

# Stewardship Policy

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**BLS Capital Fondsmæglerselskab A/S**

February 2024

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## **1. INTRODUCTION**

- 1.1 BLS Capital Fondsmæglerselskab A/S ("BLS Capital") has prepared this stewardship policy ("the Policy") to provide clients, co-investors, authorities, and other stakeholders with an insight into how BLS Capital exercises stewardship.

## **2. LEGAL BASIS**

- 2.1 The Policy has authority in section 49 of Danish Act no. 1155 of 8 June 2021 on Investment Firms and Investment Services and Activities.

## **3. STEWARDSHIP**

- 3.1 BLS Capital provides investment advice and discretionary portfolio management services exclusively in relation to companies whose shares are admitted to trading on a regulated market. Against this background, BLS Capital has, in its capacity as an asset manager, prepared and published the Policy to describe how BLS Capital integrates stewardship into its investment decision-making process and advice.
- 3.2 Overall, BLS Capital considers itself a long-term and active co-owner of its investee companies serving long term shareholder interests.
- 3.3 For purposes of identifying investments, BLS Capital analyses whether companies make such business decisions as are required to ensure a sustainable business and growth. BLS Capital considers corporate governance a natural element of running a responsible and sustainable business and is confident in the ability of its portfolio companies to handle the risks pertaining to the industries in which they operate.
- 3.4 BLS Capital continually monitors developments in the portfolio companies based on, for example, annual and interim reports, company presentations, and news updates. This ongoing monitoring is focused on relevant areas such as strategy, financial and non-financial results, risk, capital structure, social and environmental impacts, and corporate governance.

#### **4. ENGAGEMENT**

- 4.1 BLS Capital votes at the general meetings of all its portfolio companies and exercises its voting rights in accordance with the interests of investors, which may include both improved return potential and the achievement of relevant ESG objectives.
- 4.2 BLS Capital considers and analyses the individual agenda items independently and makes the final decision regarding exercising its voting rights. BLS Capital generally does not act in concert with other investors in exercising stewardship.
- 4.3 When evaluating a portfolio company's management, BLS Capital considers factors such as the composition of the board of directors, including whether the board possesses the right qualifications and expertise. BLS Capital also assesses whether the requisite board committees – for example, a remuneration committee – have been set up and considers the number of meetings held by the board of directors and the various committees.
- 4.4 In addition, BLS Capital considers whether a portfolio company has a long-term remuneration structure – assessing, for example, bonus schemes' components and performance criteria. BLS Capital aims to invest in companies whose management is financially motivated – for example, by share-based compensation – to work in the best interests of the shareholders. Accordingly, BLS Capital sees it as a positive trait if management has an ownership interest in the portfolio company.

#### **5. DIALOGUE**

- 5.1 BLS Capital engages in ongoing dialogue with its portfolio companies, including on sustainability issues. BLS Capital itself handles this dialogue, which is conducted via physical, virtual, or telephone meetings, during which BLS Capital discusses relevant subjects with the portfolio company's management. In addition, BLS Capital communicates with relevant stakeholders in its portfolio companies and addresses actual or potential conflicts of interest concerning its stewardship.
- 5.2 BLS Capital attaches importance to portfolio companies' ability to interact with capital markets. A responsible management with sound business ethics and the ability to create a unique culture is essential to a company's business and the sustainability of such business. Accordingly, BLS Capital focuses on identifying companies with competent management that ensures the proper guidelines and policies are laid down and implemented to ensure compliance with applicable legislation and the portfolio company's responsibility guidelines. Evaluating a potential portfolio company's management is a fundamental element of BLS Capital's investment decisions. BLS Capital only invests in companies when confident that management will identify and address relevant risks timely.
- 5.3 It is important to BLS Capital that management does not neglect problems but acknowledges and addresses them as they arise. BLS Capital also finds it essential that management sets ambitious targets for the portfolio company and follows up on these targets with a view to

continually improving the portfolio company's performance.

**6. CONFLICTS OF INTEREST**

6.1 BLS Capital identifies actual or potential conflicts of interest related to stewardship. Any identified conflicts of interest will be monitored and managed in accordance with BLS Capital's policy on conflicts of interest.

**7. REPORTING**

7.1 BLS Capital will disclose once a year how it has exercised this policy and its voting rights at the general meetings of its portfolio companies. Votes of minor importance due to the subject matter of the vote or the size of the investment in the company in question may not be disclosed. Information on BLS Capital's exercise of voting rights will be disclosed on BLS Capital's website.

**8. REVIEW**

8.1 The Policy will be reviewed by the Board of Directors when deemed necessary, and at least annually.

**9. HISTORY**

9.1 The Policy is a rewrite of the Policy on the integration of sustainability risks and stewardship laid down in August 2021. The sections on sustainability risks and responsible investment have been carried over into a separate policy.

<b>Updated by:</b> EN	<b>Approved by:</b> Board of Directors	<b>Version:</b> 1.1
<b>Date:</b> 17 January 2024	<b>Date:</b> 8 February 2023	

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