



AXCEL

Responsible
investment report
2015





CSR at Axcel

Axcel gives consideration to sustainability in all its investments. It is now a precondition for successful investments that owners are fully aware of CSR issues and actively work to address them.

Axcel joined the Global Compact in 2010, since when we have worked strategically with CSR. In 2016, Axcel submitted its first report to the UN PRI (Principles of Responsible Investment).

All Axcel's companies are required to join the Global Compact within one year and to continuously work on developing positively in line with the Global Compact's ten principles. This work constitutes an integral part of active ownership, with companies drawing up an annual Communication on Progress (COP) report which is published on the UN Global Compact's website.

Axcel regards CSR as an integral part of the work on risk in companies. It is there-

fore natural for Axcel to have CSR fully integrated in its investment processes and in the exercise of its ownership during the investment period.

Axcel only invests in companies that satisfy, or are willing to satisfy, Global Compact's principles. The companies' capacity and willingness to work in accordance with the principles are also therefore part of Axcel's due diligence when acquiring new companies.

Whereas Global Compact mainly focuses on CSR at company level, UN PRI addresses environmental, social and governance matters at fund level under the designation ESG (environment, social, governance). As a member of both

schemes, Axcel has the best possible platform for establishing the framework for CSR reporting, as acknowledged by both companies and investors.

It is Axcel's goal to continuously develop its companies' CSR work. This is a demanding process requiring that the companies set aside both time and resources to develop in this area. Consequently, Axcel undertakes ongoing dialogue with the companies on the development of CSR work. This takes place at regular meetings with a circle of CSR officers and directly with the companies.

Axcel works to ensure that its companies:

- comply with relevant laws, rules and internationally recognised principles

- consider risks relating to CSR issues and address them proactively
- are in a position to meet the requirements and expectations of customers and business partners concerning supply chain management and code of conduct
- consider future business opportunities and positioning in relation to CSR
- comply with the DVCA's guidelines on openness and transparency.

Virtually all Axcel's companies have published a COP, and the rest are on the way to doing so. Axcel routinely makes proposals to its companies for improvements, but it is vital that they themselves assume basic responsibility for CSR work.

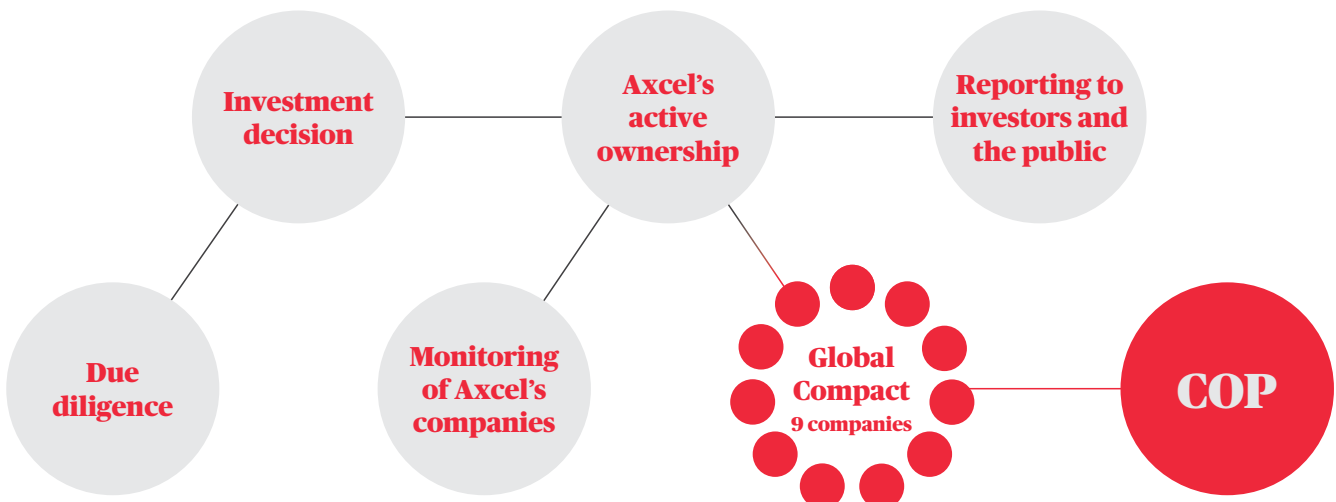
Global Compact status of Axcel-owned companies as at 31.03.2016

	Joined Global Compact	First COP
Ball Group	X	2012
Conscia	New investment	-
Delete Group	X	2015
Driconeq	X	2013
EG	X	2015
EXHAUSTO	X	2015
Mita-Teknik	X	2015
Netel	X	2016
Nordic Waterproofing	X	2013
Silkeborg Data	X	
TCM Group	X	2012

Axcel's approach to CSR

Axcel has signed up to both the PRI and the Global Compact at fund level. At company level, all portfolio companies have signed up to the

Global Compact, which ensures real improvements in ESG performance and risk management.



COP assessment for Axxel III and IV

Human Rights

Risks regarding equality, life and security, personal freedom, economic, social and cultural freedoms.

Labour

Risks regarding freedom of association and recognition and the right to collective bargaining, elimination of forced and compulsory labour, abolition of child labour, elimination of discrimination in respect of employment & occupation.

Environmental Challenges

Risks regarding environmental impact, damage to ecosystems, pollution, damage to aquatic ecosystems, land degradation, the impacts of chemicals use and disposal, waste production and depletion of non-renewable resources.

Anti-corruption

Risks regarding corruption in all its forms, including extortion and bribery.

Overall assessment of Axxel companies: 1 = Low risk 2 = Medium risk 3 = High risk

Assessment of risk by category

Fund	Portfolio Company	Human Rights	Labour	Environment	Anti-corruption
Axxel III K/S	Ball Group	1	1	1	1
	Drifoneq	1	1	1	1
Axxel IV K/S	Exhausto	1	1	1	1
	Mita-Teknik	1	1	1	2
	Netel	1	2	1	1
	Nordic Waterproofing	1	1	1	1
	EG	1	1	1	1
	Delete Group	1	1	2	1
	Conscia	1	1	1	1

Annual ESG assessment questionnaire 2015

Assessment of portfolio companies' compliance with ESG criteria

	Netel	Mita-Teknik	Mita-Teknik comments
Is there any written environmental policy in place within the company (1)?	Yes	(Yes)	Mita has an approved CSR policy, which also includes environmental issues. But the company has no specific "Environmental policy" in place.
Has the company obtained any environmental label/certification? (e.g. ISO 14000, Eco-label européen...)	No	No	
If yes, please give name of label/certification	The business management system is not officially certified. However, the BMS is reviewed and signed off by an external consultant. The BMS is considered to fulfil the requirements of ISO 140001:2004.		
Environmental practice of the portfolio company			
Has the company measured its carbon footprint ?	No	No	
Has the company benefited from energy cost savings ?	Not applicable	Yes	Mita-Teknik benefits from an intelligent control system in the buildings in Rødkearsbro saving energy to heat and electricity.
Number of employees at year-end (2015)	340	238	
Number of employees at year-end (2014)	196	224	
Has the company completed any acquisition in 2015 ?	Yes	No	
If yes, please indicate the number of employees of add-ons prior to integration			
Has the company benefited from a reduction of: absenteeism rate?	Yes	Yes	Generally on very low level - and reduced in DK and UA; DK: from 2,67% to 1,59%; UA: from 1,0% to 0,85%; CN: from 0,35% to 0,70%;
Incident rate?	Yes	Yes	No incidents in DK and UA last two years; 3 smaller incidents in CN last two years.
Social behaviour of the portfolio company			
Do employees have access to capital of the company/stock option plan?	Yes	Yes	
If yes, please select proportion of employees benefiting from such policy?	10% - 30%	0-10%	
Has the company established a safety and/or a health plan for its employees?	Yes	Yes	Part of the quality system including instructions when people onboard; people working with dangerous equipment pass special exam; CP obtain permission to work in heights;; Safety committee and Cooperation committee in DK;
Does the GP seat at the portfolio company board?	Yes	Yes	
Has the company implemented internal procedures or ethical code covering: Child labour and forced labour	Yes	Yes	
Bribery	Yes	Yes	
Money laundering	Yes	Yes	
Governance within the portfolio company			
Has the company been under investigation for any fraud, or subject to any lawsuit in relation to ESG criteria ?	No	No	
If yes, please provide additional information			

Annual ESG assessment questionnaire 2015

Assessment of portfolio companies' compliance with ESG criteria

	EG	Delete Group	Conscia
Environmental practice of the portfolio company	Is there any written environmental policy in place within the company (1)?	Yes	No
	Has the company obtained any environmental label/certification? (e.g. ISO 14000, Eco-label européen...)	No	Yes
	If yes, please give name of label/certification		ISO 14001, 9001, OHSAS 18001
	Has the company measured its carbon footprint ?	No	No
	Has the company benefited from energy cost savings ?	Information not available	Yes
	Number of employees at year-end (2015)	1805	730
	Number of employees at year-end (2014)	1501	677
	Has the company completed any acquisition in 2015 ?	Yes	Yes
	If yes, please indicate the number of employees of add-ons prior to integration		81
	Has the company benefited from a reduction of: absenteeism rate? incident rate? Do employees have access to capital of the company/stock option plan? If yes, please select proportion of employees benefiting from such policy? Has the company established a safety and/or a health plan for its employees? Does the GP seat at the portfolio company board? Has the company implemented internal procedures or ethical code covering: Child labour and forced labour Bribery Money laundering	Yes Not applicable Yes 0-10% Yes Yes Yes Yes Yes Yes Yes Not applicable No	Yes Yes Yes 0-10% Yes Yes Yes Yes Yes Yes Yes Yes No
Social behaviour of the portfolio company			
Governance within the portfolio company			
If yes, please provide additional information			

(1) such as energy efficiency, waste management, carbon footprint reduction, etc.

Yes 0-10%
 No 10-30%
 Not applicable 30-50%
 Information not available More than 50%

Annual ESG assessment questionnaire 2015

Assessment of portfolio companies' compliance with ESG criteria

	EXHAUSTO A/S	NWP	NWP comments
Environmental practice of the portfolio company	Is there any written environmental policy in place within the company (1)?	No	
	Has the company obtained any environmental label/certification? (e.g. ISO 14000, Eco-label européen...)	No	Yes
	If yes, please give name of label/certification		ISO 14000 for SE and FI
	Has the company measured its carbon footprint ?	No	No
	Has the company benefited from energy cost savings ?	Yes	Yes
	Number of employees at year-end (2015)	318	634
	Number of employees at year-end (2014)	301	644
	Has the company completed any acquisition in 2015 ?	No	No
	If yes, please indicate the number of employees of add-ons prior to integration		
	Has the company benefited from a reduction of: absenteeism rate? incident rate?	No No	Yes Yes
	Do employees have access to capital of the company/stock option plan? If yes, please select proportion of employees benefiting from such policy?	Yes	Yes
Has the company established a safety and/or a health plan for its employees? Does the GP seat at the portfolio company board? Has the company implemented internal procedures or ethical code covering: Child labour and forced labour Bribery Money laundering	Yes No Yes Yes Yes	Yes Yes Yes Yes	
Governance within the portfolio company			
Has the company been under investigation for any fraud, or subject to any lawsuit in relation to ESG criteria ? If yes, please provide additional information	No	No	

(1) such as energy efficiency, waste management, carbon footprint reduction, etc.

Yes 0–10%
 No 10–30%
 Not applicable 30–50%
 Information not available More than 50%