


## APPENDIX III

### Environmental and/or Social Characteristics

**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**

	<b>Product name:</b> Lazard Convertible Global	<b>Legal entity identifier:</b>	969500U6SRN5JZ7VZ943
<p><b>Sustainable investment</b> 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.</p> <p>The <b>EU Taxonomy</b> is a classification system laid down in Regulation (EU) 2020/852, establishing a list of <b>environmentally sustainable economic activities</b>. 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.</p>	<b>Environmental and/or social characteristics</b>		
	<b>Does this financial product have a sustainable investment objective?</b>		
	<input checked="" type="radio"/> <input checked="" type="radio"/> <b>Yes</b>		<input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
	<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments	
	<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy	
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy		
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input type="checkbox"/> with a social objective		
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>		
	<b>What environmental and/or social characteristics are promoted by this financial product?</b>		
	<p>The Fund's environmental and social characteristics are:</p> <ol style="list-style-type: none"> <li>1. To maintain a weighted average ESG rating that is better than the Investment Universe. The rating methodology is based on a combination of proprietary and third-party ESG analysis that assesses a company's exposure to industry-specific material ESG issues and how well a company is managing those issues.</li> <li>2. To avoid investing in companies that violate global environmental and social norms. The Investment Manager assesses companies against an internally generated watchlist, which leverages third-party vendor information. An exclusion policy is applied by the Fund that prohibits investing in or obtaining exposure to companies that are deemed by the Investment Manager to violate United Nations Global Compact (UNGC) principles. This helps to avoid investments that, at a minimum, do not meet social and environmental norms with regards to human rights, labour, and anti-corruption, as well as environmental degradation.</li> <li>3. To promote certain minimum environmental and social safeguards by applying specific</li> </ol>		

		exclusion criteria on corporates that are involved in controversial weapons production, military weapons production, thermal coal mining or production, or tobacco production.
<b>Sustainability indicators</b> measure how the environmental or social characteristics promoted by the financial product are attained.	● <b>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</b>	The Fund uses the following sustainability indicators to measure how the environmental and social characteristics of the Fund are attained: <ol style="list-style-type: none"> <li>1. The Fund’s weighted average ESG rating is better than that of the Investment Universe.</li> <li>2. The Fund has no exposure to companies deemed by the Investment Manager to be breaching the UNGC principles.</li> <li>3. The Fund has no exposure to companies excluded by the exclusion criteria relating to controversial weapons production, military weapons production, thermal coal mining or production, or tobacco production.</li> </ol>
	● <b>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?</b>	Not applicable – the Fund does not commit to making sustainable investments.
<b>Principal adverse impacts</b> 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.	● <b>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?</b>	Not applicable.
	--- <i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>	Not applicable.
	--- <i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</i>	Not applicable.
		Not applicable.
		The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria. <p>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>Any other sustainable investments must also not significantly harm any environmental or social objectives.</p>



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

Yes, the Fund considers principal adverse impacts (PAIs) on sustainability factors.

Through pre-investment global norms and activity-based exclusions, the following PAIs are considered:

- Exposure to companies active in the fossil fuel sector (PAI 4, Table 1)
- Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
- Exposure to controversial weapons (PAI 14, Table 1)

Through ESG integration and investment due diligence processes, the following PAIs are considered:

- Indicators related to GHG emissions and fossil fuel exposure (PAI 1-4, Table 1)
- Board gender diversity (PAI 13, Table 1)

Through post-investment stewardship activities, such as engagement or voting, the following PAIs are considered:

- Indicators related to GHG emissions and fossil fuel exposure (PAI 1-4, Table 1)
- Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
- Board gender diversity (PAI 13, Table 1)

Material environmental and social issues such as those listed in the PAIs are regularly identified by investment professionals and are incorporated as part of the Investment Manager's proprietary research processes. The Investment Manager also references third-party ESG research and data for additional information and relative industry positioning. Given limited availability of certain data points, the Investment Manager may use qualitative assessments while also adding further relevant data points in relation to the PAIs as corporate disclosure and data quality improve over time.

Information relating to PAIs will be made available in the Fund's annual financial reports.

No




**What investment strategy does this financial product follow?**

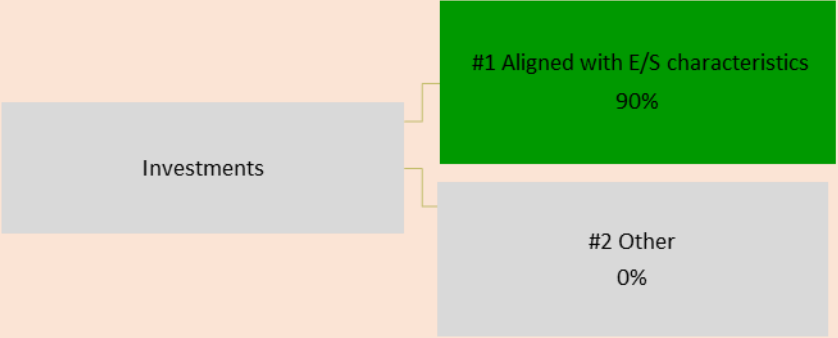

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance

***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 Fund has the following binding elements:

1. The Fund's ESG rating is monitored against the Investment Universe to ensure it

	<p>outperforms on a weighted average basis over the reference period. The ESG rating measures companies' exposure to, and performance managing, material environmental, social, and governance considerations. The Investment Manager seeks to achieve a better overall ESG rating by making investments in issuers with attractive ESG characteristics and limiting exposure to companies with higher sustainability risks.</p> <ol style="list-style-type: none"> <li>2. The Investment Manager assess violations of UNGC principles based on third-party data and internal research. Any company deemed to be breaching UNGC principles will be excluded from the Fund's investment universe and the Fund will have 0% exposure to such companies.</li> <li>3. The Fund applies activity-based exclusion criteria for certain products and services and will have 0% exposure to securities excluded under this policy. The exclusion criteria for the Fund includes companies which are involved in: <ul style="list-style-type: none"> <li>• the manufacture or production of controversial weapons (any revenue from anti-personnel mines, cluster munitions, nuclear weapons in countries not party to the Non-Proliferation Treaty (NPT), biological weapons, chemical weapons, depleted uranium weapons.).</li> <li>• military weapons production which represents 10% of revenue or greater.</li> <li>• tobacco production which represents 5% of revenue or greater.</li> <li>• thermal coal mining or production which represents 30% of revenue or greater.</li> </ul> </li> </ol>
<p><b>Good governance</b> practices include sound management structures, employee relations, remuneration of staff and tax compliance.</p>	<p>● <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></p> <p>There is no committed minimum rate to reduce the scope of the investment considered.</p> <p>● <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></p>
	<p>The Investment Manager has developed Global Governance Principles that set out expectations for corporate governance on issues such as board independence, accountability and composition, as well as culture, remuneration, shareholder rights, amongst others. The principles provide a framework for governance assessments and stewardship activity, clearly setting out the Investment Manager's expectations of company management and effective stakeholder management.</p> <p>The assessment of good governance practices is relevant only for corporate issuers in the Fund. The assessment is supported by a broad range of governance information from third-party ESG data sets. These data sources also provide governance-related controversy information, which can be used to flag governance issues at investee companies. Governance assessments and information are taken into consideration as part of due diligence processes, ongoing monitoring of issuers in the portfolio, and stewardship activities.</p>
<p> <b>Asset allocation</b> describes the share of investments in specific assets.</p>	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>At least 90% of the Fund's NAV will be in investments aligned with any one or more of the E/S characteristics of the Fund. The Fund does not commit to making sustainable investments. Any investments in the "#2 Other" category will include investments and other instruments of the Fund that cannot be aligned with the environmental and/or social characteristics of the Fund. These can include, for example, derivatives, cash and cash/equivalents. The Fund does not make a minimum commitment to making investments that fall within the "#2 Other" category and therefore 0% is included for that category in the graphic below. This means that between 0% and 10% of the Fund's NAV might at any point in time be in investments that qualify as "#2 Other" investments. The planned asset allocation will be reviewed on an annual basis.</p>

<p>Taxonomy-aligned activities are expressed as a share of:</p> <ul style="list-style-type: none"> <li>– <b>turnover</b> reflecting the share of revenue from green activities of investee companies</li> <li>– <b>capital expenditure (CapEx)</b> showing the green investments made by investee companies, e.g. for a transition to a green economy.</li> <li>– <b>operational expenditure (OpEx)</b> reflecting green operational activities of investee companies.</li> </ul>	<div style="text-align: center;">  <p>The diagram shows a central grey box labeled 'Investments'. Two lines branch out from its right side to two boxes. The top box is green and labeled '#1 Aligned with E/S characteristics 90%'. The bottom box is grey and labeled '#2 Other 0%'.</p> </div> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p>
	<p>● <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></p>
	<p>The Fund does not use derivatives for attaining the environmental or social characteristics promoted by the Fund.</p>
<p>To comply with the EU Taxonomy, the criteria for <b>fossil gas</b> include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For <b>nuclear energy</b>, the criteria include comprehensive safety and waste management rules.</p>	<p> <b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p> <p>The Fund does not commit to making sustainable investments or to making Taxonomy-aligned investments. It is expected, however, that in pursuing its environmental characteristics, the Fund will contribute to one or more of the following environmental objectives as set out in the Taxonomy Regulation: climate change mitigation and/or climate change adaptation.</p>
<p><b>Enabling activities</b> directly enable other activities to make a substantial contribution to an environmental objective.</p>	<p>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?</b></p> <p><input type="checkbox"/> Yes:</p>

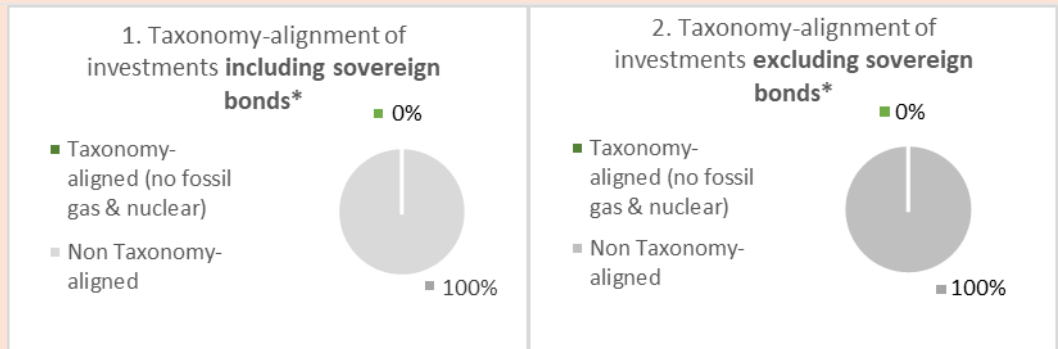
<sup>1</sup>Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**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.


In fossil gas  In nuclear energy


No

**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 the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

 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 investments in transitional and enabling activities?**

There is no committed minimum share of investments in transitional and enabling activities.

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

There is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

 **What is the minimum share of socially sustainable investments?**

There is no committed minimum share of socially sustainable investments.

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

“#2 Other” may include other investments and instruments of the Fund that cannot be aligned with the environmental and/or social characteristics of the Fund. These can include, for example, derivatives, cash, and cash equivalents. The Fund does not make a minimum commitment to making investments that fall within the “#2 Other” category and therefore 0% is included in the 'What is the asset allocation planned for this financial product?' above.

Minimum environmental and social safeguards set in exclusion criteria relating to global norms and activity-based screening still apply to the underlying securities.



**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?**

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

The Fund has not designated an index as a reference benchmark to attain the environmental or social characteristics it promotes.

● *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable.

● *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

● *How does the designated index differ from a relevant broad market index?*

Not applicable.

● *Where can the methodology used for the calculation of the designated index be found?*

Not applicable.



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More product-specific information can be found on the website:**

[https://www.lazardfreresgestion.fr/EN/Fonds\\_71.html](https://www.lazardfreresgestion.fr/EN/Fonds_71.html)