

CELERO  
CAPITAL

# ESG REPORT

2023





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AT A  
**GLANCE**

► Celero Capital is located in Stockholm, Sweden and Oslo, Norway



## CELERO CAPITAL AT A GLANCE

We are a Nordic lower mid-market private equity firm driven by a team with over 50 years of combined experience. While specializing in the services, consumer goods and niche industrial sectors, we are dedicated to driving growth and value creation by leveraging our Celero Accelerator Modules (CAMs) to foster constant development, boost sales, enhance profitability and increase competitiveness for our portfolio companies. Sustainability is a fundamental business imperative for us and is thus integrated into our investment process and ownership model.

## INVESTMENT STRATEGY

We focus on targeting SMEs and MidCaps operating within the B2B and B2C services, asset-light manufacturing and consumer goods sectors. We prioritise companies in stable industries with limited cyclicality, aiming for niche leadership and compelling value propositions. Our focus is on firms with clear growth potential and enterprise values ranging between EUR 40-100 million. Our investment approach encompasses various strategies, including Buy-and-Build, succession, corporate divestitures and growth acceleration. Geographically, our primary investment focus is the Nordics, including Sweden, Norway, Finland and Denmark, however, follow-on investments to portfolio companies may extend beyond the Nordics based on the strategy of the respective portfolio company.



## KEY FINANCIALS

**148m** Portfolio Revenue in €\*  


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**2**  Active portfolio companies  



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Add-ons to investments:  
**7**  for Reledo  
**11**  for Corteco  


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**5** FTEs  


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Gender balance in our team:  
  
 1/5 females  


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\* SEK 1,642m, EUR-SEK as published on riksbank.se at 29 December 2023

Through our investments, we take action to advance societal goals and the implementation of the SDGs. Our operations have the most significant impact on the achievement of the following SDGs:



However, all the SDGs are interconnected and potentially affect our operations. For this reason, we integrate all 17 SDGs into our screening process and closely monitor progress towards the 2030 agenda to adapt our sustainability approach accordingly.



**Peter Möller**  
Managing Partner



**Kenneth Haavet**  
Partner



**Viktor Hansson**  
Partner



**Gustaf von Platen**  
Principal



**Fredrika Claezon**  
Investment Associate



# TIMELINE

2022

## FEBRUARY 2022

- Foundation of Celero Capital by Peter Möller in Stockholm, Sweden
- Kenneth Haavet joins Celero Capital as Partner
- Commitment to the Ten Principles of the UN Global Compact (UNGC)
- Commitment to the UN Principles for Responsible Investment (PRIs)
- Celero Capital becomes an EU SFDR Article 8 Investment Firm

## APRIL 2022

- Development of our Responsible Investment & Ownership Policy in alignment with the UN SDGs

## JUNE 2022

- Viktor Hansson joins Celero Capital, which now has a team of 3 full-time employees

## JULY 2022

- First investment in Corteco, a building renovation and maintenance business

2023

## FEBRUARY 2023

- Fredrik Furgårdh appointed new CEO of Corteco

## DECEMBER 2023:

- Gustaf von Platen joins as Principal of Celero Capital
- Celero Capital now has a team of 5 full-time employees
- Corteco calculates their baseline GHG emissions
- Our portfolio company Corteco expands into Norway

## APRIL 2023

- First investment in Reledo, a facility management business

### Corteco acquisitions in 2022

- Interoc
- Fog & Fönster
- Cityglas
- Specialbetong Sverige
- Fasadautomatik
- Neosol

### Corteco acquisitions in 2023

- A. Hansen Gruppen
- Wepab Plåtmonteringar
- Niba Syd
- Innergårdgruppen
- Göteborgs Förenade Plåtslageri

### Reledo acquisitions in 2023

- Exiso
- Jörnsveds Charkstöd
- Bofint
- I Clean Green
- Ekeby Ståd
- enjojj
- Returab

# COMMITMENTS

## Taking responsibility today and tomorrow

At Celero Capital we are aware of the crucial role companies play in creating and shaping thriving, healthy, diverse and resilient communities for this generation and generations to come. As an owner of companies, we represent an important part in driving this development and positive change. Hence, we have committed to reducing our impact on the environment, promoting diversity and ensuring transparency, and we will keep being innovative to generate lasting value for society and our stakeholders by honouring those values.

and tomorrow. For this reason and to ensure we consistently strive for excellence and remain at the forefront of industry standards, we have proactively made various commitments and embraced a diverse array of ESG frameworks throughout our operations, spanning from deal sourcing to ownership. As we continue to expand, our commitment remains unwavering in continuously reassessing and enhancing our ESG practices in line with the evolving market landscape and emerging best practices.

ESG is at the heart of our investment strategy and we are convinced that best-in-class ESG practices will benefit all stakeholders, from our investors to the societies we operate in, both today

Our commitments:



Signatory of:



Our approach incorporates the following ESG international standards and frameworks:



Our pre-investment screening process excludes companies potentially breaching international agreements and protocols as per





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HOW WE  
**CONDUCT  
BUSINESS**

CĒLERO  
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# OUR RESPONSIBLE INVESTMENT AND OWNERSHIP STRATEGY

We recognise the significant risks posed by environmental and social challenges as well as the crucial role businesses, especially in the financial sector, play in contributing to sustainable development and meeting the needs of current generations without compromising the ability of future generations to meet their own. Therefore, sustainability is integral to our business strategy and we believe that a well-executed sustainability strategy offers substantial opportunities.

By integrating ESG considerations into our core business operations, we enhance resilience and adaptability in the face of evolving challenges, but it also allows us to use resources more efficiently, enhance our competitiveness and minimise risks. As a signatory to the UN Principles of Responsible Investments (UN PRI), our Responsible Investment strategy aligns with the six Principles for Responsible Investment. Additionally, we operate as an Article 8 Investment Firm under the EU Sustainable Financial Disclosure Requirements.

Our key ESG priorities, aligned with the UN SDGs, include

<p><b>SDG 13</b></p>  <p>addressing climate change</p>	<p><b>SDG 12</b></p>  <p>fostering sustainable consumption and production patterns</p>	<p><b>SDG 5</b></p>  <p>promoting non-discrimination and gender equality</p>	<p><b>SDG 8</b></p>  <p>ensuring safe and sustainable work environments</p>	<p><b>SDG 16</b></p>  <p>upholding business ethics</p>
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These ESG priorities are critical to long-term value creation within our portfolio and we thus enforce these throughout the entire ownership cycle, expecting our portfolio companies to align their strategies and operations with them.

We are committed to managing ESG risks and opportunities across all stages of our investment process, from screening and sourcing to ownership. We meticulously analyse each investment opportunity, not hesitating to pursue opportunities with inherent ESG risks if we see potential

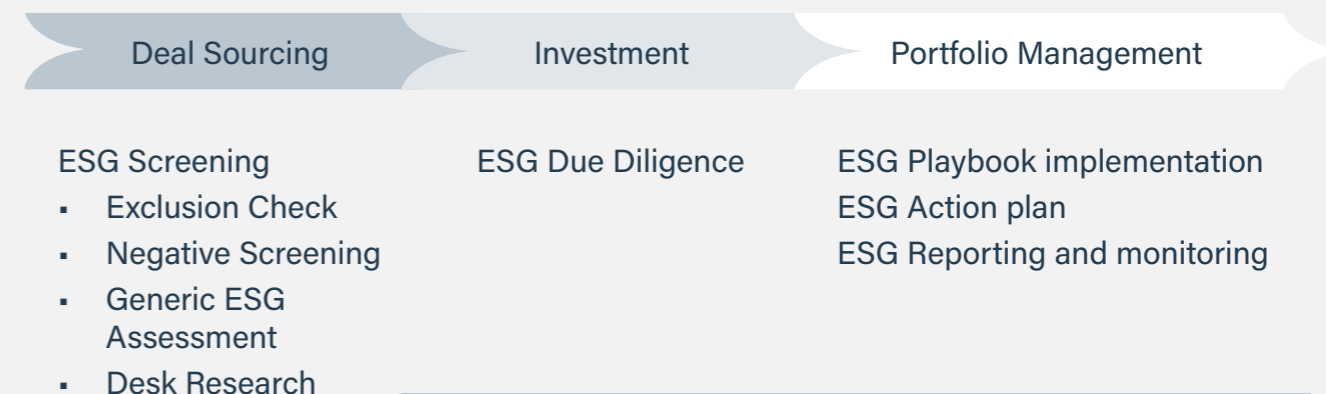
to address and mitigate these issues, thereby creating value for society and our investors. Once we have made an investment decision, our ESG Playbook, a key component of our active ownership model, includes tools to drive our portfolio companies' sustainable growth. It also serves as our sustainability performance framework, specifying the requirements for ESG matters that all our portfolio companies must follow and implement in their business.

# EXECUTION OF THE RESPONSIBLE INVESTMENT POLICY



## RESPONSIBLE INVESTMENT

## RESPONSIBLE OWNERSHIP



## DEAL SOURCING



### ESG Screening

- Exclusion Check
- Negative Screening
- Generic ESG Assessment
- Desk Research

**We fully integrate ESG in our investment decisions and we thoroughly analyse each investment opportunity to identify and manage possible ESG risks and ensure that our investment decisions are not only financially sound but also socially responsible.**

#### ESG Screening

Each investment opportunity undergoes comprehensive ESG screening, which informs subsequent in-depth ESG due diligence assessments.

#### Exclusion Check

Our responsible investment strategy incorporates a meticulous exclusionary screening process. This method involves screening out companies involved in contentious or unethical industries as well as those that pose potential breaches of international agreements and protocols, such as the OECD guidelines on Multinational Enterprises, UN Guiding Principles on Business and Human Rights and

Labor Rights conventions. Specifically, we abstain from investing in companies operating within sectors deemed controversial, including but not limited to gambling, illicit drugs, tobacco, the sex industry, coal and oil & gas extraction and weapons manufacturing.

#### Negative Screening

Additionally, our negative ESG screening evaluates potential risks linked to possible ESG issues relating to the target, any form of negative publicity, unethical activities, human rights violations in case the target operated in a high-risk area. We also screen whether the business model of the target company contradicts any of the UN Sustainable Development Goals or if its operations substantially undermine any of the environmental goals outlined in the EU taxonomy for sustainable finance, as well as any current or anticipated EU legislation or directives. If any red flags emerge during this screening, we conduct further investigations to assess whether these risks can be mitigated.

#### Generic ESG assessment and desk research

Subsequently, our generic ESG assessment focuses on evaluating the target's potential for value creation and positive impact in alignment with the UN SDGs, analysing areas including climate impact, responsible staff management, governance, business ethics and strategic maturity. Furthermore, we assess whether the target company's business model and operations relate to our overall ESG priorities and objectives as well as any sector-specific ESG issues.

## INVESTMENT



### ESG Due Diligence

**We systematically integrate ESG considerations into our investment due diligence process to identify potential risks to business transactions, comparing the target company to peer groups and industry standards, highlighting lagging or insufficient ESG practice and identifying any ESG opportunities to leverage on post-acquisition.**

This comprehensive ESG due diligence builds upon the information gathered during the screening phase, including any ESG risks identified, and an in-depth desk analysis of management and procedures, including interviews and site visits.

Conducted by third parties, our ESG due diligence is based on international frameworks, including UN PRI, UN Global Compact, COSO, GRI, Integrated Reporting, Integrated Thinking and national legislation.

Our ESG-DD encompasses an overview of relevant social and environmental trends affecting the target company, identification of key ESG criteria and a double materiality assessment to assess risks and opportunities. We evaluate the company's ESG integration level, strategy resilience and preparedness for the transition to a low-carbon economy. Additionally, we benchmark ESG policies against

sector-specific best practices, analyse risks related to intangible assets and assess the financial impact of identified ESG risks. Our due diligence concludes with actionable recommendations and future performance improvement plans related to ESG topics.

## PORTFOLIO MANAGEMENT



- ESG Playbook implementation
- ESG Action plan
- ESG Reporting and monitoring

**We employ an active ownership model with a focus on integrating our ESG strategy immediately after the acquisition.**

#### ESG Playbook Implementation

Central to our responsible ownership strategy is our ESG Playbook, a mandatory framework serving as our sustainability performance framework, stipulating the ESG requirements that all portfolio companies must implement in their operations. It is an integrated part of the onboarding process and moreover includes tools to help us drive our portfolio companies' sustainable growth.

#### ESG Action Plan

We collaborate with investees to develop a tailored ESG action plan, outlining specific timelines and measurable goals aligned with the ESG Playbook. We ensure robust evidence of a portfolio company's capability to meet these requirements within the agreed timeframe before finalising any investment.

Our active management approach extends beyond mere compliance, aiming to enhance the ESG capabilities of each portfolio company. We offer comprehensive support throughout our ownership period, including training, workshops and coaching, to help companies develop effective ESG policies and processes.

#### ESG Reporting and Monitoring

We maintain continuous oversight of ESG performance across the portfolio, utilising internal systems to monitor and report ESG integration, risk management and outcomes. Portfolio companies are obligated to promptly report significant ESG incidents, while both we and our investees annually disclose detailed ESG performance, including mandatory key performance indicators (KPIs), to ensure transparency and accountability in our responsible ownership strategy.



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OUR  
**ESG AMBITIONS**  
AND  
**PERFORMANCE**

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**At Celero Capital, we believe that businesses play a crucial role in creating thriving, healthy, diverse and resilient communities for this generation and generations to come. Sound companies contribute to sustainable development as defined by the Brundtland Commission: development that meets the needs of the present without compromising the ability of future generations to meet their own needs.**

We expect our portfolio companies to align their strategies and operations with our overarching ESG priorities and fundamental principles related to human rights, labour, environment and anti-corruption. Through our investments, we take action to advance societal goals and the implementation of the SDGs. Celero has the most significant impact on the achievement of *SDG 13 – Climate Action, SDG 5 – Gender Equality, SDG 8 – Decent Work and Economic Growth, SDG 12 – Responsible Consumption and Production* and *SDG 16 – Peace, Justice and Strong Institutions*.

Both of our current portfolio companies, Corteco and Reledo, are newly established groups formed by acquiring several very small entities, which individually have limited structural capital and lack the capacity to implement robust ESG monitoring and KPIs. Our value creation strategy for Corteco and Reledo includes building structural capital, through firstly recruiting a management team and subsequently establishing essential financial monitoring procedures as well as rolling out ESG KPIs and policies. As a result, for this first year of ESG reporting, we see a low coverage percentage for certain KPIs as some small entities lacked the monitoring processes and/or the ability to retrieve underlying data for the monitoring of certain ESG KPIs. Any such ESG KPI lacking full measurement is complemented with a coverage ratio measured as percentage of revenue.

We are comfortable with low coverage percentages on KPIs in the initial years of investments such as these, with the ambition to significantly improve ESG performance, including KPI monitoring and implementation of necessary policies, during our ownership period. Given that we continue to acquire numerous small businesses where only the CEOs signs new employment agreements as part of the transactions, it is expected that the percentage of employees as signatories to the Code of Conduct and also adoption of Supplier Code of Conduct in acquired businesses will continue to be less than 100%. Each year, we acquire new small companies, often towards the end of the year, which at the time of reporting will not yet have been onboarded to our ESG regime. However, as we systematically address these issues in the acquired companies, the weighted average compliance will improve over time.



# OUR AMBITIONS KEY ESG AREAS WE FOCUS ON



## ENVIRONMENTAL

### ► OUR AMBITIONS

#### CLIMATE FOOTPRINT

##### Ambition

We recognise the pressing challenges posed by climate change, including our environmental, social and economic impacts. As global temperatures rise, we emphasise the importance of understanding and mitigating climate-related risks. With a focus on reducing greenhouse gas emissions and fostering a low-emission business model, we are committed to proactive reporting and monitoring to navigate the transition towards climate adaptation.

##### Requirements to portfolio companies

We strongly encourage and assist our portfolio companies in prioritising the transition to a net-zero economy by 2050.

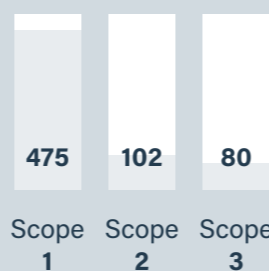
Our specific requirements are:

- Include risks and opportunities associated with emissions in the overall risk assessment
- Identify major emission sources in the value chain
- Monitor energy use and implement a transition to green energy
- Establish strategic goals and action plans aligned with current priorities to steer the company towards a net-zero economy by 2050
- Produce climate reports following the GHG Protocol and report annually on climate-related KPIs
- Continuously monitor present and forthcoming climate-related legislation

### ► OUR PERFORMANCE

#### CLIMATE FOOTPRINT

GHG emissions in tonnes of CO<sub>2</sub>e



Coverage: 95%

Total GHG emissions in tonnes of CO<sub>2</sub>e

657

95%

Carbon footprint in tonnes of CO<sub>2</sub>e/m€ capital

12

95%

GHG intensity of investee companies in tonnes of CO<sub>2</sub>e/m€ revenue

11

95%

Total amount of energy used in operations of investee companies per year in kWh

1,187,339

59%

Share of non-renewable energy consumption

21%

46%

Exposure to companies active in the fossil fuel sector

0%



## ENVIRONMENTAL

### ► OUR AMBITIONS

#### SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

##### Ambition

A company's impact on the environment and society largely arises from its production and consumption practices. We aim for our portfolio companies to spearhead sustainable production and consumption efforts. By following international frameworks and cutting waste and chemical release, companies can mitigate health and environmental harm. Responsible production, aligning with Agenda 2030, improves business operations, reducing costs and boosting accountability. We prioritise efficient resource use and integrating sustainability data into reporting cycles, emphasising thorough life cycle analyses for comprehensive environmental responsibility.

##### Requirements to portfolio companies

Our specific requirements are:

- Manage waste and chemicals per international standards
- Integrate sustainability data into their reporting
- Monitor sites located in or near biodiversity-sensitive areas with a negative impact on the area
- Manufacturing companies must conduct a life cycle analysis.

### ► OUR PERFORMANCE

#### SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

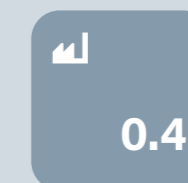


Number of sites located in or near biodiversity-sensitive areas with negative impact on area



Emissions to water in tonnes/m€ capital

5%



Emissions of inorganic pollutants in tonnes/€m capital

5%



Hazardous waste and radioactive waste ratio in tonnes/€m capital

3%

# OUR AMBITIONS KEY ESG AREAS WE FOCUS ON



## SOCIAL

### ► OUR AMBITIONS

#### NON-DISCRIMINATION AND GENDER EQUALITY

##### Ambition

We champion diversity and inclusion not just as a checkbox item but as a core business imperative. Embracing diversity in all aspects of operations fosters innovation, drives profitability and strengthens communities. By prioritising diversity in decision-making processes and throughout our workforce and supply chain, we aim to cultivate a culture of equality and generate long-term value for stakeholders. This commitment extends to promoting diversity in leadership positions, addressing diversity risks across the value chain and integrating diversity considerations into marketing and procurement strategies.

##### Requirements to portfolio companies

We mandate non-discriminatory recruitment and equitable opportunities in all portfolio companies. Each portfolio company must ensure a discrimination-free workplace, prohibiting exclusion of individuals based on factors such as gender, social origin, physical ability, political opinion, sexual orientation, age, religion, marital status or health status. Additionally, we require companies to cultivate an inclusive corporate culture.

Our specific requirements are:

- Collect and report diversity data in compliance with national legislation
- Develop a written policy on diversity
- Set and monitor diversity targets
- Address diversity issues in the supply chain
- Ensure all communication materials and practices are non-discriminatory
- Document and address discrimination incidents and develop documented remediation plans
- Provide equal job application opportunities for all personnel and ensure fair treatment of all personnel

### ► OUR PERFORMANCE

#### NON-DISCRIMINATION AND GENDER EQUALITY

Number of employees



800

Unadjusted gender pay gap



5%

55%

Gender diversity ratio



Company\*

25%

Board\*

21%

\*Share women/total workforce



## SOCIAL

### ► OUR AMBITIONS

#### SAFE AND SUSTAINABLE WORK ENVIRONMENTS

##### Ambition

Employees represent a company's most valuable assets and positive relationships between staff and management are therefore vital for sustained success. We prioritise the well-being of our employees as vital to long-term success. By fostering positive relationships and maintaining high labour standards, we aim to mitigate costs and risks associated with employee turnover, low productivity and reputational damage.

##### Requirements to portfolio companies

We and our portfolio companies aspire to be a positive force in the lives of all employees.

With a commitment to zero work-related incidents and a proactive approach to health and safety, we strive to provide safe, healthy and supportive work environments for all employees aiming to prevent incidents, injury and illness.

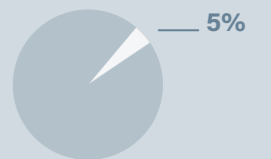
Our specific requirements are:

- Develop a written health and safety policy
- Conduct an assessment of all workplace risks
- Take measures to ensure workplace health and safety through training and protective gear for workers
- Report and address safety concerns promptly, with a designated management team member responsible for overseeing incident reporting and investigation
- Inform all personnel of their right to remove themselves from unsafe situations

### ► OUR PERFORMANCE

#### SAFE AND SUSTAINABLE WORK ENVIRONMENTS

Sick leave



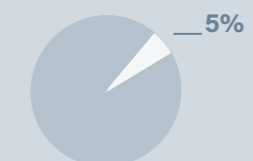
Injury rate

Total number of injuries relative to total work force



92%

Rate of accidents



92%

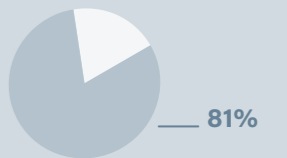
Average hours of training per year per employee

5

85%

Employee engagement

through employee survey



66%



## GOVERNANCE

### BUSINESS ETHICS / BRIBERY AND CORRUPTION

#### Ambition

We are committed to fostering a culture of integrity and ethical business conduct, with zero tolerance for corruption and bribery across our operations, portfolio companies and partnerships. Furthermore, we will establish a whistleblower function for portfolio companies to anonymously report suspected incidents. By promoting effective anti-corruption measures, we aim to foster peaceful, inclusive societies and build accountable institutions, mitigating legal, reputational and financial risks for our companies and stakeholders.

#### Requirements to portfolio companies

We expect our portfolio companies to fight corruption and implement a suitable whistleblowing system in line with Swedish legislative standards.

Our specific requirements are:

- Adopt a Business Ethics policy with zero tolerance for bribery and corruption, meeting local and international standards
- Assess corruption risks comprehensively, including attempts to sway opinions through gifts or funds for unfair advantages
- Implement robust systems to identify, mitigate and manage risks of employees or third parties engaging in bribery and corruption
- Conduct regular audits and inspections of systems and compliance with policies
- Establish a whistleblowing system by Swedish legislation standards, which should
  - a. Form part of the portfolio company's overarching risk management system
  - b. Guarantee confidential treatment and investigation of all complaints
  - c. Adhere to current national legislation concerning whistleblower functions

### CYBER SECURITY & DATA PROTECTION

#### Ambition

We recognise the rising risks of cyber incidents amid increased interconnectivity and technological advancements. Our vision prioritises robust cybersecurity measures and data privacy principles across our portfolio companies. We advocate for adopting risk-based approaches, strengthening controls and embedding legal and technological frameworks into operations to ensure data protection and privacy rights are upheld.

#### Requirements to portfolio companies

Data breaches pose significant risks, including identity fraud and reputational damage, potentially impacting a company's ability to retain clients.

Our specific requirements are:

- Identify vulnerabilities in their information systems that may pose data security risks
- Address data security risks and vulnerabilities appropriately, encompassing operational procedures, management processes, product structures, partner selection, employee training and technology usage. This should be articulated in a Cyber Security and Data Protection Policy.

### SUSTAINABLE SUPPLY CHAINS

#### Ambition

Ensuring human rights, fair labour practices, environmental sustainability and anti-corruption policies in supply chains is a major challenge for businesses today. With ESG concerns gaining traction worldwide, addressing sustainability in the supply chain is vital. We understand this complexity and prioritise thorough risk analysis and mitigation. We are dedicated to aligning our supply chain practices with the SDGs, aiming to reduce risks and enhance positive impacts, and promoting openness, trust and transparency in supplier relationships.

#### Requirements to portfolio companies

ESG risks, spanning working conditions, human rights, climate and ethics, can extend throughout the supply chain and influence beyond first-tier suppliers is challenging yet essential. We expect our portfolio companies to map risks as this enables informed decisions and risk management, potentially leading to contract terminations with high-risk suppliers.

Our specific requirements are:

- Map the supply chain to assess ESG risks, influence potential and relevance to the company's value creation
- Implement a Supplier Code of Conduct
- Establish documented procedures for conducting due diligence on suppliers, subcontractors, private employment agencies and sub-suppliers to ensure compliance with our Code of Conduct.
- Stay informed about current and forthcoming legislation concerning supply chain oversight

#### Our ESG Governance Requirements

ESG practices are integral to our governance framework, mandating actions for each portfolio company to foster sustainability and long-term value. Tailored to each company's risks and operations, these requirements include:

1. Establish a robust ESG-risk management system: We require our portfolio companies to establish a comprehensive system that serves as an operational guide for executing the ESG strategy. This system enables them to achieve ongoing compliance with our standards while driving continuous improvement.
  - a. Identification of ESG risks and opportunities
  - b. Materiality analysis
  - c. Establishing strategic focus areas and setting specific targets and actions based on the ESG risks identified
  - d. Risk governance and organisational capacity
  - e. Implementation of mandatory policies within the governance system
  - f. Preparation of annual sustainability report
2. Integrate ESG considerations into the company's value creation agenda, encompassing targets, projects and actions
3. Regularly monitor and report ESG performance, including mandatory ESG Key Performance Indicators (KPIs)
4. Adhere to national regulatory requirements concerning ESG practices



## GOVERNANCE

### BUSINESS ETHICS / BRIBERY AND CORRUPTION

<p>Employees who have signed business ethics policy or Code of Conduct</p> <p><b>35%</b> </p>	<p>Total number and nature of confirmed incidents of corruption</p> <p><b>0</b> </p>	<p>Total number of whistleblowing cases and actions taken</p> <p><b>0</b> </p>
<p>Number of data breaches</p> <p><b>0</b> </p>	<p>Suppliers who have signed the Supplier Code of Conduct*</p> <p><b>N/A</b></p> <p><small>*Please refer to the introduction to this chapter for more details.</small></p>	<p>Checks on suppliers' compliance with supplier Code of Conduct and description of any deficiencies and actions taken</p> <p><b>0</b> </p>
<p>Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p> <p><b>0%</b></p>	<p>Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p> <p><b>0%</b></p>	<p>Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</p> <p><b>0%</b></p>

### OUR ESG REQUIREMENTS

- Identification of ESG risks and opportunities
- Establishing strategic focus areas
- Risk governance and organisational capacity
- Implementation of mandatory policies within the governance system
- Preparation of annual sustainability report
- Materiality analysis
- Setting specific targets and actions based on the ESG risks identified



# PRINCIPLE ADVERSE IMPACT

## HOW WE CONSIDER THE PAIs

We incorporate considerations of Principle Adverse Impacts (PAI) in our investment decisions and sustainability factors are integral both to our due diligence processes and throughout our ownership period. We assess mandatory PAI indicators along with two voluntary indicators outlined by the Sustainable Finance Disclosure Regulation (SFDR) under Regulation (EU) 2019/2088.

### Policies to identify and prioritise PAIs on sustainability factors and their governance

We have implemented several policies that inform our ESG and sustainability strategy and processes for identifying, assessing and mitigating the principal adverse impacts of its investment activities, which includes our:

- ESG Playbook
- Responsible Investment and Ownership Policy
- Investment Policy
- Code of Conduct
- Whistleblower Policy
- Cyber Security Policy
- Anti-Money Laundering Policy
- Conflicts of Interest Policy
- Policy for Managing Personal Data

Both our and the portfolio companies' senior management are responsible for shaping our ESG approach and its implementation is overseen by our Investment Committee, Reledo's and Corteco's CEOs and the Board of Directors. To further strengthen our ESG reporting and monitoring capabilities in the coming year, we plan to appoint dedicated personnel for sustainability matters and improve overall ESG reporting and stewardship across the fund and portfolio companies.

### Monitoring and Assessment of PAIs

We start monitoring and assessing adverse impacts from the deal sourcing phase, using norm-based screening filters. This involves exclusion checks, negative screening and desktop research. We then conduct ESG Due Diligence in the investment stage to assess transaction risks, benchmark against industry standards and uncover value creation opportunities. Throughout 2023, we expanded our tracking of ESG KPIs, making nearly all PAIs accessible by the end of 2023.

### Methodologies and data sources

Methodologies used to identify and assess Principal Adverse Impacts (PAIs) are dependent on data availability and quality. We primarily rely on portfolio companies for data, using reasonable estimates or third-party data where necessary. If data is deemed unsuitable for estimation, we make sure to explain this in our reporting. As the sustainable finance industry and regulatory frameworks evolve, we continuously work to enhance data quality and availability.

Our methodology faces limitations due to varying reporting standards and resources among investee companies. To address this, we provide a coverage rate and focus our reporting on impacts at the fund and portfolio company levels, excluding impacts beyond this scope or with unavailable data. We employ a best-effort approach to gather data, leveraging existing processes and ensuring quality through ongoing assessments of both external and internal sources.

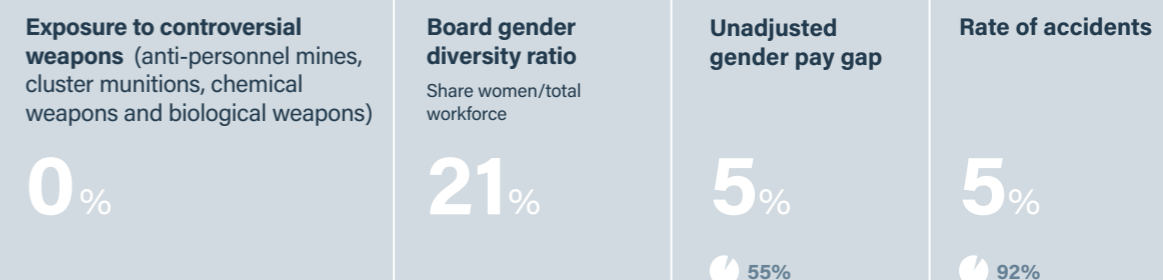
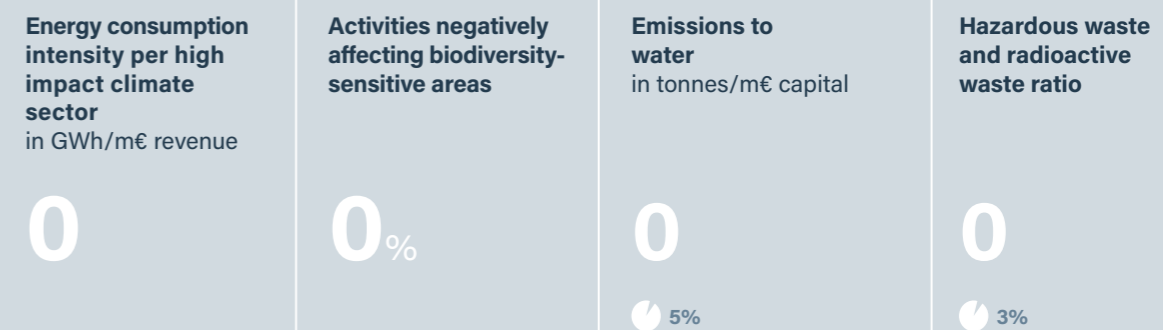
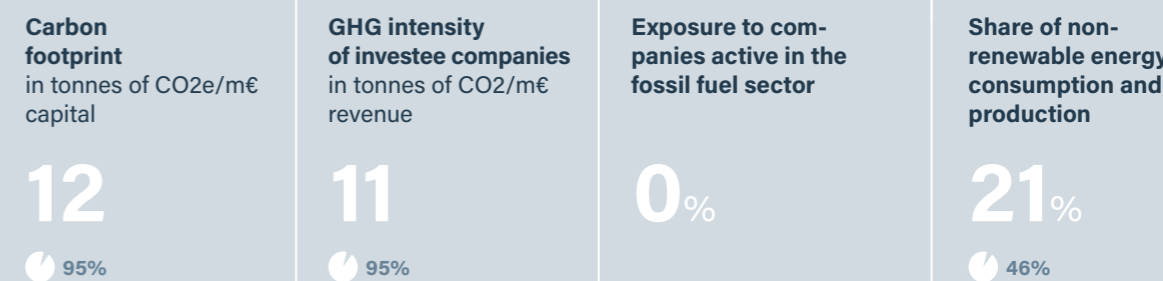
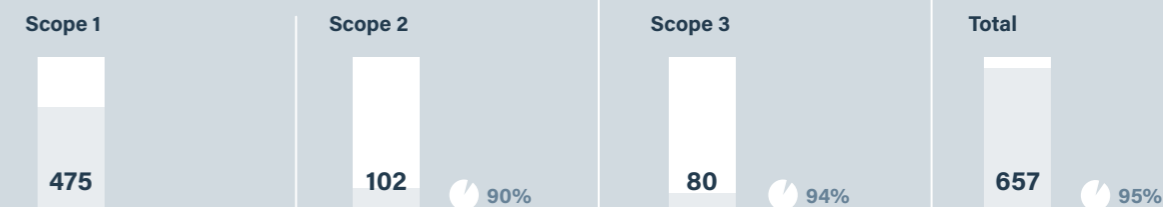
## WHAT WE WILL DO IN THE FUTURE (PAI)

In 2023, our first reporting year, our primary focus was on policy implementation and to lay the groundwork for our sustainability initiatives. Additionally, we dedicated ourselves to conducting baseline calculations and establishing

and refining our operational processes. In 2024, our focus shifts towards setting ambitious reduction targets and formulating comprehensive plans to shape our sustainable future.

## PAI INDICATORS

GHG emissions in tonnes of CO<sub>2</sub>e





4

OUR  
**PORTFOLIO  
COMPANIES**

CĒLERO  
CAPITAL

# CORTECO

Corteco HQ

Oslo (A. Hansen Gruppen) | Stockholm (Corteco HQ, Fasad Automatik) | Solna (Innergårdsgruppen and Interoc) | Skarpnäck (Fog & Fönster) | Rosersberg (Cityglas) | Kungsängen (Specialbetong Sverige) | Malmö (Niba) | Västerås (Wepab) | Gothenburg (Göteborgs Förenade Plåtslageri) | Örebro (Neosol)

## MANAGEMENT TEAM



**Fredrik Furgårdh**  
CEO



**Heléne Tegenkvist**  
CFO



**Vilhelm Stern**  
Head of M&A



**Malin Andersson**  
Business Controller

## CORTECO AT A GLANCE

Founded in 2022, Corteco specialises in providing comprehensive solutions for outer shell property renovations and maintenance, enhancing energy efficiency and prioritising sustainability through environmental considerations, social responsibility and ethical corporate governance.

Corteco's entrepreneur-driven companies specialise in roofs, windows, facades, garages, courtyards and solar cell installations. Leveraging this expertise, it fosters collaboration between its companies to deliver comprehensive solutions tailored to its clients' needs.

## KEY FINANCIALS

€ **112m** Revenue in € (SEK 1,243m\*)

**11** Operating subsidiaries

**374** FTEs

**0/4** Board gender balance

\*EUR-SEK as published on riksbank.se at 29 December 2023

## CORTECO COMPANIES AND TIMELINE OF ACQUISITIONS

<p><b>INTEROC</b> Specialists in facade renovation, along with door and window replacement services for both older properties in need of restoration and newly constructed homes and properties.</p>	<p><b>A. HANSEN Gruppen</b> Specialists in implementing comprehensive solutions for the outer shell of properties in renovations and new construction.</p>
<p><b>FOG &amp; FÖNSTER</b> Window renovation, replacement and maintenance with a focus on sustainability.</p>	<p><b>WEPAB</b> Provider of full-sheet metal facades, offering project planning, manufacturing and assembly services.</p>
<p><b>Cityglas</b> Total supplier of high-quality doors, windows and facades for comprehensive construction projects with a focus on sustainability, safety and quality.</p>	<p><b>NIBA</b> Specialists in manufacturing and installing aluminum components, focusing on doors, windows and entrance sections for construction firms, public clients, private property owners and housing associations.</p>
<p><b>SBS</b> Concrete company specialising in renovation, construction and foundation reinforcements, offering a patented eco-friendly lightweight concrete solution.</p>	<p><b>Specialising in designing, constructing and implementing courtyards, garages, concrete work, waterproofing and garden facilities.</b></p>
<p><b>FASAD</b> Leading Swedish provider of facade solutions, specialising in sun/climate protection, smoke and ventilation shutter motors and advanced electrical installations with automation.</p>	<p><b>GÖTEBORGS FÖRENADE PLÅTSLAGERI</b> Company offering project planning and implementation of construction sheet metal work both for new constructions, renovations and roof conversions.</p>
<p><b>neosol</b> Sun protection and shading solutions supplier for public and commercial properties in Sweden, providing installation and servicing options.</p>	



### Investment rationale

The property maintenance and renovation market in the Nordics is sizable and highly fragmented. Particularly attractive within this market is the subsegment of outer shells of buildings, encompassing roofing, facades, windows and more. This subsegment enjoys several environment-related tailwinds that are expected to lead to future growth in the sector, for instance, the need to increase the energy efficiency of buildings. Renovating the outer shell of a property can significantly decrease energy consumption, resulting in cost savings and a reduced climate footprint.

Corteco strategically targets this segment by consolidating high-quality, customer-centric companies. Through its multidisciplinary expertise, Corteco offers comprehensive, one-stop-shop solutions to property owners and construction firms across the Nordics.

### ESG considerations

Corteco is committed to conducting a sustainable and competitive business, prioritising environmental, social and economic responsibility toward customers, employees, owners and society as a whole.

Its focus on renovating a property's outer shell not only enhances its aesthetic appeal and contributes to a more beautiful cityscape, but also leads to substantial reductions in energy consumption. This increase in a property's energy efficiency offers dual benefits, yielding both cost savings and a reduced carbon footprint and thus allowing Corteco to make a significant contribution to SDG 13.

Sustainability serves as a fundamental guiding principle throughout its operations, underpinned by continuous monitoring through ESG reporting. Corteco's sustainability policy establishes clear guidelines for all its companies, ensuring that our efforts contribute to sustainable development. It achieves this by systematically monitoring, accounting for, reducing and reporting our climate impact.

Aligned with Celero Capital's ESG strategy, Corteco's ESG priorities correspond with UN SDGs 5, 8, 12, 13 and 16 and, in addition to its sustainability policy, it has implemented various other policies, which it expects its companies to comply with, including:

- Health and Safety Policy
- Policy on Gender Equality and Diversity
- Whistleblowing policy
- Supplier Code of Conduct
- Monitoring and External Control Policy

### Plans for the future

Corteco's ambition is to become a leading player in the Nordics by growing organically and via acquisitions while increasing its contribution to SDG 13. The company aims to achieve this by bolstering its customer offerings and fostering an environment that attracts and nurtures top industry talent.

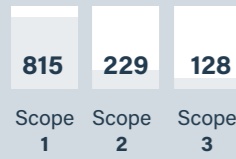
13 CLIMATE ACTION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION ENVIRONMENTAL

5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH SOCIAL

16 PEACE, JUSTICE AND STRONG INSTITUTIONS GOVERNANCE

CLIMATE FOOTPRINT

GHG emissions in tonnes of CO2e



93%

Total amount of energy used in operations per year in kWh

908,115

46%

Share of non-renewable energy consumption

15%

40%

Exposure to companies active in the fossil fuel sector

0%



SUSTAINABLE CONSUMPTION & PRODUCTION PATTERNS

Number of sites located in or near biodiversity-sensitive areas with negative impact on area

0

Emissions to water\* in tonnes

N/A

Hazardous waste and radioactive waste ratio\* in tonnes

N/A

Emissions of inorganic pollutants\* in tonnes

N/A

\* Not available due to discrepancies in monitoring systems across Group companies. In FY24 Corteco will implement Group monitoring of such substances.

NON-DISCRIMINATION AND GENDER EQUALITY

Number of FTEs

374

Unadjusted gender pay gap

1%

49%

Gender diversity ratio

Company\*

7%

Board\*

0%

\*Share women/total workforce

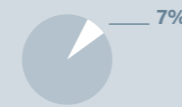


SAFE AND SUSTAINABLE WORK ENVIRONMENTS

Sick leave



Injury rate



Total number of injuries relative to total work force

92%

Average hours of training per year per employee

8

93%

Employee engagement



through employee survey

73%

BUSINESS ETHICS / BRIBERY AND CORRUPTION

Employees who have signed business ethics policy or Code of Conduct

67% 77%

Total number and nature of confirmed incidents of corruption

0

Total number of whistleblowing cases and actions taken

0

Number of data breaches

0 74%

Suppliers who have signed the Supplier Code of Conduct\*

N/A

Checks on suppliers' compliance with supplier Code of Conduct and description of any deficiencies and actions taken\*

0 72%

\* Please refer to the introduction to this chapter for more details.

Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises

0

Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

0%

Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

0%

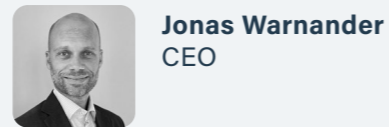
OUR ESG REQUIREMENTS

- ✓ Identification of ESG risks and opportunities
- ✓ Establishing strategic focus areas
- ✓ Risk governance and organisational capacity
- ✓ Implementation of mandatory policies within the governance system
- ✗ Materiality analysis
- ✗ Setting specific targets and actions based on the ESG risks identified

# RELEDO



## MANAGEMENT TEAM



**Jonas Warnander**  
CEO



**Niclas Olsson**  
CFO



**Philip Kilander**  
Head of M&A



**Adam Grankvist**  
Business Controller

## RELEDO AT A GLANCE

Established in 2023, Reledo specialises in facility management services with the goal of providing pleasant work environments and ensuring a seamless workplace experience by offering services ranging from cleaning to coffee and water as well as office services. This allows its customers to focus entirely on their core business operations.

Reledo companies are entrepreneur-driven and specialists in their various areas of facility management. Through collaboration between them, it leverages their expertise to deliver tailor-made solutions that precisely meet its customers' needs.

## KEY FINANCIALS

€ **36m** Revenue in € (SEK 400m\*)

**7** Operating subsidiaries

**426** FTEs

**2/4** Board gender balance

**2** Nationalities represented on the board

\*EUR-SEK as published on riksbank.se at 29 December 2023

## RELEDO COMPANIES AND TIMELINE OF ACQUISITIONS

Provides comprehensive cleaning services for stores, properties, homes, businesses and public environments across 25 locations throughout Sweden.	Leading suppliers of specialised cleaning services for the food services industry in the Stockholm area.
Business cleaning company specialising in office and shop cleaning as well as warehouse and construction cleaning.	Facility management service company with a large focus on sustainability; from their environmental work to the well-being of their staff and the quality they deliver to their customers.
Cleaning, floor care and window cleaning company in the Uppsala area.	Supplier of coffee, fruit, water and other high-quality break products for work-places and offices.
Provider of recycling services for offices and properties in the Stockholm area.	



### Investment rationale

Reledo focuses on the outsourced facility management market in the Nordics, with a specific emphasis on serving small and medium-sized enterprises (SMEs). Reledo addresses this segment through leveraging the collaborative power of high-quality and customer-oriented companies that offer best-in-class services within cleaning, food and beverages and office and property services. It aims to be a flexible and customer-oriented partner that can offer both single service and complete solutions to our customers.

### ESG considerations

At Reledo, sustainability is at the core of its operations as it strives to minimise its environmental footprint and foster positive societal impacts. Reledo sees it as its responsibility to support its clients in achieving their sustainability objectives while actively reducing its own environmental impact.

Central to its sustainability efforts is the reduction of its own climate footprint. Through initiatives aimed at curbing energy consumption, adopting eco-friendly alternatives and minimising waste generation, Reledo not only mitigates its environmental impact but also assists its clients in achieving their sustainability targets.

Reledo also works actively to take social responsibility in its work. This entails ensuring favourable working conditions for its employees and championing diversity and inclusion

throughout its operations, including helping immigrants into the labour markets in the regions where Reledo operates. The company aims to cultivate an environment where everyone involved, be it employees, clients or partners, feels valued and respected.

In line with Celero Capital's ESG strategy, Reledo's ESG priorities are aligned with the UN SDGs 5, 8, 12, 13 and 16. Furthermore, it has implemented the following policies, which we expect our companies to comply with:

- Internal Code of Conduct
- Sustainability policy
- Health and safety policy
- Equality and diversity policy
- Whistleblowing policy
- Supplier Code of Conduct
- Monitoring and External Control Policy

### Plans for the future

Reledo's ambition is to become a leading Nordic player in facility management by being a customer-oriented and flexible supplier with high-quality and tailor-made solutions, while promoting sustainability within its business. It aims to foster organic growth and have an active M&A agenda, all while fostering an environment that supports societal goals.

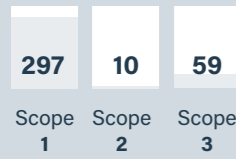
**ENVIRONMENTAL**

**SOCIAL**

**GOVERNANCE**

**CLIMATE FOOTPRINT**

GHG emissions in tonnes of CO2e



Total amount of energy used in operations per year in kWh

279,224

Share of non-renewable energy consumption

28%

68%

Exposure to companies active in the fossil fuel sector

0%



**SUSTAINABLE CONSUMPTION & PRODUCTION PATTERNS**

Number of sites located in or near biodiversity-sensitive areas with negative impact on area

0

Emissions to water in tonnes

0

20%

Hazardous waste and radioactive waste ratio\* in tonnes

0

14%

Emissions of inorganic pollutants in tonnes

54

20%

\* Not available due to discrepancies in monitoring systems across Group companies. In FY24 Celero will implement Group monitoring of such substances.

**NON-DISCRIMINATION AND GENDER EQUALITY**

Number of FTEs

426

Unadjusted gender pay gap

11%

72%

Gender diversity ratio

Company\*

48%

59%

Board\*

50%

\*Share women/total workforce



**SAFE AND SUSTAINABLE WORK ENVIRONMENTS**

Sick leave



Injury rate



Total number of injuries relative to total work force

93%

Average hours of training per year per employee

2

59%

Employee engagement



through employee survey

47%

**BUSINESS ETHICS / BRIBERY AND CORRUPTION**

Employees who have signed business ethics policy or Code of Conduct

2%

All CEOs in Reledo have signed the Code of Conduct upon entering into new employment contracts.

81%

Total number and nature of confirmed incidents of corruption

0

81%

Total number of whistleblowing cases and actions taken

N/A

Data not available as whistleblowing monitoring will be implemented in FY24.

Number of data breaches

0

81%

Suppliers who have signed the Supplier Code of Conduct

N/A

Please refer to the introduction to this chapter for more details.

Checks on suppliers' compliance with supplier Code of Conduct and description of any deficiencies and actions taken

0

74%

Please refer to the introduction to this chapter for more details.

Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises

0

Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

0

Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

0%

**OUR ESG REQUIREMENTS**

- ✓ Identification of ESG risks and opportunities
- ✗ Materiality analysis
- ✓ Establishing strategic focus areas
- ✗ Setting specific targets and actions based on the ESG risks identified
- ✓ Risk governance and organisational capacity
- ✓ Implementation of mandatory policies within the governance system

5

# APPENDIX

CELERO  
CAPITAL

# CELERO

CAPITAL

- Birger Jarlsgatan 58, 114 29 Stockholm, Sweden
- Oscars gate 30, 0256 Oslo, Norway

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- Additional information about Celero Capital and our companies can be found on Celero Capital's [website](#)
  - All information related to SFDR disclosure can be found in the sustainability section of [www.celerocapital.com](http://www.celerocapital.com)