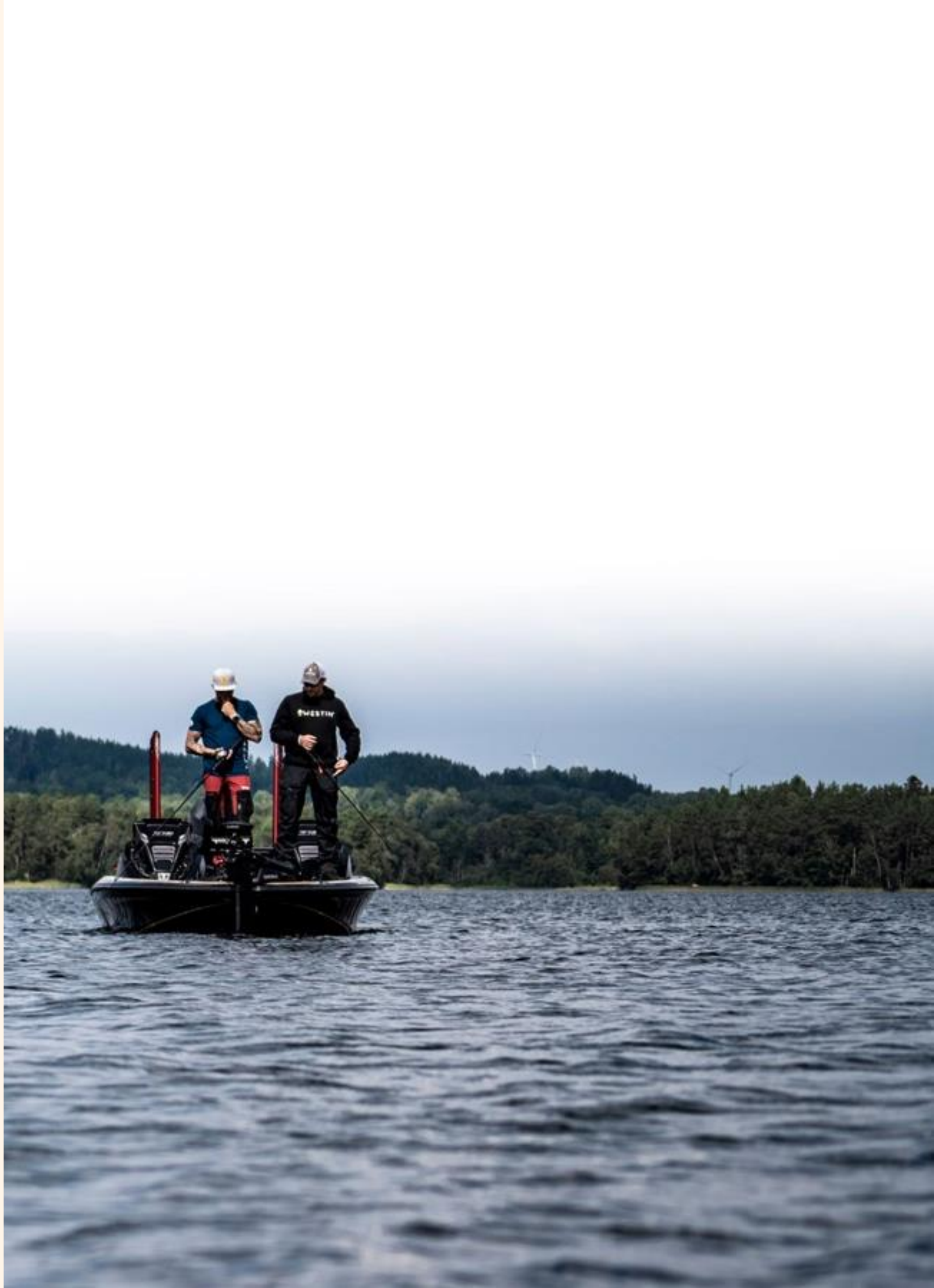
Capidea/

Annual sustainability report

2023



Content

Introduction

"We consider sustainability crucial for value creation. Our goal is to make sustainability a cornerstone in the daily operations and commercial strategy of our portfolio companies, as well as to contribute to a more sustainable society"

- Martin Jørgensen, Managing Partner

Capidea at a glance

ESG is central of evaluating potential investment opportunities and establishing long-term societal value

About this report

This report covers the financial year from 1 January 2023 to 31 December 2023 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 30 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
30 platform investments	Extensive network
Experienced team	DKK 3.6 bn in capital commitment
Blue-chip investor base	Attractive returns

Letter from the Managing Partner

In 2023, the private equity market was challenged by geopolitical uncertainty, still high inflation, increasing interest rates, and weak consumer spending.

In spite of the market, Capidea had a good and active year in 2023, with the closing of the sale of Obsidian Digital.

The fundraising for Capidea's fourth fund closed in March 2023 with a total commitment of DKK 1.3 billion attracting Danish and international institutional investors as well as a number of Danish family offices and business people. Although the fund is 50% larger than its predecessor fund the strategy remains the same: we will continue to invest in and develop Danish small and medium-sized companies leveraging our extensive network and experience in the Danish market. The partner group in Capidea was strengthened with Carsten Hemme, who has a strong profile and significant experience with M&A in small and mid-cap Danish companies. Capidea Kapital IV has so far made four investments.

During the past year, we have continued to invest in strengthening ESG management in our investment processes and approach to active ownership. In 2023 all portfolio companies have continued the ESG efforts. The outcome of the process was sustainability reports for all the Fund III portfolio companies.

In 2023, Capidea completed its **first UN Principle for Responsible Investments (UN PRI) report.** Capidea looks forward to continuing our work and journey with ESG in 2024.

As done for several years Capidea has again 2023 supported Team Rynkeby which consists of around 2.000 riders who bike to Paris to raise money for children with critical illnesses and their families.

The work with sustainability in Capidea and in our portfolio companies will continue in 2024. Our ambition is always to be one step ahead of current legislation as well as stakeholder expectations with respect to sustainability.

Managing Partner,
Martin Jørgensen

ESG highlights 2023

Capidea's portfolio companies have made meaningful progress in 2023 and will continue to do so in 2024

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, 2023 was the second reporting year under the UN PRI.

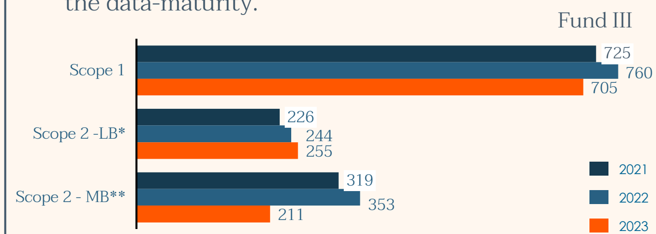
The key performance indicators included are, among others:

- 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 an increased activity level

Initiatives in our portfolio

Dancover planted +80.000 trees in 2023, one for every order placed. This is an increase of 15% compared to 2022.

European House of Beds has developed a carbon footprint calculator to measure emissions in scopes 1,2 and 3.

Wellvita has successfully reduced the use of plastic in its packaging by introducing half-sized plastic packaging, labels of bioplastic, and recycled air plast.

Guldager extended waste recycling practices within their products, offerings, and services.

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

"We are responsible investors who believe that sustainability creates value not only for society but also for individual businesses. We help make sustainability tangible and bring attention to its commercial aspects"

- Nicolai Jungersen, Partner and ESG-responsible

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.

Pre-investment		Ownership		Exit	
Initial screening to identify and assess ESG risks and opportunities	ESG risk & opportunity due diligence with a third-party advisor	ESG onboarding process facilitated by an external ESG advisor with participation from Capidea	Establishing an annual ESG reporting wheel and Sustainability Report	Documenting ESG performance	Developing an ESG storyline

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.

Integrating sustainability across all funds

FUND II	FUND III	FUND IV

ESG Report
All companies prepare ESG reports including: CO_2e baseline and target, SDG aligned activities and an ESG strategy

Global Compact
All companies are registered in the Global Compact, a non-binding United Nations pact

Grievance mechanism
All companies become part of Capidea's independent whistleblower scheme

Gender diversity
Policy to appoint one female board member in every portfolio company

Board meetings
ESG / Sustainability must be on the agenda at board meetings

Reporting
Selected ESG KPIs initiatives are part of the reporting for all Capidea's portfolio companies

Progress in 2023

2023 was another busy year at Capidea with the exits of Obsidian, the establishment of Capidea Kapital IV and sourcing of the first four investments in Fund IV.

Capidea acquired the following four companies in 2024 but approached them in 2023; Right People Group, Hvacon Marine Systems, Digital Group, and Intermail are currently being onboarded our strategic ESG work.

In 2023, Capidea has continued the work on our ESG framework, which has taken ESG to the next level since its launch in 2021. The ESG framework includes Capidea's policies and ambitions, and how we work with our portfolio companies.

Capidea reported on the UN Principle for Responsible Investments for the first time in 2023. In 2023 Capidea also implemented the TCFD framework in identifying ESG-related risks and Established climate accounts in accordance with the GHG Protocol. In 2022, the portfolio companies participated in a number of joint ESG activities as well as worked individually with their ESG actions and targets. This process has continued in 2023 and an ESG route map for all new portfolio companies has been developed.

All portfolio companies in Fund II and Fund III have published their own sustainability reports in 2023. The portfolio companies in Fund IV will conduct their first ESG report using Capidea's guidelines at the end of 2024, and thus cover the first year of Capidea's ownership. The SDGs continue to be an integrated part of the sustainability reports.

Divestments in 2023

In 2023 Capidea made the following divestments:

Obsidian Digital

Status on emissions

All current portfolio companies in Fund III have developed a scope 1 and scope 2 emission baseline and all portfolio companies in Fund IV are preparing their baseline matrix. All companies in Capidea fund III have assembled data on their scope 3 emissions for 2023.

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

Ambitions for 2024

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

"All companies have different starting points, and a small step at a time can make a big difference. Sustainability is a joint effort, and our portfolio companies are never alone."

- The Capidea Team

Portfolio overview

In 2023, Capidea had 9 companies active in its portfolio, of which one was divested in the spring of 2023. In 2023 Capidea closed its fourth fund and made the first investments in the first quarter of 2024. We work closely with our portfolio companies during our ownership. Both to execute investment strategies and operational improvements – and to support 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 2023 highlights from each company in Fund III. Below is an overview of our past and present portfolio companies in their respective funds.

Capidea Fund I

Portfolio company	Year divested
EET Nordic	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	2022
creativ company	Active*
Westpack – When packaging matters	2022

* Note: Fund II is not included in Capidea's overall ESG reporting

Capidea Fund III

Portfolio company	Year divested
BUDWEG	2022
FlexoPrint AS	2020
wellvita – Sundhed direkte til dig	Active
european house of beds	Active
Feline	Active
Maki	Active
Obsidian	2023
DANCOVER.com	Active
FAIRPOINT – Outdoors	Active
Guldager – Wise Water Treatment	Active

Capidea Fund IV

Portfolio company	Year divested
HVACON – Marine Systems	Active
	Active
DIGITAL GROUP	Active
InterMail	Active

ESG indicators 2023

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, 2022, and 2023 for Fund III. The first investments in Fund IV were made at the beginning of 2024. Only the active portfolio companies in Fund III which were still owned by Capidea on 31st of December 2023 are included in the below metrics. This includes six 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, which gives a good indication of the ESG progress in each portfolio company. On a fund level, we at Capidea are overall very satisfied with the progress and sustainability work conducted across the portfolio.

Sustainability key metrics		Fund III		
Key Performance Indicator	Reporting unit	2021	2022	2023
Scope 1	tCO_2e	725	760	705
Scope 2 (Location-based)	tCO_2e	226	244	255
Scope 2 (Market-based)	tCO_2e	319	353	211
Scope 3	tCO_2e	6,545	50,589	36,549
GHG intensity	TCO_2e/mio. DKK	1	1.2	0.9
Renewable energy	% (percentage)	57	42	36
Lost Time Injury Rate	Rate	1	0.8	3
Sick absence	Days/FTE	6	5	8
Employee Turnover	% (percentage)	20	28	25
Unadjusted Gender Pay Gap	Times	1.4	1.3	1.3
Diversity in the organisation	% (percentage)	41	40	41
Diversity in management	% (percentage)	12	11	13
Diversity in BoD	% (percentage)	12	11	12

Introduction to the portfolio companies

"We take all our businesses through a sustainability journey where we together create an ambitious, yet realistic strategy. Just as a realistic ESG strategy it is a criterion for us when assessing potential investment opportunities"

- Martin Jørgensen, Managing Partner

wellvita

Sundhed direkte til dig

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 2023

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 2023 include:

- Recycled 99% of industrial waste
- Ongoing introduced half-sized plastic packaging
- All material for product labels are from bioplastic
- Introduces recycled air plast.
- Green certificates for power consumption.
- Started up health insurance for all employees in Denmark
- Changed freight supplier in Denmark – more electricity driven

Plans and targets for 2024

The planned key activities for 2024 include:

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

SDG focus areas

3	Good health and wellbeing
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 produces and sells complete bed collections – through both own brands and a wide range of private label bed concepts. The company operates in the business areas B2B and the professional contract market.

ESG progress in 2023

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

Some highlights of the work completed in 2023 include:

- Implemented new lifts in the production with a lower electricity consumption
- Made LEAN improvements to minimize out of hours worktime
- Clear ownership for ESG KPIs
- Created a carbon footprint calculator to measure emissions in scopes 1,2 and 3
- Installed two electric charging stations accessible to our customers and employees

Plans and targets for 2024

The planned key activities for 2024 include:

- Reduce energy consumption on electricity by 30% before March 31st 2024
- Switch from natural gas to less energy-intensive solutions or solar cells
- Yearly employee satisfaction analysis
- Incorporate the ESRS reporting

	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.	Have materials and consumption certified on CO2 emission factors to enable product declaration on CO2 level and other impact factor.
Climate-related natural disasters can threaten the supply chain and delivery capability.	Reduce the consumption of raw materials and thus costs by minimizing waste from production and recycle as much as possible.
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 2023

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 2023 include:

- Implemented an algorithm that ensures that holiday homes with sustainable energy sources are clearly displayed in the searches, and implemented a search function on climate-friendly holiday homes that are available on all platforms.
- Half of the company cars have been changed from fossil fuel to electrically powered vehicles
- Commenced dialogues with suppliers on how consumption can be converted to sustainable consumption
- Financially supported 20 clubs/organizations

Plans and targets for 2024

The planned key activities for 2024 include:

- Support the work of the Danish Vacation Rental Association in their ambition to launch an environmental labeling scheme
- The entire company car fleet should be run on electrically powered vehicles
- Further development of internal policies related to Human right and Anti-corruption

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 2023

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 2023 include:

- Moved to a new HQ/warehouse for modern, clean energy solutions
- Developed a Supplier Code of Conduct
- Established a People & Culture function and introducing policies related to work-life balance and remote work

Plans and targets for 2024

The planned key activities for 2024 include:

- Reduce and report on package waste
- Push major suppliers for comprehensive and valid CO2e data and enroll 1-2 additional suppliers
- Have at least 33% women on the Board by 2027

SDG focus areas

5	Achieve gender equality and empower all women and girls
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
Increased regulation and new policies on CO2e emissions taxation from logistics and transportation increase the distribution prices.	Reduce operating costs by improving efficiency across distribution processes buildings, appliances, and transport.
Shoppers and customers will accept less use of plastic material and will demand more sustainable materials.	Products putting greater emphasis on CO_2e emissions in marketing may improve their competitive position.
If Maki doesn't manage sustainability correctly there is a risk of negative reputation.	Get a competitive edge by investing resources and focus to establish a sustainable agenda.

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 2023

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 2023 include:

- Completed a workplace assessment
- Introduced gender-neutral restrooms at Dancover's HQ
- Implemented carbon-neutral shipment option
- Implemented a waste sorting scheme and incorporated waste monitoring as key metrix
- Planted in 2023 +80.000 trees
- Improved working conditions at the warehouse and installed LED light and replaced fan heaters with heat pumps
- Established a Diversity & Inclusion policy
- Donated and supported charities, rainforest conversation, and initiatives to absorb Co2e
- A woman joined the Board of Directors

Plans and targets for 2024

The planned key activities for 2024 include:

- Implementation of products with less environmental impact to our existing product mix
- Continue increasing our products lifespan. (i.e. improvement of packaging + increase in Spareparts.)

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_2e 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 2023

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 2023 include:

- Became a signatory to the UN Global Compact
- Participated in the DTU project "Tuna Fish in Danish waters"
- Implemented an annual workforce satisfaction survey

Plans and targets for 2024

The planned key activities for 2024 include:

- Continuing phase out lead products (lead-free by the end of 2030)
- Continuing to investigate the possibility to use recycled plastic in packaging
- Investigate greener materials and eco-friendly paint used in lures
- Set a target to onboard employees with special needs (flex workers)

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
Wise Water Treatment

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 2023

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 2023 include:

- Decreased employee turnover
- Improved the overall gender diversity within the Guldager Group
- Integrated GHG emissions reporting from the carveout conducted in 2022 and 2023
- Extended waste recycling practices (prolonged the lifetime of Guldager's equipment and commenced the development of tools to monitor and register water and carbon emission savings of customers)

Plans and targets for 2024

The planned key activities for 2024 include:

- Develop a strategy to sort and reuse as much waste as possible
- Reach an LTI rate of zero
- Establish a task force to improve company culture and employee satisfaction

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.
	Increase in energy taxes. Incentive to invest in energy efficiency.
Abandonment of fossil fuel. Guldager A/S does not currently have the product portfolio to support this development.	Global scarcity in fresh water.

ESG key figures – Environmental data

Capidea is commited 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. In 2023 all portfolio companies in Fund III have reported on scope 3 and GHG intensity.

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 is all indirect emissions which are not included in Scope 2 that occur in the value chain of the portfolio company. In 2023 all companies have reported on Scope 1, 2, and 3.

	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_2e			tCO_2e			tCO_2e			tCO_2e			development from baseline year (2021)			% (percentage)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Wellvita	26	25	24	50	46	52	96	26	27	201	218	106	1	0.5	0.5	57	56	58
EHoB	231	181	105	86	84	39	15	0	0	N/A	7,340	5,032	1	0.8	0.4	N/A	51	56
Feline	9	14	11	7	11	9	12	18	11	N/A	324	263	1	1.9	1	N/A	41	37
Maki	126	129	143	33	26	87	87	84	27	6,344	5,371	6,099	1	1.1	0.8	N/A	25	34
Dancover	12	115	27	28	40	29	84	116	91	N/A	37,242	24,952	1	2.3	1.2	N/A	N/A	N/A
Fairpoint	52	29	56	13	21	22	N/A	64	N/A	N/A	42	51	1	1.6	1	N/A	37	26
Guldager	269	267	339	9	16	17	25	45	55	N/A	52	46	1	0.8	1.3	N/A	N/A	6
Total:	725	760	705	226	244	255	319	353	211	6,545	50,589	36,549	1	1.2	0.9	57	42	36

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	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Wellvita	2.4	0	0.0	4.5	4.60	4.1	26	23	20	1.4	1.5	1	62	62	63	10	0	0	10	0	0
EHoB	2.6	5.6	4.4	6.7	11.60	10.3	22	44	41	N/A	1.2	1	N/A	23	30	12.5	0	22	12.5	0	17
Feline	0.0	0	0.0	N/A	3.50	12	11	18	13	N/A	2	2.0	59	59	61	0	0	0	0	0	0
Maki	0.0	0	0.0	1.9	3.30	6.7	12	18	20	N/A	0.9	1.7	41	49	54	20	31	36	20	31	17
Dancover	0.0	0	0.0	N/A	4.80	N/A	31	58	55	N/A	1	1.0	N/A	51	42	33	33	17	33	33	17
Fairpoint	0.0	0	9.0	N/A	1.80	2.4	4	5	11	N/A	1.3	1.2	25	18	16	10	10	8	10	10	14
Guldager	1.9	0	7.7	9	N/A	10.5	32	29	15	N/A	N/A	N/A	18	16	19	0	0	9	0	0	20
Total	1.0	0.8	3.0	5.5	4.9	7.7	19.7	27.9	25.0	1.4	1.3	1.3	41.0	39.7	40.7	12.2	10.6	13.1	12.2	10.6	12.1

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	**Scope 1 emissions** are direct emissions of greenhouse gases (GHG) and are measured as CO_2-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. **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. **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. **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.
Scope 2 (Location-based/Market-based)	**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. **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. **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.
Scope 3	**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). **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.

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 2023 divided by total number of FTEs for 2023.
Employee Turnover	Number of voluntary and involuntary terminations divided by total number of permanent Full Time Equivalents as of 31st December 2023.
Unadjusted Gender Pay Gap	Median salary men compared to median salary women. Salary 2023 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 2023.
Diversity in management	**Share of women and men** in management according to FTE's as of 31st December 2023. **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 2023.

Capidea/

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