

Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

Financial Market Participant: NIO Capital

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1 Summary

In accordance with Article 4 of Regulation (EU) 2019/2088 (the "SFDR") and the associated Commission Delegated Regulation (EU) 2022/1288 (the "RTS"), this statement describes how NIO Capital ("the Firm"), acting as the Financial Market Participant, considers principal adverse impacts ("PAIs") of its investment decisions on sustainability factors. This statement covers the reference period from 1st January 2025 to 31st December 2025.

This document outlines the Firm's policies on the identification and prioritisation of PAIs, describes the adverse impacts identified during the reference period based on investments currently included within the Firm's SFDR-aligned PAI reporting scope, namely Eve ONE Fund III (an Article 8 fund under SFDR), details our engagement policies related to PAI mitigation, and references the international standards that inform our approach. The PAI indicators reported in Table 1, 2 and 3 are based on data collected from portfolio companies of Eve ONE Fund III and, where necessary, derived from established estimation methodologies. As this is the Firm's first PAI reporting cycle, a historical comparison is not applicable and will be provided with subsequent statements.

2 Description of Policies to Identify and Prioritise Principal Adverse Impacts on Sustainability Factors

NIO Capital's policy for identifying and prioritising PAIs is an integral component of our firm-wide Environmental and Social Management System (ESMS) and is embedded within our investment process and governance structure.

1) Governance and Allocation of Responsibilities

Responsibility for the implementation and oversight of the PAI policy is allocated across the Firm's organisational structure. The ESG Committee, chaired by the Managing Partner, holds ultimate oversight for all ESG-related matters, including the approval of the PAI policy, the review of PAI assessment results, and the final validation of this statement. The Committee meets quarterly to review the Firm's sustainability performance, including progress against PAI-related objectives.

The Investment Team is responsible for the primary identification and assessment of PAIs during the due diligence process. This includes conducting the ESG risk assessment, gathering relevant data from target companies, and incorporating PAI-related findings into Investment Committee memorandums. A dedicated Portfolio Management & ESG Team supports the Investment Team and portfolio companies by developing and maintaining PAI assessment methodologies, managing data collection and estimation processes, monitoring portfolio companies' PAI performance post-investment, and supporting the implementation of engagement and mitigation plans. The Compliance Team provides advisory support on the regulatory aspects of PAI reporting and reviews the final statement to ensure conformity with SFDR requirements.

2) Methodology for Identification and Prioritisation of PAIs

Our methodology for identifying and prioritising PAIs is a structured, risk-based process designed to focus on the most relevant sustainability factors for our investment strategy, which is centred on the New Mobility and New Energy sectors. The process involves three core steps:

Step 1. During initial screening and identification, all potential investments are screened against the Firm's Prohibited Investment List, which excludes activities with inherent and unmitigable adverse impacts. Subsequently, during preliminary due diligence, the Investment Team applies an ESG risk assessment to identify potential exposure to all mandatory PAI indicators (Table 1) and any relevant additional indicators (Tables 2 and 3).

Step 2. For identified PAIs, a materiality assessment is conducted to prioritise them. This assessment considers two dimensions: the scale and severity of the potential adverse impact, and its relevance to our investment focus in decarbonisation and digitalisation technologies. Given our sector focus, GHG emissions, energy performance, and governance-related indicators are typically assessed as highly material.

Step 3. PAIs assessed as highly material are prioritised for in-depth due diligence and quantitative data collection. The findings directly inform our investment decision and, if the investment proceeds, form the basis of a time-bound ESG action plan. This plan, which may be formalised in a Letter of Undertaking at exit stage, outlines specific mitigation measures and performance targets related to the prioritised PAIs.

3) Data Sources and Methodology

Our approach to PAI data follows a defined hierarchy. The primary preference is for reported data collected directly from portfolio companies. When reported data is unavailable or of insufficient quality, we utilise third-party proxy data from reputable providers. If neither is available, we employ estimation models based on established industry standards.

Where estimation is necessary, our methodologies are aligned with recognised standards. For GHG emissions, calculations are performed in accordance with the GHG Protocol Corporate Standard, and financed emissions are attributed based on the equity-share principle outlined in the PCAF standard. For other indicators, estimations may be based on industry-average intensity metrics from academic or commercial databases where company-specific data is not available. We acknowledge that all estimations carry a degree of uncertainty and document the specific models used for each indicator in our internal records.

3 Engagement Policies

NIO Capital's engagement policy is a core component of our active ownership approach and serves as

a primary mechanism for mitigating identified PAIs. Our engagement framework is structured, risk-based, and outcome-oriented.

1) Triggers and Objectives for Engagement

The identification of a material PAI during due diligence or post-investment monitoring serves as a direct trigger for initiating a structured engagement process with the portfolio company. The objectives of this engagement are tailored to the specific PAI but typically include, at a process level: encouraging the adoption of science-based emissions reduction targets and transition plans; improving the quality and granularity of sustainability data disclosure; strengthening governance structures, such as establishing board-level oversight for sustainability issues; and implementing or enhancing policies related to human rights, labour standards, and anti-corruption.

2) Escalation Mechanism

Our engagement process follows a tiered escalation mechanism to ensure that prioritised PAIs are addressed effectively.

Tier 1 — Dialogue and collaboration. Initial engagement is conducted through regular dialogue between our Portfolio Management & ESG Team and the company's management, focusing on collaboratively developing and implementing the ESG Action Plan.

Tier 2 — Formal communication. If progress is insufficient, the matter is escalated through formal written communication to the company's senior management and, where we hold board representation, raising the issue for discussion at the board level.

Tier 3 — Investment re-evaluation. Persistent failure by a portfolio company to address a material PAI may lead to a re-evaluation of the investment thesis and could influence our decision-making at the time of exit.

3) Monitoring and Reporting

The outcomes of all engagement activities are tracked in our internal systems. Progress against PAI-related targets is reviewed at least annually by the Portfolio Management & ESG Team and reported to the ESG Committee. These findings inform our ongoing assessment of portfolio-level PAI exposure and help refine our firm-wide engagement strategy.

4 Description of the Principal Adverse Impacts on Sustainability Factors

This section presents the principal adverse impact (PAI) indicators for the reference period from 1st January 2025 to 31st December 2025, in accordance with Article 4 of the SFDR and Annex I of the Regulatory Technical Standards. The assessment reflects the application of NIO Capital's ESMS framework and is based on information obtained from the portfolio companies of Eve ONE Fund III, which currently represents the Firm's reporting scope for SFDR-aligned PAI disclosure. As this represents the firm's first reporting year under the SFDR PAI framework, no historical comparison data is available.

Table 1: Mandatory PAI indicators

| No. | Adverse Sustainability Indicator | Metric | Impact [2025] | Impact [2024] | Explanation | Actions Taken and Planned |
|---|--|--|-------------------------------|---------------|--|--|
| INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES | | | | | | |
| CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS | | | | | | |
| 1 | GHG emissions | PAI 1.1 Scope 1 GHG emissions | 1.48 tCO ₂ e | | GHG emissions were calculated based on available portfolio company data for the reporting period. Carbon footprint and GHG intensity were derived based on the reported emissions, investment value and revenue. | We will continue annual collection of portfolio company emissions-related data and encourage more complete and consistent reporting across Scopes 1, 2 and relevant Scope 3 categories. Where relevant, portfolio companies will also be encouraged to improve underlying energy and emissions data quality over time. |
| | | PAI 1.2 Scope 2 GHG emissions | 14.88 tCO ₂ e | | | |
| | | PAI 1.3 Scope 3 GHG emissions | 4.38 tCO ₂ e | | | |
| | | PAI 1.4 Total GHG emissions | 20.74 tCO ₂ e | | | |
| 2 | Carbon footprint | PAI 2.1 Carbon footprint | 1.60 tCO ₂ e /M€ | | | |
| 3 | GHG intensity of investee companies | PAI 3.1 GHG intensity of investee companies | 156.73 tCO ₂ e /M€ | | | |
| 4 | Exposure to companies active in the fossil fuel sector | PAI 4.1 Share of investments in companies active in the fossil fuel sector | 0.00% | | No investments in companies active in the fossil fuel sector were identified during the | We will continue to apply exclusion screening for fossil-fuel-related activities and encourage portfolio |

| No. | Adverse Sustainability Indicator | Metric | Impact [2025] | Impact [2024] | Explanation | Actions Taken and Planned |
|-----|--|---|---------------|---------------|--|--|
| 5 | Share of non-renewable energy consumption and production | PAI 5.1 Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | 100% | | reporting period. | companies to improve renewable energy disclosure. |
| 6 | Energy consumption intensity per high impact climate sector | PAI 6.1 Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | 0.00% | | No investee company within the reporting scope was classified under a high impact climate sector. | We will continue to assess sector classification during annual reporting and update this indicator if the reporting scope or investee activities change. |
| 7 | Activities negatively affecting biodiversity-sensitive areas | PAI 7.1 Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas | 0.00% | | No portfolio company site or operation was identified as negatively affecting biodiversity-sensitive areas during the reporting period. The assessment is based on currently available location and business activity information. | We will continue to include biodiversity-related screening in diligence and portfolio monitoring and will request additional site-specific information if future investments present heightened land-use or ecological sensitivity. |
| 8 | Emissions to water | PAI 8.1 Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | N/A | | The indicator is reported as N/A because the investee company does not directly discharge wastewater into surface water or groundwater for the purpose of the SFDR “emissions to water” metric. Based on the | We will continue to request wastewater discharge route information and supporting monitoring records where relevant. Where direct discharge is identified, the Fund will seek additional data to assess the indicator under the applicable |

| No. | Adverse Sustainability Indicator | Metric | Impact [2025] | Impact [2024] | Explanation | Actions Taken and Planned |
|---|--|--|---------------|---------------|---|---|
| | | | | | wastewater monitoring information currently available, pollutant levels are very low and no material adverse impact from direct emissions to water has been identified. | methodology. |
| 9 | Hazardous waste and radioactive waste ratio | PAI 9.1 Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | 0.05 t/M€ | | The reported value indicates a limited level of hazardous waste generation relative to invested capital. No evidence of radioactive waste exposure was identified. | We will encourage the company to strengthen waste segregation, storage and disposal tracking where relevant, and to improve supporting documentation on contractor management and compliance practices. |
| INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS | | | | | | |
| 10 | Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | PAI 10.1 Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 0.00% | | No investee company was identified as having been involved in violations of the UN Global Compact principles or OECD Guidelines during the reporting period, based on current due diligence and monitoring information. | We will continue to monitor legal, compliance and ESG-related issues through due diligence, periodic reporting and ongoing portfolio engagement. |
| 11 | Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles | PAI 11.1 Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints | 0.00% | | No investee company was assessed as lacking basic processes or compliance mechanisms relevant to monitoring compliance with applicable standards during the reporting period. | We will continue to encourage portfolio companies to maintain appropriate governance arrangements, including internal controls, reporting processes and grievance |

| No. | Adverse Sustainability Indicator | Metric | Impact [2025] | Impact [2024] | Explanation | Actions Taken and Planned |
|-----|--|--|---------------|---------------|---|---|
| | and OECD Guidelines for Multinational Enterprises | handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | | | | channels where relevant. |
| 12 | Unadjusted gender pay gap | PAI 12.1 Average unadjusted gender pay gap of investee companies | 27.19% | | The reported figures reflect the current gender-related workforce and governance profile of the reporting portfolio, based on available employee salary data and board composition data. While female representation remains limited at board level and a gender pay gap is observed. | We will continue to monitor gender-related workforce and governance data annually and encourage portfolio companies to strengthen diversity, inclusion and remuneration transparency over time. |
| 13 | Board gender diversity | PAI 13.1 Average ratio of female to male board members in investee companies, expressed as a percentage of all board members | 7.85% | | | |
| 14 | Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | PAI 14.1 Share of investments in investee companies involved in the manufacture or selling of controversial weapons | 0.00% | | No exposure to controversial weapons was identified within the reporting portfolio during the period. This is consistent with our exclusion approach and investment screening process. | We will continue to apply exclusion screening and investment due diligence procedures to avoid exposure to controversial weapons activities. |

Table 2: Additional climate and other environment-related indicators

| No. | Adverse Sustainability Impact | Metric | Impact [2025] | Impact [2024] | Explanation | Actions Taken and Planned |
|---|--|---|---------------|---------------|---|--|
| INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES | | | | | | |
| Emissions | | | | | | |
| 4 | Investments in companies without carbon emission reduction initiatives | Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement | 100% | | The reported value indicates that, within the current reporting scope, no investee company had formal carbon emission reduction initiatives explicitly aligned with the Paris Agreement in place during the period. | We will continue to engage portfolio companies on carbon management and encourage the gradual development of more formal emissions reduction initiatives and target-setting practices. |
| Energy Performance | | | | | | |
| 5 | Breakdown of energy consumption by type of non-renewable sources of energy | Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source | 100% | | The reported value reflects that the energy consumption captured within the reporting boundary was entirely from non-renewable sources during the period. | We will continue to encourage investee companies to improve tracking of energy type and renewable energy use. |
| Water, Waste and Material Emissions | | | | | | |
| 7 | Investments in companies without water management policies | Share of investments in investee companies without water management policies | 45.03% | | The reported value indicates that a portion of the reporting portfolio did not have formal water management policies in place during the period. | We will continue to encourage portfolio companies, where relevant to their operations, to formalise basic water management arrangements and monitoring practices. |

Table 3: Additional social and employee, human rights, anti-corruption and anti-bribery Indicators

| No. | Adverse Sustainability Impact | Metric | Impact [2025] | Impact [2024] | Explanation | Actions Taken and Planned |
|---|---|---|---------------|---------------|--|---|
| INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES | | | | | | |
| Social and Employee Matters | | | | | | |
| 4 | Lack of a supplier code of conduct | Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour) | 0.00% | | No investee company in the reporting scope was identified as lacking a supplier code of conduct during the period. | We will continue to monitor supplier governance arrangements and encourage portfolio companies to maintain or formalise supplier standards where appropriate. |
| Human Rights | | | | | | |
| 12 | Operations and suppliers at significant risk of incidents of child labour | Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation | 0.00% | | No significant risk of child labour incidents in operations or suppliers was identified within the reporting scope during the period, based on current due diligence information. | We will continue to assess human rights-related risks through due diligence and periodic portfolio monitoring, with attention to sector and geographic risk where relevant. |
| Anti-Corruption and Anti-Bribery | | | | | | |
| 15 | Lack of anti-corruption and anti-bribery policies | Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption | 0.00% | | No investee company within the reporting scope was identified as lacking anti-corruption and anti-bribery policies during the period, based on currently available governance information. | We will continue to monitor governance arrangements and encourage portfolio companies to maintain anti-corruption and anti-bribery controls appropriate to their stage and operating context. |

5 References to International Standards

NIO Capital's approach to managing sustainability risks and impacts is informed by our adherence to and reference to internationally recognised standards. Our policies and processes are aligned with the principles of the following frameworks:

- UN Global Compact (UNGC)
- United Nations Principles for Responsible Investment (UNPRI)
- United Nations Sustainable Development Goals (UN SDGs)
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- International Bill of Human Rights
- Task Force on Climate-related Financial Disclosures (TCFD) guidance
- Initiative Climate International (ICI)

Our investment strategy is aligned with the objectives of the Paris Agreement, and we support our portfolio companies in their transition to a low-carbon economy. We do not currently use a specific forward-looking climate scenario for quantitative modelling but continue to assess suitable methodologies as data quality and availability improve.

6 Historical Comparison

This is the first PAI statement published by NIO Capital. For the current reporting period, the Firm's SFDR-aligned PAI reporting scope comprises Eve ONE Fund III. Consequently, historical comparison data for a previous reference period is not available. A year-on-year historical comparison will be provided in the Firm's subsequent annual statement for the reference period from 1st January 2026 to 31st December 2026.