

EXHAUSTO
FOR A BETTER FLOW



Mita-Teknik

AXCEL

ANNUAL REVIEW 2012

VPG
VITAL PETFOOD GROUP A/S

NOA
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IDEmøbler

SKT ANNÆ PLADS • COPENHAGEN

BB ELECTRONICS
EMS - from idea to solution

JUNCKERS

TMK
KØKKEN, BAD & GARDEROBE

AXCEL SUPPORTS THE GLOBAL COMPACT

Axcel and its portfolio companies have signed up to the UN Global Compact. Thus we have made a commitment to comply with the Global Compact's 10 principles for sustainability both at fund level and at the companies we own.

Axcel joined the Global Compact back in 2010, and its portfolio companies followed suit in 2011. New companies added to the portfolio have a year to adapt their procedures and sign up too.

In this way, Axcel is supporting the UN's efforts to get governments, civil society, business and others to unite behind 10 principles for responsible business in the areas of human rights, labour, the environment and anti-corruption.

Axcel has gradually developed CSR policies based on our view of corporate governance, which includes dialogue with stakeholders and transparent communications and reporting. Axcel has updated its policies in the corporate governance area in 2013 to make CSR an explicit element that the boards of portfolio companies must actively address.

Axcel also has the following procedures in place for responsible business:

- Axcel considers very carefully the acquisition of companies that could put Axcel in a social, ethical or environmental dilemma.
- Axcel performs a social due diligence ahead of acquisitions.
- Companies owned by Axcel must join the Global Compact within 12 months.
- Axcel ensures that its companies comply with the requirements of the Global Compact through its CSR network and ongoing dialogue with the companies.
- Axcel itself has signed up to the Global Compact and publishes a Communication on Progress (COP) each year.

Axcel aims to invest in companies which behave responsibly, as this will ensure the best possible risk profile in relation to our companies. However, Axcel also wishes to promote socioeconomic development in general and therefore encourages its companies to contribute to their local communities and their development where this makes commercial sense.



Axcel also expects its companies to:

- Comply with relevant laws, rules and internationally recognised principles
- Consider risks relating to CSR issues and address them proactively
- Be in a position to meet the requirements and expectations of customers and business partners concerning supply chain management and codes of conduct
- Consider future business opportunities and positioning in relation to CSR
- Comply with the DVCA's guidelines on openness and transparency

Axcel is keen for its companies to recognise that CSR work can create value. In this context, the implementation of a CSR programme must be based on an individual assessment of critical focus areas, and these must then be placed in relation to the resources available to the company.

AXCELFUTURE

Axcel's investment officers have used part of their taxed income to set up Axcelfuture, which aims to support the investment climate in Denmark in the interests of growth and employment. Axcelfuture will have capital of DKK 25-30m depending on the price Axcel III obtains for the remainder of its assets. The board of Axcelfuture consists of representatives of Axcel's investment officers plus Peter Schütze, Lars Munch and Hanne B. Sørensen*.

* Hanne B. Sørensen stepped down from the boards of Axcel's funds at the 2013 annual general meeting and will therefore also retire from the board of Axcelfuture.

AXCEL AND THE PRI

The UN Global Compact, which Axcel joined back in 2010, is very well suited to companies but less so at fund level. At the same time, institutional investors want to be able to invest in unlisted companies safe in the knowledge that the UN's Principles for Responsible Investment (PRI) will be complied with. For this reason, Axcel has decided to apply the PRI in future and plans to become a signatory to the principles during the course of 2013.

Axcel implemented the following CSR initiatives in 2012:

- Axcel has set up a network of CSR officers at our companies so that they can benefit from presentations by external experts and draw on each other's experience.
- Axcel owns five companies in Sweden – Driconeq, JB Education, LGT, Nordic Waterproofing and Netel. The first four have now signed up to the Global Compact, and Netel is busy preparing to do so. Read more about CSR work at our Swedish companies on the following pages.

Axcel's companies and the Global Compact

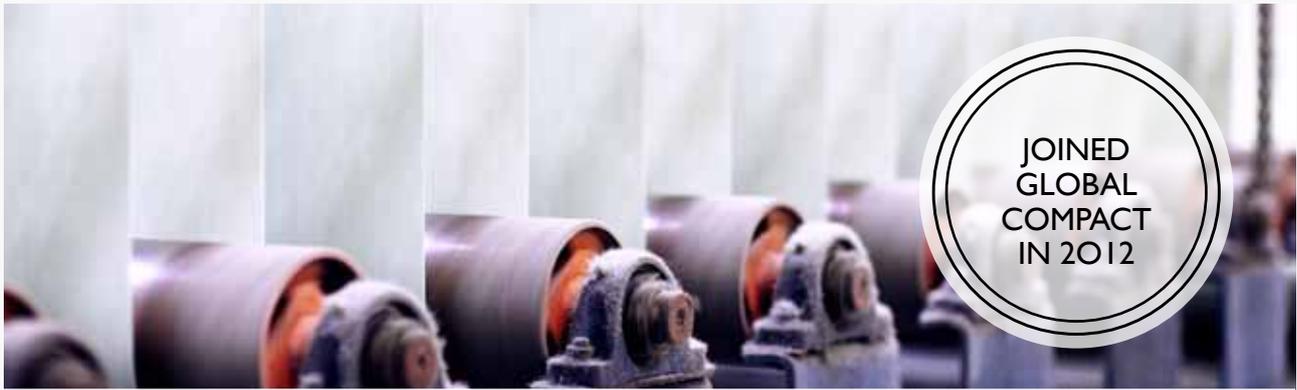
Axcel closely monitors portfolio companies' work and makes suggestions for improvements. Several have already published a first COP, and all are expected to have signed up to the programme by June 2013.

GLOBAL COMPACT STATUS OF AXCEL-OWNED COMPANIES AS AT 1 MAY 2013

	GLOBAL COMPACT – STATUS		GLOBAL COMPACT – PRINCIPLES			
	JOINED GLOBAL COMPACT	COP PUBLISHED	HUMAN RIGHTS	LABOUR RIGHTS	ENVIRONMENT	ANTI-CORRUPTION
BALL GROUP	•	•	•	•	•	•
BB ELECTRONICS	•	•	•	•	•	•
DRICONEQ	•		•	•	•	•
EXHAUSTO*						
IDDESIGN	•		•	•	•	•
JB EDUCATION	•		•	•	•	•
JUNCKERS	•	•	•	•	•	•
LGT	•		•	•	•	•
MITA-TEKNIK*						
NETEL*						
NOA NOA	•	•	•	•	•	•
NORDIC WATERPROOFING	•		•	•	•	•
PANDORA	•	•	•	•	•	•
TMK	•	•	•	•	•	•
VPG	•		•	•	•	•

* New investment – has not yet joined Global Compact.

The table above shows that the majority of Axcel's companies are now actively addressing the various components of the Global Compact. Those publishing a second COP have made progress from the year before in line with the UN's intentions.



NORDIC WATERPROOFING

Nordic Waterproofing is one of Europe’s leading suppliers of membranes for roofing and eco-buildings. These products extend buildings’ lifetime and so help customers achieve sustainable solutions. The company’s long-term business approach builds on sustainable profitability.

Nordic Waterproofing went to great lengths to further strengthen its sustainability efforts in 2012. It identified business-critical sustainability issues and defined key metrics and measurable targets at group level.

The environment is a focus area at Nordic Waterproofing, and environmental considerations are part and parcel of its day-to-day work. Occupational health and safety are given high priority, with excellent results.

Nordic Waterproofing has been a member of the Global Compact since 2012. The company has also introduced a new code of conduct to clarify its position in areas such as the environment, health and safety, and business ethics. Nordic Waterproofing aims to be an open and transparent business with simple and clear reporting lines so that any breaches of the code of conduct are picked up quickly.



JB EDUCATION

JB Education is driven by the conviction that a dynamic community needs people who are not afraid to take on challenges and develop new skills. An awareness of sustainability is an important factor in tackling the challenges of tomorrow, and the company works with this issue in student projects at its schools.

JB Education embarked on a review of its suppliers in 2012 and will in future assess them also from a sustainability perspective.

JB Education has been a member of the Global Compact since 2011 and has signed the UN’s Guiding Principles for Business and Human Rights.



The mining industry faces something of a green revolution. To ensure a sustainable supply of raw materials worldwide, it is essential to reduce environmental impact. Driconeq worked hard in 2012 to cement its strong market position through a commercially-oriented sustainability programme complete with targets and metrics.

The company is building its long-term market position on leadership in products with a strong environmental profile. The spotlight is on product development and environmental issues. One current example is an investment in a treatment facility for cutting fluids which will have considerable environmental benefits in the form of better utilisation of resources and reduced waste. The

resulting cost savings will be invested in new sustainable solutions. Driconeq Sweden is certified to ISO 14001.

Driconeq has a zero-tolerance policy on occupational injuries and concentrates on preventive action. There were no production stoppages due to occupational injuries in 2012.

Driconeq has introduced a new code of conduct to clarify its ethical position for customers, employees and suppliers.



LGT conducted a detailed review of its existing sustainability work in 2012. The company identified business-critical sustainability issues and began work on defining metrics and measurable targets.

In its sustainability work, the company aims to add value for customers by improving their sustainability profile and to ensure continued high levels of commitment from its employees. One key environmental issue for LGT is to reduce the impact of its services on climate change. The company attaches great importance to continuously improving its logistics together with customers and offering intelligent solutions with both financial and environmental benefits.

When it comes to human resources, occupational health and safety is a priority, as is skills development, an area where LGT has enjoyed success. Employees' expertise and experience are a crucial factor for the company's development.



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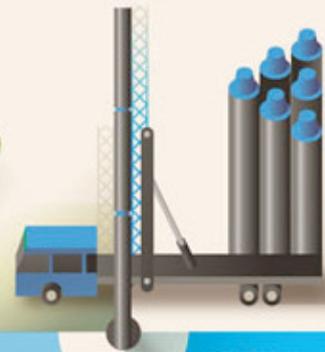
AXCEL
SVERIGE

STRANDVÄGEN • STOCKHOLM

education



NORDIC
WATERPROOFING



DRICONEQ



PANDORA
UNFORGETTABLE MOMENTS



BALLGROUP



CIMBRIA



GEORG JENSEN



ROYAL COPENHAGEN