



# *Biodiversity Policy*

LAZARD  
FRÈRES GESTION



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# Our principles

Biodiversity refers to the variety of life forms on Earth. It comprises ecosystem diversity, species diversity and genetic diversity.

The term biodiversity was coined in 1985 and was then defined in its current form in the **Convention on Biological Diversity** at the Rio Earth Summit in 1992. This concept arose from an awareness of the need to preserve life as a whole. Biodiversity is essential to human well-being and the economic prosperity of all peoples because of the **ecosystem services** it provides.

However, human activities are exerting **major pressures** on nature, leading to unprecedented degradation of biodiversity and posing direct **threats** to the stability of our economies and societies.

According to a study conducted by the Banque de France in 2021, **42% of securities held by French financial institutions are issued by companies that are heavily dependent on at least one ecosystem service**. According to a 2023 estimate by the European Central Bank, **72% of companies are heavily dependent on at least one ecosystem service**.

Lazard Frères Gestion relies on science to define its biodiversity approach. We incorporate the findings of the **Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)** to assess the pressures and dependencies associated with our investments.



IPBES has identified **five pressure factors** associated with human activities that are causing biodiversity loss:

- Changes in land and sea use
- Over-exploitation of natural resources
- Climate change
- Pollution
- The introduction of invasive species

In order to assess dependencies, IPBES has defined three types of **ecosystem services** provided by biodiversity:

- Cultural services
- Provisioning services
- Regulating services

As asset managers, we believe that we must play a transformative role in the economy by raising awareness among companies of their impact on biodiversity. We **encourage the companies** in which we invest to take their responsibilities seriously, through **individual and collaborative commitments**.

We also **contribute to local working groups dedicated to biodiversity** in order to identify levers for action that can be implemented by our fellow investors to help preserve biodiversity.

Our biodiversity policy is an extension of our sustainability risk management principles. In line with our dual materiality approach, we **systematically integrate** companies' **impacts and dependencies** on biodiversity and associated ecosystem services.

We believe that preserving and restoring biodiversity presents **investment opportunities**. This approach leads us to favour companies that are transforming themselves or undertaking responsible projects. The financial support we provide is intended to give a competitive advantage to the most committed companies.

# Alignment with the global biodiversity framework

The **Convention on Biological Diversity (CBD)**, adopted in 1992, is the international reference framework for biodiversity protection. It has three objectives: the conservation of biodiversity, the sustainable use of its components, and the fair and equitable sharing of the benefits arising from the exploitation of genetic resources.

At **COP 15 on biodiversity** in 2022, the signatory states reinforced this commitment by adopting the **Kunming-Montreal Global Biodiversity Framework**. This ambitious framework sets long-term goals for 2050, supported by **23 intermediate targets** to be achieved by 2030, aimed at halting and reversing the decline in biodiversity.

In France, **Article 29** of the **Energy-Climate Law** requires French market players to publish a strategy for aligning with the long-term objectives of the Kunming-Montreal Global Biodiversity Framework.

Preserving biodiversity is a major global challenge that requires all stakeholders to take responsibility. To formalise its alignment strategy, Lazard Frères Gestion has set itself a **series of short-, medium- and long-term objectives** to integrate ecosystem protection into its investment decisions and support companies invested in combating biodiversity loss.

In 2022, Lazard Frères Gestion affirmed its commitment by signing the **Finance for Biodiversity Pledge**, launched as part of COP 15. Through this initiative, we are committed to sharing our knowledge, measuring our impact and financing solutions that promote the preservation and restoration of ecosystems.



## Alignment of our actions with the objectives of the Global Biodiversity Framework

|   |  |
|---|--|
| <p><b>TARGET 7</b><br/>Reduce pollution.</p>  | <ul style="list-style-type: none"> <li>Internal ESG analysis grids</li> <li>Proprietary materiality table</li> <li>Pollution Policy</li> <li>Climate Policy</li> </ul>   |
| <p><b>TARGET 8</b><br/>Minimise the impacts of climate change on biodiversity and strengthen its resilience.</p>                              | <ul style="list-style-type: none"> <li>Thermal Coal and Fossil Energy Policies</li> <li>Internal ESG analysis grids</li> <li>Alignment with the Paris Agreement</li> <li>Analysis of climate transition plans</li> <li>Voting policy</li> <li>Engagement Policy</li> <li>Climate Policy</li> </ul> |
| <p><b>TARGET 9</b><br/>Sustainably manage wildlife for the benefit of communities.</p>  | <ul style="list-style-type: none"> <li>Deforestation Policy</li> <li>Commitment Policy</li> </ul>  |
| <p><b>TARGET 10</b><br/>Improve biodiversity in agriculture, aquaculture, fisheries and forestry.</p>   | <ul style="list-style-type: none"> <li>Deforestation Policy</li> <li>Commitment Policy</li> </ul>  |
| <p><b>TARGET 14</b><br/>Integrate biodiversity into decision-making processes.</p>  | <ul style="list-style-type: none"> <li>Internal ESG analysis grids</li> <li>Thematic exclusion policies</li> <li>Engagement Policy</li> <li>Contribution to dedicated working groups</li> </ul>  |
| <p><b>TARGET 15</b><br/>Companies assess, disclose and reduce risks and impacts related to biodiversity.</p>                                  | <ul style="list-style-type: none"> <li>Member of the TNFD Forum</li> <li>Commitment policy</li> <li>Monitoring and managing our biodiversity footprint</li> </ul>  |
| <p><b>TARGET 16</b><br/>Encourage sustainable consumption choices.</p>  | <ul style="list-style-type: none"> <li>Commitment policy</li> </ul>  |
| <p><b>TARGET 18</b><br/>Reduce harmful incentives by at least \$500 billion per year and strengthen positive incentives for biodiversity.</p> | <ul style="list-style-type: none"> <li>Internal ESG analysis grids</li> <li>Engagement policy</li> <li>Exclusion policies</li> </ul>   |
| <p><b>TARGET 19</b><br/>Mobilise and increase financial resources for biodiversity.</p>   | <ul style="list-style-type: none"> <li>SFDR Article 9 funds</li> <li>SRI funds</li> <li>Monitoring &amp; management of biodiversity indicators</li> </ul>  |
| <p><b>TARGET 21</b><br/>Ensure that knowledge is available and accessible to guide action for biodiversity.</p>                               | <ul style="list-style-type: none"> <li>Internal training</li> <li>Participation in dedicated working groups</li> </ul>   |

# Integration into our analysis

## A. Internal grid

Lazard Frères Gestion has been integrating biodiversity into its ESG analysis since 2020, using its **proprietary internal analysis tool**, which is common to equity, bond and private equity management.

Our internal grid, which is systematically produced for all the securities we hold in our portfolio, takes into account several factors that exert pressure on biodiversity through:

- ▶ **Environmental indicators**, including PAI (Principal Adverse Impact) indicators related to biodiversity (PAI 1, 2, 3, 4, 5, 6, 7, 8 and 9).
- ▶ **Assessment scores** for companies' climate, water, waste and, more broadly, biodiversity policies.
- ▶ Any **controversies** are assessed in terms of their severity and the remedial actions taken.

Lazard Frères Gestion also draws on data from the **Carbon Disclosure Project**, the largest standardised environmental database. This allows for a comparable assessment of companies' performance on climate, deforestation and water management issues.



## B. Assessment of impact materialities and dependencies

### 1. Impact materiality

Lazard Frères Gestion has developed an **impact materiality table** to guide its analyses and commitments towards the most relevant and significant **sectoral issues**. This table was created using the proven biodiversity impact methodology of the **ENCORE\*** database, supplemented by information gathered from issuers during our engagements and the sector convictions of Lazard Frères Gestion analysts.

This detailed materiality table enables us to assess, for each sector of activity, the **impact** on each of the biodiversity **pressure factors** defined by **IPBES**.

This assessment is incorporated into our analysis and enables us to identify the significant biodiversity issues for each company studied.

Our materiality table also enables us to **focus our in-depth engagement strategy** on companies where we identify biodiversity pressure factors and insufficient remediation actions.

We can also establish **strong links with companies' climate issues** and promote the joint integration of good practices in climate and biodiversity, thereby creating a virtuous circle.



\* ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): <https://encorenature.org/>



|  | Changes in land use, freshwater and marine resources |               |                 | Overexploitation of resources | Climate change | Pollution                       |   |   |                             | Invasive alien species           |
|--|--|---------------|-----------------|-------------------------------|----------------|---------------------------------|---|---|-----------------------------|----------------------------------|
|  | Freshwater use area                                  | Land use area | Seabed use area | Water use volume              | GHG emissions  | Atmospheric pollutant emissions | Emissions of pollutants into soil and water | Production and discharge of solid waste | Disturbances (noise, light) | Introduction of invasive species |
| Energy   | 5  | 4             | 5               | 3                             | 5              | 5                               | 5   | 5                                       | 5                           | 5                                |
| Materials                                      | 5  | 5             | 5               | 4                             | 4              | 5                               | 5   | 5                                       | 5                           | 4                                |
| Capital Goods                                  | 5  | 3             | 3               | 3                             | 3              | 3                               | 5   | 2                                       | 5                           | 5                                |
| Commercial & Professional Services             | 3  | 3             | 3               | 3                             | 4              | 4                               | 5   | 3                                       | 5                           | 5                                |
| Transportation                                 | 3  | 3             | 3               | 3                             | 4              | 5                               | 3   | 3                                       | 5                           | 5                                |
| Automobile & Components                        | 1  | 2             | 1               | 2                             | 3              | 3                               | 5   | 3                                       | 5                           | 1                                |
| Consumer Discretionary Distribution & Retail   | 2  | 3             | 2               | 3                             | 3              | 3                               | 3   | 2                                       | 2                           | 5                                |
| Consumer Durable & Apparel                     | 3  | 2             | 3               | 3                             | 4              | 4                               | 5   | 3                                       | 5                           | 2                                |
| Consumer Services                              | 3  | 3             | 3               | 3                             | 3              | 3                               | 3   | 3                                       | 3                           | 3                                |
| Consumer Staples Distribution & Retail         | 1  | 2             | 1               | 3                             | 3              | 3                               | 3   | 2                                       | 2                           | 5                                |
| Food, Beverage & Tobacco                       | 4  | 5             | 4               | 5                             | 4              | 5                               | 5   | 5                                       | 4                           | 5                                |
| Household & Personal Products                  | 1  | 2             | 1               | 4                             | 3              | 3                               | 5   | 3                                       | 5                           | 1                                |
| Health Care Equipment & Services               | 1  | 3             | 1               | 3                             | 3              | 4                               | 4   | 3                                       | 3                           | 1                                |
| Pharmaceuticals, Biotechnology & Life Sciences | 1  | 2             | 1               | 3                             | 3              | 3                               | 3   | 3                                       | 3                           | 1                                |
| Banks  | 1  | 3             | 1               | 2                             | 2              | 1                               | 2   | 1                                       | 2                           | 1                                |
| Financial Services                             | 1  | 3             | 1               | 2                             | 2              | 1                               | 2   | 1                                       | 2                           | 1                                |
| Insurance                                      | 1  | 2             | 1               | 1                             | 2              | 1                               | 2   | 1                                       | 2                           | 1                                |
| Semiconductors & Semiconductor Equipment       | 1  | 2             | 1               | 3                             | 3              | 4                               | 4   | 2                                       | 3                           | 1                                |
| Software & Services                            | 1  | 3             | 1               | 2                             | 2              | 1                               | 1   | 2                                       | 3                           | 1                                |
| Technology Hardware & Equipment                | 1  | 2             | 1               | 3                             | 3              | 4                               | 4   | 2                                       | 3                           | 5                                |
| Media  | 2  | 3             | 3               | 2                             | 2              | 2                               | 3   | 2                                       | 3                           | 1                                |
| Media & Entertainment                          | 1  | 3             | 1               | 2                             | 2              | 2                               | 2   | 2                                       | 3                           | 1                                |
| Telecommunication Services                     | 2  | 1             | 3               | 1                             | 2              | 1                               | 2   | 1                                       | 3                           | 1                                |
| Utilities                                      | 4  | 4             | 3               | 3                             | 5              | 5                               | 5   | 4                                       | 5                           | 1                                |
| Real Estate Management & Development           | 1  | 2             | 1               | 2                             | 1              | 1                               | 2   | 1                                       | 2                           | 1                                |

## 2. Materiality of dependencies

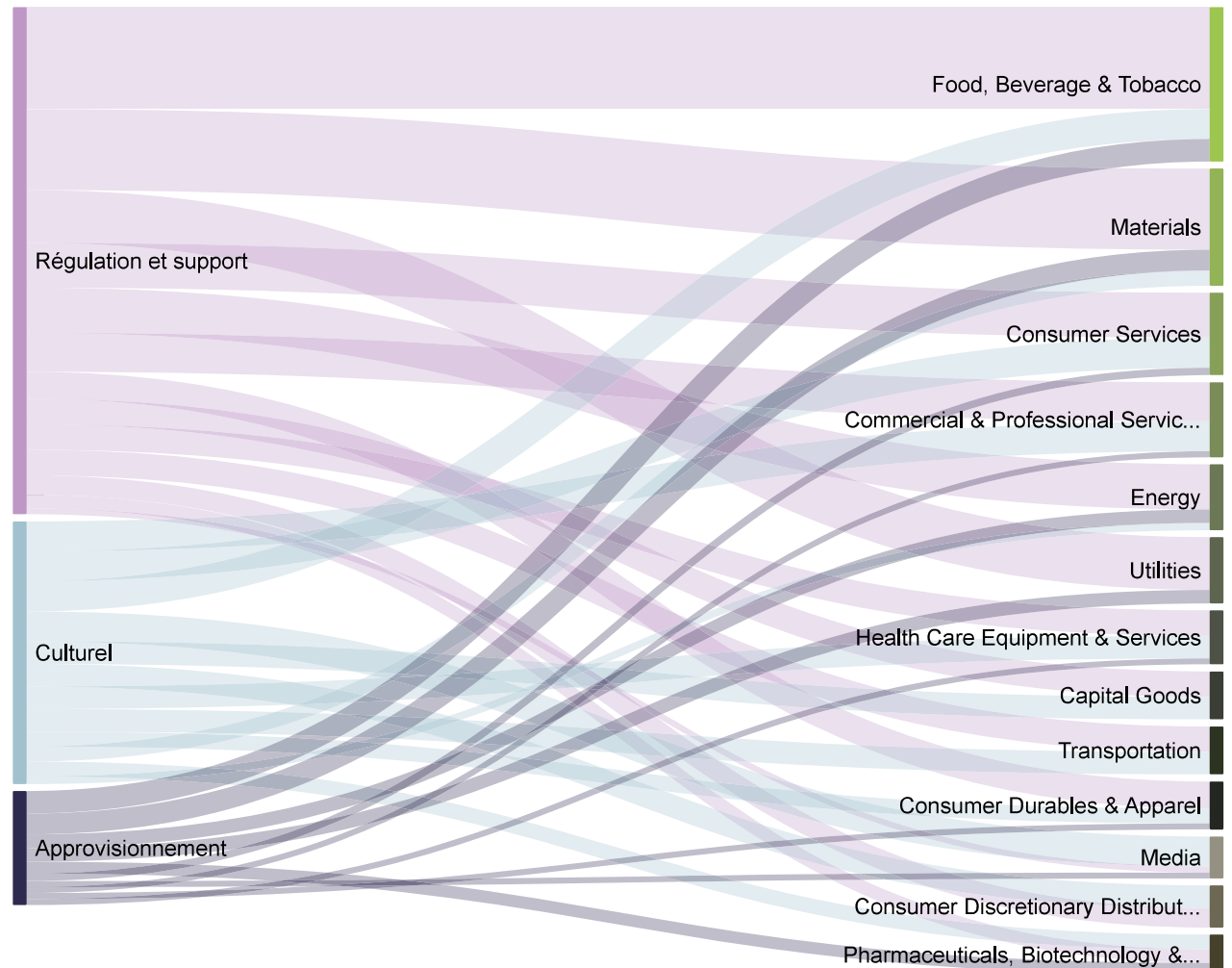
Biodiversity provides three types of **ecosystem services** defined by **IPBES**.

Following on from our work on impact materiality, we have conducted an **analysis of sectors' dependence** on ecosystem services, drawing on the work of **ENCORE**, relevant corporate feedback and the expertise of our sector analysts.

These dependencies are presented in the **Sankey diagram\*** below to highlight the relative importance of ecosystem services for the sectors concerned.

The dependency analysis enables us to assess the **level of risk** faced by companies in the event of ecosystem degradation.

\* A sector is included in the diagram if it has a significant dependence on at least one of the three ecosystem services.



## C. Steering our biodiversity footprint

The **biodiversity footprint** is considered a key measure because it **quantifies the impact** of human activities on natural ecosystems and species diversity.

It enables us to identify and prioritise activities that have a negative impact on biodiversity and to assess the positive impact of remedial measures.

The main complexity of assessing the biodiversity footprint is that each pressure factor has specific units of measurement and accounting methods for its impacts. Nevertheless, scientific research has led to the development of footprint metrics that aggregate these different pressures into a single unit of measurement in order to determine the total impact of a company's activities.

We bear in mind that the practicality of aggregating data on the five pressure factors is offset by methodological choices that may have certain limitations in terms of their accuracy or order of magnitude. Furthermore, there are no established standards: each biodiversity footprint provider makes its own methodological choices, which can lead to results that vary significantly from one provider to another.

The most commonly used biodiversity footprint measure is **Mean Species Abundance (MSA)**. This metric assesses the current average abundance of biodiversity in a given ecosystem, considered to be disturbed by human activity, and compares it to the average abundance of an undisturbed reference ecosystem. It is expressed as a percentage, with an intact ecosystem representing an MSA of 100%. Impacts on biodiversity are expressed in **MSA.km<sup>2</sup>** units. An impact of 1 MSA.km<sup>2</sup> is equivalent to the artificialisation of 1 km<sup>2</sup> of intact natural areas.

Lazard Frères Gestion has committed to **measuring its biodiversity footprint** and assessing the **performance of its portfolios** against their investment universe by 2025. This assessment is intended to limit biodiversity loss by encouraging companies to change their practices and activities in order to reduce their impact.

By incorporating these various data points into our investment strategies, we aim to anticipate the impact of regulatory changes as accurately as possible and identify companies that take biodiversity issues into account, both to limit their effects (risk mitigation) and to adapt to them (risk adaptation).

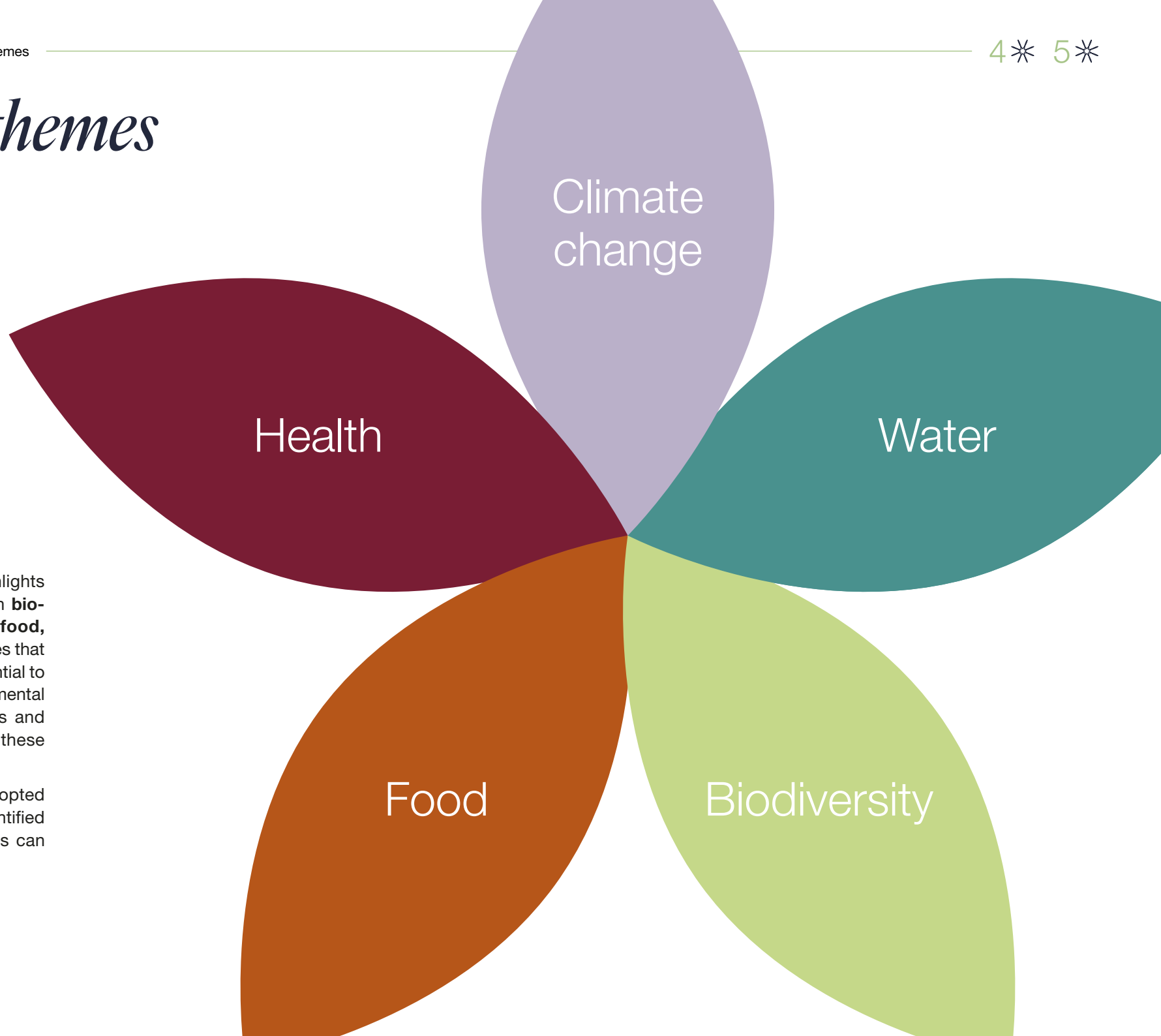


carbon4  
finance

Lazard Frères Gestion uses Carbon4 Finance's biodiversity footprint indicator to measure the main pressures and impacts on biodiversity defined by IPBES. The MSA can be broken down according to:

- Domain: aquatic or terrestrial environment
- Temporality: static or dynamic
- Pressure factors

# Priority themes



The **IPBES Nexus** report highlights the **interconnections** between **bio-diversity, climate change, food, health** and **water**. It emphasises that an integrated approach is essential to respond effectively to environmental crises, maximising co-benefits and limiting negative impacts on these interdependent elements.

Lazard Frères Gestion has adopted this holistic approach and identified priority areas where its actions can have a significant impact.

## A. Deforestation

Deforestation is one of the main manifestations of **land use change**, identified by IPBES as the most significant direct pressure on biodiversity.

**Forest ecosystems** are essential for maintaining natural balances by providing irreplaceable **ecosystem services**.

The Food and Agriculture Organisation of the United Nations estimates that around **1.6 billion people depend on forests for their livelihoods**. WWF estimates that **forests are home to more than 80% of terrestrial biodiversity**, including 80% of amphibians, 75% of birds and 68% of mammals.

Forests also play a key role in **climate regulation**. As **natural carbon sinks**, they absorb and store a significant portion of greenhouse gas emissions, helping to mitigate climate change.

Conversely, deforestation compromises this sequestration and causes carbon to be released into the atmosphere. The IPCC estimates that deforestation is responsible for **11% of global greenhouse gas emissions**.

Between 1990 and 2020, the planet lost nearly 10% of its forests, mainly due to **agricultural expansion\***. Faced with this major challenge, it is imperative to adopt robust measures to preserve existing forests, restore fragile ecosystems, and encourage the transition to sustainable and environmentally friendly agricultural practices.

The **European Union Deforestation Regulation (EUDR)** requires companies operating in the European market to ensure that their products are not associated with deforestation. The commodities in question are palm oil, soy, coffee, cocoa, timber, rubber and cattle.

\* FAO, Global Forest Resources Assessment.

At Lazard Frères Gestion, combating deforestation is central to our biodiversity policy and environmental commitments. Aware of the challenges involved in preserving forest ecosystems, we have set ourselves an ambitious goal: to steer all our investments towards a zero deforestation policy by 2030.

To ensure that our investments promote the sustainable management of forest resources, we implement:

- 🌿 **Analysis tools**
- 🌿 **Exclusion filters**
- 🌿 **Engagement strategies**

We favour a **comprehensive approach** that incorporates:

- 🌿 Ecosystem protection
- 🌿 Transition to sustainable agricultural models
- 🌿 Support for local communities dependent on forests



## Palm oil

Palm oil stands out for its **yield** per hectare, which is up to five times higher than that of other vegetable oils. This efficiency has made palm oil the most widely consumed vegetable raw material in the world.

Oil palm cultivation accounts for a significant share of the economies of Indonesia and Malaysia, which together account for 85% of global production. It is also a **highly fragmented market**, with three million smallholders contributing to 40% of global production. The **economic and social role** of this raw material has therefore become very significant over time.

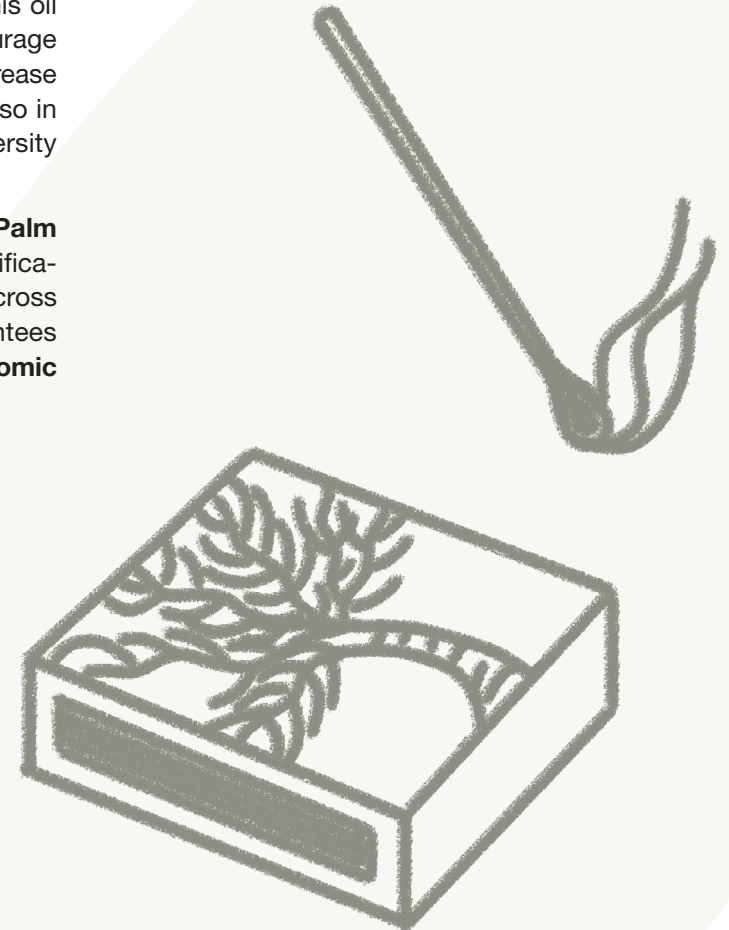
However, intensive oil palm cultivation has disastrous consequences. In order to create space for cultivation, vast areas of **tropical forests rich in biodiversity are cut down or burned**. Furthermore, as forests absorb and store a significant proportion of global greenhouse gas emissions, their mass deforestation has a **substantial impact on global warming**.

Lazard Frères Gestion believes that the challenge is to combat harmful practices by promoting **sustainable** palm oil production that meets **environmental** and **social** criteria.

Our policy is based on two complementary approaches: exclusion and engagement.

- Exclusion:** Lazard Frères Gestion excludes companies with at least 5% of their turnover in the production and/or distribution of palm oil and less than 60% of which is certified.
- Engagement:** Lazard Frères Gestion engages annually with companies that use palm oil in their processed products when less than 60% of this oil is certified. These engagements aim to encourage companies to improve their practices and increase the proportion of certified palm oil. They are also in line with our short- and medium-term biodiversity objectives.

We rely on **RSPO (Roundtable on Sustainable Palm Oil)** certification, a voluntary and independent certification system bringing together stakeholders from across the palm oil value chain. This certification guarantees **compliance with environmental, social and economic criteria** in the production of palm oil.



## B. Pollution

Pollution is another of the five pressures on biodiversity. It directly affects terrestrial, aquatic and marine ecosystems in various ways: chemical, plastic, atmospheric, light and noise pollution.

The impacts of pollution on biodiversity are **multiple** and often **irreversible**. Chemicals from industry, agriculture and human activities **contaminate** soil, water and air, disrupt biological cycles and **compromise the survival of many species\***.

Air pollution, mainly caused by industrial emissions and transport, contributes to climate change and the deterioration of air quality. It also leads to ocean acidification, which disrupts marine ecosystems.

Reducing pollution requires a profound **transformation** of current economic models. We must now focus on a **circular economy** based on waste **reduction**, resource **reuse** and the adoption of **sustainable** production and consumption practices.

As part of our ESG policy, we actively incorporate environmental criteria related to pollution into our investment analysis and decision-making processes. We favour companies committed to:

- Reducing their pollutant emissions
- **Sustainable waste management**
- Developing **environmental friendly** technologies

At the same time, we are also engaged in **dialogue and awareness-raising activities** with businesses to encourage them to take greater account of pollution issues and adopt practices that comply with the highest environmental standards.

## Biocides

Biocides are chemical substances or preparations designed to destroy, repel or render harmless harmful organisms.

They fall into four main categories:

- **Disinfectants:** used for human, animal or industrial hygiene
- **Protective products:** used to prevent the deterioration of materials and products
- **Pest control products:** insecticides, repellents and rodenticides
- **Other biocides**

Biocides help protect human, animal and plant health by controlling pathogens, parasites and unwanted organisms. However, their use raises significant environmental and health issues, requiring regulated use. Indeed, the use of biocides can lead to the **contamination** of soil, water and ecosystems when they are misused or disposed of inappropriately. These highly toxic substances can have **harmful effects** on fauna and flora, even **disrupting ecological balances**.

Lazard Frères Gestion has adopted a specific engagement policy for biocide producers.

● **Commitment:** Lazard Frères Gestion makes annual commitments to companies in its portfolio whose turnover from biocides exceeds 10%. These commitments aim to encourage companies to take into account the environmental and health impacts associated with the biocides they sell.

Our approach is intended to be progressive. Following these commitments and depending on the results obtained, we will consider implementing escalation measures, which could lead to targeted exclusions for companies that do not meet our expectations.



\* Sources: European Environment Agency, IUCN Red List.



## C. Climate change

Climate change is one of the factors putting pressure on biodiversity. Climate and biodiversity interact and are **interdependent**: natural ecosystems help regulate the climate, while climate change poses an exponential threat to biodiversity.

The **burning of fossil fuels** is the main cause of global warming. In 2020, Lazard Frères Gestion developed a strategy aimed at completely phasing out coal by 2030. In 2025, we developed a policy targeting companies active in the fossil fuel oil and gas sectors.

### *Fossil fuels*

#### COAL

- **Exclusion:** Lazard Frères Gestion excludes any investment in companies that:
  - Projects involve new mine or power plant developments
  - More than 10% of revenue comes from activities related to thermal coal
  - More than 10% of the energy mix (per MWh generated) is based on coal
  - Annual thermal coal production exceeds 10 MT per year
  - Installed coal-fired capacity exceeds 5 GW

#### OIL AND GAS

- **Exclusion:** Lazard Frères Gestion excludes all upstream companies that derive more than 5% of their production from the following sources: coalbed methane, oil from oil sands and shale, extra-heavy oil, hydraulic fracturing.
- **Commitment:** Enhanced dialogue with companies that derive more than 10% of their revenue from fossil fuels.

Our strategy to combat climate change is outlined in its entirety in our **Climate Policy** and is based on the following six pillars:

#### Alignment with the Paris Agreement



We have set medium- and long-term targets for the temperature of all our investments.

#### Research and expertise



Our proprietary analysis grid incorporates numerous criteria related to climate change, and in 2024 we developed a methodology for analysing companies' climate transition plans.

#### Fossil fuels



We have a coal policy, in force since 2020, which we supplemented in 2025 with a policy on conventional and unconventional fossil fuels.

#### Commitments



Our engagement and voting practices, as defined in our policies, and the initiatives to which we are signatories, support corporate transparency and the reduction of corporate emissions.

#### Reporting and transparency



Publication of standardised reports incorporating carbon, temperature and energy transition data.

#### Risk management



Conducting climate stress tests *at least* annually under more than a dozen scenarios.



# Commitments

Meetings with company management are an integral part of our investment process. During our discussions, we regularly address biodiversity issues.

Lazard Frères Gestion has set **biodiversity engagement targets** for 2023, with a view to encouraging companies to identify the **material issues** for their activities and to adopt a biodiversity policy to address them. In line with regulatory developments, increasingly alarming findings from COPs and IPBES reports, and companies' growing maturity on this issue, we have evolved our approach by addressing **more specific topics** and making **increasingly stringent demands**.

We therefore ask companies whose activities constitute IPBES pressure factors to adopt a **biodiversity policy** that includes an assessment of their **impacts**, short-, medium- and long-term ecosystem preservation **objectives**, and an audit of their suppliers' practices.

For sectors that exert particularly **critical** pressure on biodiversity, we adopt a more **targeted** approach with more demanding requirements, **which are monitored over time**. This approach is based on five key areas:

-  **Informing** companies that we will overweight biodiversity criteria that we consider material in our internal analysis.
-  **Asking** companies to align themselves with best market practices and comply with international standards.
-  **Recommending** that companies submit their biodiversity targets to the Science Based Target for Nature.
-  **Promote** the use of independent biodiversity assessments carried out by scientific experts and the use of certifications, including for the sourcing of raw materials.
-  **Require** responses to Carbon Disclosure Project consultations.

In addition to these areas of focus, we make systematic annual commitments to companies in our portfolio that are affected by our policies on palm oil, biocides and fossil fuels. All of these discussions are aimed at encouraging responsible practices and, in the absence of significant progress, lead to an **escalation process** that can result in exclusion.



As part of our efforts to strengthen our collaborative engagement, Lazard Frères Gestion became a signatory to the **Carbon Disclosure Project (CDP)** in early 2020. This commitment aims to support **transparency** in companies' environmental data, particularly on issues related to **climate**, **water** management and **forests**.

Every year, we conduct collaborative engagement campaigns and systematically offer to take the lead in engaging with the companies in which we invest, on behalf of all CDP signatories.

Our voting practices, which are aligned with our engagement policy, also reflect this desire to steer companies towards more virtuous behaviour in terms of biodiversity.

# Transparency and reporting

Lazard Frères Gestion encourages companies to disclose the **risks and opportunities associated with biodiversity**. Regulatory data and data published at the initiative of companies, cross-referenced with data provided by our partners, are used to monitor the extra-financial performance of our portfolios in terms of biodiversity.

Measuring the **biodiversity footprint** is also a metric we use to track the average pressures exerted by our investments over time and compare them to benchmarks.

As a supporter of the **Task Force on Nature-related Financial Disclosure (TNFD)** since 2022, Lazard Frères Gestion is committed to greater transparency in the disclosure of its portfolios. We also contribute regularly to the organisation's deliverables by sharing our expertise and the challenges we face.



We record our **commitments** and **votes** on biodiversity issues and strive to **monitor companies' progress** in order to verify that compensation measures are being implemented and targets are being met.

Finally, in accordance with **ADEME** recommendations, we have been reporting biodiversity data in our **Article 29 report** since 2022 and have set ourselves **short-, medium- and long-term objectives**. In 2025, we reached the end of the short-term deadline and achieved all the objectives we had set ourselves. We are currently updating our targets, which will be published in the next version of our Article 29 report and then included in our Biodiversity Policy.



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