



Approved by:	GND Advisory Management
Approved on:	April 2020
References to external policies:	Recommendations of Task Force for Climate Related Financial Disclosures Directive (EU) 2017/828 and its implementing measures (together, the “Shareholder Rights Directive II”)
References to internal policies:	Business Code of Conduct Sustainability Policy

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## 1. The Firm

GND Advisory is an autonomous investment advisory registered in the Republic of Lithuania. The records of GND Advisory are kept at the State Enterprise Centre of Registers.<sup>1</sup> GND Advisory ("GND") and each of its majority-owned subsidiaries (together with GND, the "Firm") conducts its operations in compliance with the EU and Lithuanian Law, Regulations, and its internal Code of Conduct.

## 2. Purpose of the Engagement Policy

The purpose of the Engagement Policy (the "Policy") is to outline the engagement and dialogue policy as an investor. It sets out the grounds for GND Advisory engagement and its objectives, along with the tools, processes and practices leading to its implementation.

GND Advisory firmly believes that a company can only create sustainable value if this value is shared with all of its stakeholders. We have a crucial role to play in encouraging these companies to integrate environmental, social and governance (ESG) considerations in order to foster sustainable development and support transition to net zero economy.

This Engagement Policy complements and supplements the Sustainability Policy.

## 3. Roles and Responsibilities

**Board of Directors** (the "Board") must conduct all interactions with shareholders, ensuring when possible that the engagement results in a constructive exchange of ideas. As such, the Board will allow and encourage open dialogue with each shareholder group through the use of pre-established channels of communication between the firm, management and any and all shareholders. Such channels include the annual shareholder meeting, requests for extraordinary meetings and formal shareholder correspondence deemed appropriate to be addressed by the board.

**GND Advisory Management** is mainly tasked with approving and ensuring the implementation of the policy, as well as reviewing shareholder correspondence to be addressed either during the annual shareholder meeting or during extraordinary meetings. It must also help in the construction and maintenance of an active two-way interaction between the firm and its shareholders, encouraging effective dialogue.

**Shareholders** hold the responsibility of keeping track of the firm's general business operations, financial results and strategic direction. Shareholders are expected to be an active member in the effort of addressing sustainability issues that may arise through the firm's operation, as well as complying with all internal principles related to this policy. As a key part of the firm, Shareholders' insights, opinions and concerns in regards to corporate governance are of the utmost importance, which is why shareholders are encouraged to make use of the communications channels at their disposal.

## 4. Engagement strategy

Within GND Advisory, implementation of sustainability strategy and management of risks and opportunities are highly driven by the engagement and dialogue with investees. This section describes the strategy for the engagement and its objectives, processes and practices.

When meeting a company, we are eager to build a constructive dialogue and we see that the active engagement can create distinct value for both the companies and GND Advisory that enables the exchange of information, helps to produce and diffuse new ESG knowledge and facilitates internal and external relationships. Our engagement is

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<sup>1</sup> State Enterprise Centre of Registers. [https://www.registrucentras.lt/jar/index\\_en.php](https://www.registrucentras.lt/jar/index_en.php)

grounded in the conviction that strong ESG practices can foster sustainable corporate performance and create more value.

Engagement is a key part of the loop, with sustainability assessment, especially climate, helping identify assets at risk, and data gathered on engagement helping to provide a more dynamic approach and refine understanding of real long-term risks.

Our objectives and practices in engaging with the companies are the following:

- Signalling and defining ESG expectations
- Seeking detailed and accurate corporate information to develop an understanding of current sustainability practices and performance
- Advancing internal collaboration and ESG integration
- Supporting in defining baselines, targets and building scenarios
- Encouraging and engaging in more efficient resource use and low-carbon practices
- Encouraging transparency and disclosure of their sustainability strategy and performance

Sector-specific engagement process and objectives may be chosen for individual companies. Engagement can take the form of ongoing discussions with company management, as well as filing shareholder resolutions. All data concerning issues that arise during these discussions as well as potential requests for improvement are collected and stored in our databases. Our regular reports disclose information on the engagement during the reporting period.

## 5. Approval

**I have read, accept and fully understand the responsibilities detailed under this Engagement Policy.**

**I approve this Plan.**

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**Donatas DITKUS**  
**GND Advisory Representative**

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