

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Celero Capital Fund Manager AB

Legal entity identifier: 559366-8063

Reference period: 01.01.-31.12.2024

1. Summary

Celero Capital AB (Reg. No. 559366-8063) considers principle adverse impacts (PAI) of its investment decisions on sustainability factors as part of its investment due diligence process and procedures. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Celero Capital.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2024 to 31 December 2024.

Principal adverse impacts on sustainability factors are considered by Celero upon investment and in the ownership of the financial product. We consider the mandatory principal adverse impact indicators plus two voluntary indicators defined by the Sustainable Finance Disclosure Regulation (SFDR) under Regulation (EU) 2019/2088.

Reporting year 2024 marks the second reporting year. Considering the lack of comparative data from previous reference periods and mandatory data reporting requirements for investee companies, it is difficult to identify all principal adverse impacts of our investments as well as to fully evaluate the extent of negative impact our investments have. Nonetheless, we have committed to reducing our impact on the environment, promoting diversity and ensuring transparency. This is reflected in our ESG engagements and priority areas that we have identified as critical to the portfolio's long-term value creation.

2. Description of the principal adverse impacts on sustainability factors

Celero Capital considers Principle Adverse Impacts (PAI) of its investment decisions on sustainability factors as part of its investment due diligence process and procedures. PAI on sustainability factors are considered by Celero Capital upon investment and in the ownership of the financial product. We consider the mandatory Principal Adverse Impact indicators (PAIs) plus two additional indicators defined by the Sustainable Finance Disclosure Regulation (SFDR) under Regulation (EU) 2019/2088.

Celero Capital report on the adverse impacts on sustainability factors in its annual ESG report as well on the Principal Adverse Impact statement (current document), both published in the Sustainability section of the Celero Capital website.

The mandatory indicators as specified by the SFDR are detailed in Table 1 below, the additional indicators are detailed in Table 2 and 3. We provide information on the actions taken and planned to address or lessen the identified primary adverse impacts associated with each indicator. This Statement reports on the principal adverse impacts of our investments, measured using these indicators, for the period from January 1 to December 31, 2024.

We commit to annual reporting, subject to data availability and accuracy.

TABLE 1

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	741 tonnes CO2e (Coverage: 88 %)	475 tonnes CO2e (Coverage: 100%)	<p>Sum of Scope 1 greenhouse gas emissions of the investee companies, weighted by the current value of the investment in each company relative to the enterprise value including cash (EVIC) of that company.</p> <p>The change in Scope 1 GHG emissions between the two reference periods is consistent with expectations, given the expansion of operations during the year. In total, 14 new companies were acquired across Celero Capital's four platform investments, two of which were newly established during the reporting period.</p>	<p>Applies to all PAIs 1-14:</p> <p>Exclusions and screening: 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.</p> <p>The Company shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to Portfolio Companies or other entities:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Production/trade of tobacco and distilled alcoholic beverages.
		Scope 2 GHG emissions	13 tonnes CO2e (Coverage: 90 %)	102 tonnes CO2e (Coverage: 90%)	<p>Sum of Scope 2 greenhouse gas emissions of the investee companies, weighted by the current value of the investment in each company relative to the enterprise value including cash (EVIC) of that company.</p> <p>The decrease in Scope 2 GHG emissions is mainly driven by improved calculation methods and an increase in renewable electricity consumption.</p>	

		Scope 3 GHG emissions	7 308 tonnes CO2e (Coverage: 96 %)	80 tonnes CO2e (Coverage: 94%)	<p>Sum of Scope 3 greenhouse gas emissions of the investee companies, weighted by the current value of the investment in each company relative to the enterprise value including cash (EVIC) of that company.</p> <p>Given the complexity of calculating Scope 3 GHG emissions at the portfolio company level, it is expected that the numbers will fluctuate between different reference periods. Since last year, we have updated our greenhouse gas emission calculation methods, resulting in a higher number of reported scope 3 emission. This is the result of a higher level of primary data used and the inclusion of more categories of scope 3 emissions.</p>	<ul style="list-style-type: none"> • 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. <p>Exceptions to high-emitting sectors are permitted only if:</p> <ul style="list-style-type: none"> • 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.
		Total GHG Emissions	8 062 tonnes CO2e (Coverage: 97%)	657 tonnes CO2e (Coverage: 95%)	<p>Total GHG emissions are calculated as the sum of the GHG emissions (Scope 1, 2 and 3) of each investee company, weighted by the value of the investment in the company relative to its enterprise value including cash (EVIC).</p> <p>Total emissions include companies that have reported at least one of Scope 1, 2, or 3. Only companies with no reported scopes have been excluded.</p>	

					The change in GHG emissions between the two reference periods is in line with what would be expected given that we have updated our greenhouse has emission calculation methods.	<p>In reference to KPIs 1-6:</p> <p>Actions taken:</p> <p>We acknowledge primary climate-related risks arising from direct greenhouse gas (GHG) emissions within our portfolio's operations, energy usage, and transportation. To address these risks, we prioritize systematic reporting and climate impact monitoring to facilitate the transition to a climate-adapted and low emission business model.</p> <p>We encourage prioritizing the transition to a net-zero economy by 2050.</p> <p>2024 marks the second reporting year where we have included climate data disclosure in accordance with the Greenhouse Gas Protocol guidelines. Additionally, climate-related mandatory key performance indicators are reported by portfolio companies and published in our annual ESG report.</p> <p>We ensure the implementation of the ESG strategy via our ESG Playbook, Portfolio Companies-specific ESG Action Plans, and</p>
2. Carbon footprint	Carbon footprint	68 tonnes CO2e/m€ capital (Coverage: 97%)	12 tonnes CO2e/m€ capital (Coverage: 95%)	Sum of each investee company's Scope 1, 2 and 3 greenhouse gas emissions weighted by the current value of investment in the company relative to its enterprise value including cash (EVIC) relative to total current value of all investments.		
3. GHG intensity of investee companies	GHG intensity of investee companies	71 tonnes CO2e/m€ revenue (Coverage: 97%)	11 tonnes CO2e/m€ revenue (Coverage: 95%)	Sum of each company's scope 1, 2 and 3 emissions in relation to million euros of revenue.		
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0% (Coverage: 100%)	0% (Coverage: 100%)	'companies active in the fossil fuel sector' means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council.		

	<p>5. Share of nonrenewable energy consumption and production</p>	<p>Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources</p>	<p>Consumption: 29 % (Coverage: 89 %) Production: 0% (Coverage: 100%)</p>	<p>Consumption: 21% (Coverage: 46%) Production: 0% (Coverage: 100%)</p>	<p>‘renewable energy sources’ means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas; ‘non-renewable energy sources’ means energy sources other than those referred to above.</p>	<p>ESG reporting and monitoring mechanisms.</p> <p>Actions planned:</p> <p>To further address climate-related risks, we will enhance systematic reporting and climate impact monitoring to maintain momentum toward a climate-adapted and low emission business model.</p> <p>In line with the evolving pace of climate-related regulations, Celero will further engage with its portfolio companies to:</p> <ul style="list-style-type: none"> • Integrate emission risks into overall risk assessment. • Survey energy use and implement a transition to green energy across all company units. • Establish strategic goals and action plans for emissions reduction to lead Celero towards a net-zero economy by 2050. • Continuously monitor climate legislation to ensure alignment with evolving regulatory requirements. <p>Targets set for the next reference period:</p> <p>Celero has set targets in alignment with the objectives outlined above.</p> <ul style="list-style-type: none"> • Reduce GHG emission intensity with 5% in Scope 1 and 2.
	<p>6. Energy consumption intensity in high impact climate sectors</p>	<p>Energy consumption in GWh per million EUR of revenue of investee companies</p>	<p>Manufacturing: 0,05 GWh /€m revenue in (Coverage: 99 %)</p>	<p>Manufacturing: 0 GWh/€m revenue (Coverage: 100%)</p>	<p>Energy consumption intensity means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the</p>	<p>Celero has set targets in alignment with the objectives outlined above.</p> <ul style="list-style-type: none"> • Reduce GHG emission intensity with 5% in Scope 1 and 2.

			Construction: 0,004 GWh /€m revenue (Coverage: 98 %)	Construction: 0 GWh/€m revenue (Coverage: 100%)	total energy consumption of that investee company. (High climate impact sectors: <i>Real estate activities; Mining and quarrying; Wholesale and retail trade, repair of motor vehicles and motorcycles; Water supply, sewerage, waste management and remediation activities; Manufacturing; Electricity, gas, steam and air conditioning supply; Construction; Agriculture, forestry and fishing; Transporting and storage</i>).	<ul style="list-style-type: none"> Strengthen internal processes for tracking and reporting Scope 3 emissions data to improve the accuracy and comprehensiveness of the emissions inventory. Every company has an emission reduction plan in place. Strive for 100% of purchased energy to come from renewable sources. All companies are expected to work towards phasing out fossil fuel vehicles where operationally and commercially feasible.
Biodiversity	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/ operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	0% (Coverage: 100%)	0% (Coverage: 100%)	'biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139(12).	<p>In reference to KPIs 7-9:</p> <p>Actions taken: Celero Capital requires all portfolio companies to manage all waste and chemicals following agreed international frameworks and reduce their release to air, water, and soil to minimize their adverse impacts on human health and the environment.</p> <p>In addition, Celero Capital works with its portfolio companies to include sustainability data into their reporting cycles. In doing so,</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 tonnes/m€ capital (Coverage: 100 %)	0 tonnes/m€ capital (Coverage: 5%)	'emissions to water' means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the	

					<p>Counciland direct emissions of nitrates, phosphates and pesticides;</p> <p>'Priority substances' means substances identified in accordance with Article 16(2) and listed in Annex X. Among these substances there are "priority hazardous substances" which means substances identified in accordance with Article 16(3) and (6) for which measures have to be taken in accordance with Article 16(1) and (8).</p>	<p>Celero Capital supports its portfolio companies in enhancing transparency and accountability, ultimately fostering continuous improvement towards sustainable production.</p> <p>Actions planned: Celero actively encourages the following actions in its portfolio companies:</p> <ul style="list-style-type: none"> • Managing waste and chemicals according to international frameworks. • Minimizing releases to air, water, and soil to safeguard human health and the environment. • Promoting the efficient use of natural resources. • Monitoring sites and operations located in or near biodiversity-sensitive areas. <p>Targets set for the next reference period:</p> <ul style="list-style-type: none"> • Keep water emissions and activities that negatively impacts biodiversity sensitive areas at zero.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0 tonnes/m€ capital radioactive waste (Coverage: 100 %) 0,15 tonnes/m€ capital hazardous waste (Coverage: 100 %)	0 tonnes/m€ capital (Coverage: 3%)	'Hazardous waste' means waste which displays one or more of the hazardous properties listed in Annex III of Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives.	

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0% (Coverage: 100%)	0% (Coverage: 100%)	'UN Global Compact principles' means the ten Principles of the United Nations Global Compact.	<p>In reference to KPIs 10 & 11:</p> <p>Actions taken:</p> <p>Celero Capital is a signatory to the UN Principles of Responsible Investments (UN PRI) and has applied to be a participant of the United Nations Global Compact.</p> <p>Celero is committed to fostering ethical business practices and a culture of integrity, enforcing zero tolerance for corruption and bribery across its operations, portfolio companies, and partnerships. To uphold this standard, portfolio companies are required to:</p> <ul style="list-style-type: none"> • Implement internal control systems. • Prevent money laundering. • Provide ongoing training to ensure compliance with policies. <p>To address conflicts of interest, Celero provides a whistleblower function for stakeholders to report concerns anonymously. Celero Capital also requires its portfolio companies to adopt and enhance cybersecurity measures, integrating data privacy principles and legal, technological, and policy frameworks into their operations and business models, using a risk-based approach.</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and 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 or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0% (Coverage: 100%)	0% (Coverage: 100%)	'UN Global Compact principles' means the ten Principles of the United Nations Global Compact.	

						<p>Additionally, Celero Capital addresses ESG risks in supply chains, including working conditions, human rights, and environmental concerns. By mapping these risks, companies can make informed decisions, manage risks, and potentially terminate contracts with high-risk suppliers, leading to improved sustainability outcomes.</p> <p>During the ESG Due Diligence phase, potential investments are screened to see whether they have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.</p> <p>Actions planned:</p> <p>Celero Capital plans to further strengthen its commitment to ethical business practices and integrity by:</p> <ul style="list-style-type: none"> • Continuously monitoring and updating internal control systems to prevent corruption and bribery. • Building on existing training programs to ensure comprehensive understanding of anti-corruption policies among portfolio companies. • Enhancing the monitoring of anti-money laundering practices to stay aligned with evolving regulations. <p>Celero will strengthen its ongoing monitoring processes during ownership to</p>
--	--	--	--	--	--	--

						<p>ensure that portfolio companies remain compliant with the UNGC principles and the OECD Guidelines for Multinational Enterprises.</p> <p>Targets set for next reference period:</p> <ul style="list-style-type: none"> Exclude companies systematically in violation of UN and OECD guidelines.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	1 % (Coverage: 83 %)	5% (Coverage: 55%)	'unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.	<p>In reference to KPIs 12 & 13:</p> <p>Actions taken: Celero mandates that all portfolio companies adhere to non-discriminatory recruitment practices and foster fair and inclusive opportunities for their employees. Additionally, companies must actively strive for balanced and inclusive representation in senior positions.</p> <p>Discrimination based on factors such as gender, social origin, physical ability, political opinion, sexual orientation, age, religion, marital status or health status is strictly prohibited, extending to all aspects of employment including hiring, compensation, promotion and termination.</p> <p>To address the need to attain a diverse representation in decision-making processes and an inclusive environment within management teams, Celero works with</p>
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	9 % (Coverage: 100 %)	21% (Coverage: 100%)	'board' means the administrative, management or supervisory body of a company.	

						<p>portfolio companies to provide a fair and non-discriminatory working environment. Moreover, each company is required to cultivate an inclusive corporate culture that fosters commitment among all employees, achieved through robust corporate governance, recruitment processes, policies and routines.</p> <p>Celero encourages each portfolio company to collect and report gender and age diversity data across the organization, including boards, executive teams and employees.</p> <p>Actions planned: In the upcoming years, Celero also intends to:</p> <ul style="list-style-type: none"> • Periodically report progress on diversity objectives. • Document and review incidents of discrimination. • Implement remediation plans where needed. • Incorporate findings into management reviews. <p>Targets set for next reference period:</p> <ul style="list-style-type: none"> • Keep gender pay gap between female and male employees under the national average of 10 %
--	--	--	--	--	--	--

	<p>14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</p>	<p>Share of investments in investee companies involved in the manufacture or selling of controversial weapons</p>	<p>0% (Coverage: 100%)</p>	<p>0% (Coverage: 100%)</p>		<p>The fund has no investments in companies involved in the manufacturing and selling of controversial weapons and will not have such exposure in the future.</p> <p>These activities are banned according to exclusion criteria and fund documentation. See the Exclusions and screening answer for PAI 1-6, applicable to all PAIs.</p>
--	--	---	--------------------------------	--------------------------------	--	---

TABLE 2

ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, actions planned and targets set for the next reference period
1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average	0 tonnes/m€ capital (Coverage: 100 %)	0.4 tonnes/m€ capital (Coverage: 5%)	'inorganic pollutants' means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council(14), for the Large Volume Inorganic Chemicals- Solids and Others industry;	<p>Actions taken:</p> <p>It is a requirement for all portfolio companies to manage all waste and chemicals following agreed international frameworks.</p> <p>Celero works directly with portfolio companies to ensure the management of waste and chemicals is conducted according to international frameworks, thereby minimizing releases to air, water and soil to safeguard human health and the environment and promoting efficient use of natural resources. Portfolio companies are expected to monitor and control emissions that may contain inorganic pollutants, especially in industries where these are most prevalent.</p> <p>We set out clear guidelines in the ESG Playbook and engage portfolio companies in trainings to integrate sustainability data</p>

					<p>into their reporting cycles and conduct life cycle analyses.</p> <p>Actions planned:</p> <ul style="list-style-type: none"> • Continue engaging portfolio companies in training and capacity building to strengthen environmental data integration and reporting routines. • Follow up on the implementation of the ESG Playbook guidelines related to waste and chemical management. • Evaluate progress in reducing emissions to air, water, and soil, and set portfolio-level performance indicators for these areas where relevant. <p>Targets set for the next reference period:</p> <ul style="list-style-type: none"> • Keep emissions of inorganic pollutants at zero.
--	--	--	--	--	---

TABLE 3

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTIBRIBERY MATTERS

Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, actions planned and targets set for the next reference period
2. Rate of Accidents	Rate of accidents in investee companies expressed as a weighted average	26 (Coverage: 100 %)	27 (Coverage: 92%)	<p>Number of injuries per million hours worked.</p> <p>The methodology for calculating the rate of accidents was updated for the 2024 reporting period. While a different approach was originally used in 2023, we have recalculated the 2023 figure using the new method, i.e., number of recordable work-related injuries per one million hours worked, to ensure year-on-year comparability.</p>	<p>Actions taken:</p> <p>Celero promotes systematic risk assessments aimed at identifying and mitigating workplace hazards, with specific actions tailored to the context of each sector and industry.</p> <p>Celero actively supports portfolio companies in building awareness and taking responsibility for working conditions by emphasizing the importance of safety, health, and employee wellbeing.</p> <p>Celero engages and supports each portfolio company to deliver on the following actions to ensure a safe and sustainable work environment:</p> <ul style="list-style-type: none"> • Monitoring and reporting sick leave (both short-term and long-term) as a percentage of the total workforce. • Tracking staff turnover rates to identify patterns and potential risks in employee retention. • Reporting average hours of training per year per employee to assess and promote continuous competence development.

					<ul style="list-style-type: none">• Conducting employee engagement surveys to gather insights into employee satisfaction and organizational climate. <p>Actions planned and targets set for the next reference period:</p> <ul style="list-style-type: none">• Increase the number of reported "near-misses" to promote a better reporting culture, which can lead to fewer actual accidents.• Each company will report on near misses.
--	--	--	--	--	---

3. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Celero Capital's approach to identify principle adverse impacts

Celero has integrated sustainability and responsible investment into the core of Celero's business strategies and operations since it was founded in 2022. Celero is committed to responsible investment practices in all its investment decisions and ownership, and in doing so, it has prioritised minimizing environmental impact, promoting diversity and ensuring transparency. Driven by a vision for creating value and mitigating risks, Celero aligns strategies and operations with ESG priorities and fundamental principles related to human rights, labour, environment and anti-corruption, with the aim to promote sustainable business practices among its portfolio companies.

The following policies inform Celero's ESG and sustainability strategy and processes for identifying, assessing and mitigating the principal adverse impacts of its investment activities:

- Celero Capital Anti-Money Laundering Policy | 2024
- Celero Capital Business Continuity Plan (BCP) | 2024
- Celero Capital Conflicts of Interest Policy | 2024
- Celero Capital Cyber Security Policy | 2024
- Celero Capital Environmental, Social and Governance Playbook (ESG Playbook) | 2024
- Celero Capital Investment Policy | 2024
- Celero Capital Policy for Managing Personal Data | 2024
- Celero Capital Responsible Investment and Ownership Policy | 2024
- Celero Capital Whistleblower Policy | 2024
- Code of Conduct Celero Capital | 2024

The above-listed policies are approved by the Board of Directors of Celero Capital and the Celero Capital Investment Committee (and where applicable the Board of Directors in the portfolio companies). The policies are reviewed annually.

Of the above-listed policies, Celero's Responsible Investment and Ownership Policy and the ESG Playbook make up the guiding framework within which Celero actively contributes to societal goals and the achievement of the ESG priorities. With a particular focus on five ESG priority areas that align with our investment focus and market needs: 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). With these two policies in place, we have implemented safeguards to ensure that all investments are aligned with ESG standards in accordance with the requirements of a SFDR Article 8 fund.

Monitoring and Assessment of principal adverse impacts

Starting in the deal sourcing phase of the investment stage, we apply norm-based ESG screening filters 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, to assess transaction risks, benchmark against industry standards, pinpoint deficiencies, and uncover post-acquisition improvement opportunities. 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 shall be based on international frameworks i.e., ESRS 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. During the due diligence phase, the Fund evaluates whether the target companies are already monitoring PAIs and otherwise assesses the timeline for their implementation. After the investment, portfolio companies initiates data collection processes throughout the year.

At the beginning of 2023 only a handful of KPIs were accessible due to the Fund's recently established status and 2023 being the inaugural reporting year of PAIs. However, over the year, the tracking of ESG KPIs has expanded. By the end of FY2023, all PAIs were made accessible. Moving forward into FY2024, Portfolio Companies internally report PAIs regularly. The data used to compute the PAI indicators is collected, at least, annually directly from the portfolio companies on a best-efforts basis.

Margin of error with methodologies

The methodology to identify and assess PAIs are subject to data availability and quality. We rely on portfolio companies to provide most data. In instances where data is not fully available, Celero uses reasonable estimates or third-party data. If data is deemed unsuitable for estimation, an explanation in the fund's reporting is provided. Given the evolving nature of sustainable finance industry and regulatory frameworks, we are constantly striving to improve the quality and availability of data in our investment and ownership processes.

A limitation in terms of methodology and data availability is the inability to gather comprehensive information about the PAIs to the same level from all investee companies of our portfolio companies, due to inconsistent reporting standards and competencies across investee companies, depending on their company size and available resources. To overcome this, the coverage rate is being provided. Further, the impacts reported above concern the entity level (Celero) and portfolio companies' level (Reledo, Corteco, Opima and Aterion), while impacts beyond this scope are not included, as well as impacts for which data is not obtainable on a best-effort basis or by estimation.

Governance in relation to policies

The senior management of Celero Capital and its portfolio companies hold primary responsibility for defining the ESG approach, including company-wide values, policies, initiatives, actions and other processes to assess the Fund's impact on society and the environment. The implementation of our Responsible Investment and Ownership Policy at the portfolio companies, as well as our active ownership and engagement framework, rests with the Celero Capital Investment Committee, the Chief Executive Officers of the portfolio companies Corteco, Reledo, Opima and Aterion, and their respective Boards of Directors.

Members of Celero Capital's Investment Committee are represented on the Boards of Directors of Corteco, Reledo, Opima and Aterion, which convene at least bi-monthly. Their responsibilities include:

- Defining, validating, and steering Celero's ESG strategy and responsible investment policy.
- Defining, approving, and monitoring Celero's ESG and climate strategy.
- Approving the main strategic guidelines of the Responsible Investment and Ownership Policy and the ESG Playbook, including the exclusion and engagement policies.
- Monitoring key strategic projects.

Acknowledging the relatively recent foundation of Celero Capital and its portfolio companies, additional efforts are required to further develop ESG reporting and monitoring competencies. In the coming years, Celero intends to enhance its ESG competency and improve its overall ESG reporting capabilities at the fund level and stewardship capacity of portfolio companies.

Data sources

Celero has adopted a best-effort approach for sourcing data from portfolio companies and third-party data providers. Where Celero already had data collection processes in place, such as for greenhouse gas emissions, gender diversity and exclusion processes, we have chosen to use that data in our reporting. This decision is due to the extensive resources expended in gathering each data source. We apply various measures to control the data quality, both third-party and internal. The external data providers and other data sources are assessed on an ongoing basis for data quality, coverage and other attributes. More information about the external data sources used is available upon request.

4. Engagement policies

During the reporting year, Celero Capital demonstrated an active approach to portfolio management. After the acquisition of portfolio companies, we ensure the implementation of our ESG strategy via our ESG Playbook, ESG Action Plan and ESG reporting and monitoring.

The ESG Playbook includes tools designed to drive our portfolio companies' growth and sustainable development. It serves as Celero's sustainability performance framework, where Celero stipulates the requirements for ESG matters that all Celero's portfolio companies must follow and implement in their business.

The ESG Action Plan includes a timeline and tangible goals for each area. Agreeing on the action plan is an essential part of our onboarding process. Celero Capital does not invest unless we see strong evidence that the potential portfolio company will be able to meet our requirements within the agreed time period specified in the action plan. Apart from the ESG Playbook, ESG Action Plan of Celero mentioned above, we engage with the boards of directors of our portfolio companies in direct dialogue to discuss ESG issues as part of the corporate strategy, risk management and performance. The document "Celero Capital Responsible Investment and Ownership Policy" acts as the stewardship guideline in our activities.

ESG Reporting and Monitoring

Portfolio companies are required to annually report ESG performance on a selected list of 33 Key Performance Indicators (KPI), including the main categories set out below:

- Environmental: Climate Footprint, Energy Management, Biodiversity, Water and Waste
- Social: Responsible Human Resources Management
- Governance: Business Ethics

To enhance our ambition to better identify and prioritise PAIs, Celero strives to improve the monitoring and reporting of ESG performance across our portfolio companies to ensure consistent standards, regardless of company size or experience level. This effort is aimed at establishing consistent practices and benchmarks to improve transparency, efficiency and comparability across portfolio companies. Additionally, Celero remains focused on enhancing our ESG competencies, with a particular emphasis on setting ESG targets and engaging with portfolio company employees through initiatives such as implementing double materiality, key performance indicators and workshops. Moreover, Celero's portfolio companies, are integrating due diligence insights, prioritizing the implementation of findings to drive sustainable improvements.

5. References to international standards

Celero ensures that all companies we invest in adhere to the same international conventions and norms that we follow, while companies that risk violating international conventions and guidelines are excluded. These international standards are outlined below along with the corresponding PAI indicators:

- **UN Global Compact**
 - PAI 10: UN Global Compact/OECD guideline violations
- **OECD Guidelines for Multinational Enterprises**
 - PAI 10: UN Global Compact/OECD guideline violations
 - PAI 11: UN Global Compact/OECD guideline compliance monitoring system
 - Additional PAIs: Rate of accidents
- **UN Guiding Principles on Business and Human Rights**
 - PAI 10: UN Global Compact/OECD guideline violations

- PAI 11: UN Global Compact/OECD guideline compliance monitoring system
- Additional PAIs: Rate of accidents
- **UN Principles for Responsible Investment**
 - PAI 10: UN Global Compact/OECD guideline violations
 - PAI 11: UN Global Compact/OECD guideline compliance monitoring system
 - PAI 12: Unadjusted gender pay gap
 - PAI 13: Board gender diversity
 - PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons) ○ Additional PAIs: Rate of accidents
- **UN Sustainable Development Goals**

The UN SDGs are integral to identifying the five ESG priority areas in Celero's sustainability strategy. In addition, Celero closely monitors global progress towards the 2030 Agenda for Sustainable Development to adapt to changes in our sustainability context.

 - SDG #5 Gender Equality - Non-discrimination and Gender Equality
 - SDG #8 Decent Work & Economic Growth - Safe and Sustainable Work Environments
 - SDG#12 Responsible Consumption and Production - Sustainable Consumption and Production Patterns
 - SDG #13 Climate Action - Climate Change
 - SDG #16 Peace, Justice and Strong Institutions - Business Ethics.

6. Historical comparison

	2024	2023
Scope 1 GHG emissions	741 tonnes CO2e (Coverage: 88 %)	475 tonnes CO2e (Coverage: 100%)
Scope 2 GHG emissions	13 tonnes CO2e (Coverage: 90 %)	102 tonnes CO2e (Coverage: 90%)
Scope 3 GHG emissions	7 308 tonnes CO2e (Coverage: 96 %)	80 tonnes CO2e (Coverage: 94%)
Total GHG Emissions	8 062 tonnes CO2e (Coverage: 97%)	657 tonnes CO2e (Coverage: 95%)
Carbon footprint	68 tonnes CO2e/m€ capital (Coverage: 97 %)	12 tonnes CO2e/m€ capital (Coverage: 95%)
GHG intensity of investee companies	71 tonnes CO2e/m€ revenue (Coverage: 97%)	11 tonnes CO2e/m€ revenue (Coverage: 95%)
Share of investments in companies active in the fossil fuel sector	0% (Coverage: 100%)	0% (Coverage: 100%)
Share of nonrenewable energy consumption of investee companies from nonrenewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Consumption: 29 % (Coverage: 89 %) Production: 0% (Coverage: 100%)	Consumption: 21% (Coverage: 46%) Production: 0% (Coverage: 100%)

Share of nonrenewable energy production of investee companies from nonrenewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources.	Manufacturing: 0.05 GWh /€m revenue in (Coverage: 99 %) Construction: 0.004 GWh /€m revenue (Coverage: 98 %)	Manufacturing: 0 GWh/€m revenue (Coverage: 100%) Construction: 0 GWh/€m revenue (Coverage: 100%)
Energy consumption in GWh per million EUR of revenue of investee companies	0% (Coverage: 100%)	0% (Coverage: 100%)
Share of investments in investee companies with sites/ operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	0 tonnes/m€ capital (Coverage: 100 %)	0 tonnes/m€ capital (Coverage: 5%)
Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 tonnes/m€ capital Radioactive waste (Coverage: 100 %) 0.15 tonnes/m€ Capital hazardous waste (Coverage: 100 %)	0 tonnes/m€ capital (Coverage: 3%)
Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0 tonnes/m€ capital radioactive waste (Coverage: 100 %) 0.7 tonnes/m€ capital hazardous waste (Coverage: 100 %)	0 tonnes/m€ capital (Coverage: 3%)
Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0% (Coverage: 100%)	0% (Coverage: 100%)
Share of investments in investee companies without policies to monitor compliance with the UNGC	0% (Coverage: 100%)	0% (Coverage: 100%)

principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises		
Average unadjusted gender pay gap of investee companies	1 % (Coverage: 83 %)	5% (Coverage: 55%)
Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	9 % (Coverage: 100 %)	21% (Coverage: 100%)
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% (Coverage: 100%)	0% (Coverage: 100%)
Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average	0 tonnes/m€ capital (Coverage: 100 %)	0.4 tonnes/m€ capital (Coverage: 5%)
Rate of Accidents	26 (Coverage: 100 %)	27 (Coverage: 92%)