



NOTICE ON THE ASSESSMENT OF PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY AND OTHER SUSTAINABILITY-RELATED INFORMATION

10 June 2021

In this Notice, UAB Lords LB Asset Management (hereinafter referred to as the **Management Company**) provides sustainability-related information as laid down in Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (hereinafter – the **Regulation**).

INTEGRATION OF SUSTAINABILITY RISK IN INVESTMENT DECISION-MAKING

Sustainability (*environmental, social, and governance (ESG)*) factors are understood as environmental, social and employee matters, respect for human rights and anti-bribery matters, and sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

By adopting investment decisions regarding the investment of assets of the collective investment undertakings managed by it, the Management Company seeks to assess the areas of sustainability that are relevant to a particular investment related to the sustainability and ethics, social and environmental impacts of the investment. In addition, the Management Company has approved the Environmental, Social and Governance Policy (ESG Policy) whereby the Management Company undertakes to consider the principal aspects of sustainability in making investments, carrying out a due diligence of investments, observing and evaluating the investments managed by the Management Company to the maximum extent practicable, having regard to the circumstances and the commitment of the Management Company to seek the best possible returns for investors and at all times to act in their best interests.

Further information on the integration of sustainability risk in investment decision-making process is published in the ESG Policy approved by the Management Company which is available on the website of the Management Company: www.lordslb.lt.

STATEMENT ON THE ASSESSMENT OF PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Principal adverse impacts should be understood as the impacts of investment decisions that result in negative effects on sustainability factors.

The Management Company has integrated the assessment of sustainability risks in its investment decision-making procedures but, when making investment decisions, no due account is taken of their principal adverse effects on sustainability factors, as defined in Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, because, in the opinion of the Company and the Management Company, the legal rules related to this matter and the possibilities of collecting information necessary for such assessment and submission of related periodic statements and reports are not sufficiently clear at present.

The Management Company intends to periodically review this decision by taking into consideration and reassessing the circumstances referred to above. After having decided to take into account the principal adverse impacts of investment decisions, the Management Company will publish an updated statement on this matter under the procedure laid down in the Regulation.



REFERENCES TO INTERNATIONAL STANDARDS

The Management Company has been participating in the United Nations Global Compact initiative since 17 April 2015 and it supports and adheres to the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption. In 2019, the Management Company joined the Principles for Responsible Investment (PRI) supported by the United Nations which the Management Company seeks to follow in its investment and management processes.

TRANSPARENCY OF THE EMPLOYEE REMUNERATION POLICY IN TERMS OF SUSTAINABILITY RISK

The Management Company has approved and applies the Employee Remuneration Policy which establishes the procedure, terms and conditions for remuneration and promotion of the Management Company's employees whose professional activity and/or decisions could have a material impact on the nature and extent of risk assumed by the Management Company or the collective investment undertakings managed by it in order to attract, motivate and retain the best employees who would help implement the long-term objectives and business strategy of the Management Company. This also includes the risks related to the ESG application where this is relevant to the respective employees. The Employee Remuneration Policy is available on the website of the Management Company: www.lordslb.lt.

OTHER SUSTAINABILITY-RELATED INFORMATION

More detailed sustainability-related information with respect of financial products offered by the Management Company, i.e. at the level of collective investment undertakings managed by it, including whether the financial products is attributable to the products aimed at sustainable investments and/or promotion of sustainability factors (as defined in the Regulation) is provided in the pre-contractual information document (prospectus) of the respective collective investment undertaking.

In order to ensure the reliability of the information set out herein, the Management Company intends to constantly review it and provide clarifications of such information reviews o changes.

