

## Sustainability-related disclosures – NIO Real Estate II SCSp

These sustainability-related disclosures have been prepared pursuant to Article 10 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**Regulation**" or "**SFDR**").

This website product disclosure has been prepared and published based on the facts, information and legislative guidance available in relation to the Regulation in as of the date hereof. This statement may be subject to changes, updates and general revision in connection with any developments in that respect; especially following the disclosure of any further legislation, guidance and recommendations concerning the Regulation (including any delegated acts thereto) by the Danish or EU legislators and/or supervisory authorities. A clear explanation will be published if any changes or amendments are made to the below.

### Summary

**Financial product:** NIO Real Estate II SCSp (the "**Fund**" or the "**Partnership**"), business registration no. B256957, managed by Nordic Investment Opportunities A/S, business registration no. 39785595 (the "**Manager**" or "**NIO**"). The Partnership is a feeder fund whose sole purpose is to invest in and make co-investments alongside NREP Nordic Strategies Fund V Limited Partnership (the "**Master Fund**"), which has been classified as a financial product referred to in Article 8 of the SFDR that promotes environmental and/or social characteristics.

The Fund has been assessed as being a financial product referred to in Article 8 of the SFDR that promotes environmental and/or social characteristics. Several mechanisms are in place to ensure the environmental and/or social characteristics promoted by the Fund are met, such as setting ESG standards, excluding certain asset classes, covering ESG as part of due diligence processes and having internal ESG support in place. Before a final investment decision is made by the Fund, the Manager will conduct extensive investment due diligence towards the Master Fund and its manager in order to ensure compliance with the Manager's own ESG Policy (which is published on the Manager's website ([link](#)), and the pre-selected investment limitations set out in Clause 5 of the LPA. The ESG Policy is based on the UN Principles for Responsible Investments which the Manager is a signatory of.

### No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

### Environmental or social characteristics of the financial product

The Manager promotes social and environmental characteristics for the Fund in the manner described in the Manager's ESG Policy.

The aim of the Manager's ESG Policy is to protect the value of NIO's investments and to contribute to ensuring that the underlying investments have the lowest possible capital costs through focus on and acting responsibly.

### Investment strategy

The Manager will adhere to the pre-selected investment limitations set out in Clause 5 of the LPA and the ESG policy which will apply to the Fund. The Manager incorporates the ESG principles set out in the ESG Policy at the fund level through the following steps in the Manager's investment due diligence and decision process:

#### Screening and due diligence:

The initial part of the screening of potential investments involves desk research and assessment of the fund manager's response to an ESG DDQ.

The detailed assessment comprises the Manager's own screening tool taking into account the Master Fund manager's ESG approach and exposure, including an identification of market risks based on which geographies and industry sectors the Master Fund is exposed to. The Manager's ESG rating is accompanied by interviews with the ESG responsible from the manager of the Master Fund as an integral part of the due diligence process.

The Master Fund manager is assessed based on its policies, processes, in-house resources, and the level, quality, and frequency of its ESG reporting and monitoring. Furthermore, the Manager emphasizes the involvement and commitment from the senior management of the Master Fund manager.

Legal agreements:

The Manager will seek the relevant adherence to its ESG Policy (including reporting requirements) to the extent possible as covered by the fund documentation of the underlying investments.

Notwithstanding the above, the Manager takes a balanced view and also considers other options such as establishing legal obligations through a side letter including, but not limited to, “excuse investment participation rights”.

Investment decisions:

The Manager's investment team will ensure that key ESG risks that are identified from both assessments under its due diligence are presented to the Manager's Investment Committee and integrated into the final investment decision.

**Proportion of investments**

The information disclosed pursuant to Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088, about the environmental and social characteristics of the Fund, is available as an annex to the Investor Disclosure Document made available to all prospective investors.

As described above in the section "Investment strategy", the Manager screens all potential investments of the Fund and will only make investments that comply with the ESG standards described in the pre-selected investment limitations set out in Clause 5 of the LPA and the ESG policy applicable to the Fund. The screening process is further described above in the section "Investment strategy".

The Fund promotes environmental and social characteristics but does not intend to make sustainable investments and does not have as its objective a sustainable investment as set out in the SFDR pre-contractual disclosure statement for the Fund as follows:

**Does this financial product have a sustainable investment objective?**

<p><input checked="" type="radio"/> <input checked="" type="radio"/> <b>Yes</b> <input type="checkbox"/></p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b></p>	<p><input checked="" type="radio"/> <input type="radio"/> <b>No</b> <input checked="" type="checkbox"/></p> <p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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**Monitoring of environmental or social characteristics**

As described in the ESG Policy of the Manager, the Manager has established a number of environmental, social and governance principles, which the Manager will endeavor to ensure are observed by the Fund and its investments.

The Manager seeks appropriate disclosures on ESG from the fund manager of the Master Fund. The

Manager performs an assessment of sustainability and associated risks and opportunities in its screening and investment decision process when the Fund invests in or co-invests with a Master Fund.

The Manager monitors ESG factors and actively engages with the underlying manager through regular dialogue and follow-up on identified key risks.

Identified ESG risks are promptly escalated and the Investment Committee shall, if deemed appropriate and relevant, be informed on the matter, including on any potential decision on being excluded from a specific investment entered into by the Master Fund.

The Manager will seek to encourage the underlying manager of the Master Fund, based on the business they conduct, to address relevant sustainability issues, to have in place fit-for-purpose guidelines, and to apply control and follow-up systems to enable its business and the investment companies in which the Master Fund invests in operate responsibly.

### **Methodologies for environmental or social characteristics**

The methodologies used to measure how the social or environmental characteristics promoted by the financial product are met is to review the ESG disclosures provided from the fund manager of the Master Fund.

### **Data sources and processing**

The data sources used to attain each of the environmental or social characteristics promoted by NIO consist of ESG disclosures provided from the fund manager of the Master Fund. Such ESG reporting from the underlying fund manager are received and reviewed internally at NIO by one or more of its employees.

### **Limitations to methodologies and data**

NIO will receive all ESG-related data from the manager of the Master Fund and is, thus, subject to the relevant ESG approach taken by the manager of such Master Fund. While NIO ensures that all its investments are compliant with the investment limitations set out in the LPA and its ESG Policy, the framework and approach to ESG compliance, reporting and data sharing for each such Master Fund will vary. NIO will only have access to the ESG data and reporting provided to the Fund and other investors of the relevant Master Fund.

### **Due diligence**

The due diligence carried out on the underlying assets of the Fund, including internal and external controls are described in the section "Investment Strategy" above. The due diligence performed towards the underlying Master Fund typically consists of NIO assessing the ESG approach, framework and strategy of both the Master Fund's investment strategy and reporting of its fund manager together with negotiating side letter concessions, if possible, related to ESG reporting.

### **Engagement policies**

If NIO has cause to believe that a Master Fund, its fund manager or an investee company of a Master Fund cannot or is unwilling to respect sustainability-related topics, NIO will seek to specifically engage with the fund manager on such matters. Ultimately, NIO can pursue a sale of such Master Fund position if the actions taken on such engagement is deemed insufficient.

### **Designated reference benchmark**

No reference benchmark has been designated by for the Fund.