



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

6th of January, 2023

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 (hereinafter referred to as the **Funds**) managed by it, the Management Company seeks to assess the risks 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 Responsible Investment Policy whereby the Management Company undertakes to consider the principal aspects of sustainability in making investments, carrying out 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 the investment decision-making process is published in the Responsible Investment Policy approved by the Management Company which is available on the website of the Management Company: <https://lordslb.lt/en/>.

STATEMENT ON THE ASSESSMENT OF PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Under the 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**) principal adverse impacts (PAI) mean the impacts of investment decisions that result in negative effects on sustainability factors, while sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Management Company has integrated the assessment of sustainability risks in its investment decision-making procedures, and it considers and acknowledges the responsibility of the possible impact of its investments towards sustainability risks and the concept of PAI. Across all the investments of the Funds managed by the Management Company, the aim is to reduce any possible negative impact it might cause. The Management Company does not take into account the negative impact on sustainability factors at the entity level, but those Funds that promote environmental characteristics or have sustainable investments as an objective, as defined in Articles 8 and 9 of the Regulation, provide information at the product level. The negative impact on sustainability factors is considered in the appendices of the Fund's pre-contractual and periodical documents, in the webpages of the respective Funds on the Management Company's website.

This statement will be reviewed at least annually going forward.



UAB LORDS LB ASSET MANAGEMENT FINANCIAL PRODUCTS

<i>Managed collective investment undertakings</i>				
<i>Financial product name</i>	<i>Description of the environmental or social characteristics</i>	<i>Methodologies used to assess, measure and monitor the environmental or social characteristics</i>	<i>Product information according to Article 8 of the Regulation</i>	<i>Periodic reports information</i>
Lords LB Baltic Green Fund (V)	Reference is made to the investment fund offering documentation and Management Company's website .	Reference is made to the investment fund offering documentation and Management Company's website .	Reference is made to the investment fund offering documentation and Management Company's website .	Reference is to be made to the investment fund's periodic activity Management Company's website .
<i>Financial product name</i>	<i>Description of the sustainable investments</i>	<i>Methodologies used to assess, measure and monitor the sustainable investments</i>	<i>Product information according to Article 9 of the Regulation</i>	<i>Periodic reports information</i>
SUTIISIB UAB "Atsinaujinančios energetikos investicijos"	Reference is made to the investment company offering documentation and Management Company's website .	Reference is made to the investment company offering documentation and Management Company's website .	Reference is made to the investment company offering documentation and Management Company's website .	Reference is to be made to the investment company's periodic Management Company's website .

Policies on identification and prioritization of principal adverse sustainability impacts and indicators

The Management Company and the Funds that it manages follow the Responsible Investment Policy and abstain from investments into the particular sectors and countries, provided in the exclusions list.

What is more, in October, 2021 the Management Company established the ESG Committee which consists of representatives from Finance and Investment Management teams. The central function of the ESG Committee is to investigate the environmental and social hazards associated with each potential investment that is funded by the Green Bonds.

Description of the principal adverse sustainability impacts

The Management Company recognizes the possible impact of its investments towards sustainability risks, however, currently, their evaluation is carried out at the financial product level, i.e. for Funds that promote environmental characteristics or whose objective is a sustainable investment, as defined in Articles 8 and 9 of the Regulation.

In the meantime, the Management Company identifies potential principal adverse sustainability impacts and priorities in the Management Company's Responsible Investment policy, Code of Conduct and through the dialogue with the third parties, i.e., ascribing to the UN-backed Principles of Responsible Investment we can expand our knowledge and ensure we are aware of the potential and actual adverse sustainability impacts that our investments may have. What is more, the Management Company is currently supporting one of its Funds in



its commitment to implement the requirements of the European Bank of Reconstruction and Development sustainability framework related to Green Projects.

Engagement policies

The engagement with stakeholders on sustainability-related risks highly depends on the investment type. Our Funds invest in a few asset classes: real estate, renewable energy infrastructure, and private equity. The Management Company ensures that while managing the Funds' investments appropriate engagement and voting rights strategies are applied.

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 supported by the United Nations (UN PRI). The initiative is the world's leading proponent of responsible investment and encourages investors to use responsible investment to enhance returns and better manage risks. The Management Company follows the six responsible investment principles set out by the UN for better incorporation of ESG issues into the investment and management process.

TRANSPARENCY OF THE EMPLOYEE REMUNERATION POLICY IN TERMS OF SUSTAINABILITY RISK

The Management Company has approved and applies the Employee Remuneration Policy which is in line with the relevant EU regulations. This policy 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 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 sustainability application where this is relevant to the respective employees. The Employee Remuneration Policy is available on the website of the Management Company: <https://lordslb.lt/en/>

OTHER SUSTAINABILITY-RELATED INFORMATION

More detailed sustainability-related information with respect to all financial products offered by the Management Company, i.e., at the level of collective investment undertakings managed by it, including whether the financial products are 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 documents of the respective collective investment undertaking, as well as in periodic reports and the website of the Management Company, including in the webpages of the respective Funds.

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 or changes.