

LAZARD  
FRÈRES GESTION

**Engagement Policy**



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# INTRODUCTION

**Lazard Frères Gestion** has a long-standing commitment towards **Socially Responsible Investment** (SRI). This started in 2001 with the launch of our first SRI Sicav (UCITS), Lazard Equity SRI, which systematically takes into account Environmental, Social and Governance (**ESG**) indicators. The fund was one of the first funds in France to adopt the ‘Best in Class’ approach.

In 2015, Lazard Frères Gestion reaffirmed this commitment by signing the United Nations Principles for Responsible Investment (UN PRI).

At Lazard Frères Gestion, we believe that actively **addressing** ESG considerations is **essential** for maintaining any company’s long-term economic performance.

We therefore encourage companies to integrate ESG considerations into their business models and this is why constructive dialogue with investee companies has always been part of the Lazard Frères Gestion investment process.

# HOW WE ENGAGE

## For Lazard Frères Gestion, engagement entails:

### I

#### Shareholder dialogue

- We routinely engage in dialogue with invested companies on ESG issues.
- We encourage companies to communicate their ESG policies and strategies.
- We interact with company senior management over weaknesses identified by our partner for extra-financial services.
- We raise questions with company senior management on controversial issues when necessary.

### II

#### Proxy voting at Annual General Meetings (AGMs)

- We exercise our shareholder voting rights to support, oppose, or abstain from proposed resolutions, after analysing each one individually.
- We discuss draft resolutions with companies, if necessary, prior to AGMs.
- We escalate our concerns and suggest draft resolutions at AGMs.
- We can physically attend AGMs we consider sensitive and can act collectively with other investors to defend the interests of minority shareholders.
- We act collectively with other shareholders against hostile takeovers – on small-cap companies, for example.

### III

#### Level of engagement in the industry

- We respond to industry consultations such as questionnaires, studies, and surveys.
- We participate in work groups.

## SCOPE

| All companies within our investment universe are concerned by our engagement policy. |

# Engagement principles

Lazard Frères Gestion fund manager–analysts identify the ESG issues that require engagement with the investee company.

We engage either proactively when our analysis has identified material risks, or in reaction to major events.

Following engagement, we decide if further action is necessary, including whether to place the company on watch or to exit the position.

More generally, the analysis of ESG criteria impacts our valuation models and directly influences our fund managers' stock picking and portfolio construction decisions.





# Reporting

At present, information on Lazard Frères Gestion's engagement activity and subsequent results is available only in the minutes drafted by our investment professionals following each meeting with company management, and in the Proxy Voting Report to which clients have access upon simple request.

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[www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)  
[www.lazardfreresgestion-tribune.fr](http://www.lazardfreresgestion-tribune.fr)



PARIS LYON BORDEAUX NANTES BRUSSELS

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# *Engagement Policy*