

Website product disclosure for financial products that promote environmental or social characteristics

Financial market participant: Celero Capital Fund (D) AB

Legal entity identifier: 559366-8006

Website product disclosure for financial products that promote environmental or social characteristics referred to in Article 24 of Regulation (EU) 2022/1288.

(a) Summary

English:

Celero Capital promotes five environmental and social characteristics that align with societal goals and contribute to the realization of five UN Sustainable Development Goals ("UN SDGs") but does not seek to make sustainable investments as defined in the SFDR. The five UN SDGs that the Fund aims to contribute to are:

- SDG 13 – Climate Action,
- SDG 12 – Responsible Consumption and Production,
- SDG 5 – Gender Equality,
- SDG 8 – Decent Work & Economic Growth,
- SDG 16 – Peace, Justice and Strong Institutions.

As a signatory to the UN Principles of Responsible Investments (UN PRI), the Fund's Responsible Investment strategy aligns with the six Principles for Responsible Investment. Additionally, it operates as an Article 8 Investment Firm under the EU Sustainable Financial Disclosure Requirements.

The Fund considers and assesses environmental and social characteristics both pre- and post-investment. This involves obtaining data on environmental and social factors through initial ESG assessments and regular ESG reports by Portfolio Companies. Celero Capital utilises exclusion checks and negative screenings and conducts ESG due diligence in its decision-making process.

During ownership, Celero's Responsible Investment and Ownership Policy and ESG Playbook enforce its ESG strategy across Portfolio Companies, establishing mandatory ESG requirements, including the implementation of an internal Code of Conduct and Supplier Code of Conduct.

The Fund also considers Principal Adverse Impacts (PAI) of its investment decisions on sustainability factors, together with other ESG KPIs, as part of its investment due diligence process and periodic monitoring.

Svenska

Celero Capital främjar fem miljömässiga och sociala områden som har inverkan på fem av FN:s mål för hållbar utveckling ("FN:s hållbarhetsmål"), men avser inte genomföra hållbara investeringar som definierat i SFDR. De fem hållbarhetsmålen som fonden avser bidra till är:

- SDG 13 - Bekämpa klimatförändringen,
- SDG 12 - Ansvarsfull konsumtion och produktion,
- SDG 5 - Jämställdhet mellan kvinnor och män,
- SDG 8 - Anständiga arbetsvillkor och ekonomisk tillväxt,
- SDG 16 - Fredliga och inkluderande samhällen, rättvisa och starka institutioner.

Celero är undertecknare av FN:s principer för ansvarsfulla investeringar (UN PRI) och fondens strategi för ansvarsfulla investeringar är i linje med de sex principerna för ansvarsfulla investeringar. Dessutom verkar fonden som en artikel 8-fond enligt EU:s krav på redovisning av hållbarhetsinformation.

Fonden beaktar och utvärderar hållbarhetsaspekter både före och under ägarskapsperioden. Det innebär att man inhämtar uppgifter om miljö och sociala faktorer genom inledande ESG-bedömningar och regelbundna ESG-rapporter från portföljbolagen. Celero Capital utgår från exkluderingskriterier, negativ screening samt ESG-due diligence som en del av beslutsprocessen.

Under ägarskapsperioden tillser Celero Capital att fondens policy för ansvarsfulla investeringar och ägande, samt ESG Playbook, implementeras i portföljbolagen. Dessutom ställer man olika ESG-krav som inkluderar implementering av uppförandekoder för anställda och leverantörer.

Fonden beaktar också principiella negativa effekter (PAI) av investeringsbesluten på hållbarhetsfaktorer, tillsammans med andra ESG KPI:er, som en del av due diligence och den periodiska översynen.

Norsk

Celero Capital fremmer fem miljømessige og sosiale egenskaper som er i tråd med og bidrar til realiseringen av fem av FN sine bærekraftsmål, men har ikke som mål å foreta bærekraftige investeringer som definert i SFDR. De fem bærekraftsmålene som fondet har som mål å bidra til, er

- Bærekraftsmål 13 - Bekjempe klimaendringene,
- Bærekraftsmål 12 - Ansvarlig forbruk og produksjon,
- Bærekraftsmål 5 - Likestilling mellom kjønnene,
- Bærekraftsmål 8 - Anstendig arbeid og økonomisk vekst,
- Bærekraftsmål 16 - Fred, rettferdighet og sterke institusjoner.

Celero har skrevet under på FN sine prinsipper for ansvarlige investeringer (UN PRI) og fondets strategi for ansvarlige investeringer i tråd med de seks prinsippene for ansvarlige investeringer. I tillegg driver fondet som et artikkel 8-investeringsforetak i henhold til EU sine krav til rapportering om bærekraftig finans.

Fondet tar hensyn til og vurderer miljømessige og sosiale forhold både før og etter investeringene. Dette innebærer innhenting av data om miljømessige og sosiale faktorer gjennom innledende ESG-vurderinger og regelmessige ESG-rapporter fra porteføljeselskapene. Celero Capital bruker ekskluderingskriterier, negative filtre og gjennomfører ESG-gjennomgang i beslutningsprosessen.

I løpet av eierskapet håndhever Celero Capital sine retningslinjer for ansvarlig investering og eierskap og ESG Playbook ESG-strategien på tvers av porteføljeselskapene, og det stilles obligatoriske ESG-krav, inkludert implementering av interne etiske retningslinjer og etiske retningslinjer for leverandører.

Fondet vurderer også de prinsipielle negative konsekvensene (PAI) av sine investeringsbeslutninger på bærekraftsfaktorer, sammen med andre ESG-KPI-er, som en del av sin due diligence-prosess og periodiske overvåking.

(b) No sustainable investment objective

This is not applicable as this product has environmental and social characteristics. The Fund does not make sustainable investments in the manner described in Regulation (EU) 2019/2088.

(c) Environmental or social characteristics of the financial product

The Fund promotes the following environmental and social characteristics:

Celero Capital's Fund promotes five environmental and social characteristics that align with societal goals and contribute to the realization of five UN Sustainable Development Goals (SDGs). With its investment strategy, Celero Capital aims to promote the following characteristics:

Environmental characteristics

- SDG 13 – Climate Action (Climate Change): Reducing GHG emissions, promoting low-carbon transitions.
- SDG 12 – Responsible Consumption and Production (Sustainable Consumption and Production Patterns): Emphasis on waste reduction, circular resource use, and integration of life cycle assessments.

Social & Governance characteristics

- SDG 5 – Gender Equality (Non-discrimination and Gender Equality): Deliberate efforts are made across the Fund's assets to promote diversity, inclusion, and equal rights.
- SDG 8 – Decent Work & Economic Growth (Safe and Sustainable Work Environments): Prioritizing employee health and well-being, Celero ensures safe and supportive work environments across its Portfolio Companies;
- SDG 16 – Peace, Justice and Strong Institutions (Business Ethics): The Fund maintains a zero-tolerance policy for corruption and bribery, enforcing internal controls and anti-money laundering measures to uphold ethical business conduct and integrity. Furthermore, Celero advocates for a riskbased approach to data protection, emphasizing robust cybersecurity measures, responsible data handling, and respect for privacy rights. In addition to that the Fund focuses on sustainable supply chain management, addressing ESG aspects such as human rights, fair labour practices, environmental sustainability, and anti-corruption policies.

(d) Investment strategy

Investment strategy used to attain the sustainable investment objective

Celero's primary investment focus lies in B2B and B2C services, consumer goods and niche industrials sectors. These companies typically exhibit the following characteristics:

- Operating in stable industries with limited cyclicity;
- Niche leaders with strong value propositions;
- Clear future growth potential; and
- Enterprise values between EUR 40-100 million.

The Fund focuses on investment opportunities in the following scenarios:

- Buy-and-Build;
- Succession;
- Corporate divestitures; and

- Growth acceleration.

The geographical focus of investments is in the Nordics, namely Sweden, Norway, Finland, and Denmark. Follow-on investments in Portfolio Companies may be undertaken outside the Nordics, following the respective Portfolio Company's investment strategy.

The Fund seeks companies committed to sales growth, increased profitability and strengthened competitiveness. It collaborates with owners and management teams passionate about accelerating their company's development, aiming to elevate performance through initiatives such as rapid sales and profit growth, international expansion and M&A acceleration.

The Fund follows a strict exclusion list. The Company shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to Portfolio Companies or other entities:

- Whose business activity consists of an illegal economic activity (i.e., any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the relevant company or entity)
- Substantially focused on:
 - Production/trade of tobacco and distilled alcoholic beverages
 - Financing of weapons and ammunition, unless aligned with EU policies
 - Casinos or equivalent gambling enterprises
 - Development of electronic programs supporting restricted sectors, internet gambling, pornography, or unlawful data access
 - Fossil fuel-based energy activities, including coal, oil, gas, or high-emission power generation (>250g CO₂e/kWh)
 - High CO₂-emitting industries (e.g., cement, steel, aluminium, plastics, conventional aviation), as defined by specific NACE codes

Exceptions to high-emitting sectors are permitted only if:

- The investment is classified as environmentally sustainable under the EU Taxonomy (Regulation (EU) 2020/852), or

- Eligible under the EIF's Climate Action & Environmental Sustainability (CA&ES) criteria

Celero Capital screens potential new acquisitions for good governance as part of its ESG screening and ESG due diligence processes.

Following the acquisition of Portfolio Companies, Celero Capital initiates the implementation of its ESG Playbook, which outlines mandatory ESG requirements, including governance, for all Portfolio Companies. Together with the investee, Celero creates an ESG Action Plan to meet the Playbook's requirements, setting a timeline and tangible goals for each area, including governance topics. Agreement on the action plan is integral to the onboarding process, and Celero Capital only invests if there is strong evidence that the potential Portfolio Company can meet the requirements within the agreed timeframe.

The ESG Playbook also mandates Portfolio Companies to report on Governance Key Performance Indicators (KPIs), including:

- Percentage of employees who have signed the business ethics policy or code of conduct
- Total number of whistleblowing cases and actions taken
- Total number and nature of confirmed incidents of corruption
- Number of data breaches
- Percentage of suppliers who have signed the Supplier Code of Conduct or apply an equivalent Code of Conduct

In addition to the monthly mandatory KPI reporting requirement for Portfolio Companies, Celero regularly engages with the boards of directors of its Portfolio Companies to monitor ESG and good governance practices within the framework of corporate strategy, risk management, and performance, guided by the "Celero Capital Responsible Investment and Ownership Policy".

(e) Proportion of investments

Does this financial product have a sustainable investment objective?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

(f) Monitoring of environmental or social characteristics

The Environmental and Social Characteristics that the Fund aims to promote are initially assessed during the ESG Due Diligence, then monitored regularly through ESG Reports.

Starting in the deal sourcing phase of the investment stage, we apply norm-based screening filters, an ESG Screening process, to identify and filter any company that is involved in breaches of international law and norms on international protection or that risk violating international conventions and guidelines, such as the OECD guidelines, UN Guiding Principles on Business and Human Rights, and Labor Rights conventions as well as other international laws and norms on environmental protection, human rights, labour standards and anti-corruption measures. This process consists of (1) exclusion check, (2) negative screening, (3) generic ESG assessment, as well as (4) further desk research upon gaining access to internal company documents. This procedure is the first step to identify significant adverse impacts that relate to a certain number of mandatory PAI indicators, covering the areas of greenhouse gas emissions, waste management, as well as human rights, anti-corruption and anti-bribery matters.

Based on the findings of the ESG Screening, we conduct the ESG Due Diligence in the investment stage. This second step addresses identified issues from the ESG Screening process and gains deeper insights into management practices through desk analysis, system reviews, interviews and site visits. ESG Due Diligence is implemented by third parties and is based on international frameworks (i.e., UN PRI, UN Global Compact, COSO, GRI, Integrated reporting, Integrated thinking and national legislation). Ability to report on PAIs is also being assessed in the ESG Due Diligence.

Once invested, performance on environmental and social matters by the Portfolio Company is monitored and reported regularly to Celero Capital. The ESG reports are used to inform management and board discussions. Annually, progress on environmental and social matters is reviewed by Portfolio Company boards.

The Fund will measure the attainment of the sustainable investment objective using the following sustainability indicators:

Environmental:

Contribution to SDG #13 Climate Action (Climate Footprint):

- CO2e emissions per year (Scope 1, 2, 3 and Total)
- Carbon footprint
- GHG intensity of investee companies
- Total amount of energy used in operations
- Share of non-renewable energy consumption of investee companies from non-renewable energy sources
- Energy consumption intensity in high impact climate sectors

Contribution to SDG#12 Responsible Consumption and Production (Sustainable Consumption and Production Patterns):

- Number of sites located in or near biodiversity-sensitive areas with negative impact on area
- Emissions to water
- Hazardous waste and radioactive waste ratio
- Emissions of inorganic pollutants

Social & Governance:

Contribution to SDG #5 Gender Equality (Non-discrimination and Gender Equality):

- Gender diversity throughout company
- Gender diversity in Board
- Average unadjusted gender pay gap

Contribution to SDG #8 Decent Work & Economic Growth (Safe and Sustainable Work Environments):

- Sick leave (long term and short term)
- Staff turnover
- Rate of accidents
- Average hours of training per year per employee
- Employee satisfaction measured by eNPS score

Contribution to SDG #16 Peace, Justice and Strong Institutions (Business Ethics):

- Percentage of all employees who have signed business ethics policy or code of conduct
- Total number of whistleblowing cases and actions taken
- Total number and nature of confirmed incidents of corruption
- Number of data breaches
- Percentage of suppliers who have signed the Supplier Code of Conduct or apply and equivalent Code of Conduct
- Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
- Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises
- Share of investments in investee companies involved in the manufacture or selling of controversial weapons

Our value creation strategy for our Portfolio Companies includes building structural capital by first recruiting a management team and subsequently establishing essential financial monitoring procedures, as well as rolling out ESG KPIs and policies. As a result, in the first year of ESG reporting, we expect to see a low coverage percentage for certain KPIs since some small entities may lack the monitoring processes and/or the ability to retrieve underlying data for the monitoring of certain ESG KPIs.

Celero Capital is comfortable with low coverage percentages on KPIs in the initial years of investments, with the ambition to significantly improve ESG performance, including KPI monitoring and the implementation of necessary policies, during our ownership period.

(g) Methodologies

The Fund integrates qualitative and quantitative assessments with regard to the ESG characteristics it aims to promote throughout its investment process, using investment exclusion checks, ESG criteria and ESG evaluations to gauge a target company's potential for positive impact and value creation. ESG factors identified during due diligence are fully integrated into the ownership phase via Celeros Acceleration Modules and its ESG Playbook. This playbook provides detailed roadmaps and requirements for all Portfolio Companies, including 100-day plans, ESG roadmaps, and annual monitoring of ESG performances including Principal Adverse Impact (PAI) indicators.

(h) Data sources and processing

To gather data on Celero's promoted environmental and social characteristics, we adopt a best-effort approach, sourcing information from Portfolio Companies and third-party providers. Third-party consultants conduct technical pre-acquisition due diligence on key ESG factors, collecting data directly from Portfolio Companies. Where existing data collection processes are in place, such as for greenhouse gas emissions, gender diversity, and exclusion processes, Celero uses that data in our reporting. The majority of data is actual, however, when data is incomplete, Celero uses reasonable estimates. Additionally, during the ownership period, Portfolio Companies provide Celero with regular ESG reporting for monitoring purposes and improvement opportunities are discussed during Board meetings. We continuously assess the quality, coverage and other attributes of external data providers and other data sources.

(i) Limitations to methodologies and data

A limitation in our methodology and data availability arises from our reliance on Portfolio Companies to provide most of the data. This dependence results in variability in data comprehensiveness due to differences in reporting standards, company competencies, size, and resources. When data is incomplete, Celero uses reasonable estimates or third-party data, and if estimation is not feasible, we provide an explanation in the Fund's reporting. As the sustainable finance

industry and regulatory frameworks evolve, we continuously strive to improve data quality and availability in our investment and ownership processes. Currently, no further limitations to data and methodology are apparent.

(j) Due diligence

Celero Capital rigorously integrates ESG considerations into its investment due diligence process to assess potential risks and opportunities. This involves comparing target companies against industry peers and standards, identifying gaps in ESG practices, and pinpointing opportunities for enhancement postacquisition. Our comprehensive approach begins with initial screenings to uncover ESG risks, followed by detailed analyses of management practices through interviews and site visits.

Third-party experts conduct Celero's ESG due diligence. We analyze social and environmental trends impacting the target company, evaluate key ESG criteria, and conduct a double materiality assessment to gauge risks and opportunities. Celero assesses each company's ESG integration, resilience of strategies, and readiness for a low-carbon economy transition. We also benchmark ESG policies against sector-specific best practices, assess risks linked to intangible assets, and evaluate the financial implications of identified ESG risks. Celero's due diligence concludes with actionable recommendations and plans for improving ESG performance in the future.

(k) Engagement policies

Celero's Engagement Policies showcase our proactive ownership approach in the day-to-day operations of our Portfolio Companies, ensuring the implementation of our ESG strategy through our ESG Playbook and ESG Action Plan, as well as continuous ESG reporting and monitoring post-acquisition.

The ESG Playbook serves as Celero's sustainability framework, outlining mandatory ESG requirements for Portfolio Companies to drive growth and sustainable development. The ESG Action Plan includes a timeline and tangible goals for each area. Moreover, we are always represented on the Boards of our Portfolio Companies and directly engage in dialogue with the Boards of Directors to discuss ESG issues as part of the corporate strategy, risk management and performance. Our activities are guided by the "Celero Capital Responsible Investment and Ownership Policy," which serves as our stewardship guideline.

Additionally, Portfolio Companies must annually report on 33 Mandatory Key Performance Indicators (KPIs) to track ESG performance effectively.

(I) Designated reference benchmark

Celero Capital does not utilise any index as reference benchmark to determine the alignment of environmental and/or social characteristics that it promotes.