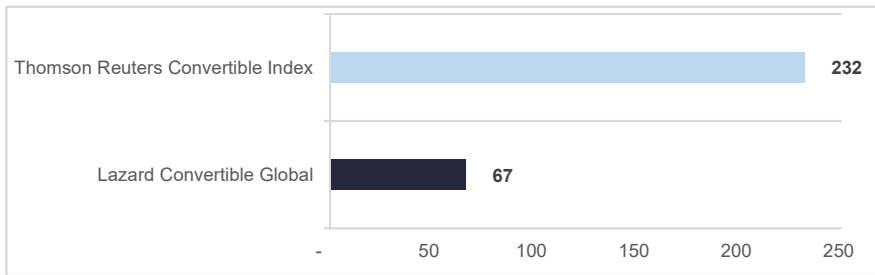


Carbon Footprint (Source : Trucost, scope 1&2)

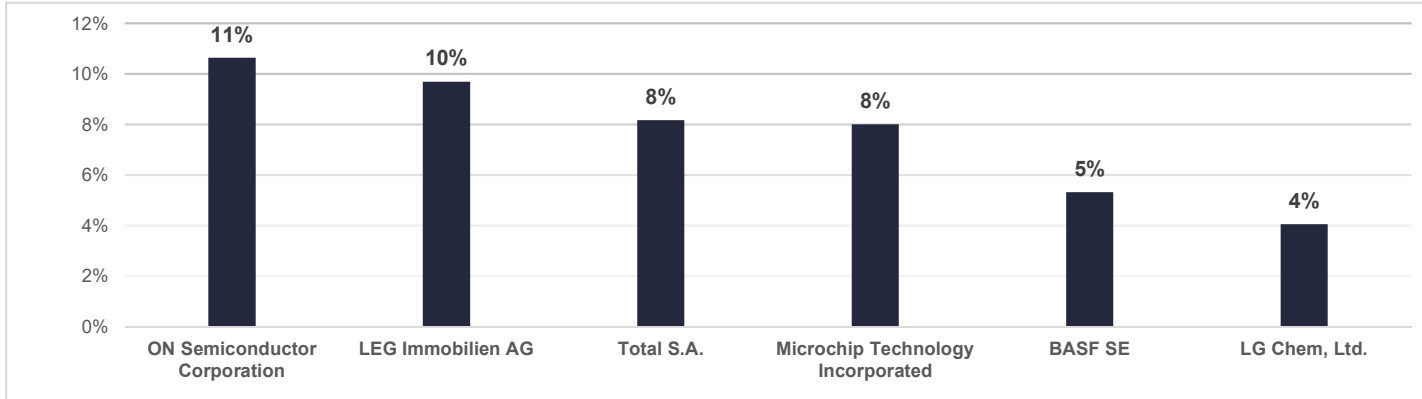
Emissions per M€ of Revenue (tons CO2 éq./M€ of REV CA)



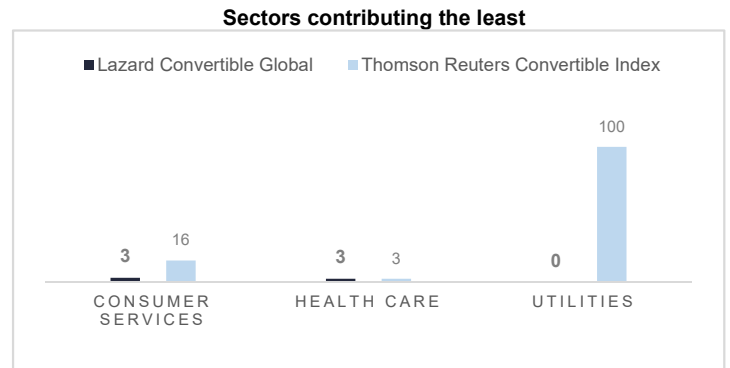
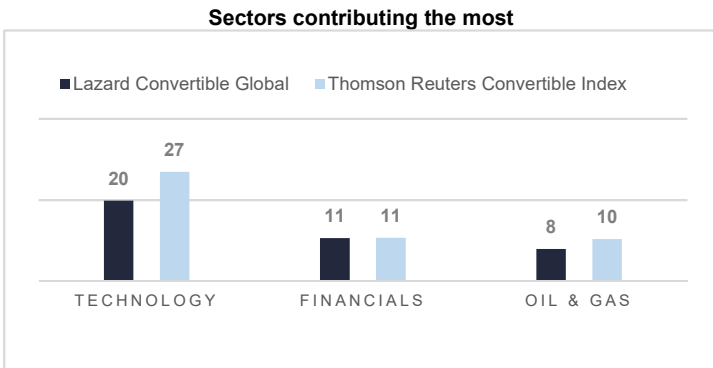
Comments :

Portfolio Coverage : **99%**
Benchmark Coverage : **98%**

Main securities contributing to the portfolio's carbon footprint



Main sectors contributing to the portfolio's carbon footprint



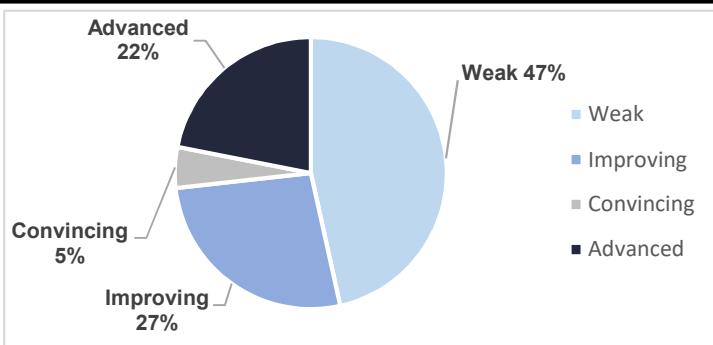
* eq. : All Greenhouse Gas (GHG) converted to CO2 emissions

Energy Transition (Source : Vigeo Eiris)

Energy Transition Score

LAZARD CONVERTIBLE GLOBAL	Weak	23
Thomson Reuters Convertible Index	Weak	22

Portfolio breakdown by score (in %)



Portfolio highest scores (/100)

Kering SA	Advanced	75
Carrefour SA	Advanced	74
Akamai Technologies, In	Advanced	65
Michelin CGDE A Beiges	Advanced	63
LVMH-Moët Vuitton	Advanced	60

Portfolio lowest scores (/100)

SBA Communications Cc	Weak	0
Illumina Inc	Weak	0
Ctrip.com International A	Weak	0
Twitter Inc	Weak	0
Palo Alto Networks Inc.	Weak	0

Carbon Footprint methodology

- In 2016, we partnered with TRUCOST to obtain information to measure the carbon footprint of our holdings
- Lazard Frères Gestion chose carbon intensity as its reference indicator, expressed in tons of carbon dioxide equivalent (tCO2e) per million euros of revenue.
- In order to assess the carbon footprint we use scope 1 and 2 emissions of Greenhouse Gas (GHG) :
 - Scope 1 : Emissions include all direct emissions linked to the combustion of fossil fuel used during production
 - Scope 2 : Emissions include indirect emissions linked to the production of energy (electricity,...) consumed by the company
- We measure the carbon footprint for directly held securities only
- Listed companies for which we cannot retrieve carbon data are removed from the scope of our analysis and the weights of securities in our portfolio and in the benchmark are rebased in order to obtain a total weight of 100%
- CO2 emissions are spread proportionately depending on the delta between the issuer and its underlying stock
- The method used to measure the portfolio's carbon intensity is the weighted average of GHG scope 1 & 2 emissions divided by companies' revenue:

$$\text{Portfolio carbon intensity} = \sum \left[\left(\frac{\text{Emissions (scope 1 + 2)}}{\text{Revenue}} \right) \text{ of each security} \times \text{security weight} \right]$$

- Companies GHG emissions are highly dependent to their sectors. Some sectors are "structurally" bigger emitters of GHG than other.
- Lazard Frères Gestion fundamental security selection approach generates sectors exposure gaps between the portfolios and their benchmark.
- In order to cancel out the gap, we developed a method to adjust the sectors weights of the benchmark so that it is similar to the portfolios. Within each sector of the benchmark, the weight of each securities is maintained.

Energy Transition methodology

- Every issuer in the portfolio is subject to a rating assessing the quality of its energy transition strategy
- This rating is currently delegated to our partner Vigeo Eiris
- It is based on the analysis of specific climate change criteria, which result from companies and sectors' key issues related to energy transition. It measures the companies' engagement to reduce their carbon footprint and assesses whether they contribute to the international goal of limiting global warming to 2°C by 2050
- The portfolio's contribution toward energy transition is measured as follows:

$$\text{Energy Transition Score of the Portfolio} = \sum [\text{Energy Transition Score of each security} \times \text{security weight}]$$

- Defined according to the following rating scale:

Energy Transition Strategy scale :

Catégories	Weak	Improving	Convincing	Advanced
Score	0-29	30-49	50-59	60-100