

# Statement on principal adverse impacts of investment decisions on sustainability factors

30 June 2025

Financial market participant: BLS Capital Fondsmæglerselskab A/S (254900VGW6POFMVTTU76)

## Sammenfatning (English below)

BLS Capital Fondsmæglerselskab A/S (LEI-kode: 254900VGW6POFMVTTU76) (Selskabet) tager hensyn til de væsentligste negative indvirkninger (Principal Adverse Impacts, PAI) af sine investeringsbeslutninger på bæredygtighedsfaktorer.

Denne erklæring om de vigtigste negative indvirkninger på bæredygtighedsfaktorer omfatter referenceperioden fra den 1. januar til den 31. december 2024.

Selskabets "Politik for integration af bæredygtighedsrisici" og "Politik for Aktivt Ejerskab" understøtter denne erklæring, og sætter rammen for Selskabets arbejde med bæredygtighedsrelaterede risici.

Udover de obligatoriske PAI-indikatorer for investering i investeringsmodtagende virksomheder, har Selskabet valgt også at rapportere på de supplerende PAI-indikatorer: "4. Investeringer i virksomheder uden initiativer til reduktion af CO2-emissioner" fra Skema 2 og "9. Manglende menneskerettighedspolitik" fra Skema 3 i EU Kommissionens delegerede forordning (EU) 2022/1288.

For de fleste PAI-indikatorer, der indgår i tabellen nedenfor, angives værdier, der dækker over 90% af den investerede kapital i investeringsporteføljerne. Selskabet vurderer, at dækningen og datakvaliteten giver en tilstrækkelig beskrivelse af de væsentligste negative indvirkninger på bæredygtighedsfaktorer af Selskabets investeringsbeslutninger. Selskabet har identificeret en risiko for, at metoden angiver lavere værdier for selskabernes negative indvirkninger på bæredygtighedsfaktorer, end hvad tilfældet reelt er, da der for enkelte PAI-indikatorer er identificeret mangler og nul-indberetninger i data fra dataleverandøren og fra porteføljevirksomhederne. Dette kan medføre unøjagtigheder i de rapporterede værdier og kommenteres i tabellen nedenfor.

I 2023 påbegyndte Selskabet stikprøvevis kontrol af kvaliteten af tredjepartsdata ved at sammenholde denne med data fra porteføljevirksomhederne. Målet er at bidrage til en bedre datakvalitet, der skal understøtte så fyldestgørende og retvisende rapportering som muligt. De foretagne stikprøver i 2024 gav anledning til enkelte anmærkninger ift. datakvaliteten fra tredjepart. Selskabet har i den forbindelse taget kontakt til tredjepart ift. verificering af data.

For rapporteringen for finansåret 2024 har Selskabet herudover opsat en række grænseværdier og risikostyringstiltag for visse PAI-indikatorer med henblik på at styrke PAI-indikatorerne i investeringsforvaltningen samt i den eksterne rapportering.

## Summary (Danish above)

BLS Capital Fondsmæglerselskab A/S (the “Company” or “BLS Capital”) considers the principal adverse impacts (PAI) on sustainability factors of its investment decisions.

This statement on the principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

The Company’s “Policy for Integration of Sustainability Risks” and “Active Ownership (Engagement) Policy” support this statement and set the framework for its mitigation of sustainability-related risks.

In addition to the applicable PAI-indicators for investments in investee (portfolio) companies, also chosen to report on the additional indicators: “4. Investments in companies without initiatives to reduce CO2 emissions” from Table 2 and “9. Lack of human rights policy” from Table 3 in the EU Commission’s delegated regulation (EU) 2022/1288.

On most PAI-indicators, that are listed in the table below, the reported values, represent more than 90% of the investment portfolios’ capital. BLS Capital believes that this coverage and data quality provides an adequate description of the most significant negative impacts on sustainability factors of the Company’s investment decisions. BLS Capital has identified a risk that the methodology provides lower values for the investee companies’ adverse impact on sustainability factors, than their actual adverse impacts, due to the fact that for specific PAI-indicators are identified deficiencies and zero reporting in the data from the data provider as well as the investee companies. This may lead to inaccuracies in the reported data which is briefly commented in the below table.

During 2023 and 2024, the Company performed sample controls of third-party data by comparison with available information from portfolio companies. The aim is to contribute to an improved data quality that leads to an as adequate and complete reporting as possible. The spot-checks performed in 2024 did reveal some deficiencies in the quality of third-party data. The Company has contacted the third-party data provider to verify the data quality.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	2024	2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period.
Climate and other environment-related indicators						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	25,521 ton CO2e	27,384 ton CO2e	Decrease in assets under management impacts the decrease in emissions. The monitoring of third-party data highlighted a discrepancy in one company's emission numbers compared to the company's own climate report. Figures from the company climate report were used for this report.	During 2024, the indicator and third-party data quality was monitored. The firm has not set specific targets for GHG emissions as the metric for emissions will fluctuate as a result of assets under management, changes in portfolio composition and sector exposure. The firm will continue to monitor third party data quality, and the indicator. Material deviations from peers may give rise to engagement.
		Scope 2 GHG emissions	86,154 ton CO2e	80,630 ton CO2e		
		Scope 3 GHG emissions	716,338 ton CO2e	850,009 ton CO2e		
		Total GHG emissions	827,596 ton CO2e	956,903 ton CO2e		
	2. Carbon footprint	Carbon footprint	115 ton/mio. EUR	125 ton/mio. EUR	The reduction in the carbon footprint is driven primarily by lower scope 3 emissions in portfolio companies. The monitoring of third-party data	During 2024, the indicator and third-party data quality was monitored. The firm has not set specific targets for carbon footpring as the metric will fluctuate as a result of changes in

					highlighted a discrepancy in one company's emission numbers compared to the company's own climate report. Figures from the company climate report were used for this report.	assets under management, portfolio composition and sector exposure. The firm will continue to monitor third party data quality, and the indicator. Material deviations from peers may give rise to engagement.
	3. GHG intensity of investee companies	GHG intensity of investee companies	451 ton/mio. EUR	432 ton/mio. EUR	GHG intensity is increased and is, amongst other factors, impacted by changes in sector exposure and portfolio composition.	During 2024, the indicator and third-party data quality was monitored. The firm has not set specific targets for GHG intensity as the intensity will fluctuate as a result of changes in assets under management, portfolio composition and sector exposure. The firm will continue to monitor third party data quality, and the indicator. Material deviations from peers may give rise to engagement.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	No changes and no exposure.	During 2024, the firm had no exposure to companies active in the fossil fuel sector. The indicator and third-party data quality are monitored as part of the firm's investment due diligence. However, the

						<p>firm has not set specific targets for the metric. The firm will consider the relevance of specific targets or alert levels should the share of investments in companies active in the fossil fuel sector exceed 5% for a reporting period. The firm will continue to monitor relevant third-party data quality, and the indicator.</p>
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	65.6%	56.0%	The increase is driven by a combination of changes in portfolio composition and increased share of non-renewable energy consumption in investee companies.	<p>During 2024, the indicator and third-party data quality was monitored. The firm has set an alert level at maximum 75% Share of non-renewable energy consumption and production on a portfolio level. The firm will continue to monitor third party data quality, and the indicator. Material deviations from peers may give rise to engagement likewise should the share exceed the alert level.</p>
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<p>A:0.00 B:0.00 C:0.10 D:0.00 E:0.00</p>	<p>A:0.00 B:0.00 C:0.11 D:0.00 E:0.00</p>	No significant changes for the manufacturing sector.	<p>During 2024, the indicator and third-party data quality was monitored. The firm has not set specific targets for</p>

			F:0.00 G:0.06 H:0.07 I:0.00	F:0.00 G:0.06 H:0.02 I:0.00	<p>No changes for wholesale and retail trade.</p> <p>Increase within the transportation and storage sector. The driver is primarily changes in sector exposure and portfolio composition.</p>	<p>energy consumption in GWh per million EUR as the metric will fluctuate as a result of changes in portfolio composition and sector exposure. The firm will continue to monitor third party data quality, and the indicator. Material deviations from peers may give rise to engagement.</p>
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	12.5%	13.1%	No significant changes.	<p>During 2024, the firm had no significant changes to measurable exposure to companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas. The indicator and third-party data quality are monitored as part of the firm's investment due diligence. However, the firm has not set specific targets for the metric. The firm will consider the relevance of specific targets or alert levels should the share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where</p>

						activities of those investee companies negatively affect those areas exceed 25% in a reporting period. The firm will continue to monitor relevant third-party data quality, and the indicator.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.0015	0	Coverage have increased from 0% to 7.8% but continues to be very limited as very few companies report emissions to water.	During 2024, the indicator and third-party data quality was monitored. The firm has not set specific targets for emissions to water as the intensity will fluctuate as a result of changes in portfolio composition and sector exposure. The firm will continue to monitor third party data quality, and the indicator. Material deviations from peers may give rise to engagement. The firm has not had significant exposure to companies with emissions to water in 2023 and 2024.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.017	0.018	No significant changes	During 2024, the indicator and third-party data quality was monitored. The firm has not set specific targets or alert levels for hazardous waste and radioactive waste ratios as the intensity will fluctuate as

						a result of changes in portfolio composition and sector exposure. The firm will continue to monitor third party data quality, and the indicator. Material deviations from peers may give rise to engagement.
<b>Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters</b>						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	No changes and no exposure.	Companies involved in significant violations of the UNGC principles or OECD Guidelines for Multinational Enterprises are excluded from the portfolio.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	No changes and no exposure.	During 2024, the indicator and third-party data quality was monitored. The firm has set an alert level at maximum 10% share of investments in entities with a lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises. The firm will continue to



						monitor third party data quality, and the indicator. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in an investee company may give rise to engagement.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	16.7%	18.0%	Increased coverage. from 71% to 79% of companies. A slight decrease as companies continue to work on reducing pay gap.	During 2024, the indicator and third-party data quality was monitored. The firm has not set specific targets for unadjusted gender pay gaps. The firm will continue to monitor third party data quality, and the indicator. Material deviations from peers may give rise to engagement.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	41.0%	40,6%	No significant changes.	During 2024, the indicator and third-party data quality was monitored. The firm has set an alert level at levels below 25% average ratio of female to male board members in investee companies across the portfolio. The firm will continue to monitor third party data quality, and

						the indicator. Material deviations from peers may give rise to engagement.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	No changes and no exposure.	Companies involved in the manufacture or selling of controversial weapons are excluded from the portfolio.
<b>Additional indicators for principal adverse impacts on sustainability factors</b>						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	17,7%	16,7%	No significant changes.	During 2024, the indicator and third-party data quality was monitored. The firm has not set specific targets for the share of investments in investee companies without carbon emission reduction initiatives as changes in portfolio composition and sector exposure will impact this metric, considering that carbon emission reduction initiatives are not equally relevant within all sectors. The firm will continue to monitor third party data quality, and the indicator. Material deviations from peers may give rise to engagement.

Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	0%	0%	No changes and no exposure.	During 2024, the indicator and third-party data quality was monitored. The firm has set an alert level where the share of investments in entities without a human rights policy exceed 5%. The firm will continue to monitor third party data quality, and the indicator. The lack of a human rights policy in an investee company may give rise to engagement.
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## **Description of policies to identify and prioritise principal adverse impacts on sustainability factors**

BLS Capital's policy to identify and prioritise principal adverse impacts on sustainability factors can be found in pre-contractual disclosures for individual products and are managed in adherence with the Company's "Policy on the integration of sustainability risks".

The Company's Board of Directors review this policy annually. It was last approved in February 2025. The policy is implemented in the investment process under the Company's CEO's responsibility and supervision.

BLS Capital identifies and prioritises principal adverse impacts on sustainability factors through an initial due diligence and subsequent ongoing screening and monitoring of the investment portfolios. Principal adverse impacts that give rise to exclusion from a specific product will take priority over principal adverse impacts that are not excluded. Principal adverse impacts that do not give rise to exclusion are evaluated as any other investment risk with no specific priority, as the materiality cannot meaningfully be generalised and prioritised. Such generalisation and prioritisation may lead to conflicts with investor protection, and the fiduciary duties that BLS Capital adheres to. BLS Capital receives information from MSCI's ESG research that is integrated into the investment decisions in accordance with the framework established in the policy on integration of sustainability risks and any precontractual disclosures to investors.

Additionally, and due to the Company's focused investment strategies and philosophy, the Company continuously conducts due diligence and engages with management of portfolio companies. Due diligence is based on information from e.g., the portfolio companies themselves, media, stakeholders, and investment research from third party providers.

The purpose of maintaining a high level of due diligence on all portfolio companies is to make informed investment decisions that, among others, take principal adverse impacts on sustainability factors into account. Portfolio companies with an unacceptable adverse impact on sustainability factor(s) that is not adequately mitigated will either be excluded from the investment portfolios or not be considered for new investments. The probability of occurrence and severity of principal adverse impacts, including their potentially irremediable character are factors that, if not mitigated, increases the likelihood of exclusion from the investment portfolios.

BLS Capital expects limitations and a margin of error in the calculated data in this statement. In general, high-quality ESG data and data supporting the PAI indicators are still in an early stage of maturity and availability of data may contribute to the margin of error in the accuracy of this statement. BLS Capital continues to monitor the data quality and perform sample controls of data quality and the reporting methodology of the third-party provider (MSCI).

## **Engagement policies**

BLS Capital's policy on addressing principal adverse impacts on sustainability factors through engagement is set out in the Company's Policy on integrating sustainability risks.

The Company's Board of Directors approves this policy at least annually. It was last approved in February 2025. The policy is adopted in the investment process, whereas the Company's CEO's holds responsibility for implementation, adherence, and oversight.

The Company aims to protect and promote value creation in the portfolio companies by acting as a long-term co-owner that engages in dialogue with the management of portfolio companies and exercises influence through votes at all general meetings.

Engagement is a key component in the diligent monitoring of investments. Ongoing dialogue and in-person meetings with executive and non-executive management teams of portfolio companies provide valuable insights and opportunities to advocate for long-term shareholder interests. BLS Capital votes at the general meetings of all portfolio companies and exercises its voting rights in accordance with investor interests in alignment with BLS Capital's Engagement Policy. The guiding principle by which BLS Capital votes on all proxy matters is the maximization of the long-term economic value of a client's holdings, as BLS Capital determines in its sole discretion.

This may include consideration of both improved return potential and the sustainment of business and growth. BLS Capital considers corporate governance a natural element of running a responsible and sustainable business. BLS Capital continually monitors developments in the portfolio companies based on, amongst others, ongoing dialogue with senior management, annual and interim reports, company presentations, news updates, recurring screenings, and third-party ratings. 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. To that end, BLS Capital will also raise its concerns through dialogue or votes if principal adverse impacts on sustainability factors develop in an unfavourable way that may put the interest of shareholders at risk or any defined risk alert levels.

## **International standards**

BLS Capital measures the adherence or alignment to international standards through the use of third-party screening and ESG research from MSCI. This may be supplemented by the Company's own assessments with the inclusion of any other data points that are relevant for the concrete analysis.

Adherence to the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises is included in the Company's screening processes, which are integrated into the investment decision processes and portfolio monitoring.

Sources include, MSCI data, including data from news media, intergovernmental or civil organizations, governments and regulators, legal materials, corporate disclosures. Data may also be derived directly from issuers.

BLS Capital independently assesses any controversies for portfolio companies and the potential need for further validation of sources or additional investigations based initially on the input from MSCI.

For an in-depth and detailed description of methodology and data used to measure the adherence or alignment to international standards, scope, coverage, and the use of forecasts reference is made to the following publications, which can be delivered upon request: MSCI ESG Controversies and Global Norms – Methodology, Process, and ESG Ratings Methodology.

BLS Capital does not integrate forecasts or forward-looking scenarios as it is not currently considered material and would imply a limited and impaired degree of reliability due to the maturity of reported data for investee companies.

## **Historical comparison**

BLS Capital includes available historical comparisons when reporting on PAI-indicators below. Currently, the data set includes comparisons for the reporting years 2022 through 2024.

Indicators applicable to investments in investee companies							
Adverse sustainability indicator	Metric	2024	2023	2022	2021	2020	
Climate and other environment-related indicators							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	25,521 ton CO2e	27,384 ton CO2e	22,707 ton CO2e		
		Scope 2 GHG emissions	86,154 ton CO2e	80,630 ton CO2e	63,455 ton CO2e		
		Scope 3 GHG emissions	716,338 ton CO2e	850,009 ton CO2e	632,868 ton CO2e		
		Total GHG emissions	827,596 ton CO2e	956,903 ton CO2e	722,868 ton CO2e		
	2. Carbon footprint	Carbon footprint	115 ton/mio. EUR	125 ton/mio. EUR	124 ton/mio. EUR		
	3. GHG intensity of investee companies	GHG intensity of investee companies	451 ton/mio. EUR	432 ton/mio. EUR	439 ton/mio. EUR		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	0%		

	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	65.6%	56.0%	64.8%		
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	A:0.00 B:0.00 C:0.10 D:0.00 E:0.00 F:0.00 G:0.06 H:0.07 I:0.00	A:0.00 B:0.00 C:0.11 D:0.00 E:0.00 F:0.00 G:0.06 H:0.02 I:0.00	A:0.00 B:0.00 C:0.14 D:0.00 E:0.00 F:0.00 G:0.01 H:0.00 I:0.00		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	12.5%	13.1%	0%		
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.0015	0	0		



Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.017	0.018	0.198		
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	0%		
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	24.6%		
	12. Unadjusted	Average unadjusted gender pay gap	16.7%	18.0%	15%		

	gender pay gap	of investee companies					
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	41.0%	40,6%	38.3%		
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	0%		
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	17,7%	16,7%	27.9%		
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	0%	0%	0%		