

Lazard Asset Management Pacific Co.

Modern Slavery Statement

1. The Reporting Entity

This Modern Slavery Statement (Statement) is for Lazard Asset Management Pacific Co. (LAMP, we, our or us) ABN 13 064 523 619 and its owned and controlled entity, LAMP Administration Pty Ltd, (LAMP A) ABN 36 101 801 003 for the year ended 31 December 2021.

This Statement was approved by LAMP's Board of Directors on 30 June 2022 and is LAMP's second Statement made pursuant to the *Modern Slavery Act 2018*.

2. LAMP's structure, operations and supply chain

LAMP began its operations in Australia in 1994 and currently has 57 staff located in two offices, in Sydney and Melbourne. LAMP is an Australian unlisted public company and is a wholly owned subsidiary of Lazard Asset Management LLC (LAM or Lazard) which is a Delaware limited liability company. LAMP's ultimate parent company is Lazard Ltd, which is a Bermuda corporation with shares that are publicly traded on the New York Stock Exchange under the symbol "LAZ."

LAMP holds an Australian Financial Services Licence (No.238432) authorising it to carry on a financial services business to provide financial product advice, to deal in a financial product and to operate registered managed investment schemes.

Our operations include acting as the responsible entity of registered managed investment schemes and as a manager for segregated mandates pursuant to investment management agreements. We are responsible for the management of assets for clients across domestic equities, global equities, fixed income, and alternative assets and as at 31 December 2021, we had approximately A\$13.26 billion in assets under management for clients. Our clients are diverse and include other financial institutions, sovereign wealth funds, superannuation funds, insurance companies and retail investors.

For the purposes of this Statement, we have separated our operations into two parts; corporate and investment and their respective supply chains, as more fully described below.

Corporate Operations

With respect to our corporate operations, LAMP uses the services of LAMP A. LAMP A enters into employment contracts for employees that work in LAMP's business and enters into leases for LAMP's premises.

Our suppliers are located in Australia, and/or are Australian subsidiaries of global companies. Some of our supplier's supply chains are however located outside of Australia and our suppliers may outsource certain activities to their suppliers located in countries outside of Australia, such as India. The supply chain for our corporate operations provides the following goods and services:

- Employee services;
- Professional services, such as lawyers, accountants and auditors;
- Real estate services, including cleaning services of our premises;
- Recruitment services;
- IT services;
- Equipment leases, and
- Catering.

Investment Operations

With respect to our investment operations, our suppliers are located in Australia or globally, primarily in developed countries such as the United States and the United Kingdom. Some of our supplier's supply chains are however located in countries such as India and China. The supply chain for our investment operations provides the following goods and services:

- Asset management services, custody banks, brokerage and research houses;
- Information services such as market data, index data and other investment related data;
- Professional services, such as lawyers, accountants and auditors;
- Advertising and marketing, and
- Distribution services.

3. Risks of modern slavery practices in LAMP's operations and supply chains**Corporate Operations**

Our personnel have employment contracts, which are subject to Fair Work standard terms or are sourced from recruitment firms operating in Australia, with whom we also have contracts in place regarding the terms on which we will accept their services. In addition as part of our recruitment process, we confirm that prospective employees have a 'right to work' in Australia. As such we have assessed the modern slavery risks of our work force to be very low. Please see further details in section 4 below.

With regard to companies that supply other services to LAMP as described in section 2, we have attempted to identify the modern slavery risks using a questionnaire-based approach or similar diligence efforts, which are designed to identify any modern slavery risks in their organisation including their supply chains. Where a supplier had their own modern slavery statement, we also relied on the information provided in that statement in performing our risk assessment.

Through an analysis of the questionnaire responses and/or those modern slavery statements and due to the nature of these suppliers, we have determined their modern slavery risks to be low. Notwithstanding that assessment, we believe our primary risks for modern slavery in our corporate operations is in the supply chains of our suppliers, i.e., our suppliers themselves using suppliers in countries that have been recognized as having higher modern slavery risks.

Investment Operations

As we invest client portfolios in companies globally including in emerging markets, some of our investee companies are located in countries and/or industries that have been identified as having higher risks of modern slavery. These countries include Thailand, China, India, Egypt, the Philippines and Indonesia and the construction, financial services and food and beverage industries. The risk of modern slavery in investments managed by LAMP (as with other environmental, social and governance (ESG) risks) is assessed as part of our investment analysis and decision-making process – this is described further below in section 4.

4. Actions taken by LAMP to assess and address the risks, (including due diligence and remediation) identified in 3 above.**Corporate Operations**

With respect to our work force we maintain strong procedural controls to mitigate the risk of modern slavery starting with our recruitment and remuneration practices, performance management, work health and safety policy, whistleblowers policy and general compliance procedures.

In addition, modern slavery training has been provided to all LAMP employees as we recognise that modern slavery training is important in raising awareness of the issues related to modern slavery and how to identify and report concerns.

We performed a review of our suppliers and ranked them by the amounts we have paid for their services. From this assessment, for those suppliers that we considered material to our business, we circulated a questionnaire seeking responses to a number of modern slavery related questions or we reviewed their own modern slavery statements. From the questionnaire responses and/or those modern slavery statements, we determined the overall modern slavery risk from these suppliers. The majority of these suppliers are Australian based and/or are the Australian subsidiary of global organisations providing professional services to us as described above.

We have also engaged with these suppliers to make them aware that we do not tolerate modern slavery in our supply chains and where considered appropriate we may incorporate appropriate modern slavery clauses in our contracts with them. We will also implement a regular (usually on an annual basis) refresher of our supplier questionnaire to determine if our risk assessment needs to change based on the modern slavery risks of these suppliers including their supply chains. Any new material suppliers will also be asked to respond to questions regarding modern slavery risks in their organization and supply chains.

Investment Operations

As noted above, issues such as modern slavery and other human capital considerations for a business and its supply chain are incorporated into our investment analysis and decision-making process when we believe they could have a material impact on a company's valuation and financial performance. Companies that do not include an assessment of the risks of modern slavery, may face risks not just to their financial performance, as negative externalities may become priced, but also to their reputation, which may be reflected in the share price. As a result, we attempt to integrate an assessment of the potential risk into our securities analysis and portfolio construction processes.

Our proprietary Materiality Mapping framework¹ helps us identify risks such as the following:

1. Forced Labour and Modern Slavery;
2. Labour Practices in Supply Chain, and
3. Human rights issues related to critical sourcing of raw materials.

As a result, we attempt to integrate an assessment of the potential impact of such factors into our securities analysis and portfolio construction processes. Details of our proprietary sector-based approach to ESG integration can be found in our most recent Sustainable Investment Report available here. [https:// www.lazardassetmanagement.com/docs/m0-106599/AnnualSustainableInvestmentReport2021_en.pdf](https://www.lazardassetmanagement.com/docs/m0-106599/AnnualSustainableInvestmentReport2021_en.pdf).

Our regular engagements with companies on human and natural capital issues informed by our proprietary Materiality Mapping framework, helps relevant analysts and portfolio managers prioritise areas for discussion based on those that are most material and relevant to the long-term financial success of the business. When we identify an issue in a company owned by clients, we seek to conduct a focused engagement with the management or board of the company. With human rights issues in general, we would expect to undertake a structured and outcome-orientated dialogue with company management, the board of directors, or both.

In addition, in some instances we may not invest in or where we currently invest, may withdraw our client's capital from an investee company where we believe the ESG issue, including where relevant, modern slavery, will have a detrimental impact on the value of that company, making the company an unattractive investment choice.

Where delegated the power to do so, Lazard also votes proxies for its clients and does so in a way that we believe will maximise sustainable shareholder value as a long-term investor and is in the best interest of our clients. Voting covers many types of resolutions including ESG items. By using our voting power in this way, we try to bring about change in the way our investee companies carry on their business. We vote in favour of material human capital considerations and human rights policies as more fully detailed in our Sustainable Investment Report.

Over the last 12 months ended 31 December 2021, Lazard investment professionals participated in over 4,600 company meetings around the world. In 36% of those meetings, an ESG issue was discussed, of which 38% included issues around human capital.

5. Effectiveness of Actions

To assess the effectiveness of our actions, in both our corporate and investment operations, where applicable, we:

- Have reviewed our modern slavery processes with senior management to consider whether we are appropriately identifying and evaluating our modern slavery risks.
- Assessed modern slavery risks when engaging a new material supplier;
- Conducted a review of our suppliers, (usually on an annual basis), to ensure we are appropriately identifying and evaluating our modern slavery risks;
- Continue LAMP's dialogue with LAM's ESG Steering Committee, which oversees implementation of ESG integration in our investment operations. Among other responsibilities, the Steering Committee conducts ESG training to educate investment professionals on relevant ESG issues in our investment operations, and
- Provided ongoing training to our employees to reinforce the prior learnings on the identification of modern slavery.

Specifically, regarding our investment operations, while we do not have a formal definition of success per se, success is evaluated through the realized value of our investments and by investment performance over a market cycle. Engagement activities with companies may also serve to strengthen relationships between Lazard investment professionals and company management and we aim to further analyse the data that we collect from our engagement activities to gauge its effectiveness.

Impact of COVID-19

Consistent with government guidance we have developed 'back to the office' plans supportive for our workforce that we are implementing across our global offices.

Employee relations have long been a strategic imperative for the long-term business sustainability of all businesses, and the outbreak of the COVID-19 pandemic saw unprecedented impact on human capital. Following the outbreak of COVID-19 we engaged with boards and senior management to understand how they were managing vaccinations and

¹ Lazard Asset Management's proprietary sector-based approach to ESG integration is based on elements of SASB's Materiality Map™, copyright: 2022. All rights reserved. Reprinted with permission from The SASB Foundation.

return to in person work and ensuring that employees were being supported. We believe that investing in employee health and safety is critical to save human lives and protect shareholder value, especially over the long-term.

6. Our Consultation

This statement has been prepared and reviewed by representatives across LAMP's business. Further, the same due diligence process has been applied to both LAMP and its wholly owned subsidiary LAMPA. LAMPA has common executives and policies to LAMP and the preparation of LAMP's Statement was discussed with these common executives as well as the process that LAMP followed to identify and assess its modern slavery risks when preparing this Statement.

7. Other Comments

Over the next few years, we will continue to focus on developing the maturity of our supplier due diligence framework including a regular (usually on an annual basis) refresher of our supplier questionnaire to determine if our risk assessment needs to change based on the modern slavery risks of these suppliers. Any new material suppliers will also be asked to respond to questions regarding modern slavery risks in their organization and supply chains.

Our incorporation of ESG into our investment process is also a dynamic one and we continue to develop and refine our processes. In the past 12 months we have joined organisations relevant to our ESG philosophy, subscribed to additional information sources on ESG issues and continue to develop tools for our portfolio managers and analysts to use when assessing the ESG risk to a company's valuation.

Signed by Mr Paul Cuddy



Chief Executive Officer
Lazard Asset Management Pacific Co.
30 June 2022