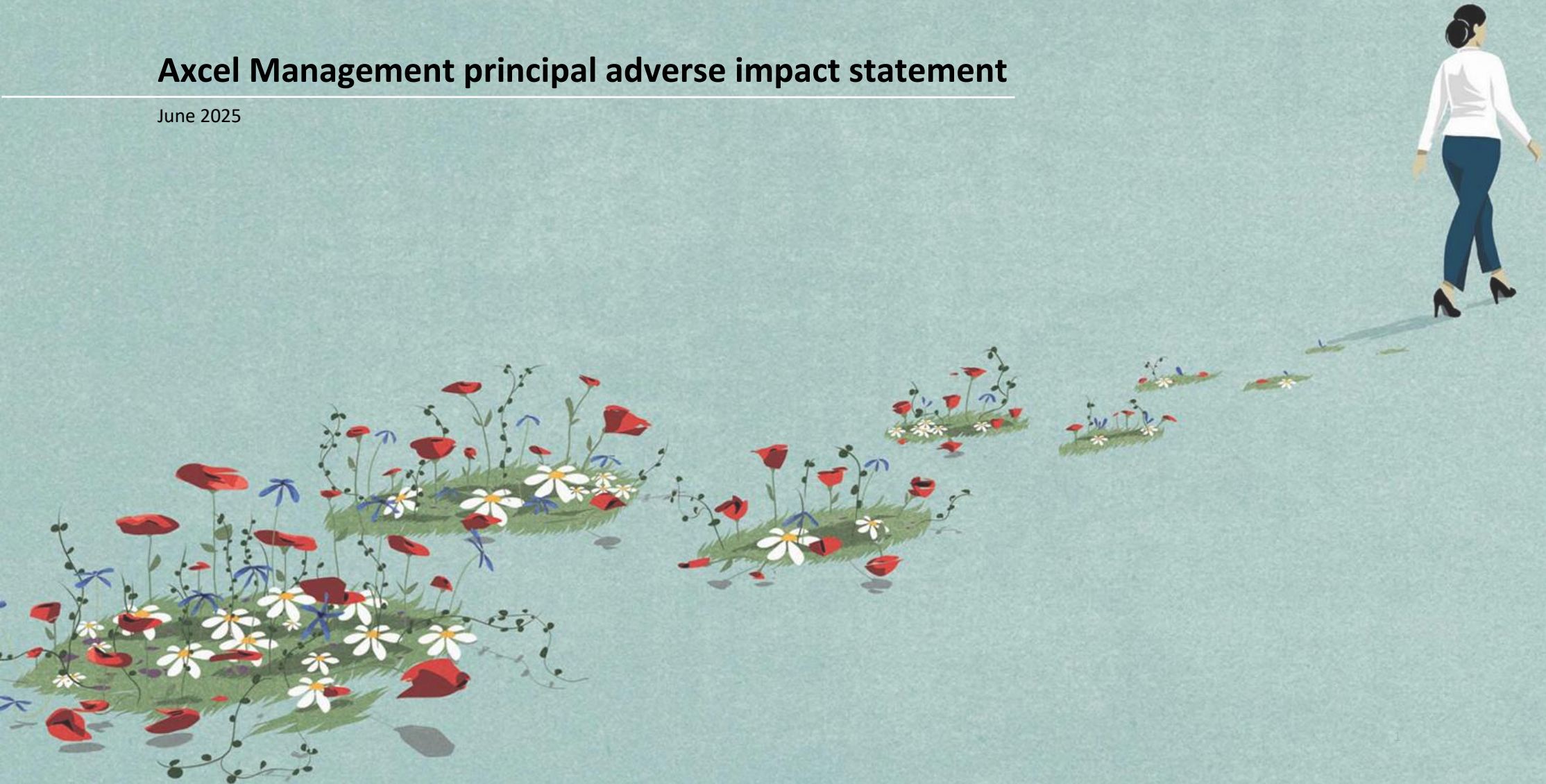


Axcel Management principal adverse impact statement

June 2025



Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Axcel Management A/S, LEI 89450012BSVE5Z4ZU905

Summary

English

Axcel Management A/S (LEI 89450012BSVE5Z4ZU905) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Axcel Management A/S (“**Axcel**” or “**the Manager**”).

This statement on principal adverse impacts (“**PAI**”) on sustainability factors covers the reference period from 1 January to 31 December 2024.

Axcel is a Northern European manager of private equity funds, with the mission to generate returns for its investors by acquiring controlling interests in medium-sized companies with strong links to the Nordics. In the reference period, Axcel managed four financial products, Axcel IV, Axcel V, Axcel VI and Axcel VII (together the “**portfolio**” or “**funds**”), with direct exposure to 22 investee companies across the funds (including new investments and divestments during the reference period). Axcel considers principal adverse indicators prior to investing in a company and monitors and seeks to reduce adverse impacts on sustainability factors from each investee company during ownership.

Axcel 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’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 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’s Head of Sustainability, and quarterly reporting to Axcel. The approach to working with sustainability in investee companies is furthermore guided by Axcel’s comprehensive five-step sustainability programme and portfolio-wide sustainability targets.

The most significant impacts during the reference period are related to GHG emissions, energy consumption, and non-renewable energy share, which occurred across the portfolio. To mitigate these impacts, Axcel requires all investee companies to measure and report on GHG emissions and where material to implement actions to reduce them. Axcel has an approved science-based target and as per 31 December 2024, 7 companies in Axcel’s portfolio had approved science-based targets (one of which was divested during the reference period). During 2025, 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 non-renewable energy share. Axcel assesses that adverse impacts on other environmental factors as well as adverse impacts with regards to social and employee, human rights, anti-corruption, and anti-bribery matters were limited in the reference period.

During 2025, Axcel will continue to work actively with portfolio companies to improve performance on sustainability matters and to reduce material adverse impacts where they occur.

Dansk

Axcel Management A/S (LEI 89450012BSVE5Z4ZU905) tager hensyn til de væsentligste negative indvirkninger af sine investeringsbeslutninger på bæredygtighedsfaktorer. Dette er den konsoliderede erklæring for de væsentligste negative indvirkninger på bæredygtighedsfaktorer for Axcel Management A/S ("**Axcel**" eller "**forvalteren**").

Denne erklæring om væsentlige negative indvirkninger på bæredygtighedsfaktorer dækker referenceperioden fra 1. januar til 31. december 2024.

Axcel er en nordeuropæisk forvalter af private equity-fonde, der har til formål at skabe afkast til sine investorer ved at erhverve kontrollerende andele i mellemstore virksomheder med stærke forbindelser til Norden. I referenceperioden forvaltede Axcel fire finansielle produkter, Axcel IV, Axcel V, Axcel VI og Axcel VII, med direkte eksponering mod 22 porteføljeselskaber på tværs af fondene (inklusive nye investeringer og frasalg i referenceperioden). Axcel overvejer de væsentligste negative indvirkninger, før der investeres i en virksomhed, og overvåger og søger at reducere negative indvirkninger på bæredygtighedsfaktorer fra hver enkelt virksomhed, der investeres i, under ejerskabsperioden.

Axcel har længe integreret ansvarlig investeringspraksis i sine aktiviteter, begyndende med sit engagement til FN's Global Compact i 2010, sit engagement til Principles for Responsible Investment i 2014 og implementeringen af sin første CSR-politik i 2016. I dag beskriver Axcel's investerings- og due diligence-politik og bæredygtighedspolitik den måde, hvorpå bæredygtighedsindvirkninger, -risici og -muligheder overvejes og integreres i investeringsbeslutninger og aktivt ejerskab. Bæredygtighedsforhold overvejes under due diligence, der udføres sammen med eksterne specialister. I porteføljeselskaberne overvåges bæredygtighedsindsatsen af selskabets bestyrelse, hvor Axcel altid er repræsenteret, og ledes af den øverste ledelse. Aktivt ejerskab sker ved at engagere sig direkte med porteføljeselskaberne gennem bestyrelsesposter, dialog mellem selskaberne og Axcel's Head of Sustainability, og kvartalsvise rapporteringer til Axcel. Tilgangen til at arbejde med bæredygtighed i porteføljeselskaberne er desuden guidet af Axcel's omfattende femtrins bæredygtighedsprogram og bæredygtigheds mål for hele porteføljen.

De væsentligste negative indvirkninger i referenceperioden er relateret til udledning af drivhusgasser, energiforbrug, samt andelen af ikke-vedvarende energi, hvilket skete på tværs af porteføljen. For at begrænse disse indvirkninger kræver Axcel, at alle porteføljeselskaber måler og rapporterer om drivhusgasudledninger og, hvor det er væsentligt, gennemfører tiltag for at reducere dem. Axcel har et godkendt science-based target, og pr. 31. december 2024 havde syv porteføljeselskaber i Axcel's portefølje godkendte science-based targets (et af disse blev frasolgt i referenceperioden). I løbet af 2025 vil indsatsen fortsætte med at øge andelen af porteføljeselskaber med et science-based target, hvilket vil sætte disse virksomheder på rette vej til at reducere negative påvirkninger af drivhusgasemissioner, energiforbrug samt andelen af ikke-vedvarende energi. Axcel vurderer at negative indvirkninger på andre miljøfaktorer samt negative indvirkninger med hensyn til sociale forhold og medarbejderforhold, menneskerettigheder, antikorrupition og antibestikkelse var begrænsede i referenceperioden.

I løbet af 2025 vil Axcel fortsætte med at arbejde aktivt med porteføljeselskaber for at forbedre deres resultater inden for bæredygtighed og reducere væsentlige negative indvirkninger, hvor de opstår.

Description of the principal adverse impacts on sustainability factors

For the purpose of this statement, Axcel has improved its calculation methodology regarding quarterly impacts of investee indicators and eligibility ratios of current value of investments. The improved calculation methodology has also been applied retrospectively to the results of the previous reference period from 1 January to 31 December 2023.

Consideration of PAI

Axcel considers all mandatory 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, "4. Investments in companies without carbon emission reduction initiatives" and one indicator selected in Table 3, "6. Insufficient whistleblower protection". In 2024, Axcel conducted an evaluation

of the materiality and data availability of each PAI, which resulted in two additional indicators from Table 3 of Annex I of the Regulatory Technical Standards being considered by Axcel in this reference period, namely “2. Rate of recordable work-related injuries” and “3. Number of days lost to work-related injuries, accidents, ill health and fatalities”.

Data availability and coverage

Investee indicators are based on the latest available information as at calendar year end for the reference period from 1 January to 31 December 2024 and data covers 100% of investee companies (i.e., current value of investment). The proportion of the calculations that are based on information obtained directly from investee companies is provided in the “explanation” column and referred to as “actual data”. The remaining data has been estimated by Axcel in order to ensure data coverage of 100% of investee companies. Given Axcel’s direct exposure to investee companies, data availability and data quality is deemed satisfactory, however, Axcel has not conducted a third-party review of the accuracy of the data provided.

Calculation of eligibility

“Current value of investment” represents the current value of the investee companies, i.e. the sum of the net asset values held at the end of each quarter, derived from the quarterly valuation of the individual investee company. Therefore, the valuation reflects the quarterly end point in time while taking into account the composition of investments at the end of each quarter (i.e. share of ownership of investee companies). “Current value of all investments” represents the total market value of all assets under management by Axcel resulting from both collective and portfolio management activities. Axcel calculates this as the gross asset value of all funds, meaning that the quarterly snapshot values can include other assets than the sum of “current value of investment”, such as cash and receivables. The average eligibility ratio of the total “current value of investments” to the “current value of all investments” for the reference period from 1 January to 31 December 2024 is 96%. The average eligibility ratio for the previous reference period from 1 January to 31 December 2023 is 99%.

The most significant impacts across climate, environmental, social and employee, human rights, anti-corruption, and anti-bribery matters are summarised in the table below together with planned actions for 2025.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and 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	22,675	7,999	Data covers 100% of investee companies, of which 80% have provided actual data. The eligibility of this indicator is 96% of all investments. Developments in GHG emissions are driven by improved GHG accounting scopes	Axcel Management has set an approved science-based target and therefore 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 aligned with the Paris
		Scope 2 GHG emissions	2,183	3,581		
		Scope 3 GHG emissions	287,413	303,460		
		Total GHG emissions	312,649	315,040		

	2. Carbon footprint	Carbon footprint	141	168	and calculation methodologies by individual investee companies, including one company expanding its Scope 3 coverage and another reclassifying a large share of its Scope 3 emissions as Scope 1. The divestment of one high emitting investee company in 2024 contributed to lower GHG emissions and intensity of the portfolio.	<p>agreement, i.e., science-based targets approved.</p> <p>As per 31 December 2024, 7 companies had set approved science-based targets out of a total of 22 companies (one of which was divested during the reference period).</p> <p>During 2024, Axcel continued to monitor the greenhouse gas emissions indicators in its investee companies and encouraged companies to improve the scope and calculation methodology of their Scope 1-3 and energy consumption.</p> <p>During 2025, efforts will continue to increase the share of investments with science-based targets, setting investee companies on a trajectory to reduce GHG emissions.</p>
	3. GHG intensity of investee companies	GHG intensity of investee companies	191	239		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	<p>Data covers 100% of investee companies, of which 100% have provided actual data. The eligibility of this indicator is 96% of all investments.</p> <p>There have been no material developments of this metric.</p>	<p>Axcel'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 does not foresee any increase in this indicator.</p>
	5. Share of non-renewable energy	Share of non-renewable energy consumption and non-renewable energy production of investee companies from	54%	53% (consumption)	Data covers 100% of investee companies, of which 63% have provided actual data. The	Axcel seeks to ensure that all investee companies measure and report on energy consumption and production and non-renewable energy share.

	consumption and production	non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0% (production)	0% (production)	eligibility of this indicator is 96% of all investments. No portfolio companies currently produce energy. There have been no material developments of this metric.	Once a baseline is established, investee companies are encouraged to transition to renewable energy sources and reduce energy consumption.
	6. 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	0.0066 (NACE C – manufacturing)	0.0084	Data covers 100% of investee companies, of which 60% have provided actual data. The eligibility of this indicator is 16% of all investments. There have been no material developments of this metric.	
			0.0010 (NACE H – transport)	0.0037	Data covers 100% of investee companies, of which 0% have provided actual data. The eligibility of this indicator is 6% of all investments. There have been no material developments of this metric.	
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%	0%	Data covers 100% of investee companies, of which 91% have provided actual data. The eligibility of this indicator is 96% of all investments. There have been no material developments of this metric.	Axcel does not foresee any increase in the share of investments with sites/operations located in or near to biodiversity sensitive areas. If a portfolio company has material biodiversity impacts, they will be identified during due diligence and onboarding and addressed by the sustainability strategy of the company.

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	0	<p>Data covers 100% of investee companies, of which 66% have provided actual data. The eligibility of this indicator is 96% of all investments.</p> <p>There have been no material developments of this metric.</p>	<p>Axcel seeks to ensure that all investee companies measure and report on emissions to water.</p> <p>If a portfolio company has material water impacts, they will be identified during due diligence and onboarding and addressed by the sustainability strategy of the company.</p>
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	0.000042	0.00034	<p>Data covers 100% of investee companies, of which 66% have provided actual data. The eligibility of this indicator is 96% of all investments.</p> <p>The reduction is explained by portfolio changes including the sale of one company with these waste types. Only one investee company currently generates hazardous waste stemming from electrical components.</p>	<p>Axcel seeks to ensure that all investee companies measure and report on hazardous waste and radioactive waste.</p> <p>If a portfolio company has material waste impacts, they will be identified during due diligence and onboarding and addressed by the sustainability strategy of the company.</p>
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%	0%	<p>Data covers 100% of investee companies, of which 100% have provided actual data. The eligibility of this indicator is 96% of all investments.</p> <p>There have been no material developments of this metric.</p>	<p>All investee companies of Axcel's funds are required to commit to the UN Global Compact and to implement policies and procedures to proactively identify, prevent, mitigate, and remediate adverse impacts.</p> <p>While incidents can occur, Axcel does not foresee any increase in the share of investments in companies that have been involved in violations of the UNGC</p>

						principles or OECD Guidelines for Multinational Enterprises.
	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	6%	4%	<p>Data covers 100% of investee companies, of which 100% have provided actual data. The eligibility of this indicator is 96% of all investments.</p> <p>Axcel measures PAI 11 as evidence obtained from the investee companies regarding: i) Sustainability Policy, ii) Whistleblower scheme, iii) Signatory to the UN Global Compact, and iv) annual review on material ESG topics by the company board.</p> <p>As per 31 December 2024, two (out of 22) investee companies had been owned less than one year and did not yet meet the requirements for PAI 11.</p>	<p>Axcel seeks to ensure that all new investee companies implement these policies and mechanisms within one year of ownership, meaning that PAI 11 is likely to be higher than 0% at the end of a reference period if new investments have been owned for less than one year as per 31 December, if such policies and mechanisms were not yet in place prior to Axcel's ownership.</p> <p>Investee companies without processes and compliance mechanisms will be encouraged to implement them during 2025.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	19.5%	17.6%	<p>Data covers 100% of investee companies, of which 63% have provided actual data. The eligibility of this indicator is 96% of all investments.</p> <p>There have been no material developments of this metric.</p>	<p>Axcel 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's ownership period. By improving gender diversity in leadership, the gender pay gap will be improved.</p>

						During 2025, investee companies will be encouraged to improve gender balance in leadership teams where needed.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	84%	82%	<p>Data covers 100% of investee companies, of which 100% have provided actual data. The eligibility of this indicator is 96% of all investments.</p> <p>There have been no material developments of this metric.</p> <p>The metric is measured as the ratio of male board members to total board members as per the Joint Consultation Paper published April 12, 2023 (JC 2023 09).</p>	<p>Axcel targets that 40% of independent board seats in investee companies are held by women. The target was set in 2022 and applies to boards established after June 2021.</p> <p>As per 31 December 2024, 34% of independent board seats were held by women on boards established after June 2021.</p> <p>Axcel will continue to work to increase the number of women represented on investee company boards during 2025.</p>
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	<p>Data covers 100% of investee companies, of which 100% have provided actual data. The eligibility of this indicator is 96% of all investments.</p> <p>There have been no material developments of this metric.</p>	Axcel's funds do not invest in companies who are involved in the production of and trade of controversial weapons.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries			No investments made or held in sovereigns or supranationals.	

Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law			The eligibility of these indicators is 0% of all investments.	
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels			No investments made or held in real estate assets. The eligibility of these indicators is 0% of all investments.	
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets				
Other indicators for principal adverse impacts on sustainability factors						
Additional climate and other environment-related indicators Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (a) in the format in Table 2						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Emissions	4. 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	64%	62%	Data covers 100% of investee companies, of which 100% have provided actual data. The eligibility of this indicator is 96% of all investments.	Axcel assesses that only companies with an approved science-based target have carbon emissions reduction initiatives aligned with the Paris Agreement. As per 31 December 2024, 7 companies had set approved science-based targets

					There have been no material developments of this metric.	<p>out of a total of 22 companies (one of which was divested during the reference period).</p> <p>Axcel will continue to encourage portfolio companies to set science-based targets during 2025 in line with its own science-based target.</p>
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters <i>Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (b), in the format in Table 3</i>						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	0.0083	0.0093	<p>Data covers 100% of investee companies, of which 84% have provided actual data. The eligibility of this indicator is 96% of all investments.</p> <p>There have been no material developments of this metric.</p>	<p>This PAI has been added to Axcel's PAI Statement to increase transparency and reporting of additional adverse indicators.</p> <p>Axcel seeks to ensure that all investee companies measure and report on the number of accidents and days lost to injuries, accidents, fatalities or illness.</p>
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	73	97	<p>Data covers 100% of investee companies, of which 84% have provided actual data. The eligibility of this indicator is 96% of all investments.</p> <p>There have been no material developments of this metric.</p>	<p>Axcel will engage with investee companies to understand and remedy rates of accidents and days lost if deemed material.</p> <p>No fatalities occurred in the reference period.</p>
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	6%	0%	Data covers 100% of investee companies, of which 100% have provided actual data. The eligibility of this indicator is 96% of all investments.	All portfolio companies in Axcel's funds are required to implement a whistleblower scheme within one year of ownership. Axcel will continue to enforce this requirement when investing in

					The increase is caused by new investee companies in the reporting period without a whistleblower scheme.	companies who do not already have a whistleblower scheme.	
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Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Policies

Policy	Approved by	Last approval date
Sustainability Policy	Board of Directors	December 2022
Investment and due diligence policy	Board of Directors	May 2025

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'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's commitments, guidelines, processes, and governance related to the integration of sustainability impacts, risks and opportunities in investment decision-making and active ownership.

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 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.

PAI selection

When screening for future investment options, Axcel incorporates relevant ESG factors in the general evaluation criteria. Axcel 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 should report on all the mandatory and the chosen additional principal adverse impact indicators in Axcel's data management system on a quarterly basis. Some indicators are reported annually when quarterly reporting is not feasible. The indicator selected in Table 2 ("investments in companies without carbon emission reduction initiatives") was deemed material due to Axcel'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's five-step sustainability programme.

Additional indicators from Table 3 ("rate of recordable work-related injuries" and "number of days lost to work-related injuries, accidents, ill health and fatalities") have been included in this year's PAI Statement in order to increase transparency on a wider range of metrics. Employee health and safety is one of Axcel's portfolio-wide focus areas, which is why it was deemed material to include additional metrics regarding social and employee matters.

Axcel will continue to evaluate the inclusion of additional PAI indicators in 2025.

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. If data is not available, Axcel will seek to develop estimates using desktop research and existing company data. External consultants support the investee companies and Axcel in calculating and estimating GHG emissions and energy related KPIs.

Engagement policies

As an active owner, Axcel takes responsibility for integrating sustainability considerations in investment decisions, engaging with investee companies to address sustainability factors, as well as ensuring investors in Axcel'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'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", "rate of recordable work-related injuries", "number of days lost to work-related injuries, accidents, ill health and fatalities" and "insufficient whistleblower protection" from Table 2 and Table 3.

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 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'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% (boards established after June 2021)
	% of additions to the portfolio company leadership teams who are of the underrepresented gender during Axcel'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 is always represented at partner-level. Axcel'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 and at least annually to the company board. If progress is not satisfactory, the Axcel 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.

References to international standards

Axcel adheres to responsible business conduct codes and internationally recognised standards and seeks to ensure that investee companies in the portfolio 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 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) and applies the definitions and guidelines by the Greenhouse Gas Protocol when assessing how investee companies have measured and reported their carbon emissions.

Axcel is a signatory to the UN Guiding Principles and the UN Principles for Responsible Investments, and implements the guidelines from the Task Force on Climate-related Financial Disclosures.

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

Adherence or alignment to international standards are not externally validated and in some cases are in ongoing development. Adherence or alignment to international standards also does not ensure that operations are aligned with the 2015 Paris Agreement.

Historical comparison

Version	Published	Changes
1	June 2023	First statement published
2	June 2024	Second statement published
3	June 2025	Third statement published