

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.

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

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 European Leaders Equity Fund**
Legal entity identifier: **LV0000400794**

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<div><input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes</div> <div><input type="checkbox"/> It made sustainable investments with an environmental objective: ____%<div><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</div></div> <div><input type="checkbox"/> It made sustainable investments with a social objective: ____%</div>	<div><input type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> No</div> <div><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<div><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</div></div> <div><input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</div>



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

CBL European Leaders Equity Fund (CELEF) promotes environmental and social characteristics by applying an exclusion principle to business practices of securities issuers, which, according to CBL Asset Management, are incompatible with a sustainable business strategy: exposure to controversial weapons, convictions for violation of anti-corruption and anti-bribery laws, significant incidents of discrimination leading to sanctions.

We shall engage with companies, if they lack at least one of the policies:

- Anti-Corruption and Anti-Bribery,
- Human Rights,
- Whistleblower Protection.

If the deficiencies are not eliminated within a year of involvement, the issuer is excluded. Companies are evaluated based on a number of fundamental (including, for example, the company's earnings growth dynamics, profitability and solvency indicators, the company's stock market value and earnings ratio, etc.) and technical (the company's stock price dynamics assessment) factors, and the overall rating is adjusted by ESG

indicators, improving our internal ranking of companies that are best in their industry in the following categories:

- Scope 1,2 & 3 Carbon Intensity
- Water Consumption Intensity

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

The exclusion approach ensured that none of the issuers included in the screening of our data supplier, Morningstar Sustainalytics, are linked to companies involved in the manufacture or sale of controversial weapons, anti-corruption and bribery violations, significant incidents of discrimination that have led to sanctions. However, two of the issuers, investments in which constitute 4.3% of the entire fund are marked as companies without a human rights policy, according to the methodology of the data supplier. When we reviewed the 2024-year reports of both companies, we made sure that both issuers confirm that respect for human rights is an important governance belief of the company and is included in the code of conduct and policy statements, so no engagement actions are required.

Adverse Sustainability Indicator	Metric	Impact (year: 2024)
Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	0% (data coverage 100%)
Lack of a human rights policy	Share of investments in entities without a human rights policy	4,3% (data coverage 100%)
Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	0% (data coverage 100%)

Data coverage is calculated in relation to invested assets and does not include cash.

GHG intensity indicators are presented in the table under the principal adverse impact indicators (pages 3 and 4). In 2024, the weighted average indicator of water consumption intensity in all investment companies was EUR 455.16 m³ per million EUR of revenue.

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

2024 is the first reporting period when we have a periodic disclosure, so a comparison will be possible from the next year.

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

CELEF 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)
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (t CO2 eq.)	48,62 (data coverage 94%)
		Scope 2 GHG emissions (t CO2 eq.)	21,82 (data coverage 94%)
		Scope 3 GHG emissions (t CO2 eq.)	4 333,30 (data coverage 94%)
		Total GHG emissions (t CO2 eq.)	4 393,7 (data coverage 94%)
	2. Carbon footprint	Carbon footprint expressed as tCO2e/million EUR invested	514,9 (data coverage 94%)
	3. GHG intensity of investee companies expressed as tCO2e/million EUR of owned revenue		1860 (data coverage 100%)
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0% (data coverage 100%)
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 is 56%. Share of non-renewable energy production is 0% (data coverage 48,3%).	
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)	Manufacturing – 0,14, Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles – 0,05 (data coverage 55,5%)	

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	0% (data coverage 100%)
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
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	0,08 (data coverage 94,1%)

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

Adverse Sustainability Indicator		Metric	Impact (year: 2024)
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 100%)
	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	43,3% (data coverage 100%)
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14,36 (data coverage 4,7%)
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	40 (data coverage 100%)
	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 100%)



What were the top investments of this financial product?

Largest investments	Sector	Assets %	Country
Kongsberg Gruppen ASA	Capital Goods	3,58	Norway (NO)
SAP SE	Software & Services	3,31	Germany (DE)
Industria de Diseño Textil SA	Retailing	3,30	Spain (ES)
Lotus Bakeries NV	Food, Beverage & Tobacco	3,29	Belgium (BE)
ASM International NV	Semiconductors &	3,27	Netherlands (NL)
ABB Ltd.	Capital Goods	3,22	Switzerland (CH)
Wolters Kluwer NV	Commercial & Professional Services	3,10	Netherlands (NL)
Nemetschek SE	Software & Services	2,97	Germany (DE)
Atlas Copco AB	Capital Goods	2,85	Sweden (SE)
Deutsche Börse AG	Capital Goods	2,82	Germany (DE)
Rational AG	Diversified Financials	2,82	Germany (DE)
Safran SA	Capital Goods	2,80	Germany (DE)
GEA Group AG	Capital Goods	2,80	France (FR)
Cranswick Plc	Food, Beverage & Tobacco	2,78	Great Britain (GB)
ASML Holding NV	Semiconductors &	2,71	Netherlands (NL)
Total		45,54	

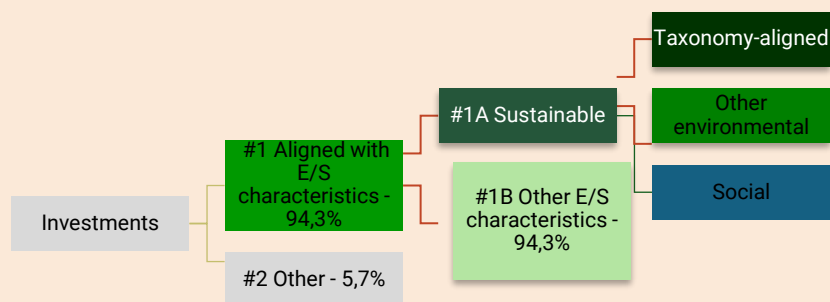


What was the proportion of sustainability-related investments?

0% The investment plan does not make investments that comply with the EU taxonomy.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

Economic sector	Assets %
Capital Goods	28,57%
Software & Services	13,09%
Media & Entertainment	9,87%
Food, Beverage & Tobacco	8,63%
Semiconductors & Semiconductor	8,13%
Pharmaceuticals, Biotechnology & Life Sciences	4,86%
Commercial & Professional Services	4,57%
Consumer Durables & Apparel	3,54%
Technology Hardware & Equipment	3,42%
Retailing	3,29%
Diversified Financials	2,81%
Health Care Equipment & Services	2,33%
Food & Staples Retailing	2,24%
Automobiles & Components	1,98%
Household & Personal Products	1,12%
Total	98,45%



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

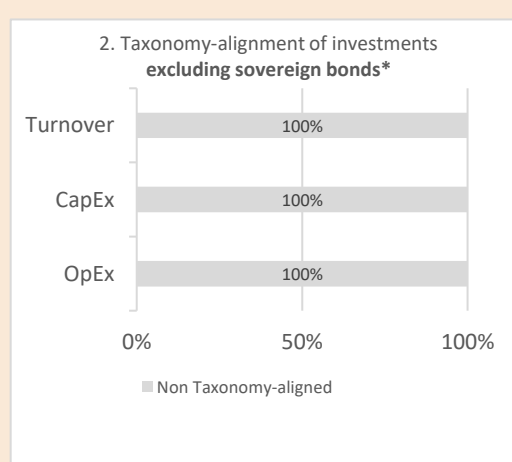
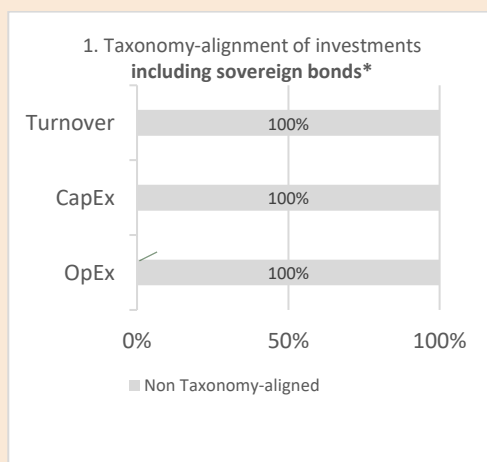


In nuclear energy



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.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of

- ***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?***

This is the first report.



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 4.3% of investments, which formally corresponds to the share of investments in companies that do not have a human rights policy, according to the methodology of the data supplier.



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-in-class were carried out. No engagement activities were carried out in 2024.



How did this financial product perform compared to the 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?***

CELEF performance +5.2%, which is lower than the broad market index, which was +9.5%.

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