

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Celero Capital Fund (D) AB

Legal entity identifier: 559366-8006

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:**

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

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following environmental and social characteristics:

Environmental:

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



Social & Governance:

- SDG 5 – Gender Equality: Promoting diversity and inclusion in leadership and workforce.
- SDG 8 – Decent Work and Economic Growth: Ensuring healthy and safe working environments.
- SDG 16 – Peace, Justice and Strong Institutions: Zero tolerance for corruption, strong business ethics, responsible data use, and sustainable supply chains.

These characteristics are promoted through binding elements of the investment strategy, including:

- Negative screening and strict exclusion criteria
- ESG screening during sourcing
- ESG due diligence prior to investment
- Active ownership using Celero Capital's ESG Playbook
- Annual ESG action plans and KPI monitoring

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The fund uses the following sustainability indicators to measure the achievement of each of the environment-related characteristics promoted by the fund:

Environmental

SDG 13:

- 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

SDG 12:

- 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

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

SDG 5:

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

SDG 8:

- 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

Governance

SDG 16:

- 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 an 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

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Does this financial product consider principal adverse impacts on sustainability factors?



Yes, principal adverse impacts (PAIs) on sustainability factors are considered upon investment and in the ownership of the financial product. The Fund considers all 14 mandatory Principal Adverse Impact (PAI) indicators listed in Table 1, Annex I of Delegated Regulation (EU) 2022/1288. In addition, two optional indicators are considered:



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- Emissions of inorganic pollutants
- Rate of accidents

PAI indicators are assessed during investment decisions and ownership, supported by the ESG Playbook, ESG DD, and KPI monitoring. Data is collected on a best-effort basis, and remediation is pursued through action plans if significant adverse impacts are identified.

The fund will publish its first statement on principal adverse impacts by 30 June 2025 for the 2024 reference period, in accordance with Regulation (EU) 2019/2088 and 2022/1288.

No

What investment strategy does this financial product follow?

Celero's primary investment focus lies in Business-to-Business (B2B) and Business-to-Consumer (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.

Before investment

ESG considerations are embedded from the earliest stages of the investment process. A comprehensive ESG screening precedes ESG due diligence.

Exclusion Check

Our responsible investment strategy incorporates an exclusionary screening process. This method involves screening out companies involved in unethical industries as well

as those that pose potential breaches of international agreements and protocols. We abstain from investing in companies operating within sectors deemed controversial, including but not limited to gambling, illicit drugs, tobacco, the sex industry, coal, 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 assess if the target's business model conflicts with the UN SDGs, EU taxonomy, or relevant EU regulations. 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.

Due Diligence

ESG due diligence is conducted by third parties and based on international frameworks. It builds on the initial screening and includes desk research, management interviews, and site visits.

Portfolio management

Celero Capital demonstrates an active approach to portfolio management. Integration of ESG is a priority starting right after the acquisition.

ESG Playbook

The Playbook forms a mandatory part of onboarding. It provides structure and tools to future-proof each company's ESG performance and is central to the firm's active ownership model.

ESG Action Plan

Together with the investee we create an ESG action plan for the steps needed to meet the requirements of the ESG Playbook.

In our active management, we strive to provide the companies with the necessary support to improve the ESG capacity of each company.

Reporting and Monitoring

Portfolio companies must annually report on ESG KPIs and immediately disclose serious incidents (e.g., major injuries, corruption, fraud, environmental harm). Monitoring is continual and tied to both generic and company-specific ESG priorities.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investments in Celero Capital Fund (D) AB are guided by the limited partner agreement.

Celero undertakes the following binding elements of the investment strategy on all investment decisions and throughout the ownership phase.

To ensure responsible investment, Celero conducts a comprehensive ESG screening process followed by an in-depth assessment in the ESG Due Diligence phase. The ESG screening 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.

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.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

This question is not applicable to the fund as there is no committed minimum rate to reduce the scope of the fund's investments

- **What is the policy to assess good governance practices of the investee companies?**

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).

In addition to the 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.

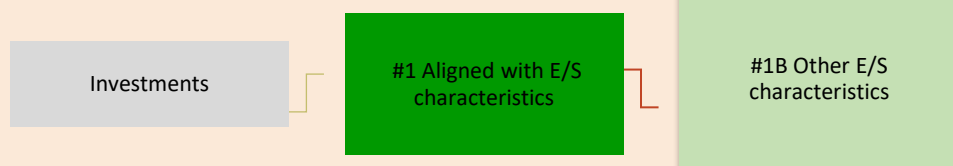
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

Celero allocates 100% of its funds to invest in companies which are planned to meet the binding elements of its investment strategy and to achieve the promoted environmental and social characteristics promoted by this financial product

In terms of minimum environmental and social standards, all companies must pledge to uphold the United Nations Global Compact and establish policies and procedures to



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

Asset allocation describes the share of investments in specific assets.

ensure compliance with the OECD Guidelines and the UN Guiding Principles. However, this financial product does not obligate itself to pursue sustainable investments.

As this product has environmental and social characteristics, it does not make sustainable investments in the manner described in Regulation (EU) 2019/2088. Therefore, 0% of the fund's investments are expected to be Taxonomy aligned.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The fund does not make use of any derivatives to attain its environmental and social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Portfolio does not currently commit to invest in any “sustainable investments” within the meaning of the EU Taxonomy and therefore its alignment with the Taxonomy is 0%. However, as the availability of sufficiently reliable data on taxonomy alignment is limited, a meaningful commitment to a minimum percentage of taxonomy aligned investments in the fund cannot be made.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

Yes:

In fossil gas

In nuclear energy



No



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The fund allocates all its investments into companies that are aligned with E/S characteristics (#1B Other E/S characteristics), and does not have any remaining investments under "#2 Other".

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Where can I find more product specific information online?



More product-specific information can be found on the website:

More product-specific information can be found on Celero Capital's website:
<https://celerocapital.com>