Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Lazard Human Capital

Legal entity identifier: 969500CI17UH0905KA36

Sustainable investment objective

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 ?

- [x] 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
- [x] It will make a minimum of sustainable investments with a social objective: 80%

- [ ] 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 % 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

Sustainability indicators measure how the sustainability objectives of this financial product are attained.

What is the sustainable investment objective of this financial product?

The Subfund's objective is to outperform, net of fees and over the 5-year recommended investment horizon, its benchmark, the MSCI World (covering developed markets) while investing in social impact companies that provide solutions to sustainable development challenges and that stand out in the quality of their human capital management, i.e., the processes undertaken to train, motivate, recruit, retain, and pass on knowledge to, its employees, in accordance with the needs of its development strategy.

This product does not use any particular index to determine its alignment with the social objective that it promotes.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The achievement of the sustainable investment objective by this product is measured using quantitative and qualitative sustainability indicators. They are described below.

➢ Attraction and Retention theme: annual staff turnover rate, responsible restructuring (mass redundancies over 3 years and type(s) of support measures offered).

➢ Training theme: average number of training hours per employee per year, existence of training and employee support programmes, and the type of employees covered by the training programmes.

➢ Diversity theme: proportion of women in executive management, management involvement in diversity matters, type of programmes and processes in place to increase or maintain a good level of diversity within the company.

➢ Well-being at Work theme: employee coverage by social benefits, existence of whistleblower protection mechanisms, frequency of satisfaction surveys.

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

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 do sustainable investments 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.

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 the sustainable investment objective?

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

Each company receives a score of 0 to 10 on the fund's four thematic pillars: Attraction and Retention, Training, Diversity and Well-being at Work. The score for each pillar results from the aggregation of sub-scores derived from the indicators defined in the "Sustainability Indicators" section, provided by MSCI. The equal-weighted average of these four thematic scores constitutes the overall Human Capital score.
Within the MSCI World (developed markets), a company is eligible if it meets the following three conditions:

1.
It ranks among the top 20% of companies in its geographical region on at least one of the four thematic pillars;

2. It does not rank among the bottom 20% of companies in the index on the overall Human Capital score;

3. It is qualified as a "sustainable investment" within the meaning of the SFDR regulation by Lazard Frères Gestion.

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

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

Quality of governance has always been a decisive criterion in our investment policy. That’s why we overweight the G pillar score in our in-house ESG grids slightly, at 40% of the total ESG rating, vs. 30% for the E and S pillars.

Indeed, ESG research of directly held securities is based on a proprietary model that makes use of an in-house ESG grid. Based on various data provided by our ESG partners (extra-financial research agencies and other external providers), companies’ annual reports, and our engaging directly with them, the analysts in charge of covering each security assign an in-house ESG rating. This rating results from an approach that is both quantitative (energy intensity, personnel turnover, board independence, etc.) and qualitative (solidity of the environmental policy, jobs strategy, director competence, etc.). Each pillar – E, S and G – is scored between 1 and 5 based on at least five relevant key indicators per pillar. These in-house ESG ratings are integrated into valuation models via the beta used in equity research to determine the weighted average cost of capital.

As part of this ESG research into companies, on the Governance pillar, the analyst-managers:
- evaluate each component of this pillar, including shareholder structure, board independence, diversity, entrenchment, multi-representation, and remuneration, based on Lazard Frères Gestion’s materiality table;
- analyse the severity of controversies where applicable;
- take on board the external partner’s absolute and relative ratings.

Based on their fundamental knowledge of the companies and the ESG indicators that are relevant to their sector, they assign a G score.

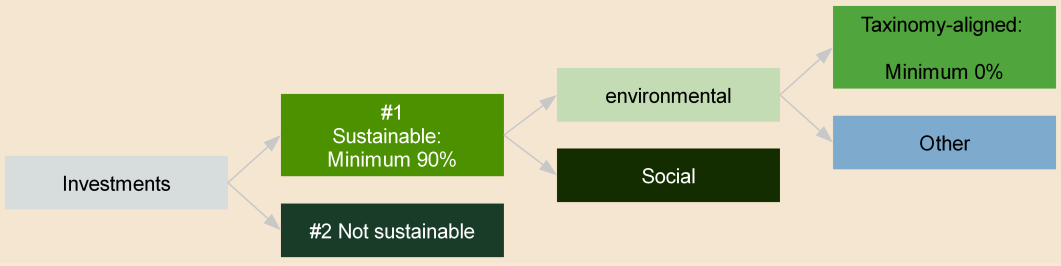
Moreover, our voting and engagement policies systematically encompass criteria of good governance.

What is the asset allocation and the minimum share of sustainable investments?

The portfolio has a sustainable investment objective. As such it must invest at least 90% of its net assets in sustainable investments as defined by SFDR Article 2(17).
All directly held investments, except those held for hedging purposes and cash are sustainable.
This minimum includes all investments having a social objective. Some activities may contribute to several objectives.

Asset allocation describes the share of investments in specific assets.

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 Sustainable covers sustainable investments with environmental or social objectives. #2 Not sustainable includes investments which do not qualify as sustainable Investments

How does the use of derivatives attain the sustainable investment objective?

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:

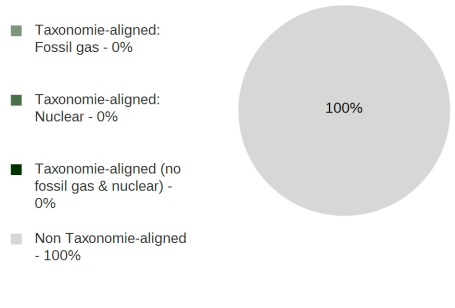
☐ In fossil gas ☐ In nuclear energy

☒ No

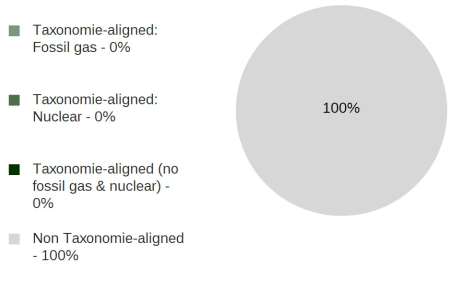
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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 has defined a minimum proportion of % of socially sustainable investments.

What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The investments in category “#2 Non-sustainable” deal exclusively with cash.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

This product does not use any particular index to determine its alignment with the social objective that 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