ESG POLICY

LAZARD
FRERES GESTION

LAST UPDATE ON - MARCH 2023

CONTENTS

INTRODUCTION

> "By shifting the horizon away from the short term and contributing to a more sustainable economic trajectory, the financial sector can become a powerful force acting in our collective best interest."
>
> **Christine Lagarde**,
> Chair of the European Central Bank (ECB),
> speech at the launch of the COP26 Private Finance Hub.

Since its creation, Lazard Frères Gestion has seen investment as a vector for long-term economic, social and human development. The launch in 1998 of the first French ethical SICAV by Lazard Frères Gestion bears witness to our longstanding sensitivity to environmental, social and governance (ESG) issues.

Current societal issues have reinforced our desire to favour a long-term approach, centred on our values, in order to better adapt to the major changes the world is experiencing. The interactions of companies with their social, economic and financial environment, and their stakeholders, determine more than ever their lasting place in the economic landscape.

A signatory of the PRI since 2015, Lazard Frères Gestion has gradually implemented a strengthened responsible investment process and now incorporates numerous extra-financial criteria into its management.

An internal analysis scorecards, coupled with various data provided by specialised partners, has made it possible to develop a demanding internal ESG model that enables us to offer our clients sustainable solutions.

This philosophy is also reflected in our engagement and voting policy. Thanks to an ongoing dialogue with company management and a voting exercise aligned with our principles, Lazard Frères Gestion is able to support and guide companies towards more virtuous behaviour not only in terms of governance, but also in terms of environmental, climate and social aspects.

The many advances are proof of the progress already made by Lazard Frères Gestion. This commitment will continue to intensify in the coming years in order to raise our standards of financial and extra-financial performance and to move forward with our employees towards a sustainable, resilient, efficient and inclusive economy.

September 2022
François-Marc Durand,
president of Lazard Frères Gestion

More than ever, companies' interactions with their social, economic and financial environment, and their stakeholders, will determine their long-term place in the economic landscape.

François-Marc Durand

Investing today to prepare for the future

In a world of uncertainties, Lazard Frères Gestion seeks to offer its clients conviction-based management with a long-term perspective. Our investment process takes the form of active management and focuses on a demanding selection of securities to optimise the risk/return ratio, in particular by taking into account environmental, social and governance (ESG) parameters.

ESG analysis takes into consideration parameters that we believe are essential to the solidity, stability and financial sustainability of companies. It allows us to identify major issues that are neglected or underestimated by financial analysis, to detect potentially harmful risks for the company and its investors, in particular with regard to climate change, and to identify future opportunities.

Lazard Frères Gestion is convinced that companies which integrate ESG issues into their strategy offer an additional guarantee of resilience and performance over the long term. They are better able to take into account all of their stakeholders, which is essential for value creation and long-term competitiveness.

Intelligence, adaptability, and experience: the conditions for successful ESG integration

Responsible investment has developed considerably in recent years. However, its definition remains subject to change and its scope is constantly being reshaped by new standards and regulations. We are part of a major change, and we believe it is essential to measure its scope and seize its opportunities.

Since its creation, Lazard Frères Gestion has been able to mobilise the expertise and develop the tools needed to manage uncertainty, whether financial, economic, political or social. Faced with the immense task of preserving our planet, we believe it is essential to approach the integration of the environmental dimension and the development of a more complete vision of social and governance issues with the same high standards, the same competence and the same spirit of anticipation that characterise us.

Good governance: a long-established core priority

For us, good governance has always been the foundation of a credible financial and non-financial strategy. Competent and reliable management is a prerequisite for achieving the financial, environmental, social and societal objectives set by companies.

Above all, we invest in companies we wish to support over the long term, whose development models seem clear to us, whose control bodies are effective and who have qualified management with whom we establish a strong relationship of trust over the course of our meetings.

Environmental and social engagement reinforced in recent years

Convinced of the importance of in-depth fundamental research and a global perspective on economic and financial determinants, we have considerably enriched our analysis and integration of environmental, climate, social and societal criteria.

All the analysis and management teams have been involved in identifying the risks and opportunities offered by the "great ESG shift".

OBJECTIVES

The integration of ESG criteria in the construction and management of our portfolios now concerns all Lazard Frères Gestion teams. Our work processes have been profoundly modified to effectively integrate the E, S and G dimensions, to meet new regulatory requirements and to satisfy the demands of our clients.

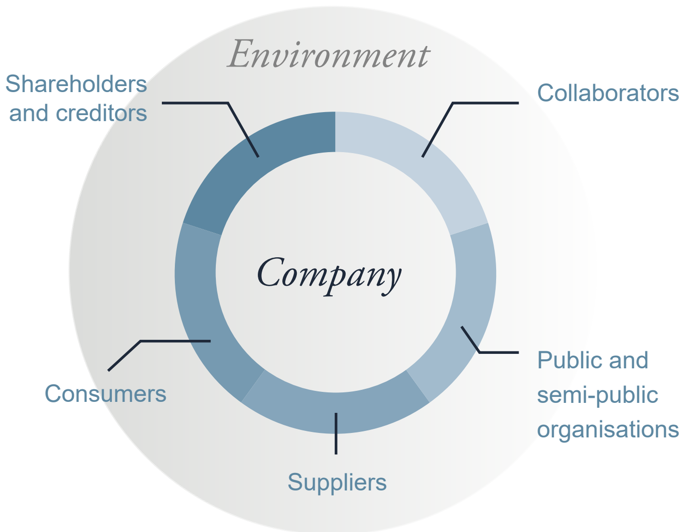
Matthieu Grouès,
Chief Investment Officer (CIO)

The long-term perspectives of our management strategies are at the heart of our commitment to sustainable economic and societal development. In parallel with our individual awareness, new international frameworks and tools have emerged, encouraging financial sector players to participate in a more sustainable system.

The Paris Agreement, signed at COP21, and the Sustainable Development Goals proposed by the United Nations in 2015, are the two fundamental pillars of these new requirements.

Our role as a responsible investor is to adapt to these developments, to proactively integrate them into our management processes in order to become an actor of change and to bring long-term value to our clients.

Therefore we pay particular attention to all stakeholders involved in the life of the companies in which we invest: employees, customers, shareholders and creditors, suppliers and regulators.



OUR ESG CHARTER

E
ENVIRONMENTAL CRITERIA

Any company wishing to ensure its economic sustainability must protect the natural capital by constantly seeking to limit the negative effects and optimise the positive impacts of its activities, products and services on the environment and the climate

The environmental analysis of a company consists of a precise appraisal of its activities, products and services likely to have a significant impact, positive or negative, on the environment.

S
SOCIAL CRITERIA

Human capital is, together with financial capital, one of the two essential drivers of a company. Valuing, caring for and developing this human capital throughout the value chain must be part of a company's strategy.

The monitoring and analysis of multiple indicators allow the company's social policy to be assessed and potential risks to be identified.

G
GOVERNANCE CRITERIA

Good governance practices are elements of risk management that promote value creation and contribute to the overall alignment of interests of all stakeholders

The analysis of good governance is carried out using quantitative and qualitative indicators to objectively assess its architecture and quality.

INTERNAL GOVERNANCE

ESG integration at all levels

All the activities of the management company, both for institutional and private clients, are now concerned with environmental, social and governance issues. The principles of Responsible Investment (PRI) are now embedded in the discussions and practices of all key functions: internal governance, research and analysis, portfolio management, business development, financial reporting, compliance and client relations.

The Executive Committee sets the broad direction for responsible investment and coordinates external initiatives. It also ensures the alignment of our ESG policy practices and initiatives.

The ESG Committee, the operational body of the ESG policy

An ESG Committee chaired by Francois-Marc Durand, Chairman of Lazard Frères Gestion, meets bi-monthly with the company's key decision makers and members of the ESG team to validate new product offerings and ensure ESG decision-making.

A monthly ESG meeting is organised to coordinate the implementation of the ESG policy within the management company. management company. The meeting is attended by members of the Management, Marketing, Reporting, Risk Control, Compliance, Sales, Consultant Relations and Management teams. Its purpose is to ensure a coherent approach to all ESG-related issues that cut across the management company.

An ESG team fully integrated into the management

The analyst-manager model, unique to Lazard Frères Gestion, allows all portfolio managers to include responsible investment practices at the heart of their management. Analyst managers are directly responsible for ESG analysis of companies, their internal ratings, ESG integration and the implementation of engagement measures. The analyst-managers and other teams at Lazard Frères Gestion are assisted by the ESG team, which is made up of the ESG Director, five specialists in three areas : equity, fixed income and private banking. This ESG department reports directly to François-Marc Durand, CEO of Lazard Frères Gestion.

OUR ESG ANALYSIS MODEL

A proprietary rating model

> *Lazard Frères Gestion is particularly committed to mastering financial and extra-financial analysis, and places great importance on developing proprietary models. We have therefore developed our own ESG analysis model in order to provide real added value in the selection of issuers.*
>
> **Matthieu Grouès,**
> director of Institutional Management

The result of a rigorous methodology, our ESG analysis process synthesises the information on each company in an internal scorecard shared by all analysts and managers.

The Equity, Fixed Income and Private Banking teams thus have a common analysis that serves as a support for the implementation of integration processes adapted to the different asset classes.

EXTERNAL PROVIDERS

CORPORATE PUBLICATIONS

LFG EXPERTISE
Financial analysis
ESG analysis
Sector and geographical specialisation
Historical references
Market data

A PROPRIETARY RATING MODEL

ESG RATING AND INVESTMENT DECISION

DIALOGUE AND ENGAGEMENT WITH COMPANIES

The construction of the analyses involves an in-depth, informed, forward-looking and, if necessary, critical study of all available environmental, social and governance data. ESG analyses are carried out directly by our management analysts in accordance with our desire to reject a "silo" ESG approach.

They are based on information published directly by the companies or collected through direct dialogue with the management, on data from public institutions and NGOs and on analysis provided by our partners.

Our internal ESG analysis scorecard consists of three independent and complementary pillars E, S and G. Each pillar is rated from 1 to 5 (5 being the best).

For each pillar our analysis focuses on the most relevant criteria, using both quantitative and qualitative indicators.

1/ A significant number of ESG criteria systematically integrated

E PILLAR Environment

ENVIRONMENTAL POLICY

OBJECTIVES

- Integration of environmental factors appropriate to the sector's challenges
- Development of an environmental and an environmental management system

CRITERIA

- Definition and formulation guidelines, priorities, appropriate means and precise numerical targets
- Integration of sector-related regulations

UNDERSTANDING OF ENVIRONMENTAL IMPACTS

OBJECTIVES

- Managing the risks associated with climate change
- Responsible management water and waste management
- Preserving biodiversity

CRITERIA

- Limiting GHG emissions and anticipating the physical consequences of climate change
- Optimising the use of water, limiting discharges into the environment
- Measuring the impact of activities on biodiversity and reducing the exploitation of sensitive areas, ecosystems, plants and organisms

ENVIRONMENTAL IMPACT OF THE PRODUCT OR SERVICE

OBJECTIVES

- Environmental innovation
- Ecodesign of products or services

CRITERIA

- Development of technological innovations, energy efficiency solutions
- Reduction of the impact of manufacturing, use and disposal and disposal of products or services, development of the circular economy

S

PILLAR

Social

RESPECT FOR HUMAN RIGHTS

OBJECTIVES

- Prevention of situations or acts of complicity in human rights violations
- Respect for the right to safety and security of persons
- Respect for privacy and data protection

CRITERIA

- Respect for basic human rights, especially for UNGC and UNGP principles and OECD guidelines for multinational enterprises
- Elimination of prohibited forms of work, in particular child labour and forced or compulsory labour
- Protection of employees from potential threats, especially in high-risk regions
- Compliance with the regulations on the protection of personal data

HUMAN RESOURCES MANAGEMENT

OBJECTIVES

- Constructive social dialogue
- Favourable training and and career management human development
- Promotion of diversity
- Health, safety and well-being at work

CRITERIA

- Respect and promotion of freedom of association and the right to collective bargaining
- Employment strategy: training plan, sector transition, internal development policy and restructuring management
- Principle of equal opportunities and treatment of people
- Prevention of accidents at work and occupational diseases and continuous improvement of f health and safety conditions at work

MANAGE THE VALUE CHAIN

OBJECTIVES

- Gestion responsable de la chaîne d'approvisionnement
- Qualité, sécurité et traçabilité des produits

CRITERIA

- Elimination of prohibited forms of prohibited labour at suppliers and suppliers and subcontractors and sustainable cooperation with suppliers
- Protection and respect of customer/consumer rights: prevention of anti-competitive practices, safety, contractual protection and customer information

G PILLAR Governance

BOARD OF DIRECTORS OR SUPERVISORY BOARD

OBJECTIVES

- Independence of the Board
- Competence and diversity of the Board
- Limitation of total mandates

CRITERIA

Board able to control and advise executive directors to ensure balance of powers:

- Separation of the positions of chairman and chief executive officer
- Diversity and complementarity of expertises
- Significant proportion of independent members allowing objective and impartial control of directors

QUALITY OF MANAGEMENT

OBJECTIVES

- Quality of the strategy
- Business ethic
- Effectiveness of the audit and control mechanisms

CRITERIA

- Establishment and implementation of a strategy that is coherent with the external environment and internal resources
- Prevention of all forms of corruption, among private players as well as public officials
- Internal control systems that can identify and evaluate risks facing the company and guarantee confidence in the independence and objectivity of external auditors

QUALITY OF FINANCIAL AND EXTRA-FINANCIAL COMMUNICATION

OBJECTIVES

- Confidence in forecasts and transparency
- Accessibility of management

CRITERIA

- History of profit warnings
- Publication of quantitative data and qualitative explanations giving a true and fair view of the company's current situation and its prospects with regard to financial and extra-financial issues

DIRECTORS' REMUNERATION

OBJECTIVES

- Clear formulation of directors' remuneration
- Transparency with regard to remuneration
- Consistency with results achieved

CRITERIA

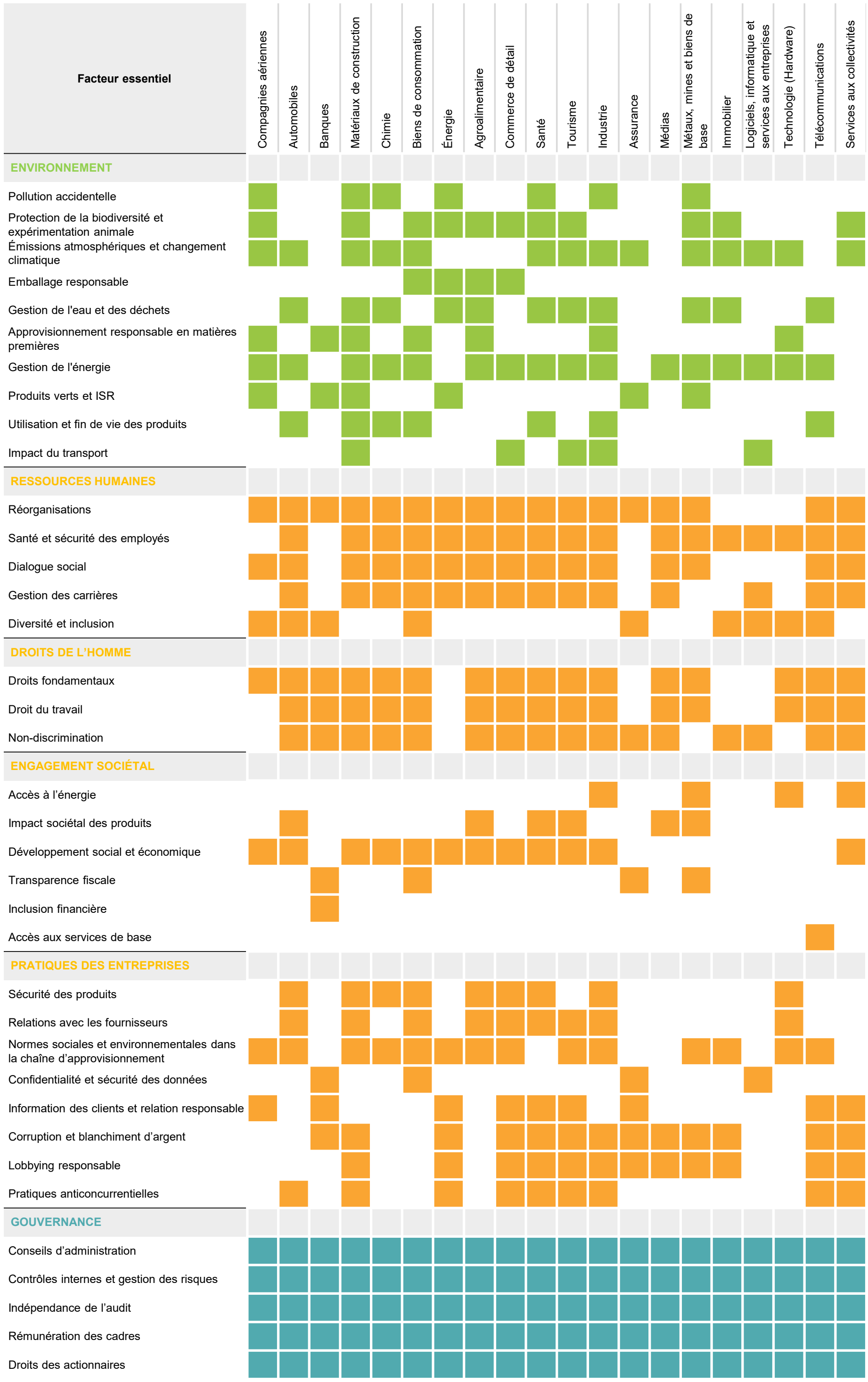
- Remuneration policy describing its principles and detailing the different elements
- Integration of ESG objectives in the remuneration policy
- Remuneration in line with the strategy, linked to company performance and changes in the company share price over the long term

2/ Sector specificities and materiality table

Aware of the importance of intra-sector comparisons and a good understanding of the operational, geographical and regulatory environment in which companies operate, we pay particular attention in our analysis methodology to the materiality of ESG risks and opportunities. A differentiated consideration of criteria according to sectors, countries or even specific characteristics seems necessary to adequately reflect the ESG performance of each company.

To better assess materiality and understand how sustainability factors can affect an issuer's financial performance, Lazard Frères Gestion developed a proprietary materiality table in January 2021.

This materiality table serves a dual purpose: on the one hand, it provides a transparent way of formalising the way in which analysts-managers select the most relevant indicators for their analysis from the internal ESG analysis scorecard. On the other hand, it serves as a basis for the themes and commitment actions carried out by Lazard Frères Gestion with companies.

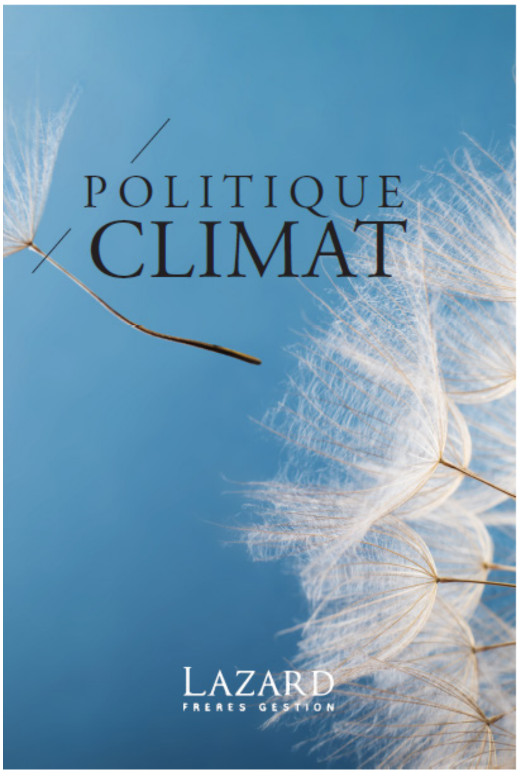


3 Consideration of sustainability risk and negative sustainability impacts

Climate policy

The signing of the Paris Agreements in 2015 and the rise of environmental, social and governance (ESG) issues have made it essential for governments and public players to define a structuring framework designed to encourage better consideration of the associated risks and opportunities. In order to harmonise regulations at the European level, the European Commission launched an action plan for sustainable finance in 2018. As a long-term investor, Lazard Frères Gestion is committed to the transition to greener and more responsible finance.

This document, in accordance with the requirements defined in Article 3 of the EU Regulation n°2019/2088 on the publication of sustainability information in the financial services sector (SFDR - Sustainable Finance Disclosure Regulation), known as the "Disclosure" Regulation, establishes the policy for integrating sustainability risks and taking into account the negative impacts of
Lazard Frères Gestion.



Sustainability risk

The EU Regulation 2019/2088 on Sustainability Disclosure in the Financial Services Sector (SFDR) defines sustainability risk as
"an environmental, social or governance event or situation which, if it occurs, could have a material adverse effect, actual or potential, on the value of the investment."

For companies, sustainability risk can take many forms: destruction of physical capital, reputational risks, legal and regulatory costs, including those associated with the introduction of a carbon price.

This sustainability risk is fully integrated by Lazard Frères Gestion in its ESG analysis by means of various quantitative indicators (energy intensity, staff turnover rate, board independence rate, etc.) as well as qualitative indicators (soundness of environmental policy, employment strategy, directors' skills, etc.) present in its internal analysis model.

The normative and sectoral exclusion policies and the monitoring of controversies through our various internal and external sources also contribute to the effort to reduce and mitigate the sustainability risk of our investments.

Negative sustainability impacts

Principal Adverse Impacts are, according to the EU regulation n°2019/2088 (SFDR), the total negative effects of investment decisions on the environment.

In order to minimise the negative consequences of its investment decisions on the environment, Lazard Frères Gestion includes in its ESG analysis and integration model the carbon footprint of companies, their energy consumption, their capacity to manage their water consumption and their waste production in a responsible manner.

4 Case study: consumer goods

Stanislas Coquebert de Neuville
Equities Analyst and Fund Manager for Europe
Lazard Frères Gestion

Stanislas is responsible for the chemicals, consumer goods and agri-food sectors. He joined Lazard Frères Gestion in 2012 after five years with Exane BNP Paribas in London.

E > Environment

PILLAR

OUR PRINCIPLES

"A company wishing to ensure its economic sustainability must protect natural capital by constantly seeking to limit and/or optimise the impact of its activities, products and services on the environment and the climate."

IN CONCRETE TERMS:

An ethical company is therefore one that achieves a certain level of efficiency (energy, CO_2, water, waste) and/or one that is on a positive path towards improvement of these environmental criteria with time-bound and quantifiable targets.

When deciding on the "E" rating, we focus our analysis on carbon emissions (CO_2), energy consumed, waste and, if applicable, water consumption. We then take into account the Vigeo rating as well as the existence of medium-term objectives set by the group.

APPLICATION

- **Emissions (CO_2)**

  Analysis of carbon intensity (tons of CO_2/m€ of revenue)
  Comparison with sectoral average

  Example: Danone, 26T/m€ vs. 97T/m€ (average in food/bev. sector).*

- **Waste**

  Intensity of waste generation (in T/m€ of revenue and change)

- **Energy consumption**

  Change in energy intensity (MWh/ m€ of revenue)

  Example: L'Oréal, 28 MWh/m€ in 2017, 31MWh/m€ in 2019. Watch.*

- **Water consumption**

  Intensity of water consumption (m^3/m€ of revenue and chage)

  Example: LVMH, 246 m^3/m€ in 2017, 204 m^3/m€ in 2019. Positive trend.*

QUANTIFIABLE OBJECTIVES

The existence of quantified commitments to the improvement of certain environmental criteria is taken into account.

Example: AB InBev, "by 2025, 100% of our products will be in packaging that is returnable or made from majority recycled content, 100% of our purchased electricity will be from renewable sources, and we will reach a 25% reduction in CO_2 emissions"*

*The companies referred to in this document are mentioned for information purposes only and for exact indicators. Their performance for these indicators and related comments do not in any way presume their final ESG rating.

S

Social

PILLAR

OUR PRINCIPLES

"Human capital is, along with financial capital, one of the two essential engines driving any company. Valuing, caring for and developing this human capital, along the entire value chain, must form part of the company's strategy."

IN CONCRETE TERMS:

An ethical company strives, among other things, to reduce staff turnover, to increase the presence of women in the workforce and in management, and to reduce the rate of accidents in the workplace.

For the "S" rating, we add the Vigeo rating to the above criteria as well as the possible existence of social targets (e.g. monitoring working conditions at supplier sites).

APPLICATION

- **HR**

Analysis: staff turnover, proportion of staff belonging to the union, proportion of women in the teams and changes to this figure

Example: Heineken, percentage of women at management level increased from 19% in 2017 to 23% in 2019*

- **Consumables and suppliers**

Monitoring standards established at supplier sites

Example: JDE Peets, «100% responsibly sourced green Coffee & Tea by 2025 »*

- **Health and safety**

Accident rate and changes to this rate

G

Governance

PILLAR

OUR PRINCIPLES

"Proper governance is a guarantee of transparency and balance of power. We at Lazard Frères Gestion believe that good practices and the existence, where applicable, of a shareholder counter-balance are a key factor in controlling risks, promote value creation, and contribute to the overall alignment of the interests of all stakeholders."

IN CONCRETE TERMS:

An ethical company seeks to get an independent, diversified and active board, to represent a real counterweight to management and to be able to represent and defend the interests of minority shareholders.

For the « G » rating, we are interested in a multiplicity of factors such as the share of independents on the Board, the diversity of management and the Board, and the remuneration of senior executives.

APPLICATION

- **Independence**

Combination of the roles of Executive Director and President
Share of independents on the Board

Example: EssilorLuxottica, no combination of the CEO's roles but only 44% of independents on the Board.

- **Engagement**

Board meetings attendance
Mandates duration

Example: LVMH, same CEO for 32 years.

- **Diversity**

Representation of women on the Board
Executive Director and President average ages

Example: L'Oréal, 53% of women on the Board.

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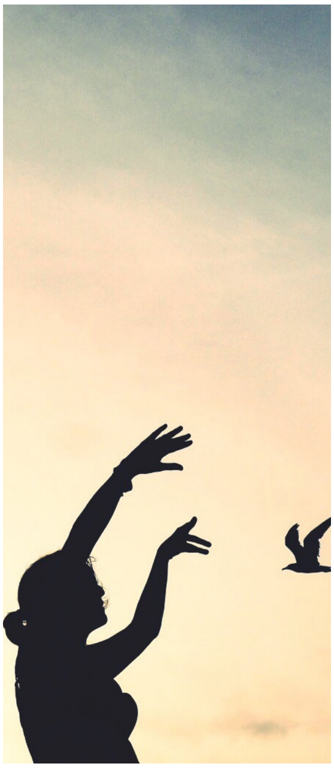
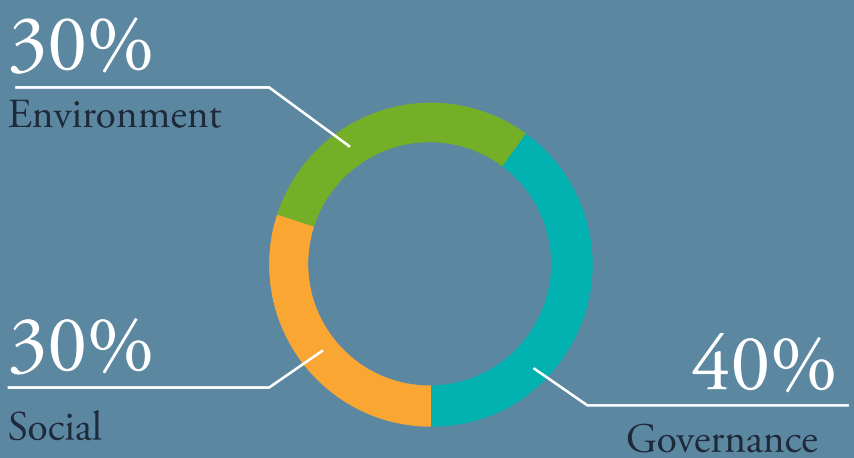


5 Weighting of ESG pillars

“True to its convictions and its desire to support companies over the long term, Lazard Frères Gestion overweights the Governance pillar. We believe that, in the long term, good governance guarantees the protection of the interests of all the company's stakeholders. It is also a prerequisite for the implementation of a credible environmental and social policy and is therefore a decisive criterion in stock selection.”

Régis Bégué,
director of Equity Management and Research
at Lazard Frères Gestion



A specific weighting has been implemented within the framework of the SRI management of the Lazard Patrimoine range, reflecting a management bias that emphasises the response of financial players to the environmental and climate emergency. The Lazard Patrimoine and Lazard Patrimoine Opportunities funds apply a weighting of 50% for the Environment, 25% for Social and 25% for Governance to the E, S and G ratings provided by Moody's ESG Solutions.

6 Monitoring of controversies

CONTINUOUS MONITORING OF CONTROVERSIES

Lazard Frères Gestion continuously monitors the controversies surrounding the companies in its universe using various external sources and data. Since January 2020, this monitoring has been enhanced by the analysis of ESG controversies carried out by Moody's ESG Solutions.

This analysis makes it possible to understand any event that could damage a company's reputation, legal and economic security and financial value. It is an important part of the analysis of a company's ESG risks and Lazard Frères Gestion's proprietary ESG analysis scorecard devotes a section to it that influences the internal rating of companies.

Information provided by the media and brokers also constantly alerts management analysts to possible controversies that could affect the companies in their investment universe.

SYSTEMATIC INTEGRATION WITH INTERNAL ESG ANALYSIS

Controversies deemed relevant and particularly severe by the analyst manager are subject to in-depth analysis. If deemed necessary, the analyst manager revises the issuer's E, S or G rating based on his analysis of the controversy. In this way, the effects of the controversy on the company's internal ESG rating are directly incorporated.

In addition, by assessing each controversy according to its severity, frequency and the company's responsiveness, Moody's ESG Solutions informs management analysts of the ability of issuers to manage controversies. The data provided is used as a decision support tool and a basis for alert.

INTEGRATION OF ESG CRITERIA IN OUR MANAGEMENT

ESG analysis directly influences our investment decisions in both Institutional and Private Banking. It is quantitatively integrated into the stock selection and allocation processes. A qualitative assessment informed by the data and opinions of our analysts/managers completes this quantitative integration.

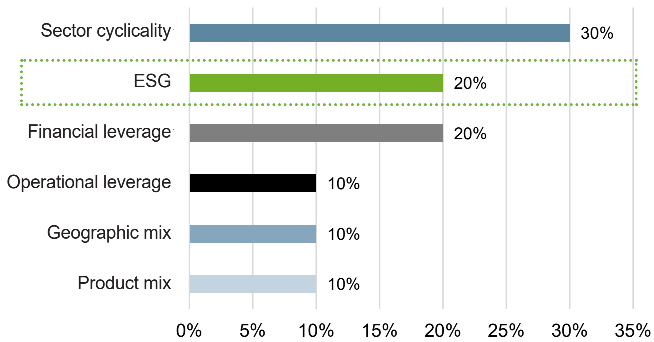
1 Equity Management

DIRECT INCLUSION IN THE VALUATION

The financial valuation of each company incorporates the results of our ESG analysis. The analysts-managers take into account the ESG ratings of the internal analysis scorecards in the cost of capital of the companies they follow via the calculation of the Beta.

This calculation is carried out internally using Lazard Frères Gestion's own methodology and provides a measure of the company's overall risk.

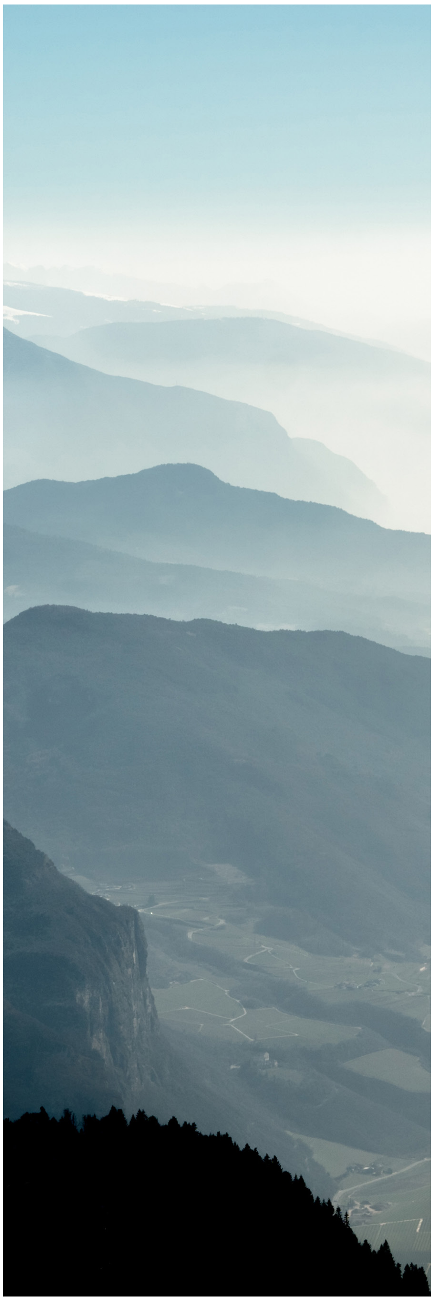
Our calculation methodology considers financial and extra-financial criteria as complementary by using the weighting shown opposite.



Taking ESG criteria into account criteria has a direct impact on our valuations

We discount cash flows using the WACC, the weighted average cost of capital. This cost is the weighted average of the cost of equity and the cost of debt. The cost of equity depends on the profile of the company and, in particular, on its specific risk.
This specific risk includes, among other things, the cyclicality of the company's activity, the geographical mix and the respect of ESG criteria. When a company underestimates the importance of ESG issues, its risk increases accordingly.

In our model, risk reduces the financial valuation of the company. On the contrary, a good management of ESG dimensions reduces the company's risk and increases its theoretical valuation (fair value). Thus, the degree to which ESG criteria are taken into account directly influences our financial valuation.



2 Fixed income management

AN INTERNAL ANALYSIS THAT DIRECTLY INFLUENCES THE SELECTION OF ISSUERS

Bond analysts actively participate in proprietary ESG analysis and complete internal scorecards for issuers not covered by the equity teams. As part of their management, they ensure that bond portfolios include the most advanced issuers in terms of ESG practices and commitments while ensuring that the spread remains attractive from a credit risk perspective.

The investment process quantitatively integrates proprietary ESG analysis both in the selection of securities and in determining their weight in the portfolio. Thus, the bond management team excludes issuers whose internal ratings are considered low (≤2 out of 5). In addition, for Investment Grade issues, the proportion of issuers rated between 2 out of 5 and 3 out of 5 is limited to 30% of the securities in the portfolio.

For High Yield portfolios, which are more exposed to small issuers and traditionally less highly rated, this share is limited to 50% of the portfolios. ESG analysis, integrated with our fundamental analysis, therefore directly influences investment decisions to favour the allocation of investments to the most virtuous issuers in terms of ESG.

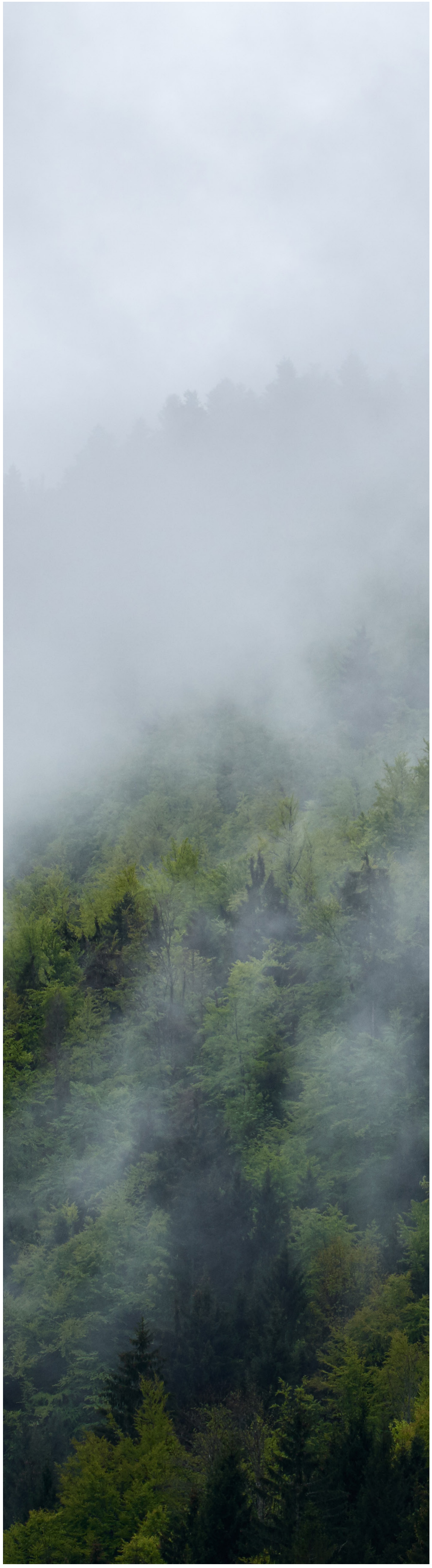
Quantitative integration of proprietary ESG analysis into the investment process

Type of transmitter	Internal grade	Exclusion	Exposure limit
All issuers	Grade ≤ 2 out of 5	Yes	-
Investment Grade	2 < Grade ≤ 3	-	Max 30%
High Yield	2 < Grade ≤ 3	-	Max 50%

SYSTEMATIC ENGAGEMENT WITH THE LOWEST RATED ISSUERS

In line with its active management philosophy, Lazard Frères Gestion encourages management analysts to engage in dialogue and commitment to promote the implementation of ESG best practices.

In line with our collaborative engagement with the CDP and TCFD and our approach to supporting companies, we inform issuers of the importance of transparent disclosure on environmental, social and governance issues. Lazard Frères Gestion's experience shows that, all too often, the lack of information is detrimental to certain issuers that are virtuous in terms of ESG or that are ready to make a commitment.



SELECTION OF SOVEREIGN ISSUERS (STATES)

The sovereign debts invested in by Lazard Frères Gestion are usually considered to be safe investments. However, States are exposed to ESG risk factors that could alter the sustainable development of their economies in the long term.

Lazard Frères Gestion uses research provided by Vigeo-Eiris to:
• Enrich its traditional analysis of sovereign debts by integrating sustainability indicators in the stock selection process
• Identify strengths and weaknesses of different States according to ESG risk factors
• Obtain a qualitative analysis of the most significant risk factors for the OECD countries
• Track normative developments on an ongoing basis

As well as economic and financial aspects, the sovereign States are assessed on ESG criteria grouped into three pillars based on their commitments in the area of institutional, environmental and social responsibility, or how the State creates value for its citizens and contributes to their well-being.

In addition, Lazard Frères Gestion has established an exclusion list of countries (FATF prohibited countries) and a watchlist of countries (countries under international sanctions or embargo) for which it will be necessary to obtain approval from the Compliance Department prior to any investment. These lists include countries that are likely to present a major risk in terms of money laundering and terrorist financing.

172 indicators are analysed for each country
Example indicators: Ratification of the Paris Agreement, life expectancy, gross national income per capita, etc.

Broken down into three areas:

- ENVIRONMENTAL PROTECTION
- SOCIAL PROTECTION AND SOLIDARITY
- RESPONSIBILITY OF GOVERNANCE

Absolute rating out of 100 for each country

Environmental responsibility

Respect for the environment is assessed on the basis of the States' commitments in terms of the fight against global warming and pollution, the management of natural resources, and the preservation of biodiversity.

Social responsibility and solidarity

This pillar is analysed primarily by using the United Nations Human Development Index (HDI) taking into account life expectancy, education and standard of living.

- Life expectancy or health: access to and coverage of healthcare systems, inequality and life expectancy
- Education: average years and expected years of schooling
- Standard of living: gross national income per capita

Institutional responsibility

The criteria that we consider to be essential are the defence of human rights, respect for fundamental liberties, and the integrity of public and private institutions, such as independence of the judiciary and the press.

3/ Multi-Asset

Under Mutli-Asset Management, Lazard Frères Gestion seeks to exploit all the opportunities offered by the different asset classes by means of a flexible allocation that results from a fundamental approach based on our macroeconomic scenario. The Multi-Asset Management team defines the tactical allocation according to the cycle and the markets, and delegates the management of the Equities and Fixed Income allocations to the specialist management teams.

The environmental, social and governance (ESG) criteria are integrated in compliance with the responsible investment philosophy of Lazard Frères Gestion: the equity allocations follow the approach used by the Equities team and the bond allocations that of the Fixed Income team.

The funds Lazard Patrimoine and Lazard Patrimoine Opportunities benefit from the SRI label, being the result of a rigorous selection process and responsible management.

4/ Convertibles

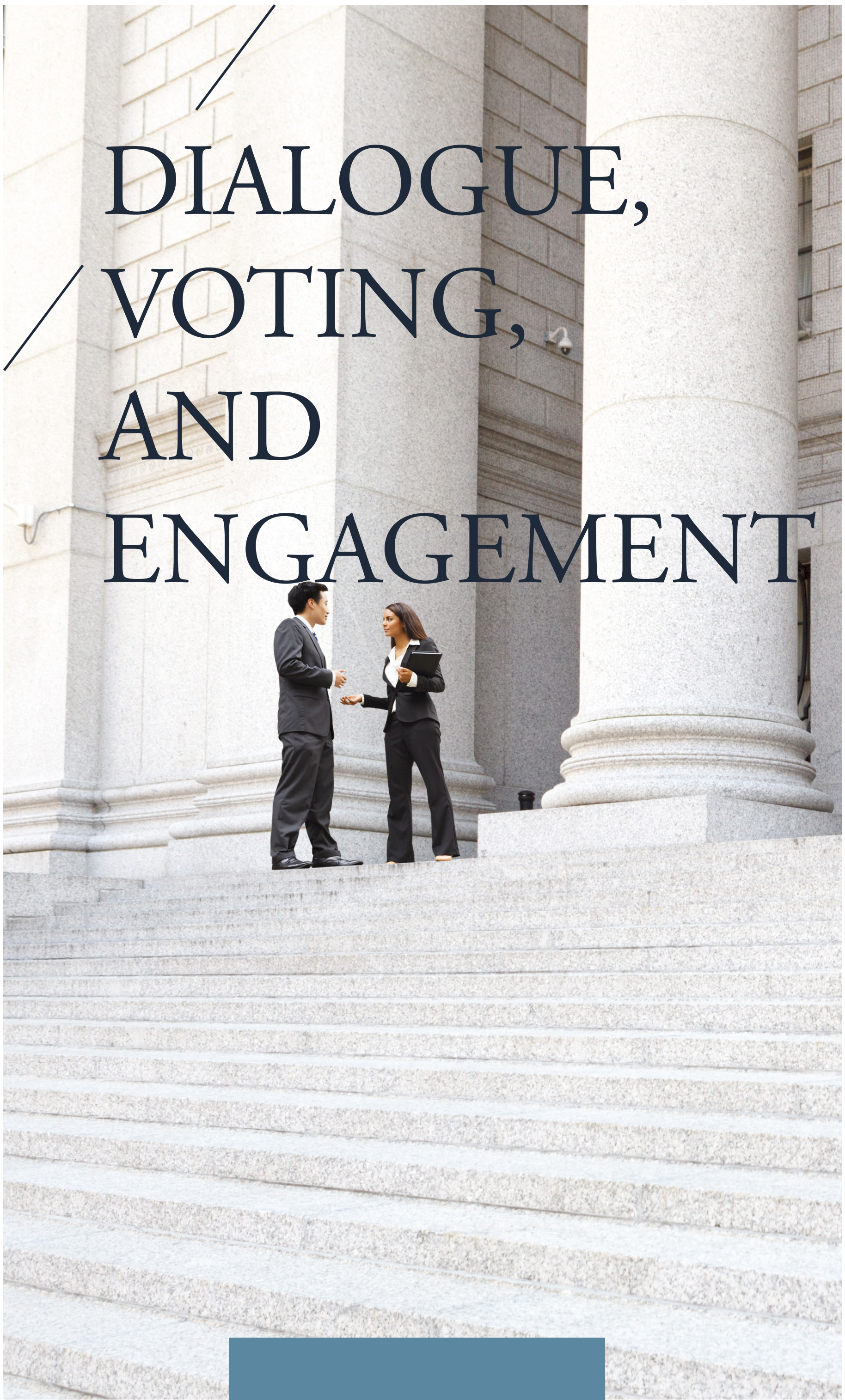
Lazard Asset Management is responsible for the management of convertible bond UCIs on a delegated basis. The extra-financial analysis is conducted by the analyst-managers and integrated into the investment theses. This extra-financial analysis and its integration in the selection of convertible bonds is carried out in line with the ESG policy of Lazard Asset Management.
(available at www.lazardassetmanagement.com/gl/references/sustainable-investing)

5/ External Manager Selection

Lazard Frères Gestion is attentive to the consideration of good ESG practices by all market players. For assets under delegated management, Lazard Frères Gestion ensures that its partners are guided by our ESG policy. This is assessed by means of due diligence questionnaires and through our direct contacts with external companies.

However, the analysis of ESG criteria, their integration, the voting and commitment policy as well as exclusions, excluding normative exclusions, are the responsibility of each delegated management company's own policies.

DIALOGUE, VOTING, AND ENGAGEMENT



The management philosophy of Lazard Frères Gestion is based on the fundamental analysis of companies. Individual meetings with the management are thus an essential part of the analysis and monitoring process.

Expertise of the analyst-managers at the heart of the meetings with management

The objective of this dialogue is primarily to encourage companies to achieve continuous and constructive improvement across all their ESG practices: transparency, integration of sustainable development issues, the Sustainable Development Goals (SDGs), good governance practices, etc.

During these interviews, the analyst-managers discuss a number of ESG issues with the management. On the strength of their expertise, it is the analyst-managers who define the salient points to be addressed at these meetings.

The dialogue and engagement initiatives are recorded in a database containing the minutes of all the meetings conducted by the analyst-managers.

In-depth analysis of resolutions as a manifestation of our active shareholding

Lazard Frères Gestion is also in favor of active shareholding, which allows shareholders to influence the ESG strategies and practices of companies. We apply our own voting policy (available online on https://www.lazardfreresgestion.fr/EN/ESG-ISR/Notre-approche_147.html#section05) when we vote at the General Meetings of the issuers that fall within the defined scope.

The number and reason for dissenting votes are recorded and form an integral part of the annual voting report (available online on https://www.lazardfreresgestion.fr/EN/ESG-ISR/Notre-approche_147.html#section05).

OUR EXCLUSION POLICY

1 Normative exclusions

Controversial weapons

BACKGROUND

There is no universally accepted definition of controversial weapons and views differ between countries, regions and institutions. Controversial weapons are most commonly understood as weapons that are indiscriminate and disproportionate in their effects (excessive damage out of proportion to the expected military advantage). In order to restrict or even put a definitive end to the production and use of these weapons, several norms and treaties have been put in place at the international level.

The international conventions and treaties applicable to Lazard Frères Gestion are

- the 1997 Ottawa Treaty (or Anti-Personnel Mine Ban Convention) which prohibits the use, stockpiling, production and transfer of anti-personnel mines and encourages their destruction,
- the 2008 Oslo Convention (or Convention on Cluster Munitions) which prohibits the use, production, stockpiling and transfer of all cluster munitions defined as such.

In addition, Lazard Frères Gestion excludes investments in companies involved in the development and production of biological weapons, in accordance with the 1972 Biological and Toxin Weapons Convention (BTWC), and the production of chemical weapons, in accordance with the 1993 Chemical Weapons Convention (CWC).

SCOPE OF APPLICATION

Our exclusionary policy applies to securities involved in the production or dissemination of weapons prohibited by these Conventions. It also applies to transmitters producing and/or disseminating elements essential to their manufacture.

Its scope therefore extends to cluster munitions, anti-personnel mines and biological and chemical weapons.

Lazard Frères Gestion regularly identifies companies involved in these controversial weapons. Based on the information provided by our partner ISS-Ethix, an internal exclusion list is drawn up and monitored by our Risk Control department.

Companies are divided into two categories:

Red	Confirmed involvement
Orange	Strong presumption of involvement

Companies in the "red" category are excluded from Lazard Frères Gestion's investments, while those in the "orange" category remain in the investment perimeter.

The following criteria are applied to define a company's involvement

- the company is involved in the development, production, use, maintenance and marketing of the above-mentioned weapons.
- the company is involved in the development, production, maintenance, marketing of a key and specific component of the above-mentioned weapons.
- the company has a shareholding of more than 20% in a company involved in any of the above activities.

Violations of the UN Global Compact

BACKGROUND

As part of the ongoing controversy management process, the ESG team pays particular attention to companies that violate the UN Global Compact Principles.

In the event of a severe, proven and repeated violation of any of the UN Global Compact principles, companies are placed on an exclusion list1.

Companies that have taken corrective action to remedy a severe level of controversy are placed on a deep engagement list. An engagement process is initiated to decide whether or not the company should be excluded. In the absence of a satisfactory response or after a period of 6 months, the company will automatically be placed on the debarment list.

In the case of a controversy contested by Lazard Frères Gestion, companies are placed on a monitoring list. They are then subject to an in-depth evaluation and analysis by the ESG team, which results in the drafting of a specific sheet summarising the main conclusions of the analysis. The list is updated every six months according to new controversies.

A committee of analysts/managers and ESG specialists submits these three lists to Lazard Frères Gestion's Executive Committee for validation every quarter.

Once the controversy has been resolved and a period of one year has passed, the company will be removed from the three lists.

1. This exclusion applies to all assets managed by Lazard Frères Gestion, with the exception of securities acquired before 2022 on behalf of private clients and which represented, as at 31 December 2021, less than 0.1% of the management company's total assets.

2 Sectoral exclusions

Tobacco

BACKGROUND

Every year, more than 8 million people worldwide die from tobacco and its consequences[1] . The tobacco industry, in particular, is subject to numerous ESG controversies regarding child labour in tobacco farming, transparency on product composition and deforestation.

As a result, in 2003, nearly 180 countries adopted the World Health Organisation's Framework Convention on Tobacco Control, which aims to drastically reduce consumption by 2025 through new regulations and taxes.

Organisation mondiale de la Santé

FCTC WHO FRAMEWORK CONVENTION ON TOBACCO CONTROL

SCOPE OF APPLICATION

In response to these major ESG issues, Lazard Frères Gestion has chosen to implement a **tobacco exclusion policy.** As of 15 October 2020, Lazard Frères Gestion will no longer invest in companies whose primary activity is the production of tobacco or tobacco related products.

Our policy does not apply to companies indirectly involved in the tobacco industry via secondary products and/or services (e.g. packaging suppliers, airlines, airport sales services), as their business is not exclusively focused on tobacco.

1. Source: World Health Organization, 2020 (https://www.who.int/fr/news-room/fact-sheets/detail/tobacco)

Coal

BACKGROUND

As part of its climate policy, Lazard Frères Gestion defined a strategy in 2020 aimed at phasing out coal by 2030.

It aims to participate in the fight against climate change and the reduction of human pollution, while taking into account the financial risks associated with the abandonment of assets affected by the energy transition.
Indeed, thermal coal combustion remains the main source of global warming, accounting for more than 29% of total greenhouse gas (GHG) emissions linked to human activities and more than 40% of anthropogenic carbon dioxide (CO_2) emissions in 2019 according to the International Energy Agency[2] . Its reduction will therefore be one of the most effective measures to limit the rise in temperature.

SCOPE OF APPLICATION

Lazard Frères Gestion therefore excludes any investment in companies whose :

- More than 25% of their turnover comes from thermal coal activities.
- More than 25% of the energy mix (per MWh generated) is based on coal
- Annual thermal coal production exceeds 20 MT per year
- Installed coal-fired capacity exceeds 10 GW
- Projects concern the development of thermal coal mines or coal-fired power plants

PROJECT AND EXPLORATION

No plans to develop thermal coal mines or coal-fired power stations

PRODUCTION

EXTRACTION AND ACTIVITIES

- Annual production less than 20 MT per year
- Share of revenue from coal-related activities below 25%.

ELECTRICITY

- Coal-fired installed capacity below 10 GW
- Coal share of the energy mix below 25%.

Lazard Frères Gestion reserves the right to update the data provided by the Global Coal Exit List (GCEL) used for the exclusion of thermal coal. In this context, certain companies mentioned in the list may be reinstated to our investable universe if the latest available data indicates compliance with the stated thresholds. Conversely, if Lazard Frères Gestion's managers or ESG specialists become aware that a company in the portfolio exceeds these thresholds, the position will be sold within three months.

In addition, in line with its approach to supporting and accompanying companies, Lazard Frères Gestion considers that green bonds or Sustainability-Linked Bonds (SLBs) with a performance indicator (KPI) linked mainly to an environmental objective (e.g. reduction of carbon emissions) are eligible for investment, regardless of the issuer.

1. https://www.iea.org/reports/coal-2019

OUR CLIMATE POLICY

In 2020, Lazard Frères Gestion changed its investment process in order to better understand climate change and the risks it entails, and to support companies in their transition to a low-carbon economy.

For example, we now include an assessment of climate-related risks and opportunities in our analysis process, taking into account environmental factors and, in particular, greenhouse gas (GHG) emissions in our internal ESG scorecard. Using data provided by our partner MSCI, we are able to assess the carbon exposures of the portfolios under management and measure their alignment with the 2°C target set by the Paris Agreement.

This consideration of climate-related factors is also reflected in our **engagement policy.** In our dealings with companies, we regularly address climate-related issues that we believe will have a direct and indirect impact on their long-term performance. Our voting practices, aligned with our engagement policy, also follow this strategy.

In line with the CDP recommendations, to which we became a signatory in 2020, we encourage the publication of climate-related risks and opportunities by companies and sovereign issuers. Conversely, we are committed to increasing transparency for our clients in terms of the exposure of their portfolios, in particular through the development of carbon indicators aligned with the TCFD recommendations and enhanced monitoring for SRI-labelled funds.

3/ Tailor-made exclusions

In line with its historical policy, Lazard Frères Gestion aims to offer its clients products that are as close as possible to their needs and their philosophy. In addition to the exclusions detailed above and applied to all of our management, we offer customised exclusions that meet their requirements and convictions.

There are many exclusion or selection criteria for ethical and responsible investment. Thus, Lazard Frères Gestion always strives to adapt its management to the specific constraints of its clients (ESG, SRI, ethics, etc.) by means of mandates and dedicated funds.

In particular, we may apply the following exclusions:

- Exclusions from certain sectors
- Exclusions of certain countries
- Exclusions of certain securities
- Constraints on ratings (minimum ESG rating target)

OUR SRI MANAGEMENT

Lazard Frères Gestion has adopted specific management strategies for each of its SRI funds to offer a range of products adapted to clients' needs.

Funds	Asset class	Geographic focus	Approach	SRI label
Lazard Equity SRI	Equity	Eurozone	Best In Class	
Lazard Alpha Euro SRI	Equity	Eurozone	Best In Universe	
Norden SRI	Equity	Nordic countries	Exclusion	
Lazard Small Caps Euro SRI	Equity	Eurozone	Best In Universe	
Lazard Dividend LowVol SRI	Equity	Zone Euro	Exclusion	
Lazard Credit Fi SRI	Fixed income	World	Best In Universe	
Lazard Capital Fi SRI	Fixed income	Europe	Best In Universe	
Lazard Euro Short Duration High Yield SRI	Fixed income	World	Best In Universe	
Lazard Patrimoine SRI	Multi-assets	World	Best In Universe	
Lazard Patrimoine Opportunities SRI	Multi-assets	World	Best In Universe	
Lazard Patrimoine Actions SRI	Equity (PM)	Europe	Best In Universe	
Lazard Equity Inflation SRI	Equity	Europe	Best In Universe	
Lazard Euro Credit SRI	Fixed income	Europe	Best In Universe	
Lazard Euro Short Duration SRI	Fixed income	Europe	Best In Universe	
Lazard Human Capital	Equity	World	Best In Universe	
Lazard Global Green Bond Opportunities	Fixed Income	World	Best In Universe	

For more information, please consult the transparency codes for equities, fixed income and private banking available on our website http://www.lazardfreresgestion.fr/FR/ESG-ISR_112.html

OUR MARKET COMMITMENTS

Since 2015, Lazard Frères Gestion has been a signatory to the PRI and is committed to the six United Nations Principles for Responsible Investment. This initiative aims to encourage companies to take environmental, social and governance issues into account in their investment analysis and decision-making processes.

Lazard has been a signatory of the CDP since 2020. This NGO aims to improve the transparency of carbon data at the global level. Since 2003, it has conducted an annual campaign using a questionnaire that collects information on companies' greenhouse gas (GHG) emissions. Its scope has been extended with an annual survey on water management in 2010, and the impact on forests in 2013.

Signatory of:

PRI Principles for Responsible Investment

CDP DRIVING SUSTAINABLE ECONOMIES

Signatory to the Carbon Disclosure Project

2014 2015 2016 2017 2018 2019 2020 2021 2022

Participating Member

spainsif

Since 2014, Lazard Frères Gestion has been a member of the Spanish Forum for Responsible Investment created in 2009. Its mission is to promote responsible finance at the service of the real economy, contributing to sustainable development objectives and promoting the integrity of financial markets.

Member of the Technical Committee

afg association française de la gestion financière

Lazard Frères Gestion actively participates in various committees. In particular, we were members of the AFG working group that dealt with the subject of Article 173 and participated in the drafting of a professional guide on Article 173.

TCFD supporter

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Since 2020, Lazard Frères Gestion has supported the TCFD (Task Force on Climate-related Financial Disclosure), a working group set up at the end of 2015 during COP21. Its mission is to define recommendations concerning corporate transparency on environmental and climate change risks.

Signatory to the Finance for Biodiversity Pledge

Finance for Biodiversity Pledge

Since 2022, Lazard Frères Gestion has been a signatory to the Finance for Biodiversity Pledge. This charter commits us to collaborate and share our knowledge on biodiversity, to engage in dialogue on this subject with companies, to measure and publish the impact of our activities and to set targets.

ESG DATA PROVIDERS

In order to feed our analyses, we use various data providers. In order to be vigilant, their respective offers are reviewed annually to ensure that we benefit from the most appropriate services for our management.

Moody's ESG Solutions : we have a long-standing partnership with Moody's ESG Solutions, with our first contract signed in 2001. Moody's ESG Solutions provides us with information on the majority of the companies in our investment universe. The agency provides a detailed analysis for each company and rates their environmental, social and governance performance. Since 2019, Moody's ESG Solutions also provides a controversy analysis tool for the companies in our portfolios.

Trucost : this agency specialises in corporate carbon data and provides input for our internal ESG analysis scorecards and extra-financial performance reports.

Carbon Delta (MSCI) : this Swiss start-up, acquired in 2019 by MSCI, allows us to assess physical and transition risks. In particular, we are able to calculate a portfolio 'temperature', in other words, to assess its ability to meet the 2°C alignment stipulated in the Paris Agreement.

ISS Ethix : the Controversial Weapons Research Tool is used to track and exclude from our portfolios companies that directly or indirectly contravene the 1997 Ottawa Convention (landmines) and the 2010 Oslo Treaty (cluster munitions).

Glass Lewis : This company advises investors on their shareholder engagement and voting policy. It analyses the resolutions of the General Meetings that fall within our voting perimeter and issues recommendations which, once compared with our voting policy by the ESG Specialists, serve as a decision-making tool for our analysts-managers.

Gaïa Rating : a subsidiary of Ethifinance, Gaïa is an extra-financial rating agency specialising in ESG ratings of SMEs and SMIs listed on the European market.

EXTRA-FINANCIAL REPORTING

1 ESG performance reporting

We regularly measure the ESG performance of our investments.

In this context, we publish quarterly ESG reports for SRI-labelled funds.

Our communication approach is essential in the relationship of trust we build with our clients. We produce tailor-made reports for our clients, adapted to their needs.

2/ Climate reporting

PERIMETER

Aware of the climate issues and the growing demand from private and institutional investors to monitor the climate risks associated with our investments, Lazard Frères Gestion publishes information on the carbon footprint of its UCIs with assets of over €500 million. The scope also covers all our SRI management, with no minimum threshold.

CARBON FOOTPRINT

To obtain the data needed to calculate the carbon footprint, we decided to enter into a partnership with Trustcost - S&P Global in 2016.

- Lazard Frères Gestion has chosen carbon intensity as an indicator, expressed in tonnes of CO2 equivalent per M€ of turnover.

- The assessment of the carbon footprint takes into account scopes 1 and 2 of greenhouse gas (GHG) emissions

Scope 1: direct emissions resulting from the combustion of fossil fuels required to manufacture the product
Scope 2: indirect emissions resulting from the company's consumption of electricity, heat or steam

- Measurements are made only on directly held securities. The method for calculating the carbon intensity of a portfolio is a weighted average of GHGs divided by the turnover of each position.

Carbon intensity of a portfolio =

$$\sum \frac{\text{Emissions (scope 1+2)}}{\text{Revenue of each stock}} \times \text{Weight of each stock}$$

ENERGY TRANSITION

The assessment of the Energy Transition is carried out by Moody's ESG Solutions, which establishes the methodology and the assessment.

- A list of criteria is established to measure the efforts made by companies in terms of Energy Transition.

- Depending on the company's sector, Moody's ESG Solutions then weights these criteria between 0 and 3.

- The company is then assessed on the basis of its governance policy, the measures taken and the results obtained. For each criterion, the scores range from 0 to 100, with higher performance being better. The company's overall score is then obtained by averaging these criteria and weighting them.

- Lazard Frères Gestion uses these scores to establish a portfolio score by weighting the scores by their portfolio weight.

INTERNAL ESG ANALYSIS SCORECARD

APPENDIX 1

ANALYSE ESG - SOCIETE X

NOTE ESG 4,30 / 5

Ticker Bloomberg	Devise	Données année	Société	Secteur	Zone		
	EUR	2019		bile Telecommunicatio	Europe	Analyste	HR
						Date de MAJ	21-août-20

Environnement

Emissions

2019	Scope 1	Scope 2	Source
Intensité CO2 (t CO2e/mCA USD)	3	39	*Trucost*
Moyenne Europe Mobile Telecommunications (t CO2e/n	*9*	*30*	*Trucost*
Temperature sector specific (°C)	6,0		*Carbon Delta*
Temperature sector agnostic (°C)	1,3		*Carbon Delta*

2019	Nombre	Score	
Brevets	1122	754	*Carbon Delta*
Brevets Low Carbon	27	20	*Carbon Delta*
% brevets Low Carbon	2,41%	2,65%	

	2019	
Politique en matière de changement climatique (Y/N)	Y	*Bloomberg*

Energie

	2017	2018	2019	Tendance
Intensité énergétique (MWh/m CA)	119	122	115	+

Eau

	2017	2018	2019	Tendance
Intensité de consommation d'eau (m3/m C				
Politique de gestion de l'eau (Y/N)			Y	

Déchets

	2017	2018	2019	Tendance
Intensité de génération de déchets (t/m C/	1	1	1	-

Spécifique secteur

Vigeo

	Score	Note relative
Environnement	72	++

Social

RH

	2017	2018	2019	Tendance
Nombre d'employés	217 349	215 675	210 533	
Rotation du personnel (%)				
% d'employés syndiqués				
% de femmes dans les salariés	36	36	35	-
% de femmes dans le mgmt				
Politique d'égalité des chances (Y/N)			Y	
Politique anti-corruption (Y/N)			Y	
Politique de protection des lanceurs d'alerte (Y/N)			Y	

Santé et sécurité

	2017	2018	2019	Tendance
Taux d'incidents en tps perdu (%				
Taux d'incidents total (%)				
Politique de santé et sécurité (Y/N)			Y	

Relation avec les fournisseurs

	2017	2018	2019	Tendance
% de fournisseurs audités				
% de fournisseurs non-compliant				
Politique des droits de l'homme (Y/N)			Y	
Politique contre le travail des enfants (Y/N)			Y	
Politique de juste rémunération (Y/N)			N	

Spécifique secteur

Vigeo

	Score	Note relative
Droits humains	70	+
Ressources humaines	69	++
Comportement commercial	60	++
Engagement sociétal	55	++

Gouvernance

Actionnariat

	Nom	% du capital	Conflit ?
Actionnaire principal		17,4	
Autre (activiste, etc)		14,5	
Flottant		68,1	
Droits de vote multiples (Y/N)			N

Indépendance

Cumul des roles de DG et Président (Y/N)	No
Taille du Board	20
% d'indépendants au board	40,0
Chairman indépendant (Y/N)	Y
% de membres non executifs au Board	100,0
Ancien CEO au Board (Y/N)	N

Diversité

% de femmes à la direction	37,5
% de femmes au Board	45,0
Age moyen du Board	57
Age du Chairman	74
Age du CEO	58

Enracinement

Participation aux Board meetings (%)	97
Durée moyenne du mandat au Board (# années)	5,4
Nombre de membres du Board servant depuis plus de 10 ans	3
Chairman depuis (# années)	12,7
Durée moyenne du mandat au Comex (# années)	6,1
CEO depuis (# années)	6,9

Multi représentation

% de Board members executifs > 2 Boards	
Nombre de Board positions du CEO	3

Rémunération

Rémunération totale du CEO	EUR	6 499 810
Attribution d'actions	EUR	2 722 632
% d'actionnaires approuvant la rémunération des dirigeants		0

Vigeo

	Score	Note relative
Gouvernance d'entreprise	64	+

Signature du UN Global Compact (Y/N) Y

NOTE ENVIRONNEMENT (/5) 4,5

Commentaire E

- Intégration des enjeux environnementaux et définition d'une politique adéquate
  - Eco-conception des produits ou services
  - Traitement de l'eau et des déchets
  - Gestion de la pollution et des accidents industriels
- Impact de l'offre de l'entreprise sur l'environnement
  - Solutions d'efficacité énergétique
  - Innovations technologiques
  - Développement de l'économie circulaire
- Evolution des tendances

NOTE SOCIAL (/5) 4,5

Commentaire S

- Respect des droits humains
- Gestion des ressources humaines
  - Climat et dialogue social
  - Formation et gestion des carrières
  - Promotion de la diversité
  - Santé, sécurité et bien être
- Gestion de la chaine de valeur
  - Devoir de vigilance
  - Qualité, sécurité et traçabilité produits
- Evolution des tendances

NOTE GOUVERNANCE (/5) 4,0

Commentaire G

- Détail du conflit d'intérêts le cas échéant
- Indépendance et composition du conseil d'administration
- Qualité du management
- Qualité de la communication financière
- Rémunération du CEO

Controverses en cours active(s) dont de sévérité haute ou critique

Commentaire de l'analyste

xxx

Impact E	=
Impact S	=
Impact G	=

Date	Société	Pays	E,S,G	Controverse	Sévérité /4	Description par Vigeo

LIST UCITS THAT INTEGRATE ESG

APPENDIX 2

LAZARD FRERES GESTION

LIST OF UCITS TAKING ESG INTO ACCOUNT — March 2023

Percentage of assets taking into account the ESG criteria (as of 31/03/2023) : 100%

Article 9 SFDR

SRI management		Compliance with French SRI label criteria
Lazard Human Capital	Lazard Global Green Bond Opportunities	

Article 8 SFDR

SRI management		Compliance with French SRI label criteria
Lazard Alpha Euro SRI [2]	Lazard Equity SRI [2]	Lazard Patrimoine Opportunities SRI
Lazard Capital Fi SRI [2]	Lazard Euro Credit SRI	Lazard Patrimoine SRI [2]
Lazard Credit Fi SRI [2]	Lazard Euro Short Duration High Yield SRI	Lazard Small Caps Euro SRI [2]
Lazard Dividend LowVol SRI	Lazard Euro Short Duration SRI	Lazard Sustainable Credit 2025
Lazard Equity Inflation SRI	Lazard Patrimoine Actions SRI	Norden SRI [2]

ESG integration		Systematic and binding integration
Lazard Actifs Réels [2]	Lazard European High Yield	Lazard Japon
Lazard Actions Americaines [2]	Lazard European Innovation	Lazard Japon Next Gen
Lazard Actions Emergentes	Lazard France Relance	Lazard Low Delta 12 Mois
Lazard Actions Euro [2]	Lazard Gestion Flexible	Lazard Oblig Convex 12 Mois
Lazard Alpha Europe	Lazard Gestion Flexible Obligataire	Lazard RDT-DBI
Lazard Convertible Euro Moderato	Lazard Global Hybrid Bonds	Lazard USD Money Market
Lazard Convertible Europe	Lazard Horizon 2022-2024	Lazard Small Caps France
Lazard Convertible Global	Lazard Horizon 2025-2027	Lazard Stratégies Obligataires
Lazard Credit Fi Zero Duration	Lazard Horizon 2028-2030	Lazard Patrimoine Croissance
Lazard Credit Opportunities	Lazard Horizon 2031-2033	Lazard Patrimoine Equilibre
Lazard Dividendes Min Var Absolute Return	Lazard Horizon 2034-2036	Lazard Patrimoine PEA
Lazard Equity Recovery	Lazard Horizon 2037-2039	Lazard World Innovation
Lazard Euro Corp High Yield	Lazard Horizon 2040-2042	Norden Family
Lazard Euro Money Market	Lazard Horizon 2043-2045	Norden Small
Lazard Euro Short Term Money Market	Lazard Investissement PEA-PME	

Article 6 SFDR

ESG integration		Systematic integration
Lazard Alpha Allocation	Lazard Multigestion Actions	Inkipit Mandat Croissance
Lazard Credit 2024	Alizarine	Optime Investissement
Lazard Credit Fi 2022	BCA Flex	Pan Holding Patrimoine
Lazard Epargne Actions	Elorn Investissements	Patrimoine Balanzed Fund
Lazard Investissement Microcaps	Euterpe	Patrimony Fund - Bond Markets - C EUR
Lazard Mid Caps Europe	Hegoa	Synergies All Process

1. Only open funds are mentioned in this document.
2. UCITs subject to "Carbon Footprint and Energy Transition" reporting

This document is based on data available as of 31/03/2023.
Upon request, Lazard Frères Gestion can provide an updated list of these items.

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