

Principal adverse impact statement June 2023

Sankt Annæ Plads 10
DK-1250 Copenhagen K
Denmark

Phone (+45) 33 36 69 99

axcel@axcel.dk
www.axcel.dk

Axcel Management A/S (LEI: 89450012BSVE5Z4ZU905) is a leading private equity firm who generates returns for investors by acquiring, developing and improving, and selling medium-sized Nordic companies. Axcel Management A/S has a longstanding commitment to responsible investment practices and as such considers principal adverse impacts of its investment decisions on sustainability factors.

The present statement is the consolidated principal adverse sustainability impacts statement of Axcel Management A/S. The statement's content and format follow the Regulatory Technical Standards supplementing Regulation (EU) 2019/2088.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

1. Summary

English version¹

Axcel Management A/S considers principal adverse impacts of its investment decisions on entity level by collecting, monitoring, and seeking to reduce the adverse impacts of investee companies on sustainability factors.

Disclosures have been prepared for the calendar year 2022. As this is the first year of reporting there is no data to compare to in 2021. The "Impact 2021" column is therefore blank. The "Explanation" column has been used to disclose the proportion of the calculations that are based on information obtained directly from investee companies as per the recommendations in the Joint Consultation Paper published 12 April 2023 (JC 2023 09).

Axcel Management A/S considers the principal adverse sustainability impacts outlined in Table 1 of Annex I of the Regulatory Technical Standards as well as one indicator selected in Table 2 ("investments in companies without carbon emission reduction initiatives") and one indicator selected in Table 3 ("insufficient whistleblower protection"). The most significant impacts across climate, environmental, social and employee, human rights, anti-corruption, and anti-bribery matters are summarised here together with planned actions for 2023.

The most significant climate and environmental impacts are related to GHG emissions, energy consumption and production, and non-renewable energy share. During 2022 adverse impacts on GHG emissions, energy consumption and production, and non-renewable energy share occurred across all investments. To mitigate these impacts, collaboration with external consultants was initiated to measure these indicators. Some companies developed science-based targets during 2022 which were approved. During 2023 efforts will continue to increase the share of investments with science-based targets, which will put those investee companies on a trajectory to reduce adverse impacts on GHG emissions, energy consumption and production, and non-renewable energy share. Increasing the share of investments with science-based targets will also

¹ English and Danish summary provided as required by the Regulatory Technical Standards supplementing Regulation (EU) 2019/2088

improve results on the indicator “share of investments that have carbon emission reduction initiatives aimed at aligning with the Paris Agreement”. In 2022, 88% of investments did not have carbon emission reduction initiatives aimed at aligning with the Paris Agreement. Measuring GHG emissions, energy consumption and production, and non-renewable energy share in existing and new investments will continue to be a focus area during 2023.

Adverse impacts on other environmental factors were limited. During 2022 no investments reported having operations located in or near biodiversity sensitive areas where activities of those investee companies negatively affect those areas. In addition, limited emissions to water and hazardous and radioactive waste generation occurred. The investments who generated impacts on water emissions and hazardous and radioactive waste have mostly been exited during 2022. The remaining will be engaged in 2023 to assess whether further reductions are possible.

With regards to social and employee, human rights, anti-corruption, and anti-bribery matters, during 2022 no investments were involved in violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises or were involved in the manufacture or selling of controversial weapons.

However, 20% of investments lacked processes to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises and 11% of investments did not have policies on the protection of whistleblowers. Furthermore, the average unadjusted gender pay gap was 20, while the average board gender diversity was 89% (male). Reducing these adverse impacts will be a focus of engagement during 2023.

Axcel Management A/S has long integrated responsible investment practices in its operations, starting with its commitment to the UN Global Compact in 2010, its commitment to the Principles for Responsible Investment in 2014, and the implementation of its first Corporate Social Responsibility policy in 2016. Today Axcel Management A/S' Investment and Due Diligence policy and Sustainability policy together outline the manner in which sustainability impacts, risks and opportunities are considered and integrated in investment decision making and active ownership. Sustainability matters are considered during due diligence which is conducted together with external specialists. In investee companies, sustainability efforts are overseen by the company Board, where Axcel Management A/S is always represented, and led by Executive Management. Active ownership takes place by directly engaging with investee companies through Board positions, dialogue between investee companies and Axcel Management A/S' Head of Sustainability, and quarterly reporting to Axcel Management A/S. The approach to working with sustainability in investee companies is furthermore guided by Axcel Management A/S' comprehensive five-step sustainability programme and portfolio-wide sustainability targets.

Danish version

Axcel Management A/S overvejer de væsentligste negative påvirkninger af sine investeringsbeslutninger på enhedsniveau ved at indsamle, overvåge og arbejde på at reducere de negative påvirkninger af virksomheder, der er investeret i, på bæredygtighedsfaktorer.

Oplysninger er udarbejdet for kalenderåret 2022. Da dette er det første rapporteringsår, er der ingen data at sammenligne med i 2021. Kolonnen "Impact 2021" er derfor tom. Kolonnen "Explanation" er blevet brugt til at oplyse, hvor stor en andel af beregningerne, der er baseret på oplysninger indhentet direkte fra virksomheder, der er investeret i, i henhold til anbefalingerne i Joint Consultation Paper offentliggjort den 12. april 2023 (JC 2023 09).

Axcel Management A/S overvejer de væsentligste negative bæredygtighedspåvirkninger skitseret i Tabel 1 i Bilag I til Regulatory Technical Standards samt én indikator valgt i Tabel 2 ("investeringer i virksomheder uden initiativer til reduktion af CO₂-emissioner") og én indikator valgt i Tabel 3 ("utilstrækkelig whistleblowerbeskyttelse"). De væsentligste påvirkninger relateret til forhold på tværs af klima, miljø, socialitet og ansatte, menneskerettigheder, anti-korruption og anti-bestikkelse er opsummeret her sammen med planlagte handlinger for 2023.

De væsentligste klima- og miljøpåvirkninger er relateret til drivhusgasemissioner, energiforbrug og produktion, og andel af ikke-vedvarende energi. I løbet af 2022 forekom negative indvirkninger på drivhusgasemissioner, energiforbrug og produktion, og andel af ikke-vedvarende energi på tværs af alle investeringer. For at afbøde disse påvirkninger blev der indledt samarbejde med eksterne konsulenter for at måle disse indikatorer. Nogle virksomheder udviklede science-based targets, som blev godkendt i 2022. I løbet af 2023 vil indsatsen fortsætte med at øge andelen af virksomheder med science-based targets, hvilket vil sætte de virksomheder, der er investeret i, på en bane for at reducere negative påvirkninger af drivhusgasemissioner, energiforbrug og produktion, og andel af ikke-vedvarende energi. En forøgelse af andelen af virksomheder med science-based targets vil også forbedre resultaterne på indikatoren "andel af investeringer, der har initiativer til reduktion af CO₂-emissioner, der sigter mod at tilpasse sig Paris-aftalen". I 2022 havde 88% af investeringerne ikke initiativer til reduktion af CO₂-emissioner, der sigter mod at tilpasse sig Paris-aftalen. Måling af drivhusgasemissioner, energiforbrug og produktion, og andel af ikke-vedvarende energi i eksisterende og nye virksomheder vil fortsat være et fokusområde i 2023.

Den negative påvirkning af andre miljøfaktorer var begrænset. I løbet af 2022 rapporterede ingen investeringer at have aktiviteter beliggende i eller nær biodiversitetsfølsomme områder, hvor aktiviteterne i de selskaber, der er investeret i, påvirker disse områder negativt. Derudover skete der begrænsede emissioner til vand og generering af farligt og radioaktivt affald. De investeringer, der har genereret påvirkninger af vandudledninger og farligt og radioaktivt affald, er for det meste blevet frasolgt i løbet af 2022. De resterende vil blive engageret i 2023 for at vurdere, om yderligere reduktioner er mulige.

Med hensyn til forhold relaterede til socialitet og ansatte, menneskerettigheder, anti-korruption og anti-bestikkelse, var ingen investeringer involveret i overtrædelser af FN's Global Compact-principper og OECD-retningslinjer for multinationale virksomheder eller blev involveret i fremstilling eller salg af kontroversielle våben.

Imidlertid manglede 19% af investeringerne processer til at overvåge overholdelse af FN's Global Compact-principper og OECD-retningslinjer for multinationale virksomheder, og 11% af investeringerne havde ikke politikker om beskyttelse af whistleblowere. Desuden var den gennemsnitlige ikke-justerede kønsbestemte lønforskel 20, mens den gennemsnitlige kønsdiversitet i bestyrelser var 89% (mænd). Forbedring af disse negative virkninger vil være et fokus for engagement i 2023.

Axcel Management A/S har længe integreret ansvarlig investeringspraksis i sine aktiviteter, startende med sin forpligtelse til UN Global Compact i 2010, sin forpligtelse til Principles for Responsible Investment i 2014 og implementeringen af sin første Corporate Social Responsibility-politik i 2016. I dag skitserer Axcel Management A/S' investerings- og due diligence-politik og bæredygtighedspolitik den måde, hvorpå bæredygtighedspåvirkninger, risici og muligheder overvejes og integreres i investeringsbeslutningstagning og aktivt ejerskab. Bæredygtighedsforhold overvejes under due diligence, som udføres sammen med eksterne

specialister. I virksomheder, der er investeret i, overvåges bæredygtighedsindsatsen af virksomhedens bestyrelse, hvor Axcel Management A/S altid er repræsenteret og er ledet af direktionen. Aktivt ejerskab foregår ved direkte at engagere sig i virksomheder, der er investeret i, gennem bestyrelsesposter, dialog mellem virksomheder, der er investeret i, og Axcel Management A/S' bæredygtighedschef og kvartalsvis rapportering til Axcel Management A/S. Tilgangen til at arbejde med bæredygtighed i virksomheder, der investeres i, er styret af Axcel Management A/S' omfattende fem-trins bæredygtighedsprogram og porteføljeomfattende bæredygtigheds mål.

2. Description of the principal adverse impacts of investment decisions on sustainability factors

PAI as per Table 1 of Annex I of RTS

Indicators applicable to investment in investee companies							
Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned, and targets set for the next reference period		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions	52,189		Data covers 100% of investments. 73% is based on actual data.	Axcel Management A/S seeks to ensure that all investee companies measure and report on GHG emissions. Once a baseline is complete, investee companies are encouraged to set targets, ideally targets aligned with the Paris agreement. During 2023 efforts will continue to increase the share of investments with science-based targets, setting investee companies on a trajectory to reduce GHG emissions.	
		Scope 2 GHG emissions	2,530		See above	See above.	
		Scope 3 GHG emissions	335,686		See above	See above.	
		Total GHG emissions	390,405		See above	See above.	
		Carbon footprint	Carbon footprint	213		See above.	See above.
		GHG intensity of investee companies	GHG intensity of investee companies	394		See above.	See above.

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Greenhouse gas emissions	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%		Data covers 100% of investments. 100% is based on actual data.	<p>Axcel Management A/S funds invest in Nordic companies within the technology, healthcare, business services & industrials, and consumer sectors. Companies that derive revenues from the fossil fuel sector are generally not found within our investment universe.</p> <p>Therefore, Axcel Management A/S does not foresee any increase in this indicator.</p>
	Share of non-renewable energy consumption and production	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	55%		Data covers 100% of investments. 49% is based on actual data.	<p>Axcel Management A/S seeks to ensure that all investee companies measure and report on energy production and consumption and non-renewable energy share.</p> <p>Once a baseline is established, investee companies are encouraged to transition to renewable energy sources and reduce energy consumption and production.</p>
	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - Manufacturing	0.01		Data covers 100% of investments. 47% is based on actual data.	See above.
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - Construction	0.0005		Data covers 100% of investments. 100% is based on actual data.	See above.
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - Transport	0.13		Data covers 100% of investments. 0% is based on actual data.	See above.

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Biodiversity	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%		Data covers 100% of investments. 100% is based on actual data.	Axcel Management A/S does not foresee any increase in the share of investments with sites/operations located in or near to biodiversity sensitive areas.
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.0001		Data covers 100% of investments. 100% is based on actual data.	<p>Axcel Management A/S seeks to ensure that all investee companies measure and report on emissions to water.</p> <p>Investee companies with emissions to water are encouraged to seek to reduce them.</p> <p>The investments that generated water emissions in 2022 were exited during 2022.</p>
Waste	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	0.0020		Data covers 100% of investments. 100% is based on actual data	<p>Axcel Management A/S seeks to ensure that all investee companies measure and report on hazardous waste and radioactive waste.</p> <p>Investee companies that generate hazardous waste and radioactive waste are encouraged to seek to reduce it.</p> <p>Some of the investments that generated waste impacts have been exited during 2022. The remaining will be engaged in 2023 to assess whether further reductions are possible.</p>

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned, and targets set for the next reference period	
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	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%		Data covers 100% of investments. 100% is based on actual data	<p>All investee companies of Axcel Management A/S funds are required to commit to the United Nations Global Compact and to implement policies and procedures to proactively identify, prevent, mitigate, and remediate adverse impacts.</p> <p>While incidents can occur, Axcel Management A/S does not foresee any increase in the share of investments in companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.</p>
	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	20%		Data covers 100% of investments. 100% is based on actual data.	<p>All investee companies of Axcel Management A/S funds are required to commit to the United Nations Global Compact and to implement policies and procedures to proactively identify, prevent, mitigate, and remediate adverse impacts.</p> <p>During 2022 Axcel Management A/S funds purchased seven new companies, some of these, as well as one company who was exited during 2022 had not implemented the above requirements as per 31.12.2022.</p> <p>Investee companies without policies will be encouraged to implement them during 2023.</p>

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Social and employee matters	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	20		Data covers 100% of investments. 54% is based on actual data.	<p>Axcel Management A/S has set a portfolio-wide target to improve gender diversity in investee company leadership teams.</p> <p>The target is that 40% of additions to leadership teams are of the underrepresented gender during Axcel Management A/S funds' ownership period. By improving gender diversity in leadership, the gender pay gap will be improved.</p> <p>During 2023 investee companies will be encouraged to improve gender balance in leadership teams where needed.</p>
	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	89%		Data covers 100% of investments. 100% is based on actual data.	<p>Axcel Management A/S has set a target that 40% of independent Board seats are held by women. The target was set in 2022 and applies to Board established after June 2021.</p> <p>Axcel Management A/S will continue to work to increase the number of women represented on investee company Boards during 2023.</p>
	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%		Data covers 100% of investments. 100% is based on actual data.	Axcel Management A/S funds do not invest in companies who are involved in the production of and trade in weapons and ammunition.

Additional PAI as per Table 2 of Annex I of RTS

Additional climate and other environment-related indicators						
Adverse sustainability impact		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Emissions	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	88%		Data covers 100% of investments. 100% is based on actual data.	<p>Axcel Management A/S assesses that only companies with an approved science-based target have carbon emissions reduction initiatives aligned with the Paris Agreement.</p> <p>During 2022 some investments set an approved science-based target.</p> <p>Axcel Management A/S will continue to encourage investee companies to set science-based targets during 2023 in line with its own science-based target.</p>

Additional PAI as per Table 3 of Annex I of RTS

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Adverse sustainability impact		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Social and employee matters	Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	11%		Data covers 100% of investments. 100% is based on actual data.	<p>All investee companies of Axcel Management A/S funds are required to implement a whistleblower system.</p> <p>During 2022 Axcel Management A/S funds purchased seven new companies, some of whom had not implemented the above requirements as per 31.12.2022.</p> <p>These investee companies will be encouraged to implement a whistleblower system during 2023.</p>

Other indicators

None

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

Policies

Policy	Approved by	Last approval date
Sustainability Policy	Board of Directors	April 2022
Investment and due diligence policy	Board of Directors	December 2022

Governance

The Board of Directors is responsible for establishing adequate policies and procedures and the Managing Partner is responsible for implementing them together with Axcel Management A/S' partner group. The policies shall be reviewed at least once a year by the Board of Directors.

The Investment and Due Diligence policy sets out the investment process to be followed by investment professionals. The Investment and Due Diligence procedure includes procedures to ensure that sustainability factors and risks are analyzed and included in investment decision making.

The Sustainability policy describes Axcel Managements A/S' commitments, guidelines, processes, and governance related to the integration of sustainability impacts, risks and opportunities in investment decision making and active ownership.

Axcel Management A/S funds apply exclusion lists and furthermore do not invest in companies with significant negative sustainability impacts without a realistic path to mitigate them. Axcel Management A/S funds therefore do not invest in companies who, during due diligence, are found to have a pattern of denying human and labour rights, of non-compliance with environmental regulations, or of incidents of corruption.

Every member of staff is expected to ensure that investment management services are executed with integrity, in adherence to control procedures, policies, and the highest possible standards and regulatory requirements.

Compliance oversight across Axcel Management A/S is the responsibility of the Compliance Officer who shall oversee that regulatory compliance is executed throughout the firm. Compliance includes a formal compliance monitoring program and regular in-house compliance trainings. Although the Compliance Officer has formal responsibility, compliance awareness and accountability are expected from all employees at Axcel Management A/S.

PAI selection

When screening for future investment options, Axcel Management A/S incorporates relevant ESG factors in the general evaluation criteria. Axcel Management A/S 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. 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 considering the company's business model, industry, and geographic footprint.

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.

Following an acquisition, investee companies report on all the mandatory and additional principal adverse impact indicators we have chosen to consider in Axcel Management A/S' data management system on a quarterly basis. The indicator selected in Table 2 ("investments in companies without carbon emission reduction initiatives") was deemed material due to Axcel Management A/S' focus on climate change and commitment to the Science Based Targets initiative. The indicator selected in Table 3 ("insufficient whistleblower protection") was deemed material as it is a requirement embedded in Axcel Management A/S' five-step sustainability programme.

Methodology limitations

The availability of ESG related data and information varies between potential and existing investments. As such, the ESG due diligence will at times rely on assumptions and generalizations. These are qualified to the extent possible through management interviews, desktop research, benchmarks and estimates provided by external specialists, and document review.

During ownership, investee companies report data collected directly to Axcel Management A/S. If data is not available, Axcel Management A/S will seek to develop estimates using desktop research and existing company data. External consultants support the investee companies and Axcel Management A/S in calculating and estimating GHG emissions and energy related KPIs.

4. Engagement policies

As an active owner, Axcel Management A/S takes responsibility for integrating sustainability considerations in investment decisions, engaging with investee companies to address sustainability factors, as well as ensuring investors in Axcel Management A/S funds are well informed with regards to progress on sustainability matters.

As outlined in the Sustainability Policy, addressing sustainability impacts, risks and opportunities is integrated in Axcel Management A/S' active ownership approach. As such, investee companies measure their impact on the sustainability indicators presented in Table 1 of Annex I of the Regulatory Technical Standards as well as the indicators "investments in companies without carbon emission reduction initiatives" and "insufficient whistleblower protection" indicators from Table 2 and Table 3 respectively. The sustainability strategies of investee companies seek to reduce adverse impacts and increase positive impacts when relevant on these sustainability indicators. The five-step sustainability programme requires investee companies to 1) implement defined sustainability related policies and commitments, 2) to assess sustainability impacts, risks, and opportunities, 3) to define sustainability priorities, 4) to track progress and 5) to report on

progress. Axcel Management A/S has furthermore set portfolio-wide targets and tracks performance against them. They include:

Topic	Metric	Target
ESG management	% of companies who have implemented all Axcel Management A/S ESG management requirements within one year of ownership	100%
Climate change	% of companies who have set a science-based target (measured as share of invested capital in companies owned more than two years)	60% by 2025 and 100% by 2030
Diversity, equity & inclusion	% of independent Board members who are of the underrepresented gender	40% by 2023 (Boards established after 06.2021)
	% of additions to the portfolio company leadership teams who are of the underrepresented gender during Axcel Management A/s funds' ownership period (from 2022 onwards)	40%

In investee companies, sustainability efforts are led by Executive Management and overseen by the company Board, where Axcel Management A/S is always represented at partner-level. Axcel Management A/S' Head of Sustainability provides feedback and guidance to investee companies and the Axcel partner leading the investment on an ongoing basis. Companies report on progress on sustainability matters quarterly to Axcel Management A/S and at least annually to the company Board. If progress is not satisfactory, the Axcel Management A/S partner leading the investment is responsible for taking further action, for example imposing consequences for remuneration and so forth. The engagement policy gives potential for several actions. If proved futile, the policy may be adapted.

5. Reference to international standards

Axcel Management A/S adheres to responsible business conduct codes and internationally recognised standards and seeks to ensure that its funds investee companies comply with the same. These include, but are not limited to, the UN Sustainable Development Goals (measured by all PAI indicators considered), the OECD Guidelines, the UN Guiding Principles, and the UN Global Compact (measured by PAI indicators 10 and 11 from Table 1). Axcel Management A/S furthermore seeks to align its activities with the Paris Agreement through its commitment to the Science Based Targets initiative (measured by PAI indicator 4 from Table 2).

Investee companies report on the above-mentioned principal adverse indicators in Axcel Management A/S' data management system on a quarterly basis. When conducting climate risk and opportunity assessments Axcel Management A/S utilizes two climate scenarios, a 1.5-degree scenario and a 4-degree scenario. Both scenarios were developed by KPMG in 2021.

6. Reporting history

Version	Published	Changes
1	June 2023	First statement published

A historical comparison of the period reported on with the previous reported period will be made in 2024.