

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

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

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Product name: Axcel V

axcel@axcel.dk

Legal entity identifier: 89450012BSVE5Z4ZU905

www.axcel.dk

(a) Summary

English

Axcel V promotes environmental and social characteristics but does not have as its objective sustainable investment.

The Fund promotes the following environmental and social characteristics:

- 1) The investments in Fund V are guided by Axcel Management's limited partnership agreement. Companies within specified industries in the restricted list are not invested in.
- 2) The fund considers principal adverse impacts on sustainability factors and seeks to reduce adverse impacts of portfolio companies.
- 3) Since 2021, Axcel Management implements a five-step sustainability programme in portfolio companies. Axcel Management targets that companies have implemented required ESG policies, commitments, and processes within one year of ownership including:
 - a) Sustainability policy
 - b) Code of conduct
 - c) Supplier code of conduct
 - d) Data privacy policy
 - e) Whistleblower scheme
 - f) Commitment to the UN Global Compact
 - g) Define ESG priorities linked to the UN Sustainable Development Goals
- 4) Axcel Management seeks to improve gender diversity in portfolio company leadership teams.
- 5) Axcel Management seeks to reduce GHG emissions in its portfolio companies.

Axcel V considers ESG matters during due diligence and ownership. The approach is governed by the Investment and Due Diligence Policy and the Sustainability Policy. Once invested, performance on environmental and social matters is reviewed through quarterly reporting from the portfolio company to Axcel Management. The quarterly reports are used to inform management and Board discussions. Once a year progress on environmental and social matters is reviewed by portfolio company Boards.

The below indicators are used to assess how environmental and social characteristics are met:

- 1) Share of investments made in line with the exclusion policy.
- 2) Performance on principal adverse impact indicators.
- 3) Share of portfolio companies who have implemented Axcel Management's required ESG policies, commitments, and processes.
- 4) Axcel Management targets that during its ownership period 40% of persons hired into portfolio company leadership teams are of the underrepresented gender (measured as the share of women hired into the leadership team, or in the case men are the underrepresented gender, the share of men hired into the leadership team). The target applies from January 2022 onwards.
- 5) Axcel Management is committed to Science Based Targets. Axcel Management targets that by 2025 60% of its companies, across Axcel funds (IV, V, VI and future funds) will have set approved Science Based Targets in line with a 1.5-degree trajectory and that by 2030 100% of portfolio companies have done so. Portfolio coverage is measured as a share of invested capital.

Dansk

Axcel V fremmer miljømæssige og sociale egenskaber, men har ikke bæredygtig investering som mål.

Fonden fremmer følgende miljømæssige og sociale egenskaber:

- 1) Investeringerne i Fond V er styret af Axcel Managements 'limited partnership agreement'. Der investeres ikke i selskaber inden for specificerede brancher angivet i 'restricted list'.
- 2) Fonden overvejer de væsentligste negative påvirkninger på bæredygtighedsfaktorer og søger at reducere negative påvirkninger fra porteføljeselskaberne.
- 3) Siden 2021 har Axcel Management implementeret et fem-trins bæredygtighedsprogram i porteføljeselskaberne. Axcel Management har som mål, at selskaberne har implementeret påkrævede ESG-politikker, forpligtelser og processer inden for et år efter ejerskab, herunder:
 - a) Bæredygtighedspolitik
 - b) Adfærdskodeks
 - c) Leverandøradfærdskodeks
 - d) Databeskyttelsespolitik
 - e) Whistleblower-ordning
 - f) Forpligtelse til FNs Global Compact
 - g) Definer ESG-prioriteter knyttet til FNs mål for bæredygtig udvikling
- 4) Axcel Management søger at forbedre kønsdiversiteten i porteføljeselskabernes lederteams og sikre, at alle porteføljeselskabernes bestyrelser har medlemmer fra begge køn.

Axcel V overvejer ESG-forhold under due diligence og ejerskab. Tilgangen er styret af investerings- og due diligence-politikken og bæredygtighedspolitikken. Når der er investeret, gennemgås præstation på miljømæssige og sociale forhold gennem kvartalsvisrapportering fra porteføljeselskabet til Axcel Management. Kvartalsrapporterne bruges til at informere ledelsen og bestyrelsens drøftelser. En gang om året gennemgås fremskridt i miljømæssige og sociale forhold af porteføljeselskabernes bestyrelser.

Nedenstående indikatorer bruges til at vurdere, hvordan miljømæssige og sociale egenskaber opfyldes:

- 1) Andel af investeringer foretaget i overensstemmelse med eksklusionspolitikken.
- 2) Præstationer på de væsentligste indikatorer for negativ påvirkning.
- 3) Andel af porteføljeselskaber, der har implementeret Axcel Managements påkrævede ESG-politikker, forpligtelser og processer.
- 4) Axcel Management har som mål, at 40% af de personer, der ansættes i porteføljeselskabernes lederteams, i løbet af sin ejerperiode, er af det underrepræsenterede køn (målt som andelen af kvinder, der er ansat i ledelsesteamet, eller i tilfælde af, at mænd er det underrepræsenterede køn, andelen af mænd ansat i ledergruppen). Målet gælder fra januar 2022 og frem.
- 5) Axcel Management er forpligtet til Science Based Targets. Axcel Management har som mål, at i 2025 vil 60% af dets selskaber, på tværs af Axcel-fonde (IV, V, VI og fremtidige fonde) have fastsat godkendte Science Based Targets på linje med et 1,5-graders forløb, og at 100% af porteføljeselskaberne i 2030 har gjort det. Porteføljedækningen måles som en andel af den investerede kapital.

(b) No sustainable investment objective

This financial product promotes environmental and social characteristics but does not have as its objective sustainable investment.

(c) Environmental and social characteristics of the financial product

The Fund promotes the following environmental and social characteristics:

- 1) The investments in Fund V are guided by Axcel Management's limited partner agreements. Companies within specified industries considered to have significant adverse environmental and/or social impacts are not invested in.
- 2) The fund considers principal adverse impacts on sustainability factors and seeks to reduce adverse impacts of portfolio companies.

- 3) Since 2021, Axcel Management implements a five-step sustainability programme in portfolio companies. Axcel Management targets that companies have implemented required ESG policies, commitments, and processes within one year of ownership including:
 - a) Sustainability policy
 - b) Code of conduct
 - c) Supplier code of conduct
 - d) Data privacy policy
 - e) Whistleblower scheme
 - f) Commitment to the UN Global Compact
 - g) Define ESG priorities linked to the UN Sustainable Development Goals
- 4) Axcel Management seeks to improve gender diversity in portfolio company leadership teams.
- 5) Axcel Management seeks to reduce GHG emissions in its portfolio companies.

(d) Investment strategy

Investment strategy used to attain the sustainable investment objective

It is the mission of Axcel Management to generate returns for its investors by acquiring, developing and improving, and selling medium-sized Nordic companies.

When screening for future investment options, Axcel Management incorporates relevant ESG factors in the general evaluation criteria. Axcel Management conducts a thorough ESG due diligence ahead of any new investment with support from external specialists. The due diligence identifies and assesses ESG impacts, including principal adverse impacts, as well as ESG risks and opportunities considering the company's business model, industry, and geographic footprint. Climate related risks and opportunities are assessed using the recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD). The due diligence focuses on those impacts, risks and opportunities that are deemed most relevant taking into account the probability of occurrence and the severity of impacts including their potentially irremediable character.

The assessment of principal adverse impacts relies on quantitative data where available as well as qualitative data in the form of documentation and interviews with company management. The maturity of the target's response to the identified impacts, risks, and opportunities is assessed. The result is a summary of the type and scale of various ESG impacts, risks and opportunities, the maturity of the company's approach to addressing ESG matters, the willingness of management to improve performance on ESG matters, and the resulting net risk score. The findings from the ESG due diligence are shared with the investment committee and inform the investment decision.

Once invested, Axcel Management implements its five-step sustainability programme to ensure its companies address ESG impacts, risks, and opportunities. Progress on the programme is followed up on through quarterly reporting and ongoing dialogue with management. A more detailed description of the five-step sustainability programme and the sustainability targets can be found in the sustainability section of Axcel Management's website and in the "annual review and sustainability report" also available on the website.

Policy to assess good governance practices of investee companies

Axcel Management conducts legal, tax, and ESG due diligences to inform all investment decisions. The following good governance criteria must be met for Axcel Management to make an investment:

- The company must not demonstrate a pattern of unethical or illegal behaviour
- The company must not demonstrate a pattern of pattern of denying human and labour rights
- The company must not demonstrate a pattern of environmental non-compliance
- The company must not demonstrate a pattern of pattern of non-compliance with applicable tax regulation

During ownership Axcel Management works to ensure that good governance structures and processes are installed in portfolio companies. The following is implemented in all companies:

- A Board with at least one independent Board member
- Board and CEO rules, procedures, and instructions with clear guidelines regarding roles and responsibilities
- Employment contracts for executives
- Annual business risk assessment

(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

Once invested, performance on environmental and social matters is reviewed through quarterly reporting from the portfolio company to Axcel Management. The quarterly reports are used to inform management and Board discussions. Once a year progress on environmental and social matters is reviewed by portfolio company Boards.

(g) Methodologies

The below indicators are used:

- 1) Share of investments made in line with the exclusion policy.
- 2) Performance on principal adverse impact indicators.
- 3) Share of portfolio companies who have implemented Axcel Management's required ESG policies, commitments, and processes.
- 4) Axcel Management targets that during its ownership period 40% of persons hired into portfolio company leadership teams are of the underrepresented gender (measured as the share of women hired into the leadership team, or in the case men are the underrepresented gender, the share of men hired into the leadership team). The target applies from January 2022 onwards.
- 5) Axcel Management is committed to Science Based Targets. Axcel Management targets that by 2025 60% of its companies, across Axcel funds (IV, V, VI and future funds) will have set approved Science Based Targets in line with a 1.5-degree trajectory and that by 2030 100% of portfolio companies have done so. Portfolio coverage is measured as a share of invested capital.

(h) Data sources and processing

Data sources include data and documentation provided by the portfolio companies to Axcel Management. Data includes copies of required policies, quarterly reporting on ESG priorities and ESG KPIs, and annual Board review of ESG matters. Data submitted to Axcel Management is reviewed by the Head of Sustainability and the relevant investment team members. Questions and feedback are discussed directly with the portfolio companies with the aim of continuously improving performance and data quality. The majority of data is actual. At times some data points are estimated by the company when a full calculation has not been possible. The total share of estimated data will depend on the number of companies who are at the beginning of their ESG journey (i.e., are new to the Axcel portfolio and have not previously collected the required ESG KPIs).

(i) Limitations to methodologies and data

Axcel Management has fully integrated sustainability in its approach to active ownership. Progress on sustainability performance and ESG data collected is closely monitored. Data quality depends on the level of maturity of the portfolio companies, as well as the level of standardization for calculating the required ESG measure. Through active engagement, Axcel

Management ensures that data quality is improved during ownership, and that environmental and social objectives are met.

(j) Due diligence

See section d) Investment strategy.

(k) Engagement policies

As an active owner, Axcel Management takes responsibility for considering ESG factors not only in strategic decisions, but also in day-to-day business activities. In portfolio companies, sustainability efforts are overseen by the company Board, where Axcel Management is always represented, and led by Executive Management. Axcel Management's Head of Sustainability provides feedback and guidance to portfolio companies on an ongoing basis.

Companies report on ESG matters to Axcel Management on a quarterly basis. ESG incidents are reported through this mechanism and are followed up on by the Axcel Management partners.

(l) Designated reference benchmark

A reference benchmark has not been defined for this product.

Pre-contractual disclosure for Article 8 financial products Axcel V

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: Axcel V

Legal entity identifier: 89450012BSVE5Z4ZU905

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <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 <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><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</p> <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 <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>



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

The Fund promotes the following environmental and social characteristics:

- 1) The investments in Fund V are guided by Axcel Management's limited partner agreements. Companies within specified industries considered to have significant adverse environmental and/or social impacts are not invested in.
- 2) The fund considers principal adverse impacts on sustainability factors and seeks to reduce adverse impacts of portfolio companies.
- 3) Since 2021, Axcel Management implements a five-step sustainability programme in portfolio companies. Axcel Management targets that companies have implemented required ESG policies, commitments, and processes within one year of ownership including:
 - a) Sustainability policy
 - b) Code of conduct
 - c) Supplier code of conduct
 - d) Data privacy policy
 - e) Whistleblower scheme
 - f) Commitment to the UN Global Compact
 - g) Define ESG priorities linked to the UN Sustainable Development Goals
- 4) Axcel Management seeks to improve gender diversity in portfolio company leadership teams.
- 5) Axcel Management seeks to reduce GHG emissions in its portfolio companies.

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

- 1) Share of investments made in line with the exclusion policy.
- 2) Performance on principal adverse impact indicators.
- 3) Share of portfolio companies who have implemented Axcel Management's required ESG policies, commitments, and processes.
- 4) Axcel Management targets that during its ownership period 40% of persons hired into portfolio company leadership teams are of the underrepresented gender (measured as the share of women hired into the leadership team, or in the case men are the underrepresented gender, the share of men hired into the leadership team). The target applies from January 2022 onwards.
- 5) Axcel Management is committed to Science Based Targets. Axcel Management targets that by 2025 60% of its companies, across Axcel funds (IV, V, VI and future funds) will have set approved Science Based Targets in line with a 1.5-degree trajectory and that by 2030 100% of portfolio companies have done so. Portfolio coverage is measured as a share of invested capital.

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

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

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

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



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

Yes, Axcel V considers the principal adverse sustainability impacts outlined in Table 1 of Annex I of the Regulatory Technical Standards as well as one additional principal adverse sustainability impact as per Table 2 of Annex I of RTS and one additional principal adverse sustainability impact as per Table 3 of Annex I of RTS.

When screening for future investment options, Axcel Management incorporates relevant ESG factors in the general evaluation criteria including principal adverse indicators. Following an acquisition, portfolio companies are introduced to Axcel Management’s five-step sustainability programme and are required to assess their impact on ESG topics and develop action plans. Action plans focus on those impacts that are deemed most relevant taking into account the probability of occurrence and the severity of impacts including their potentially irremediable character. Portfolio companies report on all of the principal adverse indicators listed in section 2 (a) through (c) in Axcel Management’s data management system on a quarterly basis.

Information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors, is available on the Axcel Management website in the Sustainability section.

No



What investment strategy does this financial product follow?

It is the mission of Axcel Management to generate returns for its investors by acquiring, developing and improving, and selling medium-sized Nordic companies.

When screening for future investment options, Axcel Management incorporates relevant ESG factors in the general evaluation criteria. Axcel Management conducts a thorough ESG due diligence ahead of any new investment with support from external specialists. The due diligence identifies and assesses ESG impacts, including principal adverse impacts, as well as ESG risks and opportunities considering the company's business model, industry, and geographic footprint. Climate related risks and opportunities are assessed using the recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD). The due diligence focuses on those impacts, risks and opportunities that are deemed most relevant taking into account the probability of occurrence and the severity of impacts including their potentially irremediable character.

The assessment of principal adverse impacts relies on quantitative data where available as well as qualitative data in the form of documentation and interviews with company management. The maturity of the target's response to the identified impacts, risks, and opportunities is assessed. The result is a summary of the type and scale of various ESG impacts, risks and opportunities, the maturity of the company's approach to addressing ESG matters, the willingness of management to improve performance on ESG matters, and the resulting net risk score. The findings from the ESG due diligence are shared with the investment committee and inform the investment decision.

Once invested, Axcel Management implements its five-step sustainability programme to ensure its companies address ESG impacts, risks, and opportunities. Progress on the programme is followed up on through quarterly reporting and ongoing dialogue with management. A more detailed description of the five-step sustainability programme and the sustainability targets can be found in the sustainability section of Axcel Management's website and in the "annual review and sustainability report" also available on the website.

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 Fund V are guided by Axcel Management's limited partner agreements. Companies within specified industries considered to have significant adverse environmental and/or social impacts are not invested in.

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

Not applicable.

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

Axcel Management conducts legal, tax, and ESG due diligences to inform all investment decisions. The following good governance criteria must be met for Axcel Management to make an investment:

- The company must not demonstrate a pattern of unethical or illegal behaviour
- The company must not demonstrate a pattern of pattern of denying human and labour rights
- The company must not demonstrate a pattern of environmental non-compliance
- The company must not demonstrate a pattern of pattern of non-compliance with applicable tax regulation

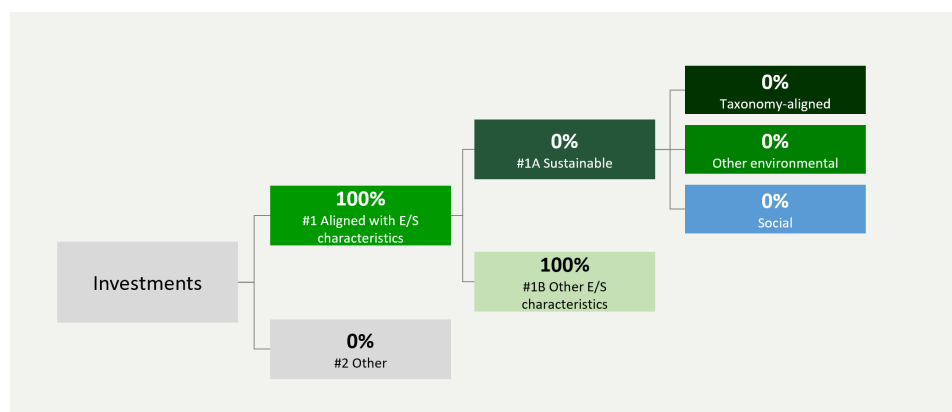
During ownership Axcel Management works to ensure that good governance structures and processes are installed in portfolio companies. The following is implemented in all companies:

- A Board with at least one independent Board member
- Board and CEO rules, procedures, and instructions with clear guidelines regarding roles and responsibilities
- Employment contracts for executives
- Annual business risk assessment



What is the asset allocation planned for this financial product?

100% of the investments made by this financial product are planned to meet the binding elements of the investment strategy to attain the promoted environmental and social characteristics. With regards to minimum environmental and social safeguards, all companies are required to commit to the United Nations Global Compact and to implement policies and processes to achieve compliance with the OECD Guidelines and the UN Guiding Principles. This financial product does not commit to making sustainable investments.



#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.

#2Other 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.
- 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?

This product does not make use of derivatives.



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

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

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

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



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

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



What is the minimum share of socially sustainable investments?

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



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

No investments are included under “other”. All investments are categorized as #1B Other E/S characteristics.



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?

A reference benchmark has not been defined for this product.

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 defined 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 defined for this product.

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

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

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

Not applicable as a broad market index has not been used for this product.



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://axcel.dk/sustainability/>