Template pre-contractual 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: Lazard Credit Opportunities

Legal entity identifier: 969500NKC6IO1JG1OU63

Environmental and/or social characteristics

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective ?

- ☐ Yes
- ☒ No

- ☐ It will make a minimum of sustainable investments with an environmental objective: %
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of sustainable investments with a social objective: %
- ☒ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with a social objective
- ☐ It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product ?

In implementing its investment strategy, securities analysis and the ESG integration process described below, the portfolio promotes the following environmental characteristics:

Environmental policy:
• How well companies integrate the environmental factors that are relevant to their sector and geographic location and any other material relevant and material factors
• Environmental strategy and management system
• Climate strategy

Efforts to limit environmental impacts:
• Global warming mitigation and adaptation
• Responsible water and waste management
• Preserving biodiversity

Managing the environmental impacts of products and services:
• Ecodesign of products and services, and
• Environmental innovation,

Sustainability indicators are used to measure how the environmental or social characteristics promoted by the financial product are achieved.

and also the following social characteristics:

Respect for human rights:
• Preventing situations of human rights violations
• Respecting the right to personal safety and security
• Respecting privacy and data protection

Human resources management:
• Constructive social dialogue
• Training and career management conducive to human development
• Promotion of diversity
• Health, safety and well-being at work

Value chain management:
• Responsible supply chain management
• Product quality, safety and traceability

This financial product does not use a specific index to determine its alignment with the environmental and social characteristics it promotes.

This financial product does not use a specific index to determine its alignment with the environmental and social characteristics it promotes.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product ?

The achievement of the environmental and social characteristics promoted by this product is measured using the sustainability indicators described below.

In valuing securities with our internal analysis model:
The ESG characteristics of securities held directly are assessed using a proprietary model that is based on an internal ESG analytical framework. Using the data provided by our ESG partners (ESG research firms, external service providers, etc.), company annual reports and direct discussions with company management, the analysts monitoring each security determine an internal ESG score.

This scoring process takes into account both quantitative factors (e.g. energy intensity, staff turnover rate and board independence rate) and qualitative factors (soundness of the environmental policy, employment strategy, director experience and skills, etc.).

Each E, S and G pillar is rated from 1 to 5 on the basis of at least five key indicators that are relevant for each pillar.

These internal ESG ratings are integrated in the valuation models. For equity positions, they are integrated via the Beta used to determine the weighted average cost of capital. For bond positions, they are used to select issuers and to weight them in the portfolio.

The verification of investment strategy elements with an external data provider:
Furthermore, to confirm the robustness of the internal model, the analyst-managers responsible for management compare the portfolio's average ESG rating with that of its ESG benchmark universe.

The methodology used to calculate the indicators is set out in the ESG methodology manual available on the management company's website.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives ?

The sustainability of an investment, as defined in the SFDR, is determined using indicators of substantial contributions to one or more environmental or social objectives, it being understood that the investment must not cause significant harm to any of these objectives and that the company in which the investment is made observes good governance practices.

The following environmental indicators are used:
• Carbon footprint (PAI 2)• Carbon intensity (PAI 3)
• Implied temperature rise (ITR)
• Number of low-carbon patents held

The following social indicators are used:• % of women in executive management
• Number of hours of employee training
• Coverage of employee benefits
• Management's diversity policies

A contribution is substantial if it exceeds the threshold of the relevant indicator. For example, for the climate change temperature threshold, companies must not contribute to a temperature increase of more than two degrees.

The use of these criteria is independent reviewed by the Risk and Compliance Department at ESG Risk Committee meetings.

A detailed description of the method used to qualify a sustainable investment can be found on the Lazard Frères Gestion website under the heading "Sustainable investment methodology" www.lazardfreresgestion.fr/EN/ESG-ISR/Notre-approche_147.html#section05

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective ?

The absence of significant harm is determined using all of the PAI indicators shown in Table 1 of Appendix I to the Delegated Regulation (EU) 2022/1288 of 6 April 2022. If the investment universe is insufficiently covered by certain indicators, alternative criteria may exceptionally be used (for example, an indicator of management's attentiveness to diversity as a substitute for PAI 12. These alternatives are subject to the independent review of the Risk and Compliance Department at ESG Risk Committee meetings. The alternative indicators are also presented on the Lazard Frères Gestion website under the heading "Sustainable investment methodology": www.lazardfreresgestion.fr/EN/ESG-ISR/Notre-approche_147.html#section05.

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.

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

The principal adverse impact indicators (PAI) for sustainability are used at two levels:
• firstly, they are used by our analyst-managers for internal analysis of each of the securities monitored in our internal ESG analytical frameworks.
• secondly, they are used to determine the proportion of sustainable investments.

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

"Compliance with minimum guarantees on worker rights, human rights (the OECD's Guidelines for Multinational Businesses and the UN's Guiding Principles on Business and Human Rights) and the eight fundamental conventions of the International Labor Organization is an essential criterion in verifying that the companies in which investments are made practice good governance.

Accordingly, we check whether the company implements due diligence on worker rights, based on the eight fundamental conventions of the International Labor Organization (PAI 10) as part of our DNSH process. We also determine a minimum external score on the Governance pillar to ensure that the companies concerned practice good governance."

The EU taxonomy has set forth the Do No Significant Harm (DNSH) principle, according to which taxonomy-aligned investments must have no significant adverse impact on one or more of the taxonomy's objectives. The taxonomy also includes criteria that are specific to the EU.

The DNSH principle applies only to the financial product's underlying investments that observe the European Union's criteria for environmentally sustainable activities. The product's other investments do not observe the EU's criteria for environmentally sustainable economic activities.

All other sustainable investments must also cause ,p significant harm to environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors ?

☒ Yes

The proprietary model for the ESG analysis of the portfolio companies uses all of the relevant sustainability principal adverse impact (PAI) indicators.

These indicators are integrated into the internal analytical frameworks used to determine the ESG rating of securities. For equity positions, this rating is integrated in the valuation model via the Beta used to determine the weighted average cost of capital. For bond positions, it is used to select issuers and to weight them in the portfolio.
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☐ No

What investment strategy does this financial product follow ?

The investment strategy is described in the prospectus.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product ?

The restrictions used in the investment strategy to achieve the environmental and social objectives promoted by this product cover the following, in the case of companies held directly in the portfolio:

- The extra-financial research ratio
The extra-financial research ratio of the product's directly held securities shall be, depending on the product's investment categories, greater than:

- 90% for bonds issued by large-cap companies headquartered in "developed economy" countries, investment grade debt securities and money-market instruments, and sovereign debt issued by developed economy countries;

- 75% for bonds issued by large-cap companies headquartered in "emerging market" countries, shares issued by small- and mid-cap companies, high yield debt securities and money-market instruments and sovereign debt issued by emerging market countries.

These ratios are the percentage of total assets, with the exception of bonds and other debt securities issued by public-sector issuers, cash held on an accessory basis, and solidarity-based assets.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- The portfolio's average ESG rating

The analyst-managers ensure that the portfolio's weighted average ESG rating is greater than that of the average of the benchmark universe, based on the benchmark extra-financial rating of SFJ Technologies and ISS ESG

The portfolio's ESG benchmark universe is:
- 50% European financial debt issuers, supplemented by the main financial debt issuers from member countries of the Organization for Economic Cooperation and Development (OECD) excluding European issuers. - 50% ICE BofA Euro Non-financial Fixed & Floating Rate High Yield Constrained Index. Bloomberg code: HEAE Index

In addition, the management company makes exclusions prior to investments:
- Norms-based exclusions pertaining to controversial weapons (cluster munitions, antipersonnel mines, and biological and chemical weapons) and to violations of the United Nations Global Compact.
- Sector-based exclusions (tobacco, thermal coal, non-conventional fossil fuels, and palm oil).
- Geographical exclusions (tax havens on the FATF list).

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy ?

Not applicable

What is the policy to assess good governance practices of the investee companies ?

The quality of corporate governance has always been a key criterion of our investment policy. This is why the G pillar of the internal ESG analysis framework is slightly over-weighted at 40% of the overall ESG rating, compared with 30% for the E and S pillars.

In assessing the ESG performance of companies, analyst-managers take the following into account:
• the independence, competence and diversity of the board of directors or supervisory board
• the quality of management
• the quality of financial and non-financial communication
• the structure and transparency of executive remuneration.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In addition, our voting and engagement policies systematically require an assessment of governance criteria.

What is the asset allocation planned for this financial product ?

Asset allocation describes the share of investments in specific assets.

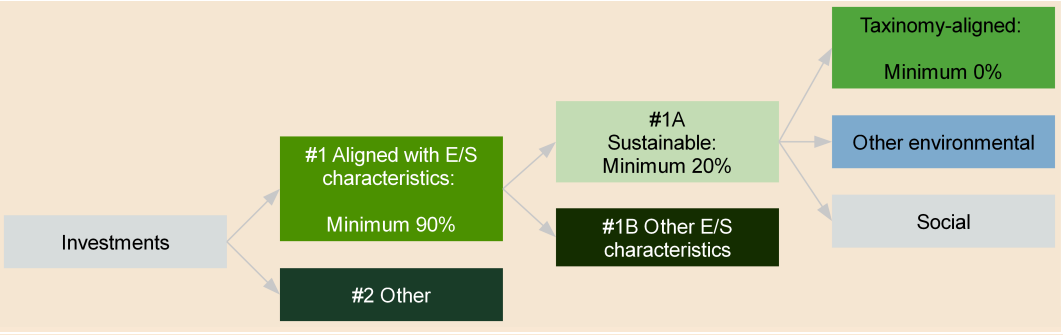
The portfolio promotes environmental/social (E/S) characteristics without having sustainable investment as its objective.

The minimum proportion of sustainable investments within the meaning of Article 2(17) of the SFDR is 20% of net assets.

This minimum includes all investments with an environmental objective (whether or not aligned with the European Union taxonomy) or with a social objective. Some activities may contribute to more than one objective.

The fund will invest at least 90% of its assets in investments aligned with E/S characteristics.

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 investee companies.



#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.

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

The category #1 Aligned with E/S characteristics covers :
- The sub -category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product ?

The product does not use derivatives to achieve environmental or social characteristics.

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

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?

☐ Yes:

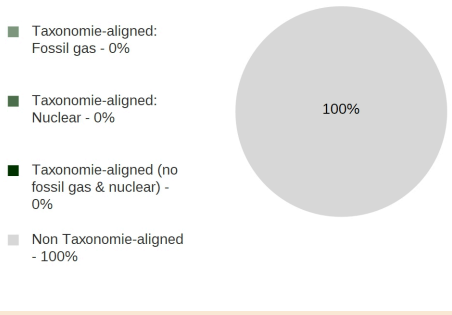
☐ In fossil gas ☐ In nuclear energy

☒ No

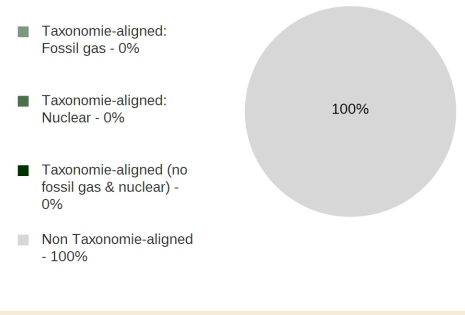
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are 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 investments of the financial product including sovereign bonds, while the second graph show The Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Alignment of investments with the taxonomy including sovereign bonds*



2. Alignment of investments with the taxonomy excluding sovereign bonds*



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

What is the minimum share of investments in transitional and enabling activities ?

The minimum percentage of investment in transitional and enabling activities within the meaning of the European Union taxonomy is 0%.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy ?

This product does not define a minimum proportion of investment that is environmentally sustainable yet not aligned with the European taxonomy.

What is the minimum share of socially sustainable investments ?

This product does not define a minimum proportion of socially sustainable investment.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards ?

Category "#2 Other" investments are exclusively in funds and liquid assets.

Most of the funds selected in addition to direct holdings are subject to an ESG process that is at least equivalent to that observed for direct investments.

When a fund is managed by an external asset management company, Lazard Frères Gestion looks at their ESG integration process and generally selects funds that are subject to ESG integration constraints that are at least equivalent those observed for directly held securities, or which promote environmental or social characteristics within the meaning of Article 8 of the SFDR Regulation.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes ?

This financial product does not use a specific index to determine its alignment with the environmental and social characteristics it promotes.

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

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product ?**
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis ?**
- **How does the designated index differ from a relevant broad market index ?**
- **Where can the methodology used for the calculation of the designated index be found ?**

Where can I find more product specific information online ?

More information about this product can be found on the website LAZARD FRERES GESTION SAS. A hard copy may be obtained free-of-charge on request. You can also find information on the product's performance over the past years and performance scenario calculations at