

EXHAUSTO
FOR A BETTER FLOW

Mita-Teknik

AXCEL

ANNUAL REVIEW 2013

VPG
VITAL PETRODOL-BEGRUP A/S

NOA
NOA

SKT ANNÆ PLADS • COPENHAGEN

SILKEBORG DATA

BB ELECTRONICS
EMS - from idea to solution

Delete

JUNCKERS

T M K
KØKKEN, BAD & GARDEROB

- 1 DEC. 1992

PKA

Tisd. 22. dec. 92 - 93

Ejvind Sandal
A/S Dagbladet Politiken
Rådhuspladsen 37
1785 København V

7

Deres ref.

Vår ref.
AN/JKr-3

Sag nr.

Date
30.11.1992

Kære Ejvind.

Tak for dit tilsendte forslag om sammenlægning af en række virksomheder, herunder Herning Galvanisering.

Det må være på tide at drikke morgenkaffe sammen.
Ring venligst ved lejlighed, så vi kan finde en dag - enten til mig eller min sekretær Jytte Kragh.

Venlig hilsen

Ali Nielsen

from det

22/12 - 93
afsluttet

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CSR AT AXCEL AND ITS COMPANIES

Axcel and its portfolio companies have signed up to the UN Global Compact, Axcel has decided to adopt the UN's Principles for Responsible Investment (PRI), and a new EU directive is also demanding more in terms of CSR.

Ever since 1994, Axcel has demonstrated in practice how active ownership, a strong operational focus and alignment of interests between a private equity fund's investors, the fund manager's employees and portfolio companies' management can drive positive change not only in returns, but also in environmental performance, transparency, employee interests and so on.

Axcel aims to invest in companies which behave responsibly, as this will ensure the best possible risk profile. 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 was the first private equity fund in Denmark to require all of its portfolio companies to sign up to the Global Compact, an international initiative led by the UN. The idea is to involve businesses and organisations in solving some of the big social and environmental challenges resulting from economic growth, technological development and the increasingly international division of labour. The Global Compact makes it possible for companies worldwide to play an active role in overcoming these challenges.

Axcel joined the Global Compact back in 2010, with its portfolio companies following suit from 2011. This means that Axcel considers very carefully the acquisition of companies that could put it in a social, ethical or environmental dilemma. Axcel therefore performs a social due diligence ahead of new investments. Axcel also ensures that its companies comply with the requirements of the Global Compact partly through ongoing dialogue and partly through Axcel's CSR network of CSR officers at portfolio companies.

Axcel has also now decided to adopt the UN's Principles for Responsible Investment (PRI) – a set of guidelines on environmental, social and governance (ESG) issues for professional investors. Axcel has noted ever growing calls from investors and authorities for it to report on ESG issues, and the trend is for most large PE fund managers to sign up to the PRI.

Axcel and the Global Compact

New companies added to the portfolio have a year to adapt their procedures and sign up to the Global Compact. In this way, Axcel is supporting the UN's efforts to get governments, civil society, business and others to unite behind ten 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 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 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.

Axcel implemented the following CSR initiatives in 2013:

- Axcel produced a manual describing how companies are to map social risks and prepare for concrete CSR activities
- In connection with its endorsement of the PRI, Axcel developed a Responsible Investment Policy, available on request from Axcel. In broad terms, this means that Axcel is to perform a social due diligence before making an investment, and that ESG issues are to be integrated into its active ownership so that they are addressed at both strategic and operational level

EU directive sharpens governance and CSR requirements

The AIFM directive adopted by the EU in 2011 applies to PE funds and was implemented in Danish law in 2013 in the form of the FAIF Act. The most important consequence is that managers of PE funds must apply for a licence to operate or register (depending on size)

their funds with the Danish Financial Supervisory Authority. The new act also contains a number of formal and substantive requirements for how governance issues and, in one case, social issues are to be integrated at fund level.

In brief, the following requirements apply:

RELEVANT REQUIREMENTS OF THE FAIF ACT	AXCEL'S COMPLIANCE
Governance requirements	
Disclose strategy for each investment, including ESG strategy	Axcel's overall strategy for ESG and CSR is set out in Axcel's Responsible Investment Policy
Meet certain requirements in terms of expertise and reputation	Documented in LPA*
Disclose the fund's ESG strategy	Documented in Axcel's Responsible Investment Policy
Adhere to good business ethics etc.	Documented in written procedures
Disclose and prevent conflicts of interest	Documented in written procedures
Treat all investors equitably	Agreed via LPA
Communication with FSA, investors, companies and employees	Axcel produces an annual review and regular material for investors. Axcel plans to produce a manual for external and internal communication when taking over a company.
Have a remuneration policy that promotes good risk management	Agreed via LPA
Perform risk management, including due diligence procedures when making investments (ESG and CSR due diligence forms part of this)	Documented in Axcel's due diligence process
Document business procedures, including ESG and CSR policies and processes	Documented in Axcel's Responsible Investment Policy etc.
Social requirements	
Set targets for the underrepresented gender in the most senior management tier	The most senior management tier at Axcel is the board of directors of the management company. This board has limited influence, however, because it is the partners in the management company who make investment decisions on behalf of the funds. Axcel also has a Danish industrial board and a Swedish industrial board with two female members, and intends to retain this level of representation through to 2017

*The Limited Partner Agreement between the fund and its investors.

GLOBAL COMPACT STATUS OF AXCEL-OWNED COMPANIES AS AT 1 MAY 2014

	JOINED GLOBAL COMPACT	FIRST COP
BALL GROUP	•	2012
BB ELECTRONICS	•	2012
DELETE GROUP*		
DRICONEQ	•	2013
EG*		
EXHAUSTO	•	
IDDESIGN	•	2013
JUNCKERS	•	2012
LGT	•	2013
MITA-TEKNIK	•	
NETEL*		
NOA NOA	•	2012
NORDIC WATERPROOFING	•	2013
PANDORA	•	2011
SILKEBORG DATA*		
TMK	•	2012
VPG	•	2014

* NEW INVESTMENT – HAS NOT YET JOINED GLOBAL COMPACT.

Axcel's companies and the Global Compact

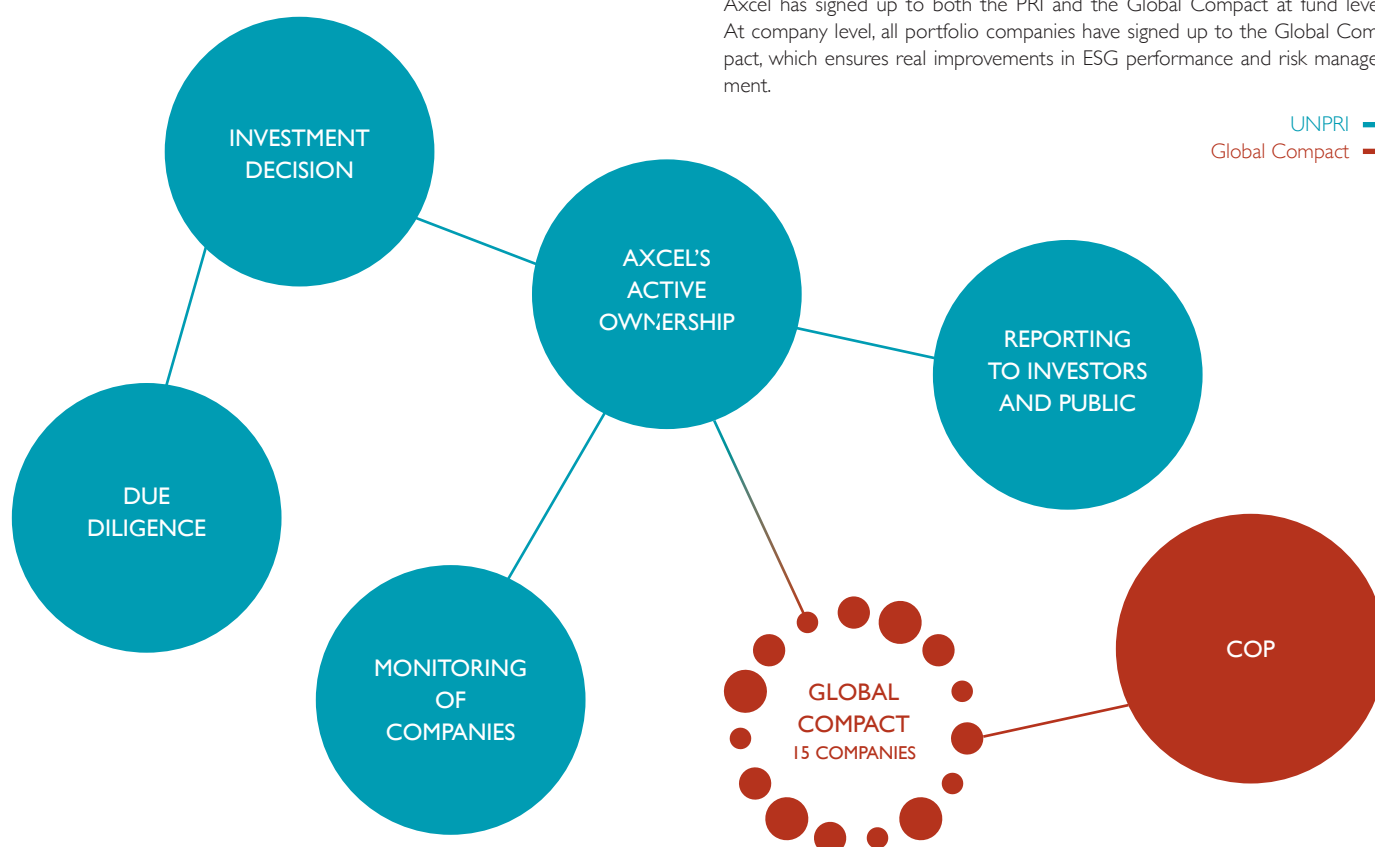
Axcel closely monitors portfolio companies' work and makes suggestions for improvements. There are also regular network meetings where companies have an opportunity to share experience.

The majority of Axcel's companies have actively addressed the various components of the Global Compact. Those publishing a second or third COP have made progress from the year before in line with the UN's intentions.



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.



JULY 2011

AXCEL

AXCEL IV

DKK 3,600,000,000

Private placement of Danish limited partnership interests





neiel



AXCEL
SVERIGE

STRANDVAGEN • STOCKHOLM



NORDIC
WATERPROOFING



(((DRICONEQ)))



EG
G

BALLGROUP



PANDORA
UNFORGETTABLE MOMENTS



JB EDUCATION



IDEmøbler