

Sustainability disclosures: Summary

Product name: Lazard Global Green Bond Opportunities

No significant harm to the sustainable investment objective

The financial product's sustainable investment objective

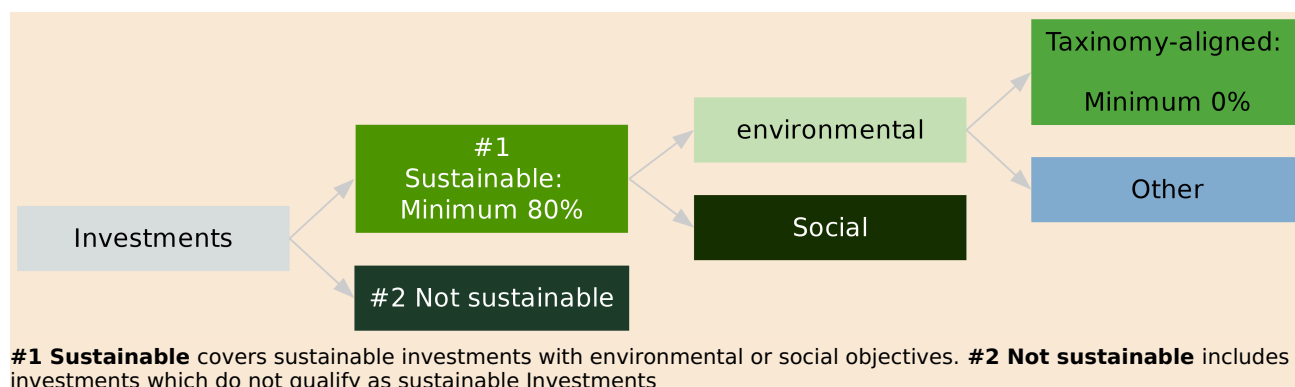
In implementing its investment strategy, the portfolio has a sustainable investment objective in investing in bonds issued by companies, public entities, governments or supranational organisations to finance projects having a positive environmental impact, such as renewable energies, energy efficiency, pollution prevention and control, sustainable waste and water management, preservation of biodiversity, sustainable land use, clean transport, the circular economy, green buildings, and adaptation to climate change.

Investment strategy

The portfolio invests in sustainable bonds, with at least 90% in green bonds that are meant to finance the environmental and energy transition. Green bonds must comply with the Green Bond Principles (GBP) of the International Capital Market Association (ICMA).

The portfolio may be up to 10% diversified in bonds from issuers whose business activity is deemed sustainable as defined by SFDR, in social bonds issued to finance socially sustainable projects and to provide material social benefits, and/or in sustainability bonds, funds from which are used solely for projects that are both environmental and social in nature. Social bonds must comply with the ICMA's four Social Bond Principles (SBPs). Sustainable bonds must comply with the GBPs and SBPs, respectively for environmental and social projects, in accordance with the ICMA's Sustainability Bond Guidelines (SBGs)."

Investment proportion



Verification of the sustainable investment objective

Like all funds managed by LAZARD FRERES GESTION SAS, this portfolio is subjected to a pre-trade review to ensure that it complies with norms-based and sector exclusions laid out in our ESG policy (a first-level control). The Risk and Compliance teams also conduct second-level controls on binding aspects of the investment strategy.

Methodologies

The achievement of this product's sustainable investment objective is measured by sustainability indicators. They are described below.

At the level of ESG research on sustainable bonds: ESG research that is specific to green bonds is based on the in-house research tools of each issue and are based on three pillars:

- The issuer's ESG profile and its environmental strategy;
- Compliance with the good practices laid out in the Green Bond Principles (GBP), including use of funds, process for selecting and evaluating projects, management of funds, and reporting;
- The level of the second-party opinion (SPO) on the quality of the green bond.

ESG research on social bonds and sustainability bonds as defined by the Social Bond Principles (SBPs) and the Sustainability Bond Guidelines (SBGs) of the International Capital Market Association (ICMA) are based on the same in-house research tools as for green bonds.

At the level of valuation in the in-house research model: ESG research on directly held securities is based on a proprietary model that is based, in turn, on an in-house grid. Based on various data provided by our ESG partners (extra-financial research agencies, external service providers, etc.), companies' annual reports and our direct interactions with them, the analysts who cover each company determine an in-house ESG score.

Sources and processing of data

To supplement our research, we use various data providers, such as Moody's ESG Solutions, MSCI, Trucost,

ISS Ethix, Proxinvest). Our external service providers' offerings are subjected to due diligence on a regular basis to be sure that we are receiving those services that are best suited to our strategies.

Aware of the importance of intra-sector comparisons and of properly understanding the operating, geographical and regulatory environments in which companies do business, we pay special attention in our research methodology to the materiality of ESG risks and opportunities. Data must be looked at differently, depending the company's sector, country or even its individual features, in order to properly reflect each company's ESG performances.

Limitations of methods and data

Aware of the importance of intra-sector comparisons and of proper understanding the operating, geographical and regulatory environments in which companies do business, we pay special attention in our research methodology to the materiality of ESG risks and opportunities. Data must be looked at differently depending the company's sector, country or even its individual features, in order to properly reflect each company's ESG performances. LAZARD FRERES GESTION SAS is aware of the limits entailed by the supply of ESG data in our ESG strategies ESG and in particular their potential influence on the degree to which the environmental and social characteristics promoted by our financial products are achieved. With this in mind, we practice an ongoing approach to improvement, in particular on Paris Agreement alignment strategies and alignment with long-term biodiversity goals.

Due diligence

More than 90% of the funds' assets, excluding cash, are subject to an ESG evaluation. The in-house analysis is combined with binding management criteria backed by research from external providers.

Engagement policy

As part of its active management philosophy, LAZARD FRERES GESTION SAS urges analyst-managers to conduct dialogue and engagement to promote good ESG practices. We give precedence to dialogue with companies through an engagement process. This process is part of a broader framework of integrating ESG criteria into Lazard Frères Gestion's strategies

Achievement of the sustainable investment objective

The product invests 90% of its net assets in green bonds that finance the environmental and energy transition considered to be sustainable investments. The product does not use a specific index.