

# Lazard Asset Management

## SRD II Engagement Policy

### Introduction

Lazard, Inc. (Lazard) is one of the world's premier global financial advisory firms and investment managers. With a storied history, Lazard has consistently delivered trusted financial advice and investment solutions through our two specialized divisions: Lazard Asset Management LLC (LAM) and Lazard Financial Advisory.

LAM, our asset management business, encompasses various entities including our regulated UK-based asset management subsidiary, Lazard Asset Management Limited<sup>1</sup> and Lazard Fund Managers Limited (LFM), which serves as the Authorized Corporate Director (ACD) for the Lazard Investment Funds, the UK UCITS Funds.

LAM is an active asset manager with a global presence. We offer a broad range of investment solutions and investment and wealth management services in equity and fixed income strategies, asset allocation strategies, alternative investments, and private equity funds. Our diverse client base includes corporations, public funds, sovereign entities, endowments and foundations, labor funds, financial intermediaries, and private wealth clients. A significant portion of our approximately 300 investment professionals, including a global network of more than 100 analysts, leverage fundamental research and analysis to manage client portfolios effectively.

### Purpose

Engagement is a vital tool for navigating the ever-expanding volume of data, enabling us to cut through the noise and uncover the “why” behind the trends revealed by that data. As litigation risks and regulatory scrutiny intensify, companies have been disclosing less information about their practices. This emerging trend presents unique challenges, underscoring the importance of direct dialogue with companies to gain deeper insights into how they are adapting to a world undergoing unprecedented environmental and societal change.

This Engagement Policy outlines how LAM conducts stewardship and shareholder engagement across its equity and fixed income investment strategies. It has been carefully drafted to align with the requirements of Directive (EU) 2017/828 and its implementing measures, collectively referred to as the Shareholder Rights Directive II (SRD II). The purpose of this policy is to articulate LAM's commitment to effective stewardship and shareholder engagement, ensuring that our actions serve the best interests of our clients and stakeholders while promoting long-term value for our clients.

Our approach to stewardship encompasses a broad range of activities designed to ensure responsible engagement with investee companies and alignment with client interests. Specifically, LAM integrates shareholder engagement into its investment strategies; monitors investee companies on matters such as strategy, financial and non-financial performance and risk, capital structure, social and environmental impact, and corporate governance; conducts dialogues with investee companies; exercises voting rights and other rights attached to shares; cooperates with other shareholders; communicates with relevant stakeholders of investee companies; and manages actual and potential conflicts of interest related to our engagement activities.

This Engagement Policy complements and supplements the information provided on our [Sustainable Investing webpage](#), specifically in relation to our Global Custom Proxy Voting Policy. The Global Custom Proxy Voting Policy addresses stewardship integration within our broader investment philosophy, providing a framework for how we exercise voting rights and engage with portfolio companies. Both this Engagement Policy and the Global Custom Proxy Voting Policy are available for review on our Sustainable Investing webpage, serving as resources for understanding LAM's approach to active ownership.

### Our Approach

At LAM, we interpret our fiduciary duty (within our equity and fixed income investment strategies) as an obligation to maximize the value of our clients' investments over both the long term and the short term. We fulfill our stewardship responsibilities not only by exercising voting rights when delegated by clients but also by actively engaging with company management on financially material topics including governance, human capital, and natural capital considerations.

Our primary goal is to deliver superior risk-adjusted investment returns by providing customized investment solutions through active asset management. Our investment teams construct and manage portfolios using a variety of techniques and philosophies including traditional fundamental research, analysis, and quantitative tools.

Our fundamental research activities are designed to build long-term relationships with company management and stakeholders, adopting a constructive approach to support and encourage companies undertaking positive changes. This approach enables us to influence corporate behavior in ways that align with our clients' best interests and promote growth.

Our approach includes integrating Environmental, Social, and Governance sustainable investment parameters—such as carbon metrics and sustainability risk scores— to help portfolio managers assess financially material investment risks and opportunities in our portfolios. Such measures are only employed when relevant to investment returns and risk or when clients have imposed related constraints. These assessments are conducted by our risk team and shared with relevant portfolio management teams during regular risk meetings. Additionally, governance risk is considered across all equity strategies as part of our fundamental research process, where appropriate. The financial impact and drivers of financial materiality can vary by asset class, strategy, and investment horizon. Therefore, our approach is tailored to each asset class and investment style, recognizing that sustainability considerations can impact risk, return, liquidity, and other investment objectives in diverse ways.

By integrating financially material factors into our investment processes and maintaining active engagement with the companies in which we invest, we aim to enhance long-term value creation and growth in our clients' assets.

## Governance and Oversight

LAM's Executive Leadership Team (ELT) is responsible for oversight of the business and setting strategy while facilitating coordination across LAM's dedicated management groups. These groups are responsible for oversight of our key business areas including Investment Management, Sales & Marketing Management, Infrastructure Management, and Strategic Growth. The ELT comprises a dynamic group of senior leaders with a broad range of investment, distribution and business skills, including our CEO, COO, and senior investment and distribution professionals.

LAM's investment function is overseen by three investment management groups, organized by investment specialty: Fundamental Equity, Fixed Income, and Quantitative/Multi-Asset/Alternatives (QMA). These groups are responsible for the oversight, day-to-day management and coordination of our investment teams. Their responsibilities include the regular review of investment strategies, investment processes, and risk controls (including sustainable investment) to help ensure the effectiveness of our research and trading capabilities. They also focus on investment talent, retention, growth, and development at LAM. As needed, these groups may delegate specific issues to other management groups or departments.

The investment management groups include senior professionals from various areas across LAM's investment function, including portfolio management, research, and sustainable investment functions. The Global Head of Sustainable Investment, together with senior members of the Sustainable Investment team, is periodically invited to provide updates to and solicit feedback from all three investment management groups on relevant matters pertaining to sustainable investment risk and stewardship.

LAM's investment professionals communicate internally on the status of engagement activities and their outcomes. Periodically, examples of LAM's engagement with companies are described in case studies to demonstrate our approach.

## Global Active Ownership Committee

The Global Active Ownership Committee oversees LAM's Global Proxy and Stewardship policies. It also considers the reputational and business risks related to stewardship activities, including both actions we actively engage in or support and instances where we refrain from participation.

The committee's key activities are aligned with LAM's three overarching stewardship objectives:

1. **Demonstrate the value of our fundamental research** and its influence on voting decisions.
2. **Evidence high quality, outcome-oriented engagements** that either influence our investment decision-making and/or drive real-world change.
3. **Meet evolving stakeholder expectations** and provide transparency on our stewardship activities. The Committee approves specific changes to proxy voting guidelines.

For additional oversight, a subgroup of the committee, including senior management, reviews any votes that deviate from policy or present conflicts of interest.

Given the diversity of investment strategies managed by LAM, it is possible for different strategies to hold the same securities. However, due to variations in strategy objectives and investment approaches, there may be exceptional circumstances where one portfolio management team votes differently from another or where one team abstains from voting while another chooses to vote. In such cases, LAM defers to the recommendations of the respective portfolio management teams to ensure that voting actions align with the best interests of their clients.

Clients may provide LAM with bespoke policies or specific instructions regarding proxy voting for shares held on their behalf. In such cases, client-directed policies or instructions take precedence over LAM's Approved Guidelines for that client's shares. For clients with more tailored proxy voting requirements, LAM is happy to engage in discussions to accommodate these needs.

## Integration of Shareholder Engagement within Investment Strategy

LAM defines stewardship as the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries. Our commitment to stewardship is grounded in a deep understanding of the companies we invest in, achieved through ongoing fundamental research and quantitative analysis. Through our stewardship activities, we aim to build constructive, long-term relationships with company management and relevant stakeholders, supporting positive changes that enhance performance.

As active managers, we believe integrating insights from our stewardship activities into investment decisions enhances our ability to create long-term value for clients and beneficiaries. Stewardship is embedded within certain investment processes and is conducted by fundamental analysts and portfolio managers. This approach seeks to ensure that both voting and engagement

decisions align with investment rationales. We view this as a key differentiator, believing that shareholder and bondholder engagement is most effective when conducted directly by the analysts and portfolio managers who select the companies or sovereign bonds for their portfolios. Additionally, this approach acknowledges that stewardship practices vary across asset classes and investment strategies.

Our investment personnel believe the integration of financially material governance, human and natural capital factors into investment decision-making and risk management processes and can help portfolio managers generate superior investment outcomes. They consider a company's governance and incentive structures—such as board composition and remuneration practices—as critical factors for ensuring accountability and driving corporate performance. Environmental considerations, including the risks and opportunities associated with climate change, can impact a company's financial performance and its long-term outlook. High employee engagement, diversity of background and perspectives, and a strong culture are often found in industry-leading businesses because they are seen to foster productivity, innovation, and client relationships. Our investment personnel believe the integration of financially material governance and human and natural capital factors into investment decision-making and risk management processes and can help portfolio managers generate superior investment outcomes. They consider a company's governance and incentive structures—such as board composition and remuneration practices—as critical factors for ensuring accountability and driving corporate performance. Environmental considerations, including the risks and opportunities associated with climate change, can impact a company's financial performance and its long-term outlook. High employee engagement, diversity of background and perspectives, and a strong culture are often found in industry-leading businesses because they are seen to foster productivity, innovation, and client relationships.

## How LAM engages with Investee Companies

LAM is committed to ongoing due diligence on the companies and securities held in client portfolios. Our fundamentally driven investment teams strive to build constructive relationships with senior management, sharing our perspectives when opportunities arise and supporting companies as they pursue positive changes. We aim to integrate insights gained from our engagements—particularly on climate risk and corporate resilience—into our investment decision-making process. At the same time, we leverage our investment decisions to inform future engagements. This iterative approach is designed to enhance long-term value for our clients.

We have a long legacy in engaging with companies. With an average of 20 years' industry experience, our investment professionals have longstanding relationships and deep knowledge of the companies we invest in. We believe that our investment professionals are in the best position to act as stewards, engaging with company management and making the final decision on voting at annual general meetings (AGMs).

Our stewardship approach seeks to align both engagement and proxy voting with investment decision-making at the heart of these interactions. While our dedicated stewardship and sustainable

investment specialists work in collaboration with our investment professionals, they do not operate as a siloed function to which decisions are outsourced.

In 2024, we continued to advance our overarching stewardship goals, with engagement playing a key role in the progress towards our objectives:

### 1. **Demonstrate the Value of Fundamental Research:**

Highlighting how fundamental research, including engagement, influences voting decisions.

### 2. **Evidence High Quality, Outcome-Oriented Engagements:**

Showcasing engagements that either influence our investment decision-making and/or drive real-world outcomes.

LAM votes on environmental, climate, social, and corporate governance proposals in a manner that we believe will increase long-term shareholder value. Supporting shareholder proposals is one of several stewardship tools available to drive improvements in company practices. Recognizing that the quality of such proposals can vary widely, we adopt a case-by-case approach to ensure thoughtful and informed decision-making.

## Methods of Engagement

### Company Meetings/Site Visits

LAM's investment professionals participate in over 4,800 company meetings each year as a regular part of the research process. These meetings are conducted to better understand business strategy, capital structure, capital deployment, and the management of material governance, human capital, and natural capital practices. Discussions during these meetings often may include sustainability topics that are financially material to the issuer.

For fixed income investments, LAM's professionals engage with both sovereign and corporate debt issuers to better understand associated risks and opportunities associated with owning a note. Fixed income investment professionals may arrange their own meetings or join discussions with management organized by LAM's global equity investment team. These engagements allow investment professionals to gain deeper insights into a company's business models, financial projections, financially material sustainability issues, and stress scenarios while also staying informed about broader economic and financial conditions. This understanding helps LAM assess the issuer's capital structure and their ability to repay a note.

Site visits provide an additional layer of insight, enabling LAM's investment professionals to directly observe company operations and gather valuable information firsthand. Beyond in-person engagements, LAM employs other methods of communication such as conference calls, letters, and emails to maintain constructive dialogue with issuers.

### Collaborative Engagements

In 2024, our Global Active Ownership Committee closely monitored collaborative engagements to ensure we selectively participated in those that added the most value to our investment decision-making process. While our engagement activities are primarily conducted through one-on-one meetings with company management and boards of directors, we occasionally join collaborative initiatives on issues deemed critical to unlocking shareholder value.

Our approach prioritizes quality over quantity, focusing on engagements that align with financial materiality, have clear investment-driven objectives, and adopt a constructive framework. All collaborative engagements undergo a rigorous review process, which includes assessing risks and alignment with these principles, with final approval granted by the Global Active Ownership Committee. We regularly review new opportunities while monitoring existing memberships and participation to ensure alignment with our objectives. When appropriate, we engage collaboratively on matters that are in our clients' best interests and clearly support our overarching objectives.

### Engaging with Industry Initiatives

We support several industry and sustainability initiatives, including those relating to issues around our stewardship priorities.

### Engaging with Policymakers

LAM may engage with policymakers where appropriate, seeking to improve standards in the markets in which we operate. From a sustainable investment perspective, most of our engagements are direct engagements conducted through our equity exposures. While we are affiliated with memberships and associations that promote sustainable investing, we do not directly lobby for policy changes. Our approach to policy engagement is demonstrated through various activities and participation in significant discussions and roundtables.

Please refer to the UK Stewardship Code for further information (available at [Sustainable Investing | Lazard Asset Management](#)).

### Proxy Voting

LAM has a fiduciary obligation to vote proxies in the best interests of its clients over the long term.

As an active manager, assessing corporate governance, a board's ability to formulate strategy, select the right management team to execute strategy, and deliver returns to shareholders, is a core element of our fundamental research. Governance research can be integrated into the investment thesis, valuation, or, for relevant strategies, the sustainability risk score or scorecard. This integrated approach to assessing governance practices is why we believe that our investment professionals are best placed to make the final voting decision.

As a firm, we have agreed on our Global Corporate Governance Principles, which have then been translated into a detailed, Global Custom Voting policy. This policy creates default recommendations for voting at Annual General Meetings (AGMs) or Extraordinary General Meetings (EGMs). These recommendations are reviewed by the relevant investment professionals, and their analysis is supplemented by external proxy research from both ISS and Glass Lewis as well as additional analysis from our stewardship specialists.

In addition, engagements with Investor Relations or board members may be conducted ahead of a vote to ensure we are making a well-informed decision when exercising voting rights on behalf of our clients. Aligned with our stewardship objective of demonstrating the value of fundamental research and its influence on voting decisions, investment professionals are responsible for providing the vote recommendation for a given proposal, except where we have identified a material conflict, as set out in our Global Custom Proxy Voting Policy.

Our proxy voting guidelines regarding various common proxy proposals (the Approved Guidelines) are based on our Governance Principles. They are translated into a detailed customized policy to determine whether a specific agenda item should be voted "For", "Against", or should be considered on a case-by-case basis.

To assist in its proxy voting activities, LAM currently subscribes to advisory and other proxy voting services from ISS and Glass Lewis. These proxy advisory services provide independent analysis and recommendations regarding companies' proxy proposals. While this research helps to improve LAM's understanding of the issues surrounding a company's proxy proposals, LAM's investment professionals are responsible for providing the vote recommendation for a given proposal in accordance with the Global Custom Proxy Voting Policy.

LAM's Global Custom Proxy Voting Policy is reviewed annually and is implemented by the Global Active Ownership Committee. The policy covers the following:

- LAM's fiduciary responsibility to vote proxies: general administration including the use of third parties and our internal voting process; detailed policies on what default recommendations will be made, recommending either FOR, AGAINST, or REFER across a range of governance topics including routine items, amendments to board policy, shareholder rights, board structure, changes to capital structure, executive compensation, and shareholder proposals; requirement of investment professionals to conduct further proxy analysis and engagement where relevant (e.g., case-by-case resolutions identified by our policy or issues deemed to be significant by the investment professional); share blocking conflicts of interests.
- Client and regulatory reporting requirements.

Our Global Custom Proxy Voting Policy is available at [Sustainable Investing | Lazard Asset Management](#).

### LAM's Interpretation of Significant votes for SRD II

We define "significant" votes as those that meet one or more of the following criteria:

1. Votes against management—indicating where we have identified poor governance practices, and we are using our vote to hold companies to account for higher governance standards.
2. Shareholder proposals—addressing human and natural capital considerations as well as management-proposed "Say on Climate" votes.
3. Meetings marked as significant by LAM's investment professionals—for example, companies where they have actively engaged on governance or their analysis has identified a material issue such as a significant board change, controversy, or relevance to an investment thesis.

Please find a subset of LAM's voting in reference to the SRDII and our definition of significant votes here: [Sustainable Investing | Lazard Asset Management](#).

### Stock Lending

LAM does not vote proxies for securities that a client has authorized their custodian bank to use in a stock loan program, which passes voting rights to the party with possession of the shares. Stock lending is very rare. Under certain circumstances,



LAM may determine to recall loaned stocks to vote the proxies associated with those securities. For example, if LAM determines that the entity in possession of the stock has borrowed the stock solely to be able to obtain control over the issuer of the stock by voting proxies, or if the client should specifically request LAM to vote the shares on loan, LAM may determine to recall the stock and vote the proxies itself. However, it is expected that this will be done only in exceptional circumstances. In such an event, portfolio management teams will make this determination, and the Proxy Operations Team will vote the proxies in accordance with the Approved Guidelines.

## How LAM Monitors Investee Companies

LAM's investment professionals monitor the public statements of investee companies through financial information platforms such as Bloomberg and FactSet, financial statements and regulatory announcements, company reports and accounts, results meetings, capital markets days, and company meetings.

Engagement with the management teams of investee companies, including one-on-one meetings and site visits, is a core component of LAM's fundamental investment process. Each year, LAM's investment professionals participate in over 4,800 meetings with company management teams each year to better understand business strategy, deployment of capital and management of financially material governance, human capital, and natural capital practices. LAM believes that a regular dialogue with investee companies is vital to effective stewardship.

To facilitate the monitoring process, LAM collects information about the governance, human, and natural capital issues discussed in meetings with company management through emails submitted by its investment professionals to LAMR, its proprietary, internet-based, global research database. Investment professionals use LAMR to document their conclusions, upload meeting notes, and detail key discussions. This information is shared in real time with LAM investment professionals worldwide via simultaneous email distribution and availability through the LAMR platform.

## Strategy and Capital Structure

LAM believes that effective capital allocation is an important driver of long-term shareholder value creation, which is why Sustainable Capital Allocation is one of our ten Global Governance Principles (available at [Sustainable Investing | Lazard Asset Management](#)). Companies that have opportunities to reinvest the cash that they generate at high incremental rates of return have the potential to compound, growing their earnings power over time. Those that invest at low or negative incremental returns can destroy shareholder value. Anticipating the future growth and financial productivity of companies, and how those future returns should be valued, sits at the heart of LAM's analytical and investment processes.

LAM recognizes that minority equity investors do not have control over a company's strategy, capital allocation, or capital structure. Decision-making authority lies with the company's management and its board of directors, and shareholders have influence through the periodic election or re-election of board members or through votes on specific resolutions at annual general meetings (AGMs) or extraordinary general meetings (EGMs). Decisions that can have a material impact on long-term shareholder value can be made

without a shareholder vote via an AGM or EGM, and in any case, there may be pre-existing shareholders with effective or majority voting control.

Consequently, LAM's approach is proactive. Investment opportunities (e.g., price action, regulatory changes, changes in economic or political outlook, etc.) do sometimes arise when management teams are unavailable (e.g., in close period), but generally LAM's investment professionals meet the management team of a company before investing in it as well as scrutinizing their public statements. This allows LAM's investment professionals to understand management's strategy and their thought processes around the use of capital and financial leverage.

LAM's investment professionals monitor the strategy and capital structure of investee companies, analyzing financial statements as they are produced, assessing execution of a stated strategy, and paying close attention to events like capital investment decisions, shareholder returns, acquisitions, and divestments. They also seek to understand the important features of capital structure like the term structure of borrowing, access to working capital, and financial obligations that may not appear in their entirety on the balance sheet and monitor changes in them over time.

LAM's view on corporate governance and accountability is set out in our Global Governance Principles (available at [Sustainable Investing | Lazard Asset Management](#)). These principles are founded on the belief that long-term shareholder value is enhanced through a more comprehensive assessment of stakeholder management. LAM's investment professionals monitor changes in governance structures (board composition, voting rights, pre-emption rights, etc.) and management incentives. The aim is to understand LAM's ability to influence corporate decision-making and whether the interests of management are aligned with those of LAM's clients.

## Financial and Non-Financial Performance and Risk

During meetings with company management, investment professionals may discuss a variety of topics such as operating performance, management succession, reporting and disclosure, proxy proposals, human capital, natural capital, or other matters that may present a potential material risk to a company's long-term financial performance.

LAM's investment professionals can utilize a variety of tools and resources to help monitor the financial and non-financial performance and risk exposure of investee companies. These resources include financial reports, regulatory filings, press releases, and presentations. They also rely on third-party sustainability data points and ratings, research from the sell side, and proxy research reports from ISS and Glass Lewis. Corporate access/company meetings with board members, executive officers, or investor relations and operational experts further enhance their understanding of company performance and strategy.

In addition to these resources, LAM integrates governance, human capital, and natural capital data into assessments by our internal risk team. Parameters such as carbon metrics and sustainable investment risk scores adds a further layer of assessing financial risk analysis. These assessments of portfolio risk are shared with relevant portfolio management teams, typically during regular risk meetings.

## Sustainable Investment Tools and Resources

LAM leverages both internal and external tools and resources to identify and quantify Sustainable Investment issues as part of its investment processes. These tools and resources include:

- LAM's Sustainable Investment team comprising 12 domain experts across research, stewardship, data and analytics, and client intelligence with an average industry experience of 13 years.
- LAM's proxy voting activities, supported by a three-person Proxy Operations team.
- The LAMR database houses analysts' investment theses (including a section on Sustainable Investment), records of company meetings, research notes, engagement templates, and Sustainability Scorecards. The research shared through LAMR offers investment professionals real-time access to published investment research and company updates. Additionally, LAM's proprietary Eleven dashboard is integrated into LAMR and is designed to measure, track, and report on portfolios' carbon performance and provide greater visibility and accessibility of climate-related data, among other sustainability related metrics, to investment professionals.
- LAM's proprietary Sustainability Scorecards are created for the investment professionals managing sustainability focused products and strategies (and certain Sustainable Investment integrated teams that choose to supplement their investment process with them). Scorecards offer a framework for evaluating the materiality of sustainability risks and opportunities as well as the company's response to these factors in relation to their products, services, and operations. Scorecards are updated as new risks and opportunities are identified through our global Materiality Mapping workshops.

## Data Providers

LAM subscribes to several data providers that help its investment professionals gain a better understanding of a company's natural capital, human capital, and governance practices and the risks that they may present to current and potential portfolio holdings. While the data providers do not cover every company in LAM's investment universe, they provide another tool to enhance and supplement fundamental research and analysis.

- **Sustainalytics:** Provides LAM with a variety of sustainability data and research including risk ratings, controversies research, and carbon emissions data. This improves our understanding of a company's natural capital, human capital, and governance issues and allows for systematic comparison of sustainable investing performance across companies. Additionally, Sustainalytics provides LAM with sustainability data tools for monitoring and reporting with respect to SFDR regulations as well as company assessments related to compliance with the EU Taxonomy criteria.
- **Bloomberg:** Offers timely and standardized company-reported and -derived sustainability data. LAM utilizes sustainability-reported data sets from Bloomberg, which provides sustainability data on 15k+ public and private companies globally.

- **MSCI:** Provides norms-based screens to evaluate securities against various global norms and the exclusions of certain products and services or business activities to meet client mandate restrictions.
- **Sell-Side Research:** LAM has access to sell-side research by brokers on sustainable investment themes and company, country, and industry natural capital, human capital, and governance.
- **Alternative Data Providers:** Alternative data providers such as CDP (formerly the Carbon Disclosure Project), the World Resources Institute, the US Food and Drug Administration, the International Energy Agency, the World Bank, and Glassdoor support the development of forward-looking tools and frameworks to support natural capital, human capital, and governance analysis.
- **Proxy Voting Recommendations:** LAM also has access to proxy voting recommendations from ISS and Glass Lewis.

## Sustainable Investment Watch Lists

On a quarterly basis, the Sustainable Investment Watchlist flags companies with environmental, social, or governance ratings falling below certain thresholds based on multiple factors including, but not limited to, a low sustainability rating from a third-party provider and/or a potential breach of the UN Global Compact (UNGC).

Relevant investment professionals may then conduct further research and engagement on these companies to determine the reasons for the low rating. Our Global Active Ownership Committee also reviews any changes to UNGC breaches.

## Portfolio Analysis

LAM is committed to understanding the companies we invest in through ongoing fundamental research and quantitative analysis. Our fundamental research activities seek to build relationships with company management and relevant stakeholders over time, adopt a constructive approach, and support companies undertaking positive changes.

Sustainable Investment parameters, such as carbon metrics and sustainability risk scores, are built into the assessment of portfolio risk undertaken by LAM's risk team and shared with relevant portfolio management teams, typically during regular risk meetings.

As necessary and appropriate, governance risk is considered across all equity strategies as part of our fundamental research, and we exercise voting rights on behalf of our clients and engage with management across the majority of our equity assets, where clients have delegated voting rights to us. The degree of financial impact and the drivers of financial materiality may vary among asset classes, individual strategies, and investment time horizons. Our approach is tailored according to the asset class and investment style, recognizing that sustainability considerations can impact risk, return, liquidity, and other investment objectives in diverse ways.

## Conflicts of Interest Policies and Procedures

### Global Custom Proxy Voting Policy

LAM is required to take all appropriate steps to identify and to prevent or manage conflicts of interest between:

- a. LAM itself (including our managers, employees, and other agents) and one or more of our clients; or
- b. Two or more of our clients.

When making investment decisions or trading for our clients, we must always act in our clients' best interests and put our clients' interests ahead of our own. LAM has put in place a number of policies to identify and prevent or manage conflicts or potential conflicts. We recognize that confidence in our integrity, when acting on behalf of our clients, is central to the relationship of trust between us and our clients.

It is the responsibility of all LAM employees to understand and apply our Conflicts of Interest Policies.

The policy for conflicts of interest as they apply to the firm's proxy voting activity is detailed within LAM's Global Custom Proxy Voting Policy (found on the following link: [Sustainable Investing | Lazard Asset Management](#)).

Examples of such potential conflicts include but are not limited to:

- Lazard Frères & Co. LLC ("LF&Co."), LAM's parent company and a registered broker-dealer, or a financial advisory affiliate has a relationship with a company the shares of which are held in accounts of LAM clients and has provided financial advisory or related services to the company with respect to an upcoming significant proxy proposal (i.e., a merger or other significant transaction).
- LAM serves as an investment adviser for a company the management of which supports a particular proposal.
- LAM serves as an investment adviser for the pension plan of an organization that sponsors a proposal.
- A LAM employee who would otherwise be involved in the decision-making process regarding a particular proposal has a material relationship with the issuer or owns shares of the issuer.

### Monitoring for Conflicts and Voting When a Material Conflict Exists

Pursuant to our Global Custom Proxy Voting Policy, all votes are cast by our investment personnel with oversight from our Global Active Ownership Committee and Proxy Operations team. LAM sales personnel and Lazard Financial Advisory personnel are not permitted to influence LAM's proxy voting.

The Proxy Operations Team monitors for potential conflicts of interest that could be viewed as influencing the outcome of LAM's voting decision. Consequently, the steps that LAM takes to monitor conflicts, and voting proposals when the appearance of a material conflict exists, differ depending on whether the Approved Guideline for the specific item is clearly defined to vote for or against or is to vote on a case-by-case basis.

Where our Proxy Operations team has identified a potential conflict relating to a proxy vote in the categories set forth in the policy, the vote will be cast according to our written voting guidelines.

Where our Proxy Operations team has identified a potential conflict relating to a vote and where guidelines are typically to vote on a case-by-case basis, we will vote according to the majority recommendation of the independent proxy services to which we subscribe. LAM also reserves the right to abstain.

Exceptions to the policy's guidelines must be approved by the Global Active Ownership Committee and LAM's Chief Compliance Officer, General Counsel, or his/her designee.

**Where Approved Guideline Is For or Against:** LAM has an Approved Guideline to vote for or against regarding most proxy agenda/proposals. Generally, unless portfolio management disagrees with the Approved Guideline for a specific proposal, the Proxy Operations team votes according to the Approved Guideline. It is therefore necessary to consider whether an apparent conflict of interest exists when portfolio management disagrees with the Approved Guideline. The Proxy Operations team will use its best efforts to determine whether a conflict of interest or potential conflict of interest exists. If conflict appears to exist, then the proposal will be voted according to the Approved Guideline. LAM also reserves its right to Abstain. In addition, in the event of a conflict that arises in connection with a proposal for LAM to vote shares held by LAM clients in a LAM mutual fund, LAM will typically vote each proposal for or against proportionate to the shares voted by other shareholders.

**Where Approved Guideline Is Case-by-Case:** In situations where the Approved Guideline is to vote case-by-case and a material conflict of interest appears to exist, LAM's policy is to vote the proxy item according to the majority recommendation of the independent proxy services to which we subscribe. LAM also reserves the right to Abstain.

### Other Matters

Issues relating to the management of specific LAM strategies:

- Due to the nature of certain strategies managed by LAM, there may be times when LAM believes that it may not be in the best interests of its clients to vote in accordance with the Approved Guidelines or to vote proxies at all. In certain markets, the fact that LAM is voting proxies may become public information and, given the nature of those markets, may impact the price of the securities involved. LAM may simply require more time to fully understand and address a situation prior to determining what would be in the best interests of shareholders. In these cases, the Proxy Operations team will look to portfolio management to provide guidance on proxy voting rather than vote in accordance with the Approved Guidelines and will obtain the Global Active Ownership Committee's confirmation accordingly.
- Additionally, LAM may not receive notice of a shareholder meeting in time to vote proxies for or may simply be prevented from voting proxies in connection with a particular meeting. Due to the compressed time frame for notification of shareholder meetings and LAM's obligation to vote proxies on behalf of its clients, LAM may issue standing instructions to ISS on how to vote on certain matters.
- Different strategies managed by LAM may hold the same securities. However, due to the differences between the strategies and their related investment objectives, one portfolio

management team may desire to vote differently than the other, or one team may desire to abstain from voting proxies while the other may desire to vote proxies. In this event, LAM would defer to the recommendation of the portfolio management teams to determine what action would be in the best interests of its clients. The Chief Compliance Officer or General Counsel, in consultation with members of the Active Ownership Committee, will determine whether it is appropriate to approve a request to split votes among one or more portfolio management teams.

## Transparency of our Engagement and Voting Policy

### Annual Implementation of this Engagement Policy

LAM will regularly disclose how this Engagement Policy has been implemented, including:

- a. A description of its voting behavior
- b. An explanation of the most significant votes
- c. The use of the services of proxy advisors
- d. A description of how LAM has cast votes in the general meetings of companies in which it holds shares on behalf of its clients.

### Additional Disclosures to Institutional Clients

As required by applicable law, LAM will provide certain of its institutional clients with additional disclosures regarding how its investment strategy complies with the arrangements in place with those clients and contributes to the medium-to-long-term performance of the assets of that institutional investor.

## Notes

1. References to LAM reflect Lazard Asset Management's global approach, which LAM is fully aligned with.

## Important Information

Published on 20 August 2025

This document is provided for information only and is not intended to constitute investment advice. Information and opinions presented have been obtained or derived from sources believed by Lazard to be reliable. Lazard makes no representation as to their accuracy or completeness. Any views expressed herein are subject to change.

Lazard Asset Management ("Lazard" or the "firm") actively manages client portfolios with the objective of delivering positive investment performance and maximizing long-term shareholder value. Portfolio managers at Lazard have discretion to incorporate ESG considerations into their investment processes, and to what degree. Information concerning a particular investment strategy's utilization of ESG considerations (including its status as ESG Integrated or Sustainability Focused under our procedures) are set forth in Lazard's description of that strategy, or are available upon request. Other disclosures herein may describe sustainable investment views and resources that Lazard's ESG professionals have developed to assist our clients and portfolio management teams. However, unless expressly disclosed, readers should not assume that these views and resources are incorporated in a portfolio management team's investment process.

Certain information contained herein constitutes "forward-looking statements" which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "target," "intent," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events may differ materially from those reflected or contemplated in such forward-looking statements.

Forecasted or estimated results do not represent a promise or guarantee of future results and are subject to change.

This document is intended only for persons residing in jurisdictions where its distribution or availability is consistent with local laws and Lazard's local regulatory authorisations.

Issued and approved in the United Kingdom by Lazard Asset Management Limited, 20 Manchester Square, London W1U 3PZ. Incorporated in England and Wales, registered number 525667. Lazard Asset Management Limited is authorised and regulated by the Financial Conduct Authority.

MF31997