

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: CBL Global Emerging Makets Bond Fund

Legal entity identifier: LV0000400828

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The CBL Global Emerging Makets Bond Fund (CGEMBF) promotes environmental and social characteristics by applying an exclusion criterion to the business practices of securities issuers, which, according to CBL Asset Management, are incompatible with a sustainable business strategy. In addition, an engagement occurs if the issuer is on one of the following lists:

- companies that do not have a policy for prevention of accidents at work,
- insufficient protection of whistleblowers,
- absence of human rights policy,
- absence of anti-corruption and anti-bribery policy.

If the deficiencies are not eliminated within a year of involvement, the issuer is excluded. In addition, for comparable investment alternatives, we use a sampling approach and select the issue of bonds whose issuer shows better results or dynamics in the following indicators:

- share of energy consumption using non-renewable energy resources in an investee company compared to renewable energy resources,
- the intensity of greenhouse gas (GHG) emission of the investee company,
- average average indicator of human rights compliance for sovereign issuers,
- average corruption rate for sovereign issuers.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

For reporting purposes, the CBL Asset Management is using the data provided by Morningstar Sustainability. Neither adjustments nor modelling is used to provide the consolidated numbers or metrics.

The exclusion approach ensured that none of the issuers included in the screening of our data supplier are associated with companies involved in the production or sale of controversial weapons. However, 12% of all fund investments are in companies that are classified as not having an appropriate workplace accident prevention policy, according to the data supplier's methodology. Engagement measures and research of information available on companies' websites show that these issues are being addressed. The lack of a human rights protection policy relates to one entity and constitutes 3% of investments. The lack of a whistleblower protection policy as well as lack of an anti-corruption and anti-bribery policy has not been identified in the set of issuers studied by the data supplier, which accounts for 61,5% of the total investment.

When making investment decisions in sovereign bonds we take into account the following sustainability indicators: the country's average human rights performance and perceived level of public sector corruption indicators.

● **...and compared to previous periods?**

Adverse Sustainability Indicator	Metric	Impact 2024	Impact 2023
Investments in companies that do not have policies to prevent accidents at work	Share of investments in investee companies that do not have policies for the prevention of accidents at work	12% (data coverage 61.5%)	9%
Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	0% (data coverage 61.5%)	4%
Lack of human rights policy	Share of investments in entities without a human rights policy	3% (data coverage 61.5%)	3%
Lack of anti-corruption and anti-bribery policy	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	0% (data coverage 61.5%)	3%

Although the share of investments in investee companies that do not have a policy for the prevention of accidents at work has increased compared to the previous period, a more detailed study of the websites of these companies shows that measures to prevent accidents at work are being implemented and disclosed in sustainability reports. However, being aware that four of the issuers, investments in which constitutes approximately 12% of the total fund, have not indicated the existence of a policy for the prevention of accidents at work in their annual accounts, we do not count this part as investments that contribute to social characteristics.

Indicator	Metric	2024	2023
Average human rights performance	Measure of the average human right performance of investee countries	50,6 (data coverage 15,7%)	50,5
Average corruption score	Measure of the perceived level of public sector corruption	43,2	46,8

Both chosen sovereign sustainability indicators have stayed relatively stable over 2023 and 2024.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

CGEMBF investments do not have sustainability objectives.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The principal adverse impacts (PAI) on sustainability factors, identified as mandatory in Table 1 of Annex 1 to Commission Delegated Regulation (EU) 2022/1288, are summarised in the following table:

CORPORATES MANDATORY

Adverse Sustainability Indicator		Metric	Impact (year: 2024)	Impact (year: 2023)
GHG	1. GHG emissions	Scope 1 GHG emissions (t CO2 eq.)	194,51 (data coverage 10,9%)	6 600
		Scope 2 GHG emissions (t CO2 eq.)	48,28 (data coverage 10,9%)	1 193
		Scope 3 GHG emissions (t CO2 eq.)	2 076,50 (data coverage 10,9%)	15 733
Green		Total GHG emissions (t CO2 eq.)	2 319,28 (data coverage 10,9%)	24 261

	2. Carbon footprint	Carbon footprint expressed as tCO ₂ e/million EUR invested	1 145,07 (data coverage 10,9%)	1 154
	3. GHG intensity of investee companies expressed as tCO ₂ e/million EUR of owned revenue		3 224,24 (data coverage 40,2%)	1 144
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	12% (data coverage 61,5%)	8,20%
	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	Share of non-renewable energy consumption 75.6%. Share of non-renewable energy production is 33% (data coverage 35%)	Share of non-renewable energy consumption 76.5%
	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 (if applicable)	Mining and quarrying – 1.19 Manufacturing- 2.96 (data coverage 32.4%)	Agriculture, forestry and fishing - 4.0 Electricity, gas, heating and air conditioning - 25.5 Manufacturing - 3.3 Mining and quarrying - 0.9 Real estate operations - 1.4 Transport and storage - 1.2
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% (data coverage 61,5%)	6,0%
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Missing data	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	923,3 (data coverage 10,9%)	0,001

Indicators for Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters

Adverse Sustainability Indicator		Metric	Impact year: 2024	Impact year: 2023
Social and employee matters	10. Violations of UN Global Compact principles and 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% (data coverage 61,5%)	3,0%
	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	26% (data coverage 61,5%)	38,0%
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	Trūkst dati	0,8%
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	22,3 (data coverage 35,2%)	27,0
	14. Exposure to controversial weapons (antipersonnel 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% (data coverage 61,5%)	0,0%

Indicators applicable to investments in sovereigns and supranationals

Adverse Sustainability Indicator	Metric	Impact year: 2024	Impact year: 2023
15. GHG intensity	GHG intensity of investee countries tCO ₂ eq/mEUR of GDP	440 (data coverage 15,7%)	0,0627
16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Abs. number: 1 Relative: 20%	Abs. number: 1 Relative: 17.45%

The significant differences for some impact indicators in 2023 and 2024 are explained by changes in methodology when calculating principal adverse impact indicators. When making calculations for 2023, in case of missing data, we used the most recent available indicator value, while calculating the principal adverse impact of 2024, in case of lack of up-to-date data, we did not calculate the indicator value, but accordingly reduced the data coverage.



What were the top investments of this financial product?

Asset allocation

describes the

The list includes the investments constituting the greatest proportion of investments of the

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

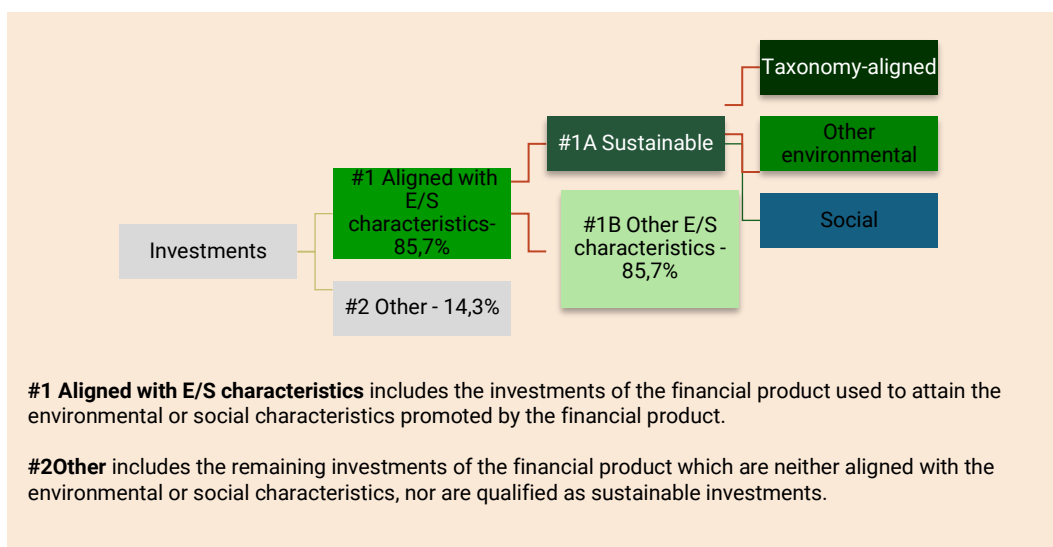
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

operational activities of investee companies.

Largest investments	Sector	% Assets	Country
Indonesia Government International	Government	4,04%	Indonesia
Corp Nacional del Cobre de Chile	Materials	3,71%	Chile
Colombia Government International	Government	3,59%	Columbia
Mexico Government International Bond	Government	3,40%	Mexico
Nova Ljubljanska Banka dd	Banks	3,22%	Slovenia
KazMunayGas National Co JSC	Energy	3,10%	Kazakhstan
Pertamina Persero PT	Energy	3,02%	Indonesia
Colombia Telecomunicaciones SA ESP	Telecommunication Services	3,02%	Columbia
Frigorifico Concepcion SA	Food, Beverage & Tobacco	2,99%	Paraguay
Sappi Papier Holding GmbH	Materials	2,95%	South Africa
CSN Resources SA 5.875% 04/2032	Materials	2,90%	Brazil
OCP SA 3.75% 06/2031	Materials	2,85%	Morocco
Grupo KUO SAB De CV 5.75% 07/2027	Capital goods	2,82%	Mexico
SAN Miguel Industrias Pet SA / NG	Materials	2,81%	Peru
Endeavour Mining PLC 5% 10/2026	Materials	2,77%	Burkina Faso
Total		47,18%	

What was the proportion of sustainability-related investments?

● **What was the asset allocation?**



● **In which economic sectors were the investments made?**

Industry	Assets %
Materials	23,2%

Government	15,0%
Food, Beverage & Tobacco	14,3%
Energy	10,9%
Telecommunication Services	5,6%
Automobiles & Components	5,2%
Equity Real Estate Investment Trusts (REITs)	3,5%
Financial Services	3,3%
Banks	3,2%
Capital Goods	2,8%
Media & Entertainment	2,6%
Transportation	2,4%
Real Estate	1,3%
Consumer Durables & Apparel	1,2%
Technology Hardware & Equipment	1,1%
Total	95,7%



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

The investment fund does not make investments in line with the EU taxonomy.

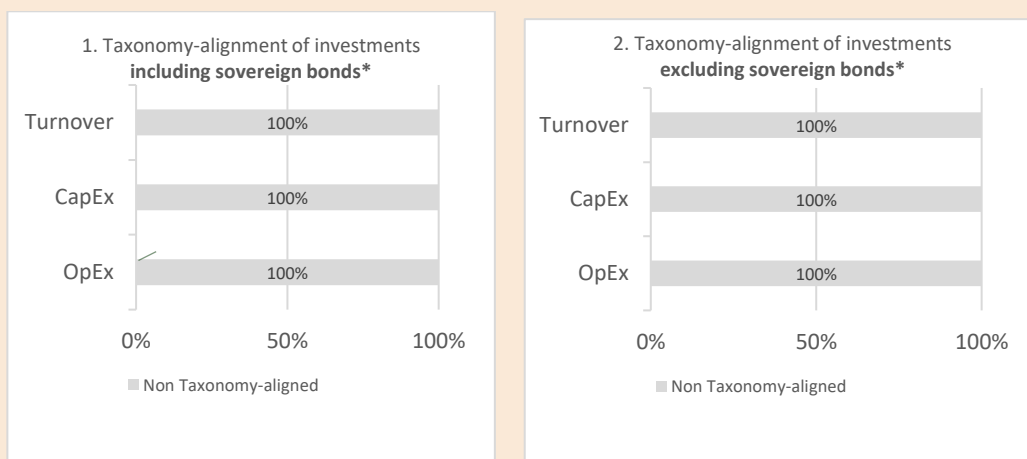
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

Yes:

In fossil gas In nuclear energy

No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

What was the share of investments made in transitional and enabling activities?

0%

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

In 2023 and in 2024 we have no proof for the alignment with the EU Taxonomy.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

0%



What was the share of socially sustainable investments?

0%



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Category #2 Others includes cash and 12% of investments, which formally corresponds to the share of investments in companies that according to the methodology of the data supplier do not have workplace accident prevention policy and one of companies which lack also human rights policy.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

According to the fund's investment methodology and philosophy, exclusion and selection of the best were carried out when choosing investee entities. In 2024 CBL Asset Management has carried out seventeen engagement activities in direct communication with the entities. The fund managers have called on companies to disclose financial information, to improve their disclosure practices of information relevant to investors, including various policies promoting good governance, with the aim of ensuring better investor protection. There has implemented one engagement measure in collaboration with other major bond holders in connection with the initiation of the restructuring of the bond issuer. Managers have also responded to surveys of entities on the impact of sustainability factors, seeking the opinion of stakeholders.



How did this financial product perform compared to the reference benchmark?

The CGEMBF has not chosen a reference benchmark.

- ***How does the reference benchmark differ from a broad market index? – Not applicable***
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted? – Not applicable***
- ***How did this financial product perform compared with the reference benchmark? – Not applicable***
- ***How did this financial product perform compared with the broad market index?***

CGEMBF performed +7.5%, which is higher than the broad market index, which was +7.0%.