

Capidea/

Annual sustainability report

2023



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Introduction

“We want to be an attractive partner and active owners who contribute with both capital, support and ideas with long-term growth and potential in mind”

- Erik Balleby Jensen, CEO and Partner



Capidea at a glance

ESG at the center of evaluating potential investment opportunities and establishing long-term societal value

About this report

This report covers the financial year from 1 January 2022 to 31 December 2022 for Capidea. **The purpose of this report is to present our approach to sustainability and ESG in Capidea as well as for our portfolio companies** and provide an opportunity to present our work and progress with sustainability throughout the year.

Danish private equity fund

Capidea is a Danish private equity fund that invests in small and medium-sized Danish companies. We, among other things, contribute capital and support to companies facing a generational change or international expansion. **Capidea has raised funds with a total committed capital of approximately DKK 3.6 billion.** Since our establishment in 2006, we have invested in 25 companies, 17 of which have later been divested. Capidea's investors are institutional investors, skilled business leaders and family offices. This ensures that we have a strong and wide network in the Danish business community.

Sustainability – A shared responsibility

As a Danish private equity fund, we incorporate sustainability-factors into our work. We set high, but realistic, sustainability standards for ourselves, our portfolio companies and our future investments. Our greatest societal impact is through the operations of our portfolio companies. Therefore, it is a requirement that our companies are signatories of the **UN Global Compact**, perform an **annual ESG self-assessment**, integrate relevant findings and report on progress on material sustainability factors.

As an **active owner** Capidea is committed to supporting our portfolio companies in contributing with support and ideas to help ensure long-term growth and business development.

“ a leading private equity player in the Danish small- and mid cap market ”

Established in 2006

Focus on small and mid-cap Danish companies

25 platform investments

Extensive network

Experienced team

DKK 3.6 bn in capital commitment

Blue-chip investor base

Attractive returns

Letter from the CEO

In 2022, the everyday life of most people returned to more normal conditions after the Covid-19 Pandemic. However, markets were challenged by geopolitical uncertainty, soaring energy prices, increasing inflation and interest rates.

Capidea had a good and active year in 2022, with the closing of the sale of both Westpack, BROEN-LAB and Budweg. In October 2022, Capidea Kapital III acquired Guldager and in connection with this transaction, the Scandinavian activities of Hydro-X was acquired, thus creating a Scandinavian provider of service and chemicals to domestic and industrial clients within water treatment.

The fundraising for Capidea's fourth fund was commenced in 2022 and finished in March 2023 with a total commitment of approximately DKK 1.3 billion attracting Danish and international institutional investors as well as a number of Danish family offices and business people. The fund is 50% larger than its predecessor fund and the strategy will continue to be investing in and develop Danish small and medium sized companies leveraging our extensive network and experience in the Danish market. In addition hereto, the partner group in Capidea was strengthened with Carsten Hemme, who has strong profile and significant experience with M&A in small and mid-cap Danish companies.

During the past year, we have continued to invest in strengthening ESG management in our investment processes and approach to active ownership. In the beginning of 2022, the new portfolio companies participated in the ESG onboarding process. The process consisted of two workshops followed by a company specific evaluation. The outcome of the process was sustainability reports for all the portfolio companies.

2022 was also the year Capidea further extended our ESG framework. **ESG is an integrated part of how we evaluate companies and how we develop and create value in the companies during our ownership.**

The work with sustainability in Capidea and in our portfolio companies will continue in 2023. Our ambition is always to be one step ahead of current legislation as well as stakeholder expectations within sustainability.

In 2023, Capidea will complete its first UN Principle for Responsible Investments (UN PRI) report. Capidea looks forward to continuing our work and journey with ESG in 2023.

Managing Partner and CEO,
Erik Balleby Jensen

ESG highlights 2022

Capidea's portfolio companies have made meaningful progress in 2022 and will continue to do so in 2023

UN Principles for Responsible Investment (UN PRI)

Capidea became a PRI signatory in 2021. During the year, we prepared to integrate the framework in our annual ESG reporting, **2022 will be the first reporting year under the UN PRI.**

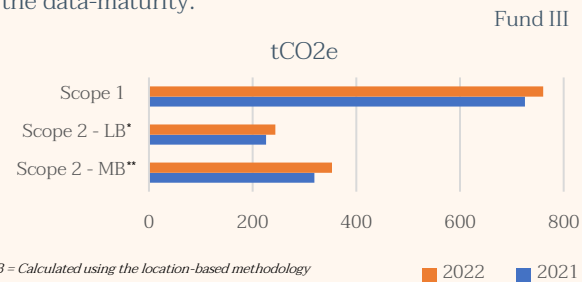
The key performance indicators included are, among others:

- GHG emissions
- Carbon footprint
- GHG intensity
- Share of renewable energy
- Hazardous waste
- Violations of UNGC principles
- Negative impact on biodiversity-sensitive areas
- Gender pay gap
- Gender diversity
- Employee turnover

Emission trends

Establishing a certain level of data-maturity necessary to identify trends in the ESG key performance indicators can take multiple years.

The annual emissions, reported by our portfolio companies, are volatile. This is the result of a medium level of data-maturity. We will continue to support our portfolio companies in developing strong annual reporting wheels in order to increase the data-maturity.



*LB = Calculated using the location-based methodology

**MB = Calculated using the market-based methodology

Comment: The increase of the total emissions is caused by increased activity level

Initiatives in our portfolio

Dancover planted **70.393 trees** in 2022, one for every order placed. This has been a significant increase compared to 2021 when Dancover planted 26.124 trees.

European House of Beds has developed a set of commitments, including a target to **reduce the energy consumption** for production and heating by 30% before March 31st, 2025.

Fairpoint Outdoors has successfully **reduced the use of plastic** in their packaging by replacing blister packs with cardboard.

Guldager increased their fleet of **hybrid cars**, reducing their Scope 1 emissions.



Signatory of:

PRI

Integrated the PRI framework in our annual ESG reporting



Identified opportunities in our portfolio to support the UN SDG's



Categorized ESG risks and opportunities with TCFD framework



Established climate accounts in accordance with the GHG Protocol



Portfolio companies are signatories to the UN Global Compact

ESG at Capidea

“At Capidea, we work purposefully to support sustainable development through responsible investment practices that consider both our environmental and social responsibility, as well as good corporate governance”

- Nicolai Jungersen, Partner



ESG integration in Capidea's investment process

Our ambition is to ensure that our companies have the required foundation for long term sustainable growth. We therefore integrate sustainability risks in our investment processes, from sourcing and due diligence, through active ownership and exit. ESG is integrated throughout the entire investment process as described below.

In the pre-investment phase, **an initial screening is prepared to identify and assess ESG risks and opportunities**. A dedicated ESG due diligence is completed with a third-party advisor ensuring all risks and opportunities are assessed before signing.

New portfolio companies participate in a structured ESG onboarding process facilitated by an external ESG advisor and with participation from Capidea. **The onboarding process consists of ESG workshops and the drafting of a sustainability report for each individual portfolio company**.

The work with ESG during the ownership period and the data and information gathered is the foundation for developing an ESG storyline in connection with an exit process.



ESG Policies and requirements towards Capidea's portfolio companies

Capidea keeps a stringent focus on the topics that are most material to our portfolio and identified synergies with our investment strategies

All Capidea funds are classified as Article 6 according to the SFDR. **This means that our funds seek to provide transparency and disclose the integration of sustainability risks.** We identify sustainability risks through an internal screening and through an ESG risk & opportunity due diligence, executed by a third-party advisor.

During our ownership, Capidea requires the portfolio companies to develop an ESG report, register as a signatory to the UN Global Compact, implement a whistleblower scheme, have ESG / sustainability on the agenda at board meetings and report on a selected number of ESG KPIs.

Having an inclusive working environment and striving for gender equality within our portfolio has resulted in Capidea having a requirement for our Fund IV companies to have **at least one female board member.**

We are committed to continuing to increase the ESG ambition level for our portfolio companies. This is important for us to further understand and address our portfolio's impact, risks and opportunities and for Capidea to live up to the increasing stakeholder expectations.



Progress in 2022

2022 was another busy year at Capidea with the exits of Broen-Lab, Budweg and Westpack.

The four companies acquired in 2021; Maki, Obsidian, Dancover, and Fairpoint Outdoors have been integrated in our strategic ESG work, including participation in our ESG onboarding program. All four companies have had a good start and are performing well.

In 2022, Capidea has continued the work with on our new ESG framework, which has taken ESG to the next level since launch in 2021. The ESG framework includes Capidea's policies and ambitions, and how we work with our portfolio companies.

Capidea became a UN PRI signatory in 2021. In 2022, we have initiated our preparations for reporting for UN PRI for the first time in 2023.

In 2022, the portfolio companies participated in a number of joint ESG activities as well as worked individually with their ESG actions and targets. All portfolio companies have published their own sustainability reports in 2022. The SDGs continues to be an integrated part of the sustainability reports.



Divestments in 2022

In 2022 Capidea made the following three divestments:

BROEN-LAB

BUDWEG

WP | When packaging matters
Westpack



Status on emissions

All current portfolio companies in Fund III has developed a scope 1 and scope 2 emission baseline

Several of the portfolio companies have set targets to reduce their scope 1 and 2 emissions



Ambitions for 2023

Capidea will report on the UN Principle for Responsible Investments for the first time

We will continue our ESG journey, and support our portfolio companies in setting and achieving ambitious goals

Portfolio

*“We put forward ambitious but realistic demands
for ourselves, our portfolio companies and our
future investments”*

- Anders Kiehn Grønborg, Director



Portfolio overview

In 2022, Capidea had 11 companies active in its portfolio, of which three were divested in during 2022. We work closely with our portfolio companies during our ownership. Both to execute investment strategies and operational improvements – and to support with the development of an ESG-strategy and the establishment of ESG-targets.

On the following pages, **we present the key ESG performance indicators** for our Fund III, as well as 2022 highlights from each company in Fund III.

Capidea Fund I

Portfolio company	Year divested
 EET MEDICAL	2011
AAGAARD A WORLD OF JEWELLERY	2015
 KP	2014
 inspiration	2012
schades	2013
 UNION	2017
NÜMPH MAKE AN ENTRANCE	2018
 KLOKKERHOLM	2016

Capidea Fund II

Portfolio company	Year divested
 ELLEPOT GROW SMARTER	2021
 OPTIWARE OPTIMIZING INDUSTRY	2019
 xstream	2019
 Aclass	2017
BROEN-LAB	2022
 Guldager Wise Water Treatment	(Moved to fund III)
 creativ COMPANY	Active*
 WP Westpack When packaging matters	2022

Capidea Fund III

Portfolio company	Year divested
 BUDWEG	2022
 FlexoPrint AS	2020
 wellvita Sundhed direkte til dig	Active
europaan house of beds	Active
 Feline	Active
 maki	Active
Obsidian	2023
 DANCOVER .com	Active
 FAIRPOINT — OUTDOORS —	Active
 Guldager Wise Water Treatment	Active

* Note: Creativ is not reporting on ESG KPI's

ESG indicators 2022

Currently, Capidea has three active funds, of which fundraising for the latest was completed in March 2023. **We have consolidated the ESG indicators for 2021 and 2022 for both of the funds active in 2022.** Only the portfolio companies present in Fund III which were still owned by Capidea on 31st of December 2022 are included. This includes seven portfolio companies reporting on the ESG indicators below.

On pages 18 and 19 of this report the reported on ESG indicators are presented for each active portfolio company in Fund III.

Sustainability key metrics

Key Performance Indicator	Reporting unit
Scope 1	tCO ₂ e
Scope 2 (Location-based)	tCO ₂ e
Scope 2 (Market-based)	tCO ₂ e
Scope 3	tCO ₂ e
GHG intensity	TCO ₂ e/mio. DKK
Renewable energy	% (percentage)
Lost Time Injury Rate	Rate
Sick absence	Days/FTE
Employee Turnover	% (percentage)
Unadjusted Gender Pay Gap	Times
Diversity in the organisation	% (percentage)
Diversity in management	% (percentage)
Diversity in BoD	% (percentage)

Fund III

2021	2022
725	760
226	244
319	353
6,551	72,580
0.85	0.61
57	42
1.0	0.8
16.3	5.5
19.7	27.9
1.4	1.3
41	40
12.2	10.6
8.1	7.7



Introduction to the portfolio companies

“We work to ensure that companies integrate CSR and ESG into their values and processes, just as it is a criterion for us when assessing potential investment opportunities”

- Martin Jørgensen, Partner



Wellvita develops, produces, and sells Vitamins and Dietary Supplements to private customers either directly to the consumer (B2C) or indirectly via wholesalers and retail. Wellvita has more than 70,000 active customers, many of whom buy on subscription.

ESG progress in 2022

Wellvita Group actively participates as a member of the Confederation of Danish Industry’s sustainability network, collaborating on strategic sustainability initiatives as well as preparation for future ESG legal requirements.

Some highlights of the work completed in 2022 include:

- Recycled 99% of industrial waste
- Introduced half-sized plastic packaging
- Replaced the material for product labels with bioplastic
- Acquired green certificates for power consumption
- Introduced health insurance for all employees in Denmark
- Lowered scope 2 market-based emissions from 96 to 26 tonnes CO₂e

Plans and targets for 2023

The planned key activities for 2023 include:

- Continue to work towards the aim to use bioplastics (100%)
- Including information on how Wellvita’s packaging should be sorted (waste)

SDG focus areas

	3	Good health and well-being
	8	Decent work and economic growth
	12	Responsible consumption and production

Risks and Opportunities

ESG risks and opportunities have been categorized in accordance with the recommendation of the TCFD framework. Highlights of TCFD framework analysis include:

Risks	Opportunities
Future taxes, e.g., carbon taxations related to emissions in the value chain if Wellvita Group does not work to reduce impact.	If Wellvita Group works with sustainability, this might result in an opportunity to promote our products in relation to sustainable packaging and production leading to an increase of customers.
Not being able to provide sustainable packaging solutions for the changing expectations of customers, leading to a risk of loss of customers or negative reputational impact.	

Introduction to the portfolio companies

European House of Beds

European House of Beds A/S was established in 2008. The company produce and sell complete bed collections – both own brands and a wide range of private label bed concepts. They operate in the business areas B2B and the professional contract market.

ESG progress in 2022

European House of Beds strives to be fully compliant with the Corporate Sustainability Reporting Directive (CSRD), and thereby, the European Sustainability Reporting Standards (ESRS).



Plans and targets for 2023

The planned key activities for 2023 include:

- Reduce energy consumption by 30% before March 31st 2025
- Newly developed company car policy
- Yearly employee satisfaction analysis
- Clear ownership for ESG KPIs

SDG focus areas

	7	Affordable and clean energy
	8	Decent work and economic growth
	12	Responsible consumption and production
	17	Partnerships for the goals

Risks and Opportunities

ESG risks and opportunities have been categorized in accordance with the recommendation of the TCFD framework. Highlights of TCFD framework analysis include:

Risks	Opportunities
Increased climate awareness among potential employees can make it difficult to attract new employees	Reduce the consumption of raw materials and thus costs by minimizing waste from production
New manufacturers and suppliers with technologies that minimizes CO ₂ footprint	Minimizing energy consumption in the production
Consumers develop a preference for locally produced goods	Consumers increased demand for environmentally friendly products

Feline

Holiday Group (Feline) consists of several brands and websites, forming a leading online provider of vacation rentals primarily in Denmark. The company is an Online Travel Agency providing the consumers with an aggregated offering of vacation rentals.

ESG progress in 2022

Feline aims to offer a form of vacation that is more environmentally friendly than the alternatives. In this way, they make it possible for everyone, to choose a more environmentally friendly vacation with the opportunity for relaxation from everyday life.

Some highlights of the work completed in 2022 include:

- Collected data for luxury holiday homes, together with Feline's partners
- Supported study-grants to 10 students at German universities
- It became possible for consumers to search on Feline's website with a search criterion of "Energy Friendly"
- Commenced dialogues with suppliers on how consumption can be converted to sustainable consumption

Plans and targets for 2023

The planned key activities for 2023 include:

- Grade individual holiday homes on a specific scale
- Increase the diversity of their own workforce
- Strengthen the knowledge and the ability of employees to report conditions safely when faced with violations of Human Rights guidelines

SDG focus areas

	7	Sustainable energy
	8	Decent jobs and economic growth

Risks and Opportunities

ESG risks and opportunities have been categorized in accordance with the recommendation of the TCFD framework. Highlights of TCFD framework analysis include:

Risks	Opportunities
More storms and floods due to global warming affect the holiday homes' availability for renting.	If there is an increased focus on energy sources, the holiday homes with sustainable energy sources will be rented out first and at a higher price due to increased demand.

Introduction to the portfolio companies



Maki imports and distributes toys for kids aged 1 to 12 years in the Nordics. With more than 60 brands, Maki sells toys to both online and physically retailers. An increasing part of the sales goes to “un-traditional” sales channels such as building material shops and gasoline stations.

ESG progress in 2022

For several years Maki has worked with sustainability principles in their value chain, but the Sustainable Development Goals will be their core framework going forward. Maki fully support the UN SDG's and UN Global Compact core principles and will adopt those most relevant in their business practices.

Some highlights of the work completed in 2022 include:

- Onboarded two suppliers and two logistic partners in Maki's Scope 3 estimations
- Substituted ca. 20% of car fleet from fossil to hybrid/electric
- Designed new HQ/warehouse for modern, clean energy solutions
- Implemented policies for the under-represented gender at Board and management levels

Plans and targets for 2023

The planned key activities for 2023 include:

- Formulate and implement a new vision, before 2025, related to decent work and economic growth
- Develop a Supplier Code of Conduct
- Continue to downsize fossil car use

SDG focus areas

	5	Decent work and economic growth
	7	Affordable and clean energy
	8	Decent work and economic growth
	12	Responsible consumption and production

Risks and Opportunities

ESG risks and opportunities have been categorized in accordance with the recommendation of the TCFD framework. Highlights of TCFD framework analysis include:

Risks	Opportunities
Customers are becoming more conscious about sustainability in their choice of supplier.	Products putting greater emphasis on CO ₂ e emissions in marketing may improve their competitive position.
Shoppers will accept less use of plastic material and will demand more sustainable materials.	Maki may enable a leading and competitive edge by investing resources and focus to establish a sustainable agenda.
If Maki doesn't manage sustainability correctly there is a risk of negative reputation.	



Dancover A/S is the leading European supplier of a wide selection of products and equipment for event, party, garden-life, incl. party tents, gazeboes, greenhouses, and various storage solutions, for both private customers and professionals.

ESG progress in 2022

In 2022, Dancover initiated alignment of their operations with the UNGC and executed a TCFD risk and opportunity assessment.

Some highlights of the work completed in 2022 include:

- Planted in 2022 70.393 trees
- Initiated research into carbon-neutral shipments.
- Implemented a D&I policy
- Implementation of Supplier Code of conduct
- Decrease in prints at the warehouse
- Elimination of several petrol vehicles
- Minimize food waste at company lunch

Plans and targets for 2023

The planned key activities for 2023 include:

- Increasing the spare parts range to prolong the lifespan of products
- Developing products that are produced with a focus on sustainable materials
- Implement carbon neutral shipment

SDG focus areas

	5	Gender equality
	8	Decent work and economic growth
	12	Responsible consumption and production
	15	Life on land

Risks and Opportunities

ESG risks and opportunities have been categorized in accordance with the recommendation of the TCFD framework. Highlights of TCFD framework analysis include:

Risks	Opportunities
Increased regulations on carbon emission taxation and climate related fees on packaging	Increased focus on minimizing CO ₂ e emissions and compensation
Climate related natural catastrophes can be a threat to the supply chain	
Change in customer preferences to more sustainable products	Increased interest and demand from customers for sustainable materials and products

Introduction to the portfolio companies



FAIRPOINT

— OUTDOORS —

Fairpoint Outdoors A/S develops, manufactures and sells sport fishing equipment and has activities across Europe. Fairpoint Outdoors' products cover a wide range of equipment and gear for sport fishing, the majority of which are own products.

ESG progress in 2022

Fairpoint Outdoors sustainable strategy is designed to support the business model and at the same time contribute to the UN Sustainable Development Goals and secure their commitment to the UN Global Compact.

Some highlights of the work completed in 2022 include:

- Reduced the use of plastic in packaging significantly by replacing blister packs with cardboard
- Minimized the packaging size of displays
- Entered into a collaboration with "ECO House", securing compliance with legislation on chemicals used in products
- Supported the Sea Trout release in Denmark

Plans and targets for 2023

The planned key activities for 2023 include:

- Become a signatory to the UN Global Compact
- Phase out lead products (lead-free by the end of 2030)
- Investigate possibility to use recycled plastic in packaging

SDG focus areas

	7	Affordable and clean energy
	8	Decent work and economic growth
	12	Responsible consumption and production
	14	Life below water

Risks and Opportunities

ESG risks and opportunities have been categorized in accordance with the recommendation of the TCFD framework. Highlights of TCFD framework analysis include:

Risks	Opportunities
Increased climate awareness among consumers may lead to a preference for more environmentally friendly products	General development of better raw materials focused on environmentally safe use
Raw materials in our Lures will be banned for the usage in water	Production partners develop and adapt environmentally safe production methods
Suppliers call for the increased cost of products (raw materials)	Development of new "green" product line



Guldager is a Danish water treatment company and is internationally present through its subsidiaries in Switzerland and Belgium. The company was founded in 1946 and has been owned by the Guldager family until Capidea became the majority owner in 2016.

ESG progress in 2022

Guldager experienced an increasing demand for sustainable solutions as many of their customers seek to reduce their overall environmental impact.

Some highlights of the work completed in 2022 include:

- Increased the fleet of hybrid cars
- Extended waste recycling practices
- Provide sportswear to handball and football clubs – allowing children from all backgrounds to practice sports
- Enabling Guldager's customers to reduce their environmental footprint by prolonging the lifetime of Guldager's equipment
- Commenced the development of tools to monitor and register water and carbon emission savings of customers

Plans and targets for 2023

The planned key activities for 2023 include:

- Develop strategy to become an energy neutral company
- Establish a target to secure a fixed number of flexible jobs

SDG focus areas

	5	Gender equality
	6	Clean water and sanitation
	7	Affordable and clean energy
	8	Decent work and economic growth
	12	Responsible consumption and production

Risks and Opportunities

ESG risks and opportunities have been categorized in accordance with the recommendation of the TCFD framework. Highlights of TCFD framework analysis include:

Risks	Opportunities
A potential scenario where energy costs will decrease. Low cost of energy result in low incentive to invest in energy efficiency	Increase in legislative demand for environmentally friendly technology. Best alternative technology
Abandonment of fossil fuel. Guldager A/S does not currently have the product portfolio to support this development.	Increase in energy taxes. Incentive to invest in energy efficiency
	Global scarcity in fresh water

ESG key figures – Environmental data

Capidea is committed to support our portfolio companies in developing the required foundation for long term sustainable growth. Reporting on a selected number of environmental KPIs is essential to prepare for future ESG legislative requirements. In 2022, a number of portfolio companies started reporting on Scope 3, GHG intensity and renewable energy or improved their data reporting, which resulted in higher reported emissions.

The GHG protocol defines three scopes for GHG emissions. **Scope 1** covers all direct GHG emissions from operations that are owned or controlled by the portfolio companies. **Scope 2** covers all indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the portfolio company. **Scope 3** are all indirect emissions which are not included in scope 2 that occur in the value chain of the portfolio company. Not all portfolio companies report on Scope 3 in 2022.

		Scope 1 (direct emissions)		Scope 2 Location-based		Scope 2 Market-based		Scope 3		Development in GHG intensity (Scope 1&2 Market based)		Renewable energy	
		tCO ₂ e		tCO ₂ e		tCO ₂ e		tCO ₂ e		development from baseline year (2021)		% (percentage)	
		2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Capidea Fund III	Wellvita	26	25	50	46	96	26	201	218	1	0.5	57	56
	EHoB	231	181	86	84	15	0	N/A	7,340	1	0.8	N/A	51
	Feline	9	14	7	11	12	18	N/A	324	1	1.9	N/A	41
	Maki	126	129	33	26	87	84	6,344	5,371	1	1.1	N/A	25
	Dancover	12	115	28	40	84	116	N/A	59,233	1	2.3	N/A	N/A
	Fairpoint	52	29	13	21	N/A	64	N/A	42	1	1.6	N/A	37
	Guldager	269	267	9	16	25	45	N/A	52	1	0.8	N/A	N/A
	Total*:	725	760	226	244	319	353	6,545	72,580	1	1.2	57	42

*The development in emissions is a reflection of the continuous work with data collection processes, as well as an increased activity level

ESG key figures – Social and governance data

As an active owner in the companies we invest in, **Capidea takes responsibility for considering ESG factors not only in strategic decisions, but also in the day-to-day business activities**. As owners, we do this as members of the Boards of Directors of our companies, and furthermore Capidea provides the companies with tools, guidance, and knowledge sharing opportunities regarding ESG management.

As our portfolio companies are still in the process of developing an annual reporting wheel on ESG key indicators, there are some values absent. We will continue to support our portfolio companies in strengthening their reporting processes.

		Lost Time Injury Rate		Sickness absence		Employee Turnover		Unadjusted Gender Pay Gap		Diversity in the organisation		Diversity in management		Diversity in BoD	
		rate		(Days/FTE)		% (percentage)		times		% (percentage)		% (percentage)		% (percentage)	
		2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Capidea Fund III	Wellvita	2.4	0,0	4.5	4.6	26	23	1.4	1.5	62	62	10	0	0	0
	EHoB	2.6	5.6	6.7	11.6	22*	44*	N/A	1.2	N/A	23	12.5	0	20	17
	Feline	0.0	0.0	N/A	3.5	11	18	N/A	2.0	59	59	0	0	0	0
	Maki	0.0	0.0	1.9**	3.3**	12	18	N/A	0.9	41	49	20	31	0	0
	Dancover	0.0	0.0	N/A	4.8	31	58***	N/A	1.0	N/A	51	33	33	0	0
	Fairpoint	0.0	0.0	N/A	1.8	4	5	N/A	1.3	25	18	10	10	17	17
	Guldager	1.9	0.0	9.0	N/A	32	29	N/A	N/A	18	16	0	0	20	20
	Total:	1.0	0.8	16.3	5.5	20	28	1.4	1.3	41	40	12.2	10.6	8.1	7.7

*44% and 21.9% refers to white collar workers, attrition rate for blue collar workers was 117% in 2022 and 43,9% in 2021

**1.9% and 3.3% refers to white collar workers, sickness absence for blue collar workers was 12.7 days/FTE in 2022 and 9.8 days/FTE in 2021

*** The higher turnover rate is caused by the moving of the warehouse facilities

Accounting practices

The accounting practices for the reported on ESG-KPIs in this ‘annual sustainability report’ are presented below. These accounting practices have guided our portfolio companies in reporting on their progress and ensure aligned reporting among our entire portfolio.

KPI	Accounting practices
Scope 1	<p>Scope 1 emissions are direct emissions of greenhouse gases (GHG) and are measured as CO₂-equivalents. Scope 1 emissions from our portfolio companies consists of emissions from fuel and gas use for various operational activities. Scope 1 involves three different categories: stationary combustion, mobile combustion and fugitive/process emissions. Organizational boundaries are determined by operational control.</p> <p>Stationary combustion: meaning usage of fuel for power generation, heat and/or steam is based on invoices, meter readings and supplier reports, and is collected in January-June for all our portfolio companies. When information is unavailable, entities estimate values based on the previous reporting period. As the default emission factor for purchased fuels, we use emission factors from Department for Business, Energy & Industrial Strategy (BEIS) which are updated and released publicly on an annual basis.</p> <p>Mobile combustion: measuring usage of fuel for internal transportation movements at the locations of our portfolio companies and company-owned modes of transportation is based on invoices, supplier reports and mileage balances, and is collected in January-June for all our portfolio companies. When information is unavailable, entities estimate values based on the previous reporting period. As the default emission factor for purchased fuels, we use GHG transportation calculation following the BEIS factors, which are regularly updated and released publicly.</p> <p>Fugitive/process emissions: our portfolio companies do not include fugitive/process emissions in their scope 1 as they are not relevant in their business operations.</p>
Scope 2 (Location-based/Market-based)	<p>Scope 2 emissions include indirect emissions from electricity, heat, steam and cooling purchased and consumed by our portfolio companies. We use location-based and market-based methods for calculations of scope 2 emissions. Organizational boundaries are determined by operational control. When information is unavailable, entities estimate values based on the previous period. Electricity, purchased heat, steam or cooling consumption is based on invoices or meter readings, and is collected in January-June for all our portfolio companies.</p> <p>For activities in Denmark, we apply the (Energinet) emission factors. For activities within Europe, we apply the location and market-based AIB residual mix emission factors. For activities outside Europe, we apply publicly available emission factors. If market-based residual emission factors for certain sites are not available, we use location-based emission factors, cf. recommendations from the CDP web page.</p> <p>For market-based, if our portfolio companies have purchased renewable energy, can provide certificates and/or are building renewable energy projects onsite, we calculate them as having an emission factor of zero. If renewable energy is generated at the site and is connected directly to the facility: sites do not need to report on renewable electricity certificates.</p>
Scope 3	<p>Scope 3 emissions is calculated based on an assessment of which of the 15 scope 3 categories that is deemed material for each specific company. Reported categories for the scope 3 of the portfolio companies include emissions related to category 1 (purchased goods and services), category 4 (upstream transport and distribution), category 6 (business travel), and category 7 (employee commuting).</p> <p>Calculation of scope 3 emissions are based on supplier specific data whenever this is available, or activity data measured in weight or distance. For certain categories it has been necessary to calculate the emission based on spend-related activities. For further information on the calculation of scope 3 emissions please refer to the accounting practices of the individual portfolio companies.</p>

Accounting practices

The accounting practices for the reported on ESG-KPIs in this 'annual sustainability report' are presented below. These accounting practices have guided our portfolio companies in reporting on their progress and ensure aligned reporting among our entire portfolio.

KPI	Accounting practices
GHG intensity	Tonnes CO ₂ -eq (Scope 1 & Scope 2 Market-based) divided by the revenue in million DKK, reported as the development since the baseline year of 2021.
Renewable electricity	Percentage of electricity purchased that is based on renewable sources and/or is generated by renewable energy projects onsite.
Lost Time Injury Rate	Amount of injuries of employees leading to a loss of at least one day off work / number of available working hours * 200,000
Sick absence	Number of sick days for all FTEs in 2022 divided by total number of FTEs for 2022.
Employee Turnover	Number of voluntary and involuntary terminations divided by total number of permanent Full Time Equivalents as of 31st December 2022.
Unadjusted Gender Pay Gap	Median salary men compared to median salary women. Salary 2022 incl. bonus & pension. Month of salary differ between portfolio companies.
Diversity in the organisation	Share of women and men according to FTE's as of 31st December 2022.
Diversity in management	Share of women and men in management according to FTE's as of 31st December 2022. Management is defined as Executive management (e.g., CEO, CFO and COO) and other senior positions (e.g., team leaders, department heads and other managers), which are responsible for the day-to-day operations and have someone referring to them.
Diversity in BoD	Female board members elected by the general meeting compared to all board members elected by the general meeting. Number per 31st December 2022.

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