

**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**

**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.

**Product name:** Celero Capital Fund (E) AB  
**Legal entity identifier:** 559366-8063  
**Reference period:** 01.01.-31.12.2023

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

Yes

It made 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 made sustainable investments with a social objective: %

No

It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of % of sustainable investments

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

with a social objective

It promoted E/S characteristics, but did not make any sustainable investments.



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

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

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*): The fund minimizes greenhouse gas emissions, supports a shift to a low-emission business model, and encourages portfolio companies to target net-zero emissions by 2050;

- SDG 12 – Responsible Consumption and Production (*Sustainable Consumption and Production Patterns*): Emphasizing reduced environmental impact and resource efficiency, Celero requires waste and chemical management, adherence to international frameworks, and integration of sustainability data in reporting, including life cycle analyses by manufacturing firms;

**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 risk-based 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.

No reference benchmark has been designated to meet the environmental or social characteristics promoted by the financial product.

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

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) measured by:

- CO2-e emissions per year (Scope 1, 2 and 3), tonnes;
- Emission intensity of Scope 1 and 2, Tonnes CO2e/EUR 1M sales
- Total amount of energy used in operations per year, GWh
- Percentage of renewable energy used for operations, %

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

- Number of sites located in or near biodiversity-sensitive areas with negative impact on area,
- Emissions to water, tonnes/ million EUR invested
- Hazardous waste ratio, tonnes/ million EUR invested

**Social & Governance:**

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

- Gender diversity throughout company, in senior leadership (management team) and Board, Ratio;
- Average unadjusted gender pay gap, Local currency;

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

- Sick leave (long term and short term), %;
- Staff turnover, %;
- Total number of injuries relative to total workforce, Injury rate;
- Average hours of training per year per employee, Hours;
- Employee engagement (through employee survey), %;

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

- 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;
- Number of checks on suppliers' compliance with supplier code of conduct, and description of any deficiencies and actions taken;

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

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. However, although there isn't a formal sustainable

investment target, the fund intends to align some of its investments with the EU Taxonomy.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social 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.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Although this product has environmental and social characteristics and does not make sustainable investments, the fund intends to report on the adverse impacts on sustainability factors in its annual ESG report. The ESG report will be published in the Sustainability section of the fund's website.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

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.

Nevertheless, the fund sent an application to join the UN Global Compact in 2022 to state its commitment to the ten principles covering human rights, labour, the environment and anti-corruption efforts.

**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.



**Statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852:**

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

Yes

No

Principal adverse impacts (PAIs) on sustainability factors are considered upon investment and in the ownership of the financial product.

The fund's annual sustainability report provides information on principal adverse impact indicators, including the methodology used to evaluate, measure the investment's impact. 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.

#### **Greenhouse gas (GHG) emissions**

The fund excludes investments in fossil fuel-based energy production and related activities, as well as energy-intensive and/or high carbon emitting industries. In addition, the fund assesses and monitors the PAIs using the methodology disclosed in the fund's sustainability report.

- Total GHG emissions (Scope 1, 2 and 3);
- Carbon footprint;
- Exposure to companies active in the fossil fuel sector;
- Share of non-renewable energy consumption and production;
- Energy consumption intensity per high impact climate sector.

#### **Biodiversity, water, waste**

Celero ensures accountability for sustainable consumption and production by managing chemicals and wastes responsibly throughout their life cycle. This approach not only fosters environmentally sound practices but also optimizes business operations by reducing costs. Integration of sustainability information into reporting cycles further enhances transparency and accountability across the entire product life cycle.

- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste and radioactive waste ratio
- Emissions of inorganic pollutants

**Social and employee matters**

Celero integrates social and employee matters, as well as human rights considerations, into its ESG screening, ESG due diligence processes. In the deal sourcing phase, Celero conducts an exclusion check and negative ESG screening. Likewise, the fund requires portfolio companies to conduct due diligence on their suppliers, subcontractors, and employment agencies to ensure compliance with Celero's code of conduct. Additionally, the fund excludes investments in companies whose business activities consist of illicit economic activities, and which substantially focus on the production and trade in tobacco and alcohol, production or trade in weapons or ammunitions, casinos and equivalent enterprises, development relating to illicit electronic data activities.

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- Unadjusted gender pay gap
- Board gender diversity
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Rate of accidents

The information will be released no later than June 30 of the subsequent year following the reporting period. Celero Capital commits to publishing its inaugural "Statement on the Principal Adverse Impacts of Investment Decisions on Sustainability Factors" by June 30, 2024, pertaining to the fiscal year 2023, in accordance with the stipulations outlined in Commission Delegated Regulation (EU) 2022/1288. The information will be made available in the Sustainability section of the fund's website.



**What investment strategy does this financial product follow?**

Celero's primary investment focus lies in Small and Medium-sized Enterprises (SMEs) and MidCaps within the sectors of Business-to-Business (B2B) and Business-to-Consumer (B2C) services, asset-light manufacturing, consumer goods, e-commerce, and niche industrial 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:

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

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

- 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 growth, enhanced sales, profitability, and 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, which forbids any investments in companies or entities involved in illegal economic activity or activities such as:

- Production and trade of tobacco and distilled alcoholic beverages and related products;
- Financing of the production or trade of weapons and ammunition of any kind;
- Casinos and equivalent enterprises;
- Research, development, or technical applications related to electronic data programs or solutions, particularly those supporting illegal activities like internet gambling, online casinos, or pornography;
- Fossil fuel-based energy production and related activities;
- Energy-intensive and/or high CO2-emitting industries unless they qualify as environmentally sustainable investments as defined in the EU Taxonomy for Sustainable Activities or are eligible under the European Investment Fund's (EIF) Climate Action & Environmental Sustainability (CA&ES) objectives.

Additionally, when providing support for research, development, or technical applications related to human cloning for research or therapeutic purposes or genetically modified organisms (GMOs), Celero ensures appropriate control of legal, regulatory, and ethical issues linked to such activities.

● ***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 (E) AB fun are guided by the limited partner agreements.

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

### ESG Screening in Deal Sourcing Phase

In the deal sourcing phase, the fund conducts a comprehensive ESG screening process, which informs the in-depth assessment in the Due Diligence phase. The ESG screening consists of (1) exclusion check and negative screening and (2) generic ESG assessment, as well as further desk-top research upon gaining access to internal company documents.

The exclusion check and negative screening ensures that each target company is reviewed based on set investment restrictions, excluding companies linked to controversial and unethical sectors. The list of prohibited investments is included in Celero's Investment Policy. Under no circumstances the fund will invest in companies whose business falls under the exclusion list, which include:

- Production and trade of tobacco and distilled alcoholic beverages and related products;
- Financing of the production or trade of weapons and ammunition of any kind;
- Casinos and equivalent enterprises;
- Research, development, or technical applications related to electronic data programs or solutions, particularly those supporting illegal activities like internet gambling, online casinos, or pornography;
- Fossil fuel-based energy production and related activities;
- Energy-intensive and/or high CO2-emitting industries unless they qualify as environmentally sustainable investments as defined in the EU Taxonomy for Sustainable Activities or are eligible under the European Investment Fund's (EIF) Climate Action & Environmental Sustainability (CA&ES) objectives.

● ***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), 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
- Number of checks on suppliers' compliance with the code of conduct, with descriptions of any deficiencies and actions taken.

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.



### What is the asset allocation planned for this financial product?

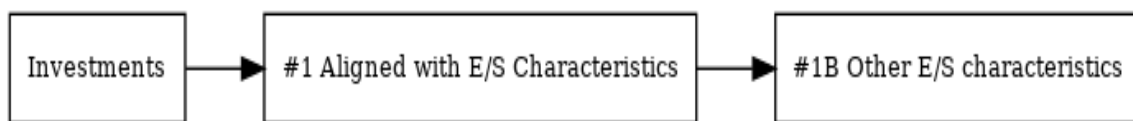
**Asset allocation** describes the share of investments in specific assets.

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 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. However, although there isn't a formal sustainable investment target, the fund intends to align some of its investments with the EU Taxonomy.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**100%** **#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.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

**The category #1 Aligned with E/S characteristics covers:**

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.

**100%** - The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **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?**

Not applicable as this product has environmental and social characteristics. It does not make sustainable investments in the manner described in Regulation (EU) 2019/2088, thus the the fund does not have a target minimum percentage of investments that must be be aligned with the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas

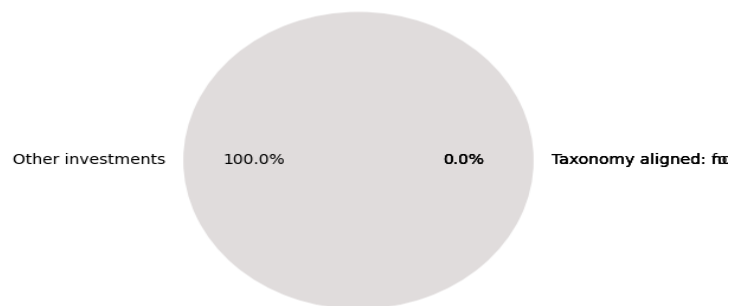
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for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

In nuclear energy

No


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. However, although there isn't a formal sustainable investment target, the fund intends to align some of its investments with the EU Taxonomy.

Taxonomy alignment of investments (excluding sovereign bonds)



● **What is the minimum share of investments in transitional and enabling activities?**

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

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable as this product has environmental and social characteristics. It does not make sustainable investments in the manner described in Regulation (EU) 2019/2088. However, although there isn't a formal sustainable investment target, the fund intends to align some of its investments with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

Not applicable as this product has environmental and social characteristics. It does not make sustainable investments in the manner described in Regulation (EU) 2019/2088. However, although there isn't a formal sustainable investment target, the fund intends to align some of its investments with the EU Taxonomy.



**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".



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

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

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable as a reference benchmark has not been designated for this product.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable as a reference benchmark has not been designated for this product.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable as a reference benchmark has not been designated for this product.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable as a reference benchmark has not been designated for this product.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**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>