could ride their scooters safely after the disaster. We assisted in recovering 1,261 scooters and repaired 2,303 in this operation.

We have also prepared a *Safety Guide for Riding an E-scooter during Rainstorms* to summarize our observations from this flood disaster, in the hope that riders can protect themselves and return home safely.

Supporting the fight against COVID-19

Despite the challenges brought by the COVID-19 pandemic since 2020, we have always assumed our social responsibilities, made our contribution to the fight against the pandemic, and stood with the whole society in getting through the tough times. For us, "making our city a better place to live" is not just about a vehicle.

NIU 小牛电动

支援郑州 河南加油

小牛电动在行动

最 / 新 / 援 / 助 / 方 / 案

- ☑ 免费道路救援
- ☑ 免费上门服务
- ☑ 免费检测保养
- ☑ 免费维修更换

门店服务全面就绪

雨天骑行时, 请注意:	车辆泡水后, 请注意:
1. 涉水骑行, 不要骑行涉水路段	1. 第一时间进行报案
2. 涉水骑行时, 注意观察路面情况	2. 第一时间联系在线客服
3. 涉水骑行时, 注意避让行人	3. 第一时间联系线下门店
4. 涉水骑行时, 注意避让车辆	4. 第一时间联系线下门店
5. 涉水骑行时, 注意避让障碍物	5. 第一时间联系线下门店

2020

In 2020, we immediately purchased and sent medical supplies to the front-line workers in Hubei province after the outbreak. We launched free maintenance services for Niu fans in the province to meet their mobility needs during the pandemic. We released a series of short videos entitled "Personal Transportation, fighting against COVID-19" to promote the use of scooters to help curb the spread of COVID-19, and we provided technical support to our global partners through livestreaming.



2021

In 2021, in response to the call jointly initiated by the *New Weekly* and Guangzhou Charity Federation, we donated e-scooters to the front-line medical staff and workers to facilitate their mobility in areas put under closed-off management in Guangzhou.



2022

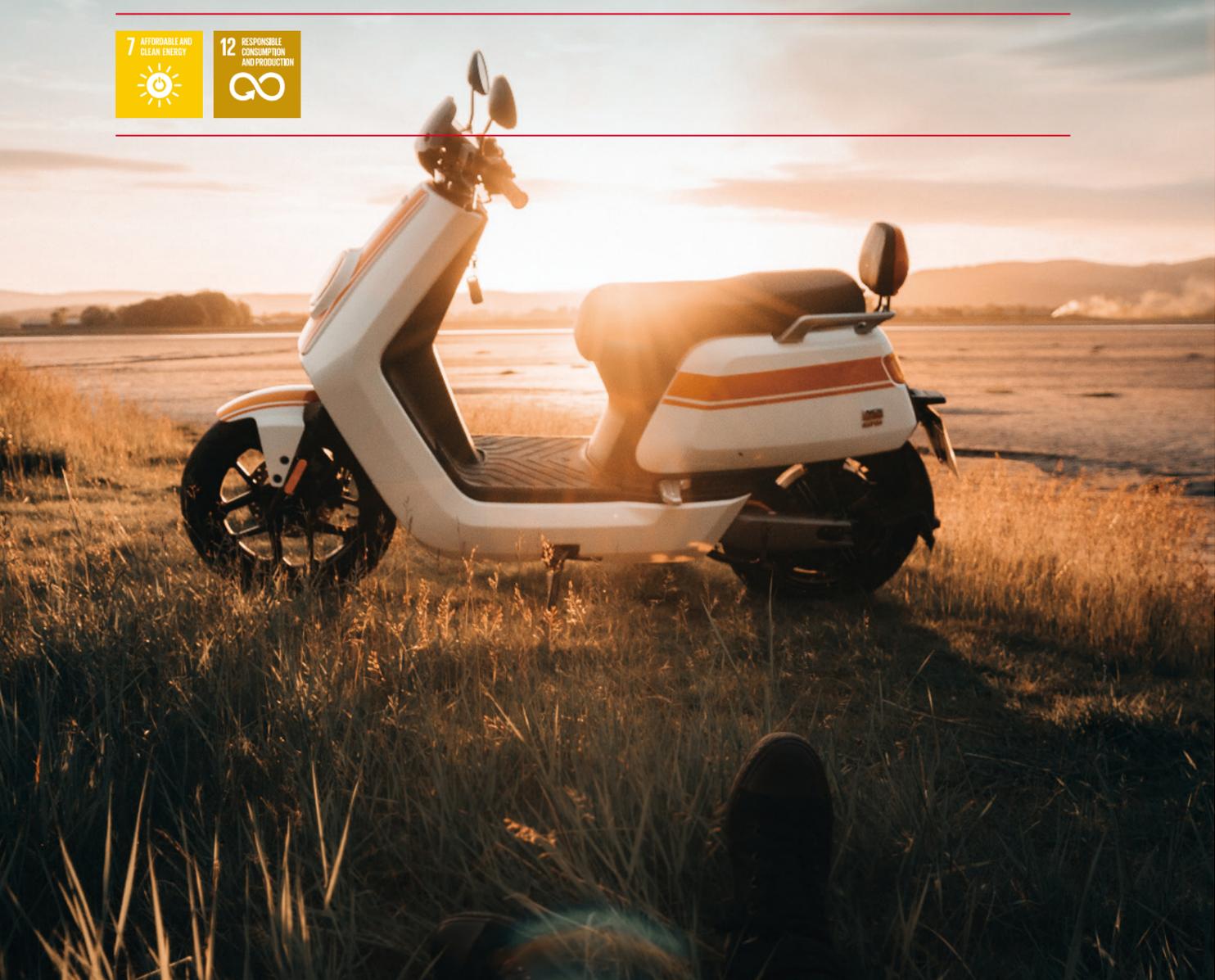
In 2022, we donated e-scooters and medical supplies to the Changzhou Blue Sky rescue team following the COVID-19 outbreak in the city and contributed to the fight against the pandemic.



3

ENVIRONMENTAL PROTECTION

As a veteran in the electric two-wheeler market, the Company not only pays attention to the latest trends in the industry, but also keeps an eye on global environmental protection, international and domestic green development concepts and management strategies. We strictly abide by laws and regulations related to environmental protection and energy efficiency in the places where we operate, and we take various measures, such as improving resource utilization rates and reducing energy consumption, to help protect the environment. In 2021, the Company did not commit any violations that had a significant impact on the environment.



3.1. PROMOTING THE CIRCULAR ECONOMY

The Company is dedicated to putting circular economy concepts into practice and fulfilling its environmental obligations by engaging in recycling, reduction and resource recovery of packing materials.

3.1.1. Reusable packing

We are very concerned about the outer packing of our upstream products; and for this reason, we have cooperated with our seat and rear carrier suppliers to replace un-reusable plastic packing bags with cloth bags. After receiving the supplies, we return the cloth bags to the upstream suppliers for re-use to reduce waste. In 2021, we recycled about 2 million cloth bags using this approach. In addition, we gradually promote our suppliers to use plastic baskets and boxes in uniform sizes based on the supply categories. This approach covers about 40 electric parts suppliers that provide controllers, main harnesses and meters, among other parts.

3.1.2. Reducing packing materials

Packing materials used for customer deliveries include wooden supports, iron stands, cloth bags, cartons, foam pads, plastic bags and nylon ties. In order to regulate the use of packing materials and save resources while still protecting the products, the Company has adopted a precise, integrative approach to product packing. As a result, depending on the size of the vehicle, we set different specifications for the wooden support and carton used to protect the products during transportation. The average volume of packaging materials consumed by a single vehicle is about 1.20–1.60 cubic meters.

With respect to customers, we have also prioritized initiatives to reduce packing materials and waste. In 2021, we optimized our business and expanded our adoption of the O2O model in order to encourage customers to order online and pick up their vehicles in our stores, which effectively reduced packing material consumption. Among our online orders in 2021, about 80% clients chose to pick up their orders in the store, which saved tens of thousands of wooden supports and cartons.

CASE:

COOPERATING WITH RIRISHUN TO USE RE-USABLE IRON PACKING CASES

Since 2020, the Company has cooperated with Ririshun to trial the use of re-usable iron packing cases in several cities including Beijing and Guangzhou. These packing cases effectively stabilize the vehicles' sides and front and rear wheels, which reduces the breakage rate during the loading/unloading of cargo and in transit. These cases also reduce the need for wooden supports and cartons. The iron cases were effective in actual use and reduced the breakage rate to below 3‰, much lower than the previous rate of 3% when vehicles were delivered with no cases. Meanwhile, under this approach, we recorded a customer satisfaction rate of almost 100% for logistics. Going forward, we will consider further promoting the use of these re-usable iron packing cases, taking into account overall delivery quantities, customers' specific needs and other factors.



3.1.3. Recycling system

The main sources of waste for the Company include waste generated from production, packing material waste from incoming materials, returned scrap, and domestic waste from business operations. The Company has put in place relevant management policies that specify the collection, storage and depositing procedures for different kinds of scrap and waste; and these policies clarify the responsibilities and jobs undertaken by relevant functions, so as to achieve standardized management, orderly operations and environmental safety.

Among the different types of scrap, the Company has recently focused on battery packs. In addition to the significant impact of battery packs on the environment, the improper disposal of battery packs also results in a waste of resources. Therefore, the Company has established a full life-cycle management process that covers the assembly, sale, customer use, recovery and recycling of battery packs; and we also use BID coding and big data monitoring to send reminders to customers regarding the maintenance and recovery of battery packs. In addition, we allow our customers to trade in their battery packs to reduce their purchase costs for new batteries. Old batteries that we recover, malfunctioning batteries returned by customers, and scrap from R&D are all delivered to recovery and recycling companies for cascade utilization or disassembly for reuse by upstream companies, which effectively drives the circular economy. In 2021, the Company recovered 3.6 tons of battery packs in total, significantly reducing the impact of battery waste on the environment.

The Company adopts categorized management for the waste generated from production and business operations, and we have put in place a warehousing management policy that specifies requirements for the temporary storage of waste. In 2021, the Company recovered and delivered to qualified environmental service companies a total of 472,165.29 kilograms of waste generated from production processes. The types of waste and their respective weights are listed as follows:

Type	Recovered weight (kilograms)	Type	Recovered weight (kilograms)
Carton boards and plastic foam	350,839.60	Iron	102,105.24
PP	6,048.33	Mixed components	4,180.00
ABS	2,963.42	Components with baking finish (containing EPE)	1,930.00
Small motors	1,879.00	Components with baking finish	1,490.00



3.2. PROMOTING GREEN OPERATIONS

The Company prioritizes the reasonable use of energy and resources in its operations, and regards environmental protection, energy efficiency, and waste and emissions reduction as essential parts to business development. We are fully dedicated to becoming a resource-efficient and environmentally friendly company.

3.2.1. A practitioner of green manufacturing

During the production process, the main energy and resources consumed by the Company include electricity and water, which are mainly used for lighting, equipment operations, vehicles and normal office activities. In 2021, the Company consumed 25,827 cubic meters of water, and its water intensity was 6.97 cubic meters/million RMB in revenue. Meanwhile, during the year, the Company consumed 2,597,710 kWh of electricity, and its electricity intensity was 701.22 kWh/million RMB in revenue.

Transparent roofs have been applied to 13,000 square meters of the factory's hallways to let in daylight and reduce electricity consumption. By using natural lighting, the Company saves up to 300 kilowatts of electricity daily. During breaks and mealtimes, we turn off all equipment and facilities in the production area to save electricity. In addition, the Company plans to install photovoltaic power generation equipment on the factory's rooftops to provide electricity for the factory and other operations in the vicinity.

Furthermore, to reduce the waste generated by our production processes and related activities, we have adopted approaches such as JIT⁸ and VMI⁹:

- JIT inventory management: Real-time scheduling ensures that materials are only received, and products are only produced to the extent necessary, which helps the Company reduce inventory costs. In addition, by accelerating inventory turnover, we have been able to reduce instances in which inventory is damaged or rendered obsolete as a result of long storage times;
- VMI: Under this approach, stock management authority is granted to long-term suppliers to improve their initiative and flexibility in stocking, thereby enhancing resource utilization, reducing waste and non-value-added activities, and improving production and transportation efficiency.

In the production process, we have also adopted other measures to reduce our environmental impacts:

- Electric forklifts and manual portable tray carriages or conveyer cars are used to carry equipment within the factory, and the use of fossil fuel-powered vehicles is prohibited to reduce emissions;
- Electric nail guns use rechargeable batteries to reduce battery scrap.

3.2.2. Promoting green office concepts

In our daily office activities, we encourage our staff to practice green concepts to save resources and energy. Detailed measures we have implemented include:

1. To save energy, we require our security personnel in the office area to turn air conditioners on and off and adjust the temperatures based on the office's actual needs, and we encourage our staff to turn off the lights and air conditioners after meetings;
2. To promote green commuting, we have built parking lots for two-wheel vehicles and installed charging piles and charging cabinets for staff's uses;
3. We place posters around the office, among other measures, to improve staff's garbage-sorting awareness.

⁸ JIT: Just In Time

⁹ VMI: Vendor Managed Inventory

3.3. INITIATIVES THAT EMPOWER ENVIRONMENTAL PROTECTION

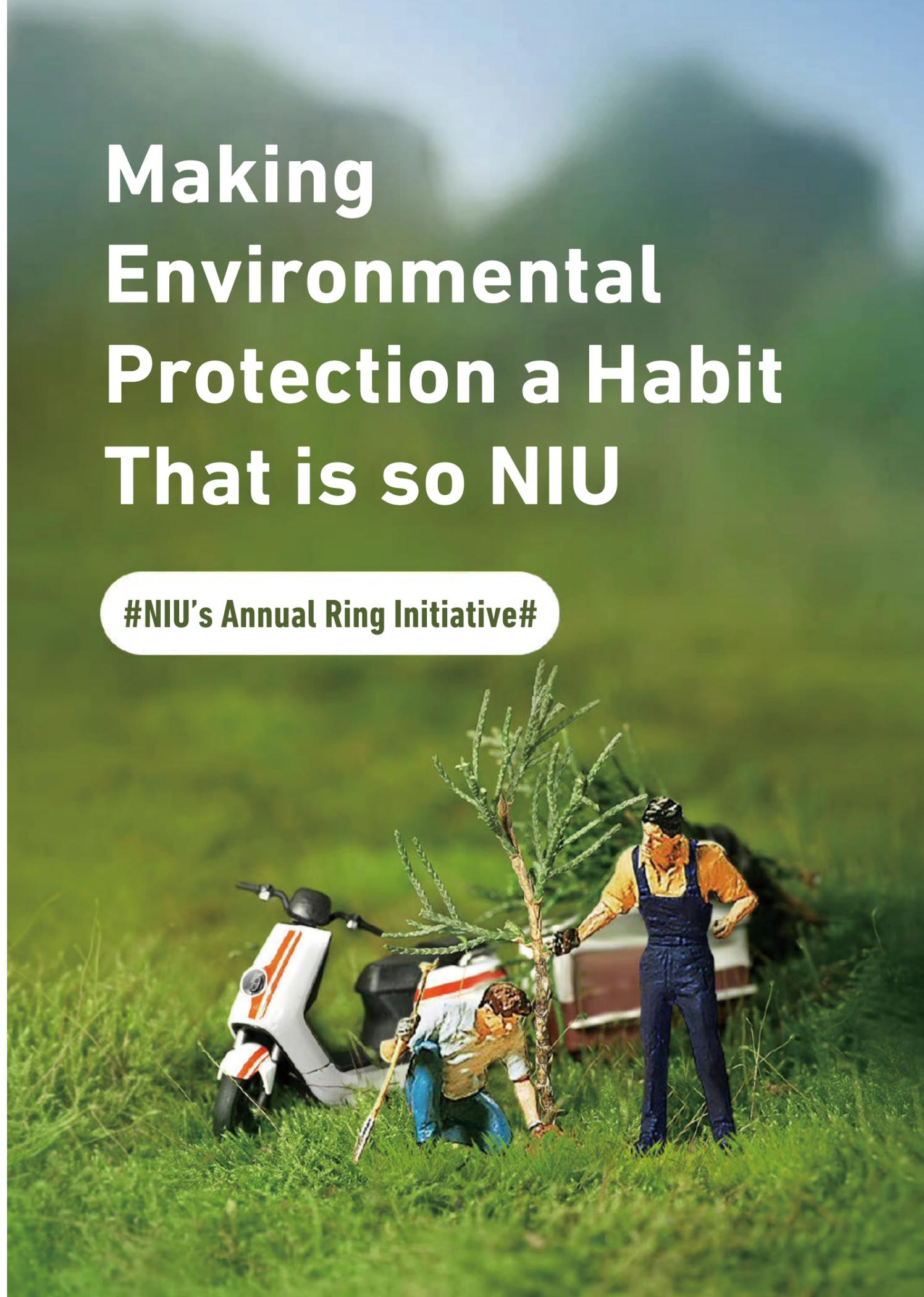
Environmental protection goals cannot be achieved overnight. For this reason, Niu Technologies leverages its own business characteristics to continuously promote environmental protection concepts among users and consumers in general, and the Company endeavors to integrate environmental protection awareness into their daily lives. For example, we publish posters on key dates in the NIU App to enhance Niu users' environmental protection awareness. In general, we aim to turn these low-carbon and energy-efficiency initiatives from a trend into a new normal, and ultimately motivate NIU fans to contribute to the realization of environmental protection goals.



We have set up a "Rider Achievement" module in the NIU App to encourage and commend riders on their low-carbon and eco-friendly riding behaviors. Users can unlock various achievements based on the distance, temperature and duration of each ride and gain points that can be exchanged for virtual or physical riding badges and other products.

Making Environmental Protection a Habit That is so NIU

#NIU's Annual Ring Initiative#



NIU'S ANNUAL RING INITIATIVE

According to the United Nations, in 2020, the total area covered by forests globally had been reduced by 80%, and almost a thousand hectares of forest disappear every year. As one of the three major ecosystems on earth, forests play an important role in reducing carbon dioxide, serving as a habitat for animals, strengthening the soil, and safeguarding the environment. Humanity depends on forests for its survival. The depletion of forests will result in various ecological problems, including global warming, disruption of the biological chain and greater desertification.

Niu Technologies has been an enthusiastic advocate of environmental protection and forestry protection. In March 2019, we adopted a forest located in the Horiger County of Inner Mongolia Autonomous Region for NIU fans. All participants in the Niu Annual Ring Initiative were able to claim a "sand-fixing" Mongolian Scotch Pine in their or their families' names. Niu Technologies marked each tree with the NIU fan's dedicated nameplate and each NIU fan also received a certificate and card to commemorate the adoption. Many NIU fans engraved their new-born babies' names on the nameplates, symbolizing how green concepts has passed from generation to generation. As a result of this initiative, over 2,500 Mongolian Scotch Pines were planted in the desert of the Great Northwest and this Niu forest became a part of China's "Three North Shelterbelt Program" to defend against wind-sand hazards.



In March 2021, we launched the second session of the Niu Annual Ring Initiative. Due to the pandemic, we turned to an online tree planting activity. With the theme of "Making environmental protection a habit, this is so NIU!", NIU fans were called on to give full play to their creativity and planted "trees" on their electric scooters. This innovative environmental protection event attracted extensive attention from our customer base and the public in general. Ultimately, we received over 300 creative contributions and granted awards to the authors of the best pictures.

Living in the city gives us less chance to feel the vast forest. Leveraging the impact on its fanbase, Niu Technologies strives to make environmental protection awareness deeply rooted in everyone's heart, turning environmental protection slogans into real actions.

CASE:

GUARDIANS OF THE GREEN PLANET, ASSEMBLE!

On the eve of World Earth Day in 2022, Niu Technologies initiated an interesting thread "Taking first actions to celebrate the Earth Day" and encouraged all Niu fans to share their riding stories on protecting the planet. Overseas, users from 5 continents joined our ReNIU program to participate in the Earth Day clean-up campaign.



Issues	GRI Standards	Disclosures	Nasdaq ESG Reporting Guidelines	Report content/ remarks
General Disclosures				
Organizational profile	102-1	Name of the organization		About this Report
	102-2	Activities, brands, products, and services		About the Company
	102-3	Location of headquarters		Please refer to 2021 Annual Report
	102-4	Location of operations		Please refer to 2021 Annual Report
	102-5	Ownership and legal form		Please refer to 2021 Annual Report
	102-6	Markets served		Please refer to 2021 Annual Report
	102-7	Scale of the organization		Please refer to 2021 Annual Report
	102-8	Information on employees and other workers		Care for employees
	102-9	Supply chain		Our partners
	102-10	Significant changes to the organization and its supply chain		No significant changes
	102-11	Precautionary Principle or approach		Corporate governance
	102-12	External initiatives		This content is covered in several places in this report
	102-13	Membership of associations		Based on the materiality assessment and is not reflected in this Report
Strategy	102-14	Statement from senior decision-maker		Message from the CEO
Ethics and integrity	102-16	Values, principles, standards, and norms of behaviour		Company profile
Governance	102-18	Governance structure		Regulating the governance environment
	102-19	Delegating authority		Regulating the governance environment
	102-20	Executive-level responsibility for economic, environmental, and social topics		Corporate governance
	102-22	Composition of the highest governance body and its committees	G2. Board Independence	Regulating the governance environment
	102-28	Evaluating the highest governance body's performance		Please refer to 2021 Annual Report

Issues	GRI Standards	Disclosures	Nasdaq ESG Reporting Guidelines	Report content/ remarks
Stakeholder engagement	102-40	List of stakeholder groups		Exchanging information in an open and transparent manner
	102-41	Collective bargaining agreements	G4. Collective Bargaining	Not applicable
	102-42	Identifying and selecting stakeholders		Exchanging information in an open and transparent manner
	102-43	Approach to stakeholder engagement		Exchanging information in an open and transparent manner
	102-44	Key topics and concerns raised		Exchanging information in an open and transparent manner
	102-45	Entities included in the consolidated financial statements	G8. ESG Reporting G9. Disclosure Practices G10. External Assurance	Please refer to 2021 Annual Report
	102-46	Defining report content and topic boundaries		About this Report
102-47	List of material topics	Exchanging information in an open and transparent manner		
102-48	Restatements of information	Not applicable		
102-49	Changes in reporting	Not applicable		
102-50	Reporting period	About this Report		
102-51	Date of most recent report (If Applicable)	Not applicable		
102-52	Reporting cycle	About this Report		
102-53	Contact point for questions regarding the report	About this Report		
102-54	Claims of reporting in accordance with the GRI Standards	About this Report		
Reporting practice	102-55	GRI content index	Appendix	
	102-56	External assurance	Continuous improvement	

Issues	GRI Standards	Disclosures	Nasdaq ESG Reporting Guidelines	Report content/ remarks
Material Topics				
1. Economic Topics				
Anti-corruption	103-1	Explanation of the material topic and its Boundary	G6. Ethics & Anti-Corruption	Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Regulating the governance environment
	103-3	Evaluation of the management approach		Regulating the governance environment
	205-3	Confirmed incidents of corruption and actions taken		Regulating the governance environment
2. Environmental Topics				
Materials	103-1	Explanation of the material topic and its Boundary		Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Promoting the circular economy
	103-3	Evaluation of the management approach		Promoting the circular economy
	301-1	Materials used by weight or volume		Promoting the circular economy
	301-3	Reclaimed products and their packaging materials		Promoting the circular economy
Energy	103-1	Explanation of the material topic and its Boundary	E3. Energy Usage E4. Energy Intensity E5. Energy Mix	Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Promoting green operations
	103-3	Evaluation of the management approach		Promoting green operations
	302-1	Energy consumption within the organization		Promoting green operations
	302-3	Energy intensity		Promoting green operations
	302-4	Reduction of energy consumption		Promoting green operations
	302-5	Reductions of energy requirements of products and services		Promoting green operations

Issues	GRI Standards	Disclosures	Nasdaq ESG Reporting Guidelines	Report content/ remarks
Water and Effluents	103-1	Explanation of the material topic and its Boundary	E6. Water Usage	Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Promoting green operations
	103-3	Evaluation of the management approach		Promoting green operations
	303-5	Water consumption		Promoting green operations
Emissions	103-1	Explanation of the material topic and its Boundary	E1. GHG Emissions E2. Emissions Intensity	Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Based on the company's business nature and materiality assessment, this content is not an important issue of the company
	103-3	Evaluation of the management approach		
	305-1	Direct (Scope 1) GHG emissions		
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-4	GHG emissions intensity		
305-5	Reduction of GHG emissions			
Waste	103-1	Explanation of the material topic and its Boundary		Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Promoting the circular economy
	103-3	Evaluation of the management approach		Promoting the circular economy
	306-2	Management of significant waste-related impacts		Promoting the circular economy
	306-4	Waste diverted from disposal		Promoting the circular economy
	Environmental Compliance	103-1	Explanation of the material topic and its Boundary	E7. Environmental Operations
103-2		The management approach and its components	Environmental Protection	
103-3		Evaluation of the management approach	Environmental Protection	
Supplier Environmental Assessment	103-1	Explanation of the material topic and its Boundary	G5. Supplier Code of Conduct	Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Our partners
	103-3	Evaluation of the management approach		Our partners

Issues	GRI Standards	Disclosures	Nasdaq ESG Reporting Guidelines	Report content/ remarks
3. Social Topics				
Employment	103-1	Explanation of the material topic and its Boundary		Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Care for employees
	103-3	Evaluation of the management approach		Care for employees
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Care for employees
	401-3	Parental leave		Care for employees
Occupational Health and Safety	103-1	Explanation of the material topic and its Boundary	S7. Injury Rate S8. Global Health & Safety	Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Care for employees
	103-3	Evaluation of the management approach		Care for employees
	403-1	Occupational health and safety management system		Care for employees
	403-5	Worker training on occupational health and safety		Care for employees
	403-6	Promotion of worker health		Care for employees
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Care for employees
403-9	Work-related injuries	Care for employees		
Training and Education	103-1	Explanation of the material topic and its Boundary		Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Care for employees
	103-3	Evaluation of the management approach		Care for employees
Diversity and Equal Opportunity	103-1	Explanation of the material topic and its Boundary	S4. Gender Diversity S6. Non-Discrimination G1. Board Diversity	Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Care for employees
	103-3	Evaluation of the management approach		Care for employees
	405-1	Diversity of governance bodies and employees		Regulating the governance environment; Care for employees
Non-discrimination	103-1	Explanation of the material topic and its Boundary		Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Care for employees
	103-3	Evaluation of the management approach		Care for employees

Issues	GRI Standards	Disclosures	Nasdaq ESG Reporting Guidelines	Report content/ remarks
Child Labour	103-1	Explanation of the material topic and its Boundary	S9. Child & Forced Labor	Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Care for employees
	103-3	Evaluation of the management approach		Care for employees
Forced or Compulsory Labour	103-1	Explanation of the material topic and its Boundary		Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Care for employees
	103-3	Evaluation of the management approach		Care for employees
Local Communities	103-1	Explanation of the material topic and its Boundary		Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Enthusiasm for public welfare
	103-3	Evaluation of the management approach		Enthusiasm for public welfare
	413-1	Operations with local community engagement, impact assessments, and development programs		Enthusiasm for public welfare
Supplier Social Assessment	103-1	Explanation of the material topic and its Boundary	S10. Human Rights G5. Supplier Code of Conduct	Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Our partners
	103-3	Evaluation of the management approach		Our partners
Customer Health and Safety	103-1	Explanation of the material topic and its Boundary		Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Outstanding quality; Customer services
	103-3	Evaluation of the management approach		Outstanding quality; Customer services
Customer Privacy	103-1	Explanation of the material topic and its Boundary	G7. Data Privacy	Exchanging information in an open and transparent manner
	103-2	The management approach and its components		Ensuring information security and protecting data privacy
	103-3	Evaluation of the management approach		Ensuring information security and protecting data privacy

