

CBL ASSET MANAGEMENT, IPAS

**ENGAGEMENT POLICY
IMPLEMENTATION
STATEMENT**

2025



**CBL ASSET
MANAGEMENT**



INTRODUCTION

This Statement provides the annual information required by Directive (EU) 2017/828 of the European Parliament and of the Council, the Law on Investment Management Companies, the Law on Private Pension Funds, the Law on the Financial Instruments Market and the Law on Alternative Investment Funds and their Managers regarding the implementation of the Engagement Policy by CBL Asset Management (hereinafter referred to as the Asset Manager), including information on how the investment management company has exercised its voting rights, disclosing an explanation of the most important votes. The data cover the period from 1 January to 31 December 2025.

The Asset Manager's Sustainability and Engagement Policy provides for priority engagement in the management of companies in which funds, investment plans or portfolios of financial instruments (hereinafter referred to as the Entities) are invested, through the exercise of its voting rights, in particular where the Asset Manager's voting rights represent at least 5% of the total number of votes. The managers of the funds, investment plans and of the portfolios of financial instruments are responsible for the implementation of the engagement activities.

During the period under review, the Asset Manager has not exercised its voting rights as it has a small position in the investment portfolios, which does not exceed the threshold for participation in voting. However, the Asset Manager has undertaken a number of engagement activities in direct communication with the Entities, which are presented in this Statement by financial products offered by the Asset Manager.

ABBREVIATIONS

SFDR - Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure in the financial services sector.

PRI - UN supported Principles for Responsible Investment (available at www.unpri.org).

CBL GLOBAL EMERGING MARKETS BOND FUND (investment fund under article 8 of SFDR)

During the reporting period, the Asset Manager has carried out eighteen engagement activities in direct communication with the Entities and providers of financial services. The Managers have called on companies to disclose financial information, to improve their disclosure practices of information relevant to investors with the aim of ensuring better investor protection, as well as being involved in discussing the terms of bond issuance and their restructuring.

CBL EASTERN EUROPEAN BOND FUND (investment fund under article 6 of SFDR)

During the reporting period, the Asset Manager has carried out ten engagement activities in direct communication with the Entities and providers of financial services. The Managers have called on companies to disclose financial information and explain possible deviations from the terms of the contract, as well as to improve their sustainability information disclosure practices with the aim of ensuring better investor protection, as well as being involved in discussing the terms of bond issuance and their restructuring.

CBL EUROPEAN LEADERS EQUITY FUND (investment fund under article 8 of SFDR)

During the reporting period, the Asset Manager has not carried out engagement activities.

CBL US LEADERS EQUITY FUND (investment fund under article 6 of SFDR)

During the reporting period, the Asset Manager has not carried out engagement activities.

CBL OPPORTUNITIES FUNDS (investment funds under article 6 of SFDR)

During the reporting period, the Asset Manager has not carried out engagement activities.

TIER 2 PENSION PRODUCTS

“CBL Universal investment plan”

During the reporting period, the Asset Manager has implemented three engagement activities related to the bond issuance and the discussion of its terms, as well as the restructuring of bonds.

“CBL Active investment plan”

During the reporting period, the Asset Manager has implemented two engagement activities related to the bond issuance and the discussion of its terms.

“CBL Lifecycle plan Millennials”

During the reporting period, the Asset Manager has not carried out engagement activities.

“CBL Sustainable Opportunities Investment plan”

During the reporting period, the Asset Manager has not carried out engagement activities.

“CBL Index plan”

During the reporting period, the Asset Manager has not carried out engagement activities.

“Active plan”

During the reporting period, the Asset Manager has not carried out engagement activities.

TIER 3 PENSION PRODUCTS

Pension Plan “CBL Index”

During the reporting period, the Asset Manager has not carried out engagement activities.

Pension Plan “CBL Active”

During the reporting period, the Asset Manager has implemented two engagement activities related to the bond issuance and the discussion of its terms.

Pension Plan “CBL Active USD”

During the reporting period, the Asset Manager has not carried out engagement activities.

Pension Plan “CBL Balanced”

During the reporting period, the Asset Manager has implemented two engagement activities related to the bond issuance and the discussion of its terms.

FINANCIAL INSTRUMENTS PORTFOLIO MANAGEMENT SERVICE

During the reporting period, the Asset Manager has not carried out engagement activities.

CBL ALTERNATIVE INVESTMENT FUNDS (investment fund under article 6 of SFDR)

During the reporting period, the Asset Manager has not carried out engagement activities.

INFORMATION ON USING SERVICES OF PROXY ADVISERS

During the period under review, the Asset Manager did not use the services of proxy advisers (within the meaning of Section 1 Paragraph one clause 106 of the Law on the Financial Instruments Market).

EXECUTION OF THE 2025 PLAN

In 2025, the Asset Manager implemented the activities set out in the plan, enhancing the engagement policy and developing processes that promote transparent and responsible investment management. In 2025, the Asset Manager:

- (i) updated its Sustainability and Engagement Policy – in the sixth version of the document refined definitions and explanations, established alignment with the Group’s ESG framework, clarified engagement principles and involvement in public policy-making, defined main voting principles, expanded criteria for the assessment of third-party asset managers, and updated references to legislation and related documents;
- (ii) in August 2025, signed the joint statement initiated by the European sustainable investment forum “Eurosif” and supported by PRI on the Omnibus initiative to amend sustainability rules. In the statement, we support the view that the core principles of the EU sustainable finance framework must be preserved - particularly the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). The statement supports regulatory simplification but emphasises that essential sustainability aspects must not be lost, and that a clear and stable policy environment is crucial for responsible companies and investors to contribute to achieving the EU’s sustainability and competitiveness goals. The full statement is available in English at: <https://www.eurosif.org/wp-content/uploads/2025/06/Joint-statement-Omnibus.pdf>;
- (iii) prepared the partial PRI Report, which included a statement from senior management and information on Other Responsible Investment Obligations;
- (iv) prepared periodic sustainability disclosures for the funds for which such reporting is required in pre-contractual documentation, in accordance with SFDR requirements;
- (v) engaged in a Double Materiality Assessment of the Citadele Group at entity level and performed the dual materiality assessment at the level of financial products that are different from the Group's products, supplementing the overall Group-level list of material impacts, risks and opportunities;
- (vi) actively participated in public initiatives that promote an informed and sustainable policy-making process, as well as enhance financial literacy and public understanding of responsible investment. Throughout the year, we engaged in discussions on Baltic capital market development and policymaking, contributing to regulatory improvements and sector initiatives. We cooperate with regulators and international institutions to strengthen responsible investment standards, both directly and as an associate member of the Finance Latvia Association. Our Management Board member serves as Co-Chair of the Capital Markets Committee of the Finance Latvia Association, thereby promoting industry dialogue and contributing to the development of sustainable capital market policies.

PLAN FOR THE YEAR 2026

In 2026, the Asset Manager will continue strengthening its responsible investment framework by enhancing transparency, stakeholder engagement, and aligning it with market best practices. We will continue systematically improve engagement processes, participate in global investor initiatives, and ensure sustainability disclosures, focusing on the following tasks:

- (i) regularly update the engagement policy and align our engagement reports to the standards of leading market players;
- (ii) participate in the work of PRI Corporate Debt Advisory Committee and collaborative engagement activities of PRI signatories;
- (iii) prepare the annual PRI report according to current terms and conditions;

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- (iv) prepare periodic disclosures of sustainability information of funds for which this is foreseen in pre-contractual disclosures, subject to SFDR requirements;
- (v) further develop the ESG data collection framework by increasing the use of public disclosures, internal sources, and internal expertise, and by moving away from reliance on external paid ESG data services;
- (vi) conduct periodic Double Materiality Assessment at the entity and financial product levels;
- (vii) participate in public or industry initiatives that promote informed and sustainable policy-making aligned with responsible investment principles, contributing constructively to dialogue with regulators and industry organisations.

MORE INFORMATION:

This Statement is available for download at: <https://www.cblam.lv/en/sustainability/>

CONTACTS:

Comments, suggestions or questions that you may have about the Engagement Statement are welcome at: asset@cbl.lv

Homepage: <https://www.cblam.lv/en/home/>