

2022 CORPORATE  
SUSTAINABILITY REPORT

# CREATING VALUE RESPONSIBLY

LAZARD | 175  
YEARS



# CREATING VALUE RESPONSIBLY

**Our mission** is to provide trusted financial advice and investment solutions to our clients.

**Our reputation** relies on the ability of our people to deliver the best outcomes, act responsibly and prudently manage risk.

**Our success** creates a positive financial and social impact for all of our stakeholders.



**Safe Harbor:** This report may contain forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “target,” “goal,” or “continue,” and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our strategies, business plans and initiatives and anticipated trends in our business. These forward-looking statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by these forward-looking statements. These factors include, but are not limited to, those discussed in our Annual Report on Form 10-K under Item 1A “Risk Factors,” and also discussed from time to time in our reports on Forms 10-Q and 8-K. Although we believe the statements reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this report to conform our prior statements to actual results or revised expectations and we do not intend to do so. Inclusion of information in this report is not an indication that we deem such information to be material or important to an understanding of our business or an investment decision with respect to our securities.



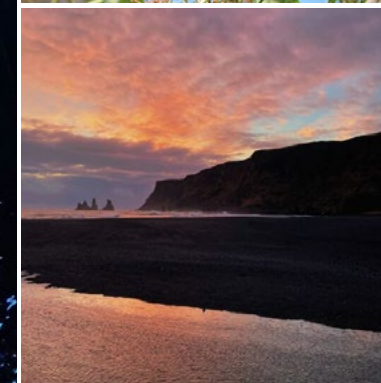
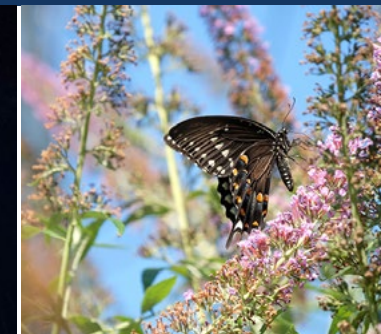
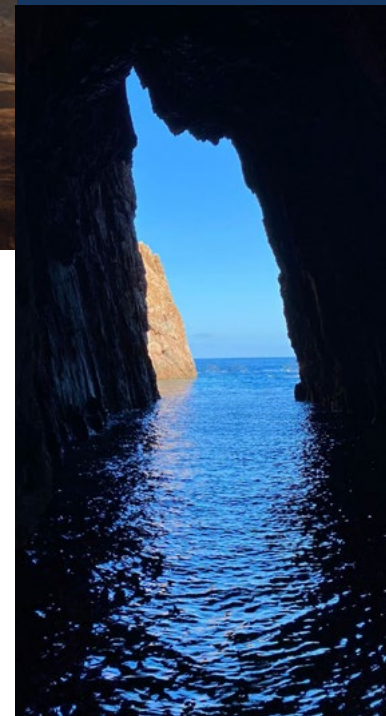
LAZARD 2022

## Photography Challenge

Our colleagues across the firm, representing our offices around the world, provided the photography throughout this report, which depicts their environment and experiences.



Photo credits are provided in an index on [page 39](#).



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## Sustainability Priorities

Lazard performed a materiality assessment in 2018 to prioritize environmental, social and governance (ESG) topics of importance to our stakeholders and to our business, including our long-term strategy. The results of this ESG materiality assessment are highlighted below and correspond to sections in this report, which provide more detailed disclosures on our management approach, highlights and key metrics. We review our material issues annually and our regular engagement with stakeholders continues to guide our areas of focus as it relates to E, S and G.



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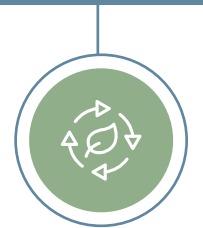
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-  [Environmental Statement](#)

# A MESSAGE FROM OUR CEO

As Lazard commemorates our 175<sup>th</sup> anniversary, we reflect on our resilience and progress since our beginning in 1848 as a dry goods store in New Orleans. Throughout our history, we have never strayed from our foundation of serving clients with excellence. Sustainability is a core component of this mission and our commitment to our communities, a diverse workforce and delivering value.

Here are a few highlights from the past year:

## Sustainable Financial Advisory

In April 2023, Lazard hosted its inaugural Climate and Energy Transition Conference in New York, attended by more than 150 corporate leaders, investors, policymakers, and economists, to discuss the financial impacts, opportunities and risks of climate change and the energy transition. Key topics included the U.S. government's involvement in the energy transition, a review of Lazard's latest [Levelized Cost of Energy+ report](#), and panel discussions on how public and private markets view the energy transition landscape.

Turning expertise into action, we continue to advise clients on sustainable transactions to capitalize on strategic opportunities within the energy sector and other transition sectors. Recent transactions for Braya Renewable Fuels, Montana Renewables and NEOM Green Hydrogen Company are designed to fund sustainable fuels production and development of carbon-free green hydrogen in global markets. In Europe, we advised Boralex on its partnership with

Energy Infrastructure Partners to develop renewable energy. In addition, we advised the Republic of Ecuador on a record debt-for-nature swap transaction that will fund marine conservation of the Galápagos Islands.

## Sustainable Investing

Lazard Asset Management continues to be a thought leader, as highlighted in its recent [Sustainable Investment Report](#). Additionally, Lazard offers several sustainability-focused strategies such as Sustainable Agriculture, Climate Action and Sustainable Private Infrastructure each of which has a particular set of sustainability objectives.

## Supporting the Next Generation

Through the U.S. Lazard Foundation, we volunteer our time and resources to strengthen our communities. Education for children and young adults is the focus of the Foundation and we work with a variety of charities to mentor and improve the lives of people most in need.

In the summer of 2022, we hosted the second year of the Lazard New Visions Academy, in which we partnered with New Visions for Public Schools to provide approximately 300 New York City public high school students from under-resourced communities with the opportunity to engage with our people and learn professional development skills to advance their career aspirations. Our direct engagement with the students has had a meaningful impact in the development of their



professional skills for a broad range of careers. I'm encouraged by seeing first-hand the potential of the next generation of leaders.

## Partnering with our Local Communities

Each year, Lazard employees around the world engage and volunteer to enhance the communities where we work and live. In 2022, our Lazard Green teams cleaned-up the River Thames in London, participated in a gardening project in New York and cleaned-up the streets of Tokyo. Lazard Paris is a proud sponsor of the Women's Forum Rising Talents Initiative and participated in discussions to advance and promote women's voices and perspectives.

I am proud of our sustainable mindset, a tenet that guides our firm as we continue to provide trusted financial advice and serve our clients with excellence in future decades.

**Kenneth M. Jacobs**  
Chairman and Chief Executive Officer

# LAZARD AT A GLANCE

Lazard is a diversified, global independent financial advisory and asset management firm serving as a trusted advisor to corporations, partnerships, institutions, governments and individuals.

We are established in business centers around the world, with meaningful local relationships and insights. Our long track record of success reflects the exceptional depth of expertise across business segments, geographic regions, industries and investment strategies that we provide to our clients. We operate as a deeply rooted local firm and serve clients with multinational resources and global perspective.

## Our Firm

26

Countries

43

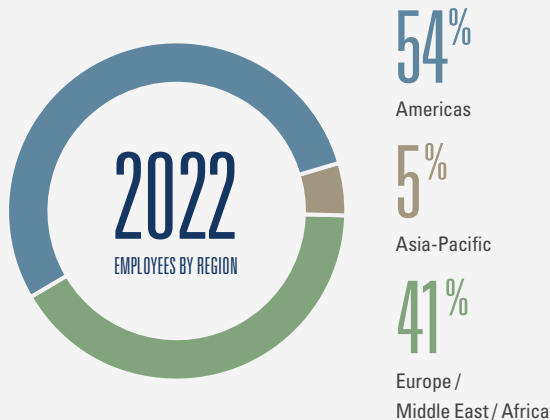
Cities

96

Nationalities

50

Languages



## Our Business

### Asset Management

Fundamental institutional investor across developed and emerging economies

### Financial Advisory

Independent public, private, sovereign and capital markets advisory

**New York London Paris**  
 Amsterdam Austin Beijing Bogotá Bordeaux Boston  
 Brussels Buenos Aires Charlotte Chicago Dubai  
 Dublin Frankfurt Geneva Hamburg Hong Kong  
 Houston Los Angeles Luxembourg Lyon Madrid  
 Melbourne Mexico City Milan Minneapolis Montreal  
 Munich Nantes Panama City Riyadh San Francisco  
 Santiago São Paulo Seoul Singapore Stockholm  
 Sydney Tokyo Toronto Zürich

**\$2.8B**  
Annual Operating  
Revenue

**\$216B**  
Assets Under  
Management

## Our Value



Established in the world's developed and emerging markets



Seasoned expertise and innovative insights



Complementary businesses



Investment in talent and growth strategies



Technology-driven



Strong capital structure and cash flow generation

[For more information: 2022 Annual Report](#)



# ABOUT THIS REPORT

Lazard’s 2022 Corporate Sustainability Report (CSR) demonstrates our ESG approach, initiatives and perspectives on key topics prioritized by our stakeholders—employees, clients, shareholders, business partners and communities. At Lazard, a focus on ESG matters underpins our business and is imperative to fulfilling our mission of serving clients responsibly and creating long-term value.

Lazard’s fifth annual CSR illustrates our continued commitment to developing and inspiring our employees, our approach to risk management, effective governance and our global wellness, environmental and philanthropic initiatives. Through our focus on ESG and sustainability across the firm, we strive to have a positive impact on the economy, society and the environment.

At Lazard, we take a proactive approach to identifying ESG risks and opportunities and hold ourselves accountable to our goals. Our people are our most important asset. Their dedication is critical to successfully addressing key challenges and meeting the needs of our diverse global client base. Our Head of Corporate Sustainability provides leadership and guidance on our sustainability agenda, while the Board and senior leadership provide oversight and execution on strategic initiatives. Our CSR, supplemental frameworks and increased ESG disclosures are indicative of the progress we have made, and we look forward to engaging with all our stakeholders to advance our sustainability agenda.

Our dedicated [sustainability page](#) on our website provides information on various sustainability topics. These statements are reviewed annually and updated as necessary.

**Our Value** We recognize that our business has an effect beyond the profits we generate



### Environmental

Evaluate climate impact, opportunities and risks in our investment and strategic advice



### Social

Build on our culture of excellence while focusing on inclusion, diversity and equity



### Governance

Lead with integrity and engage with all of our stakeholders







# OUR PEOPLE AND CULTURE

# OUR PEOPLE AND CULTURE DRIVE OUR PERFORMANCE

We remain committed to making Lazard the preeminent place to work for people interested in our businesses. At Lazard, our expertise and reputation for excellence starts with our talented employees around the world. We cultivate a collaborative environment that encourages innovative thinking and fresh ideas. Our people set us apart: our colleagues come from diverse backgrounds and provide unique perspectives to challenge conventional wisdom. We provide resources and support to ensure that our people feel empowered to share their thoughts and ideas with each other and our clients.

## Our Priorities and Initiatives

<h3>Inform</h3> <p>Support learning and intellectual curiosity</p> <p>Our employees engage through global town halls and panel discussions covering a range of topics including geopolitical and economic issues, sustainability, cybersecurity and workplace culture.</p> <p><b>&gt;25</b> global town halls</p> <p><b>~40</b> Lazard interviews on financial networks</p>	<h3>Listen</h3> <p>Encourage ideas</p> <p>Employee feedback plays a vital role in shaping our priorities and decision-making around workplace practices and culture. We engage with employees through global engagement surveys, among other ways, to better understand their ideas, concerns and recommendations to strengthen our workplace priorities. We assess a range of topics including happiness, mental health, stress management, inclusion &amp; diversity, hybrid work, and culture. In addition, our Chairman and CEO engaged with employees through &gt;36 small group conversations, town halls and networking events.</p> <table border="1"> <thead> <tr> <th>2022</th> <th>AVERAGE LAST 4 YEARS</th> </tr> </thead> <tbody> <tr> <td>73%</td> <td>72%</td> </tr> <tr> <td>65%</td> <td>68%</td> </tr> <tr> <td>~4,490</td> <td></td> </tr> </tbody> </table> <p>global employee engagement response rate comments</p>	2022	AVERAGE LAST 4 YEARS	73%	72%	65%	68%	~4,490	
2022	AVERAGE LAST 4 YEARS								
73%	72%								
65%	68%								
~4,490									
<h3>Include &amp; Celebrate</h3> <p>Build an inclusive culture and recognize achievements</p> <p> <b>Photography Challenge</b> More than 800 submissions from around the world that connects people with a similar interest and allows the firm to celebrate their creativity.</p> <p> <b>Lazard London Celebrates Inclusion Week</b> Lazard London hosted a number of events as part of National Inclusion Week to increase connectivity among colleagues and build awareness of diverse cultures.</p>	<h3>Connect</h3> <p>Enhance connections between colleagues and with our local communities</p> <p><b>Social Impact</b> The Lazard New Visions Academy, a signature initiative of the Lazard Foundation, held its second summer of programming. The initiative provides New York City public high school students from under-resourced communities with the opportunity to gain vital knowledge, experience and relationships to set them on a path toward future professional careers.</p> <p><b>Employee Engagement</b> Voices@Lazard shares employee perspectives on current events and personal interests.</p> <p><b>158</b> employee volunteers</p> <p><b>&gt;500</b> students served</p> <p><b>~100</b> employees shared experiences</p>								



# POLICIES AND INITIATIVES

## Board Oversight and Management Accountability

We hold ourselves accountable to our colleagues, clients and communities to make progress toward our goals. We have dedicated teams across the firm that are actively promoting and supporting diversity and inclusion efforts across recruiting, mentoring, training and development.

Our Workplace and Culture Committee at the Board level oversees the efforts by management to promote a diverse and inclusive workforce and encourages its people to engage with each other to broaden perspectives.

Members of the executive team, including our head of Human Capital and Workplace Innovation and our Chairman and CEO, meet monthly to discuss programs and progress specific to our efforts.

## Human Rights

We comply with the laws of the countries in which we operate and we maintain policies and procedures to inform our decisions and responsible behavior. Lazard is a signatory to the U.N.-supported PRI, U.N. Global Compact and the U.K. Women in Finance Charter.

## Pay Equity

Paying our employees equitably relative to their role is central to our compensation philosophy. Throughout our history, we have demonstrated and committed to providing equal opportunities in employment. Our policies and culture ensure that our people are recruited based on talent and experience, rewarded appropriately and can develop personally and professionally. We do not tolerate discrimination or harassment in the workplace. We strive to ensure that all of our policies, including those related to workplace diversity and compensation, are designed with fairness in mind. We conduct pay equity reviews and monitor our compensation structure to ensure our pay remains fair and competitive.

- [Code of Business Conduct and Ethics](#)
- [U.K. Women in Finance Charter](#)
- [Lazard U.K. Gender Pay Gap Report 2022](#)
- [Workplace and Culture Committee Charter](#)

## Our Commitments



U.N. Global Compact



CEO Action for Diversity and Inclusion



WOMEN IN AFRICA  
EMPOWERING ENTREPRENEURS, CONNECTING GLOBALLY.

Women in Africa



Women's Forum



U.K. Women in Finance Charter



#StOpE Initiative



L'Ascenseur

## Our Engagement

### Kenneth M. Jacobs, Chairman and CEO

Keynote speaker at the 20th annual Black Corporate Director's Conference  
Co-founded by Ariel Investments and Russell Reynolds

The conference brings together the nation's leading Black, Latino and Latina directors of America's leading companies for discussions focusing on issues related to minority representation across all sectors, including academia, business, media, politics and sports.



"L'Ascenseur echoes the values that we wish to embody – to give those in need an opportunity to succeed according to their merits and unlock their potential. Our programs with the Women's Forum and Women in Africa to identify and support talented young women are just one example of our efforts to fight for gender equality."

### Jean-Louis Girodolle, CEO Lazard Investment Banking France

# ADVANCING DIVERSITY

## Lazard fosters belonging, individual value and optimal collaboration

The value of diversity is ingrained in our culture and reflects our multicultural heritage. As a global firm that has grown organically from local roots in different countries, we have a deep tradition of respect for individual differences, which has been core to our success as we celebrate our 175<sup>th</sup> year. The ongoing cultivation of an inclusive, diverse and equitable culture is essential to our continued growth. We are committed to sustaining a respectful environment in which all employees—regardless of socioeconomic status, race, ethnicity, nationality, religion, gender, gender expression, sexual orientation, physical abilities, veteran or military status—can bring their authentic selves to work and maximize their individual potential, as well as our collective success. We are focused on creating a culture where people are able to capitalize on their differentiated experiences and perspectives. It is crucial that they not only feel free to share their point of view but understand that it is expected and valued. Inclusion, Diversity, Equity and Allyship (IDEA) go hand-in-hand in retaining our top talent, and our IDEA strategy demonstrates our efforts across the firm to make progress on this journey.



"At Lazard, we prioritize cultivating a diverse and inclusive culture at all levels with a view to designing the best solution for our clients. To do so, we insist on inclusive leadership and have formalized many affinity networks."

**Alexandra Soto,**  
**Group Executive,**  
**Human Capital and Workplace Innovation**

## Inclusion, Diversity, Equity & Allyship (IDEA)

Our Priorities	Areas of Focus	
Diversify our workforce	Gender	LGBTQIA+
Enhance our operations	Race, ethnicity & culture	Military veterans, reservists & spouses
Empower & support our people	Generational & life stage	Disability, mental health & neurodiversity
	Social mobility	

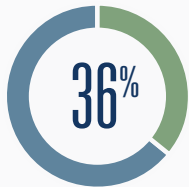
### Training and Education

We offer diversity and inclusion learning opportunities to provide the language, tools and resources for our employees to mitigate unconscious bias, enhance cultural competence and promote allyship. Every colleague at the firm globally has access to multiple on-demand learning modules that explore living with biases, conscious collaboration and inclusive leadership. As part of our commitment, learning events are hosted by expert moderators and town halls with senior leadership serve as a platform for employees to engage on topical issues. For example, groups in our Financial Advisory business in the U.S participated in Cultural Intelligence workshops to build better awareness of bias and cultural orientations to enhance understanding of colleagues and be able to better adapt in different business environments.

## Diversity at a Glance

We continue to focus on increasing our diversity and assess diversity at all levels, including the board, executive, managerial and entry levels. We measure diversity by tracking key metrics where permitted, for headcount, hiring, retention, attrition, and promotions. To advance our goals and guide our strategic workforce planning, we harness analytics and data to identify and evaluate our representation, hiring, promotion, engagement trends and other key data to enhance our workforce and human capital management strategy.

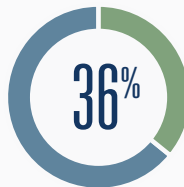
Our Global Head of Inclusion, Diversity, Equity and Allyship works together with senior leadership to manage the firm's efforts as it relates to recruiting, retention and creating a culture of inclusion and acceptance across the firm.



36% of our global employees are women



50% of our Independent Directors are women<sup>1</sup>



36% of our U.S. employees are from ethnic groups



~200

Women participants across the U.S and Europe

In March, Lazard hosted its annual Women in Banking Conference, bringing colleagues together across the firm to connect, network and innovate for the future.

1. Data as of 2023 Proxy Statement

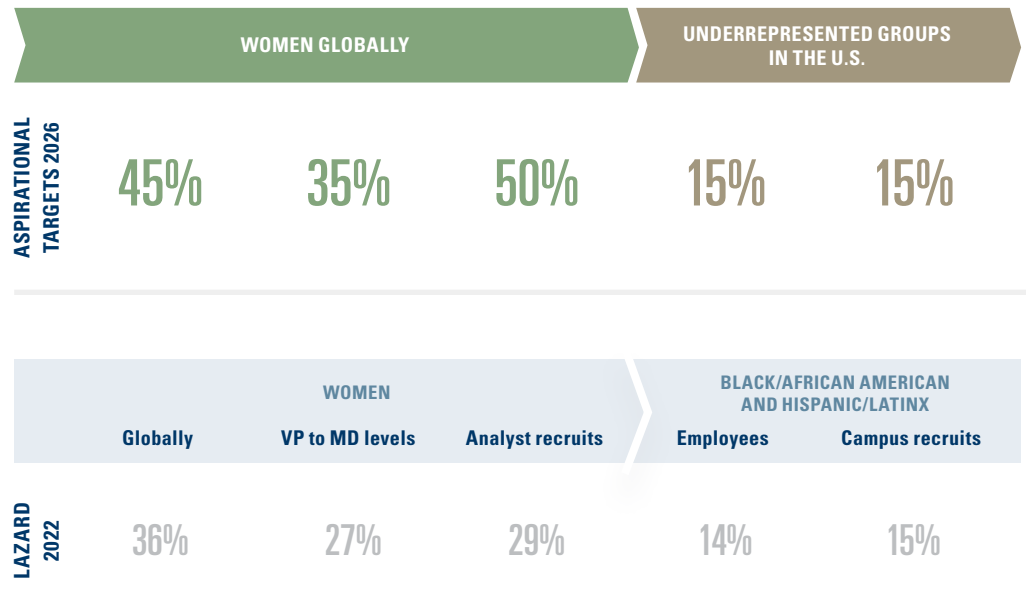
“As an intellectual capital business, we believe a diverse workforce with varied identities, backgrounds and experiences drives our success. We are committed to improving representation through recruitment, development and retention across all levels of the firm.”



**George Okrah, Global Head of Inclusion, Diversity, Equity and Allyship**
















### Aspirational Diversity Targets


Our aspirational diversity targets set in 2020 reflect our commitment to increasing diversity at all levels.



# FIRM-WIDE ENGAGEMENT AND CONNECTIVITY

Lazard fosters an environment of inclusivity. Our global employee-led resource groups allow colleagues of various backgrounds to share experiences and converse on initiatives relating to employee engagement, diversity, professional development, education and community outreach. Events are held throughout the year with both internal and external participants to build awareness, broaden perspectives and enhance the employee experience. Since 2019, colleagues have founded seven new Employee Resource Groups and hosted more than 100 engagements in 2022.

Multi-Cultural	Community	Mentorship	Global Connectivity	Impact
 LAZARD ASIAN ALLIANCE NETWORK   LAZARD Black & African American Employee Network    	 LAZARD Green   LAZARD VETERANS NETWORK   LAZARD PROUD	 LEAD   LWL network  <div data-bbox="940 966 1591 1117" style="border: 1px solid #0056b3; padding: 5px;">                     Founded in 2022, Lazard SPEAK is an employee-led mental health resource group focused on driving awareness, developing innovative practices, and cultivating mental health skills.                 </div>	 LAZARD FAMILY NETWORK   Lazard SPEAK for Mental Wellbeing	 <p>&gt; 10 Employee resource groups</p>  <p>~ 770 Employees are a member or an ally</p>  <p>~ 120 Events hosted in 2022</p>  <p>20+ Women's Leadership Network events hosted in 2022</p>
<p>"It has been phenomenal to see the impactful and informative events and initiatives our colleagues host globally and that collaboration, connectivity and engagement amongst our employees continues to grow." <b>Tracey Abayeta, Human Resources</b></p>				



Lazard Plus and the Lazard Asian Alliance Network hosted Lunar New Year celebrations in London and New York. Speakers across the firm gathered and shared their thoughts on Lunar New Year and their favorite memories this time of year.

350+

Employees attended



2022 Affinity Group Highlights

# RECRUITING

## Discovering our future leaders

In our recruiting efforts, we proactively seek individuals who are highly talented and culturally enriching. We use a combination of formal and informal outreach programs to attract a diverse mix of uniquely talented people who we believe will make positive contributions to our firm and the broader community. Our diversity program is designed to improve the likelihood that people with differentiated backgrounds and perspectives are among the candidates we consider for any role. Our campus recruiting includes focused efforts on recruiting women and underrepresented groups through club sponsorships and partnerships. At the campus level, we build relationships with colleges and student organizations that support and advise underrepresented groups. In the U.S. and U.K., institutions include Morgan State, Spelman College, Morehouse College and other Historically Black Colleges and Universities (HBCUs), University College London African-Caribbean Society, Kings College BAME in the City, Wharton African American MBA Association, Columbia Business School: Black Students Association, Women’s Societies Alliance across the U.K. and Europe, Chicago Booth Armed Forces Group and other student society networks.

“We seek candidates with diverse backgrounds and who will be additive to Lazard’s culture. In addition to technical skills and industry knowledge, we look for people who demonstrate curiosity, resourcefulness and integrity.” **Danielle Silvey, Human Resources**

## 2022 Partnerships to Advance Diverse Hiring

We partner with multiple organizations to support our hiring efforts. Examples include:



Learn more about intern and career opportunities: [Lazard Careers](#).

Asset Management 2023 Internship Class		Financial Advisory Women 2023 Recruitment		Diversity 2023 Recruitment
55%	36%	33%	41%	55%
U.S. Women	Underrepresented Minorities	U.S. Analysts	U.S. Interns	U.S. Interns
50%		48%	54%	43%
U.K. Women		U.K. Analysts	U.K. Interns	U.S. Analysts

In 2022, we continued our partnership with SEO London’s Careers Program. This diversity partnership focuses on attracting, engaging and recruiting university students from ethnically diverse and/or lower socioeconomic backgrounds for our internship and full-time analyst programs.

We partner with BLK Capital, a national organization that actively recruits intelligent and motivated undergraduate sophomore students of diverse backgrounds and prepares them for a career in the financial services industry through education and mentorship. Our bankers serve as mentors and last year hosted a series of informational and networking sessions to cultivate professional skills and educate mentees on careers in the banking industry.

# TRAINING AND CAREER DEVELOPMENT

Investing in our people supports our future growth

## Global & Internal Mobility

At Lazard, we encourage employees to be entrepreneurial and think creatively. This includes identifying ways to expand their relationships and remit within their existing team or globally, to advance the firm commercially. We encourage colleagues to explore cross-department opportunities or roles in other groups. Our secondment program allows select individuals to work in another Lazard office to broaden and diversify their experience into new markets and strengthen their network, enhancing our global connectivity.

## Performance Management

Lazard’s priority is to guide and develop its people toward individual and shared success. **Pathways** is Lazard’s performance and development framework and platform. This framework assesses both business results and demonstrated behaviors in the workplace, such as collaboration, inclusivity, curiosity and integrity, and focuses on development actions and long-term career aspirations. For the most comprehensive and insightful perspective, all colleagues are evaluated twice a year through 360-degree performance reviews that solicit broad input from peers, direct reports, and managers.

We believe feedback is essential to personal development and encourage dialogue among teams. Throughout the year, all employees can provide feedback, advice and recognition to colleagues through our Anytime 360 function.

~15,800  
peer feedback  
comments were  
exchanged

## MENTORING @ LAZARD

Employees have the opportunity to learn from seasoned professionals — building formal and informal mentor relationships across the firm. Conversely, seasoned professionals often gain valuable insights from their mentees, creating greater awareness and understanding.

721  
unique mentoring  
participants



## Recruiting and Onboarding

Lazard offers a wide range of opportunities across Asset Management, Financial Advisory and Corporate. We hire talented and motivated individuals, and we apply a dynamic approach to learning at all levels. Our programs typically start with a formal training to learn technical skills, regulatory compliance fundamentals and professional and leadership development. We provide continued professional development to help our people grow throughout their career.

## Global Learning & Leadership Development

Lazard focuses heavily on learning through the apprenticeship model, where colleagues learn hands-on by solving challenges and observing others. Learn@Lazard, our formal learning platform, offers on-demand and instructor-led courses covering a wide range of categories, including how to prepare our people to lead individuals and teams effectively.

In 2022, Lazard’s Financial Advisory business held global promotion programs for newly promoted Vice Presidents, Directors and Managing Directors. The programs offered global networking opportunities as well as leadership and professional development workshops led by internal and external speakers.

\$1.5M tuition  
reimbursement in  
the last 5 years

>24,000 hours of U.S. Financial  
Advisory training and  
development programs

## TRAINING

### Engaging Employees on ESG

Each of our businesses offer training and resources on ESG topics unique to their respective industries to ensure our people are educated on policies, procedures and important trends. We also educate employees through thought leadership, town halls with business leaders, internal conferences and our corporate sustainability reporting.

## LAZARD ALUMNI

Connecting former and current employees through networking, newsletters and alumni events creating lifelong connections.

# WELLNESS AND BENEFITS

We strive to enhance the total health and well-being of all our employees around the world

Our goal is to enable our people to achieve a balance among their commitments to career, family, and community, so we invest in a variety of programs to support our people and their families along their work-life journey.



**Health:** Lazard offers comprehensive health plans (medical, dental, vision, telehealth), and our U.S. medical plan, for example, provides coverage for nonstandard services such as IVF and Lasik. Our U.S. LGBTGIA+ employees have free access to Included Health, which is a dedicated health care concierge to help members finding affirming care and navigate benefits.

Lazard reimburses certain fitness and nutrition expenses, such as in-home fitness equipment and discounted memberships to health clubs, and we provide access to on-site flu shots, annual step challenges, nutrition workshops, fitness classes, and fresh fruit deliveries through our global Work to Wellness program.

In addition to physical health, Lazard believes mental health is essential, and we are committed to raising awareness, fighting the stigma, and providing support globally to our people. Our Employee Assistance Program provides free, confidential counseling to help employees and their family members cope with a range of concerns such as stress and depression. We also provide ongoing mental health care through our medical and telehealth plans. In 2022, we launched global campaigns for World Suicide Prevention Day and World Mental Health Day, which included local support resources and live webinars. Lazard also provides free access to meditation and mindfulness apps and services, such as Headspace.



**Family:** We believe people’s personal and professional lives are equally important. We provide generous paid parental leave for new parents, regardless of gender. For example, in the U.S., our parental leave policy offers 20 weeks of paid leave at full salary for primary caregivers and four weeks for non-primary caregivers. Some of our other family-friendly benefits include private coaching for fertility and parenting, egg freezing and storage, back-up childcare, elder care support, college coaching, and virtual tutoring. In the U.S., we recently increased our adoption and surrogacy reimbursement to a \$60,000 lifetime maximum to better support different paths to family building.



**Finances:** In addition to core programs such as retirement benefits, life and accident insurances, disability insurance and tax advantaged savings vehicles, we offer various financial wellness tools and resources to help employees meet their savings goals and secure a healthy financial future. Work to Wellness periodically sponsors local events and learning sessions on topics such as budgeting basics and managing college savings and retirement accounts.



**Coordinated Hybrid Model:** We believe that a coordinated hybrid model empowers our employees to balance personal responsibilities while ensuring that we continue to engage in-person, enhancing camaraderie, mentorship and teamwork, and enabling creative spontaneity that often results from collaboration.

\*Note: Offerings differ by business and location



**TOP 5**  
firms to work for  
**#5** Benefits **#4** Wellness  
2022 Vault Banking 25 Survey

~90

Wellness events globally in 2022

**Work to Wellness**  
*Building a Healthy Workplace*



Colleagues around the world competed in the JP Morgan Corporate Challenge

# LAZARD GIVES BACK

Passion and purpose drive our support for local communities through both charitable contributions and hands-on volunteer activities. At Lazard, we strive to make a positive difference in the communities where we live and work. We encourage our people to participate through volunteer programs that allow for individual engagement, team building, and leadership opportunities, and we provide financial support to nonprofit organizations around the world.

## 2021–2022 Impact

<b>20</b> volunteer events	<b>398</b> hours dedicated
<b>158</b> unique Lazard volunteers	<b>599</b> students participated
<b>30,647</b> student hours dedicated	

The Lazard New Visions Academy, a partnership with New Visions for Public Schools is one of the initiatives through which we support our community. Over a two-year program, the Lazard New Visions Academy provides public high school students from historically marginalized communities access to post-secondary readiness opportunities, financial literacy skills and professional capital.



~100 students from the Lazard New Visions Academy visited the New York office. Students had a chance to engage and network with Lazard employees and leadership.

U.S.



**LAZARD FOUNDATION**

\$5.9M donated since the Foundation's launch in 2019



20 volunteer events

U.K.



**GAYE**

£107,929 donated to 85 charities in 2022



160 students attended Lazard hosted events and workshops in the U.K. from 20 counties

France



**LAZARD s'engage!**

€451,587 donated to charities in the past three years



Awarded the "Grand Prix de la Philanthropie 2022" in the Art and Culture category, recognizing our commitment to the protection of artistic and cultural heritage

Global



15 volunteer events globally



\$40,000 donated to charities in the last three years



## Providing relief for the humanitarian crisis in Ukraine

Lazard Foundation made donations to International Rescue Committee and Save the Children Enhanced matching gift program for U.S. employees donating to eligible charities  
 In France, our employees raised €82,700 in donations, Lazard matched this amount for a total of €165,400 donated to the Red Cross  
 Our London office raised £25,500 in donations to employee chosen eligible charities, Lazard matched this amount for a total of £51,000 donated in support of Ukraine relief

[Social Responsibility at Lazard](#)





# SUSTAINABLE INVESTING



# OUR INVESTMENT PHILOSOPHY



Lazard’s investing philosophy stems from a belief that financially material long-term changes such as climate change, social inequality and globalization present financial risks and opportunities. As regulators, consumers and technological innovators are increasingly attuned to sustainable business practices investors are similarly focused on financially material environmental and social issues, as well as the quality of governance practices, and the potential impact on industries and individual securities.

We believe our greatest differentiator is our longstanding commitment to proprietary research, which enables us to assess risks and opportunities and generate forward-looking insights. Sustainability-related considerations are not uniform in scope, scale, or duration across companies, industries, or geographies. Across our relevant strategies and products, we seek to identify opportunities and risks that are not currently priced into consensus expectations by connecting our specialist insights. Our investment professionals are supported by in-house expertise in sustainable investing including in carbon analytics, the energy transition, stewardship, and emerging issues such as biodiversity and the circular economy.

Our framework for integrating financially material human capital, natural capital and governance considerations, is fundamental and forward-looking, creating a differentiated view from standardized ratings.

Material issues assessment	Proprietary models	Differentiated investment view
Identify sector-specific ESG topics	Determine quantitative and qualitative metrics	Engage with company management
Collate sector specialist insights	Incorporate traditional and alternative datasets	Evaluate catalysts / externalities that necessitate risk mitigation or unpriced growth
Align pan-regional themes	Systematically integrate sustainability considerations with financial performance to assess quality	Build forward-looking research to generate portfolio alpha
Contextualize idiosyncratic situations		

## A YEAR OF SEISMIC SHIFTS

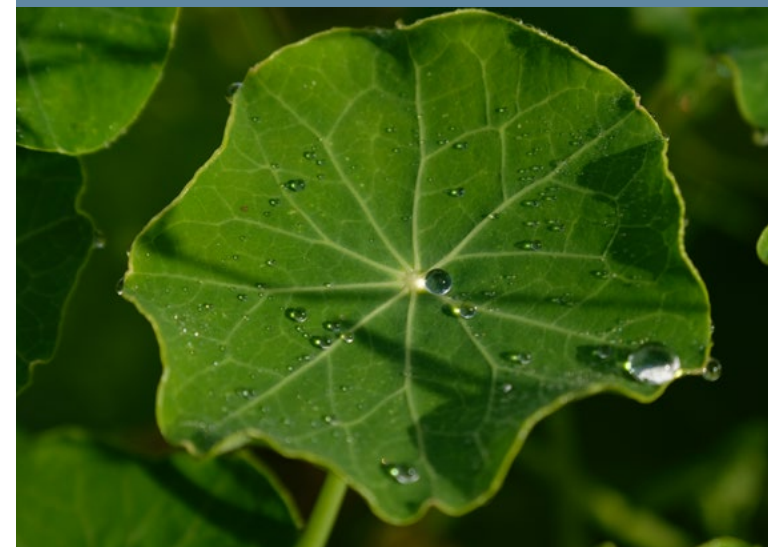
We see a pattern of themes that feel more like seismic shifts that have the potential to change the investment terrain, not just in 2023, but for several years to come:



- China “decoupling” from the West
- Globally rising interest rates in response to sharply higher inflation
- Investment in energy transition and renewable alternatives

As we monitor the dynamic marketplace, we seek to capitalize on these opportunities and manage the associated risk with great care.

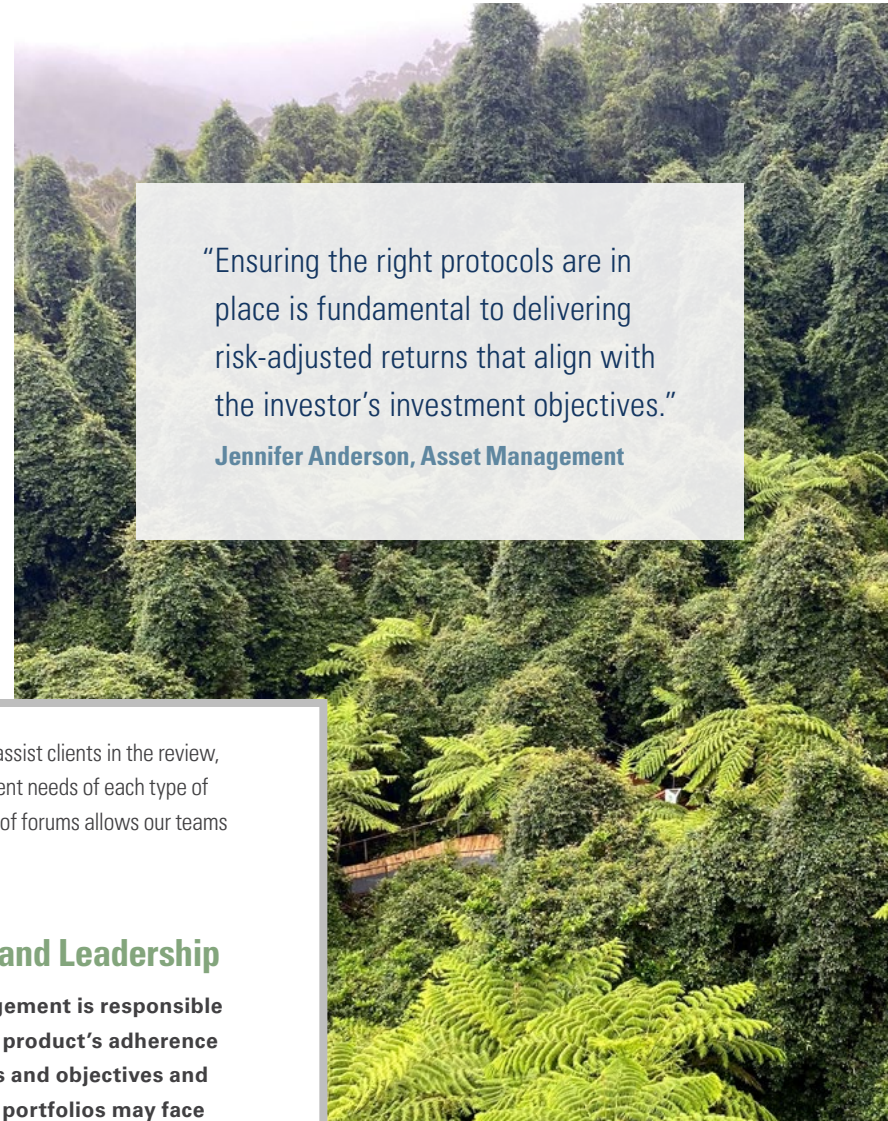
**Evan Russo, CEO, Asset Management**



# RESPONSIBLE PRODUCTS

Discovering and quantifying financially material issues ahead of the market offers an informational edge capable of generating improved investment returns over the long term through detailed risk and opportunity assessments. To better assess materiality and understand how which sustainability considerations may impact financial performance, we developed a process that is rigorous, but not rigid, and allows our relevant investment professionals to analyze the issues we have identified as most pertinent to their securities, sectors, regions and portfolios.

Our 300+ investment professionals are responsible for incorporating risk and opportunity assessments into their analysis. Analysts and portfolio managers connect their ideas and unique industry insights by sharing their research on our global research platform. Our investment professionals understand that the degree of financial impact and the drivers of financial materiality may vary among asset classes, individual strategies, and investment time horizons. We tailor our approach according to the asset class and style, with the awareness that sustainability considerations impact risk, return, liquidity, and other investment objectives, in different ways.



“Ensuring the right protocols are in place is fundamental to delivering risk-adjusted returns that align with the investor’s investment objectives.”

**Jennifer Anderson, Asset Management**

**Our employees put our clients’ interests first.** We are dedicated to transparent and accurate marketing of our services, we assist clients in the review, evaluation and formulation of investment guidelines and provide direct access to specific teams dedicated to serving the investment needs of each type of client. We maintain long-term relationships with clients around the world. Our engagement with our client base through a variety of forums allows our teams to incorporate feedback into our business strategy to improve our products and continue to deliver results.

## Risk Assessment

- Responsible product development
- Monitor potential risk/reward scenarios
- Product suitability

## Global Reputation

- Diverse product platform
- Client satisfaction
- Training and education

## Supervision and Leadership

Our senior management is responsible for reviewing our product’s adherence to its stated goals and objectives and the types of risks portfolios may face

### Resources

- [Products and Performance Relationship Summary](#)
- [Lazard Form ADV](#)

New employees participate in a global new hire orientation and training program to learn detailed aspects of our business. Throughout the stages of their careers, we provide training with deep dives into specific topics and our **Leadership Speaker Series**, launched in 2019, is a platform for senior leaders to share their experiences and career advice.

13 sessions hosted in 2022

# SUSTAINABLE INVESTMENT FRAMEWORK

## Global Research & Insights

We publish thought leadership exploring the interconnections of finance, natural and human capital

Our analysts document and share research through our proprietary global investment research database. From company-specific perspectives to broader industry trends, we develop and publish research that showcases the different ways we think about, and seek to leverage, ESG considerations in the course of managing our relevant client portfolios. Independent research is essential to our approach to investing. Investment insights are shared and debated among our investment professionals through digital platforms, training sessions, interactions with external experts and industry organizations. We regularly share our investment viewpoints, research, and updates with our clients.

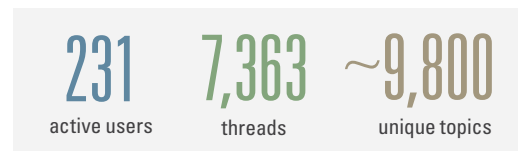


 <p><b>GOVERNANCE &amp; THOUGHT LEADERSHIP</b></p> <ul style="list-style-type: none"> <li>• Proxy Voting Committee</li> <li>• Stewardship Committee</li> <li>• Investment Committees                     <ul style="list-style-type: none"> <li>- Fundamental Equity</li> <li>- Fixed Income</li> <li>- Quantitative / Multi-Asset Alternatives</li> </ul> </li> <li>• Client Partnerships</li> <li>• Collaborative Initiatives</li> </ul>	 <p><b>INTEGRATED RESEARCH</b></p> <ul style="list-style-type: none"> <li>• Materiality Mapping Frameworks</li> <li>• Integrated Research Notes</li> <li>• ESG Watch List</li> <li>• Sovereign Analysis</li> <li>• Purposeful Engagements</li> <li>• Outcome-Oriented Proxy Voting</li> <li>• Sustainability Scorecards</li> </ul>	 <p><b>RISK COMPLIANCE REPORTING</b></p> <ul style="list-style-type: none"> <li>• ESG Risk Exposures</li> <li>• Carbon Benchmarking</li> <li>• Strategy-Specific Client Reporting</li> <li>• PRI Transparency and Assessment Report</li> <li>• Product Level SFDR Disclosures</li> <li>• Sustainable Investment Report</li> <li>• TCFD Report</li> <li>• UK Stewardship Code</li> </ul>
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As a research-led organization, we see our greatest strength as our ability to cross-pollinate the knowledge of our subject matter experts across the firm in a purposeful way and draw value from their integrated insights.

**Dragonfly** is a unique proprietary digital macro discussion board that connects our investment professionals around the world, designed to discuss, share and debate trending topics fostering a culture of collaboration and knowledge transfer.



“ESG is about discovering and pricing environmental, social and governance risks and opportunities. Our primary focus remains to generate alpha for our clients while incorporating these considerations into investment outcomes.” **Nikita Singhal, Asset Management**

# ACTIVE OWNERSHIP

Our investment professionals incorporate assessments of governance, human and natural capital into their research where relevant, including investment, voting, and engagement processes

We believe that our investment professionals are best positioned to evaluate the impact that sustainability issues or the outcome of a given proposal will have on long-term shareholder value and stakeholder optimization. We think that shareholder and bondholder engagement is more effective when it is undertaken directly by the analysts and portfolio managers that own the companies or sovereign bonds in their portfolios, as they most fully understand how the relationships between companies, employees, communities, and the environment might evolve and be reflected by valuations in capital markets over time.

## Evolving Our Stewardship Strategy in 2022

**REDEFINING ENGAGEMENT**  
To ensure our efforts are focused on tangible outcomes

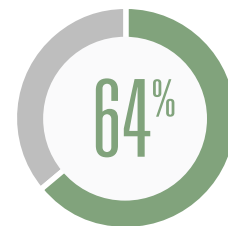
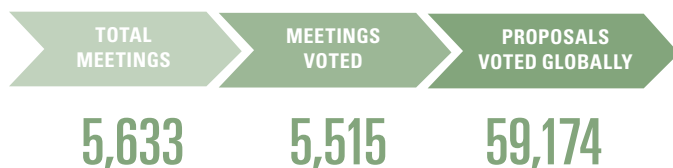
**IDENTIFYING PRIORITIES**  
Developing a framework to help our investment professionals identify which companies to engage with based on financial materiality

**ENGAGING COLLABORATIVELY**  
To guide decisions so that we only dedicate time to initiatives that are financially material and aligned with our investment views

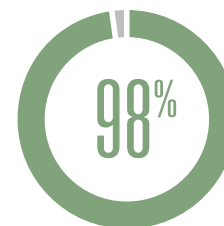
**ESG SHAREHOLDER PROPOSALS FRAMEWORK**  
To more effectively leverage ESG subject-matter expertise and company knowledge held by investment professionals

## Global Stewardship

In 2022, LAM voted in over **5,000 meetings**



Share of shareholder resolutions that we supported in 2022



Total Proxies Voted



## Sustainable Investment Report



Evidence that our stewardship approach is based on genuine integration and focus on investment

100%

of voting decisions are made by investment professionals

96%

of meetings with ESG content led by investment professionals

## ESG Engagement

LAM participated in **4,250 company meetings** globally in 2022

## ESG Discussed in Meetings

31%

ESG Meeting Breakdown by Topic

Environmental	Social	Governance	Multiple Topics
30%	12%	22%	36%

# CARBON ANALYTICS AND INDUSTRY COLLABORATION

## Why are carbon analytics relevant?

**Linking carbon analytics to financial performance.** As bottom-up fundamental investors we apply idiosyncratic context to understand how decarbonization and the energy transition will impact the financial productivity of issuers. While this is complex and ever evolving, our sustainability specialists, sector analysts, and portfolio managers use proprietary tools in tandem with their deep industry experience to identify climate-related risks and opportunities that may negatively or positively impact financial performance.

## How are we helping our clients with their decarbonization objectives?

**Providing solutions for clients.** Our objective is to help our clients meet their decarbonization goals. These goals may vary widely from client to client and may change over time – there is no one-size-fits all approach. We can provide clients with the information needed to aid them on their decarbonization journey and to better understand their exposure. This information is informed by tools which include our climate alignment assessment, bottom-up asset-level carbon modeling, portfolio-level trajectory model, and green revenues tool which measures a company’s exposure to climate solutions. We have also designed investment products designed specifically for clients that want to allocate capital to company’s providing solutions to climate change, such as low carbon technologies and energy efficient solutions and environmental services.

## What are the current challenges with portfolio decarbonization?

**Methodologies and data are nascent.** We understand that methodologies to assess portfolio decarbonization will evolve over time. Levels of both data disclosure and quality vary widely, and fundamental analysis is often required to adjust for data gaps and inconsistencies. We will continuously innovate to incorporate such concepts as ‘fair share’ reductions, to better understand the nuances of investing in both developed and emerging markets, and across sectors where emissions may be required for economic development and social well-being. We will also focus on real-world emissions reductions with an engagement-first approach rather than simply relying on portfolio turnover to achieve our clients’ portfolio decarbonization goals.

### SUSTAINABILITY



United Nations-Supported Principles for Responsible Investment (PRI)



International Accounting Standards Board (IASB) Investors in Financial Reporting Programme



Pensions and Lifetime Savings Association (PLSA)



Farm Animal Investment Risk & Return (FAIRR) Initiative



Chief Executives for Corporate Purpose (CECP)



Sustainability Accounting Standards Board (SASB)



Abu Dhabi Sustainable Finance Declaration (AsFF)



Responsible Investment Association Canada



Finance for Biodiversity Initiative

### NATURAL CAPITAL



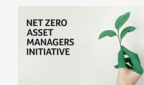
Institutional Investors Group for Climate Change (IIGCC)



Task Force on Climate-Related Financial Disclosures (TCFD)



CDP (formerly, the Carbon Disclosure Project)



Net Zero Asset Mangers initiative



Taskforce on Nature-related Financial Disclosures (TNFD)



Climate Action 100+

### STEWARDSHIP & GOVERNANCE



International Corporate Governance Network (ICGN)

Signatory of:



U.K. Stewardship Code



Financial Services Agency Japan Stewardship Code



Korea Stewardship Code



United Nations Global Compact



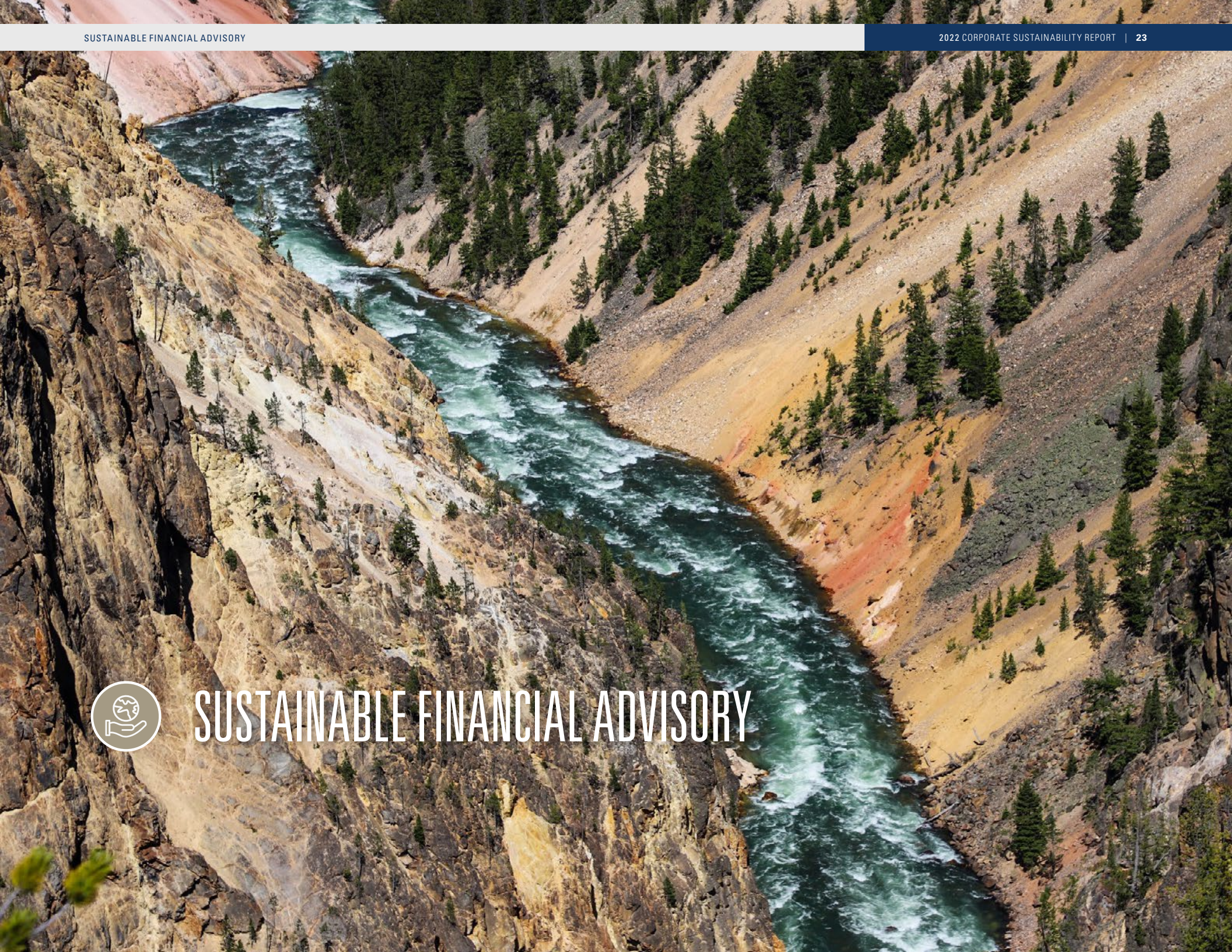
Board of Director Training Institute of Japan (BDTI)



Emerging Markets Investors Alliance

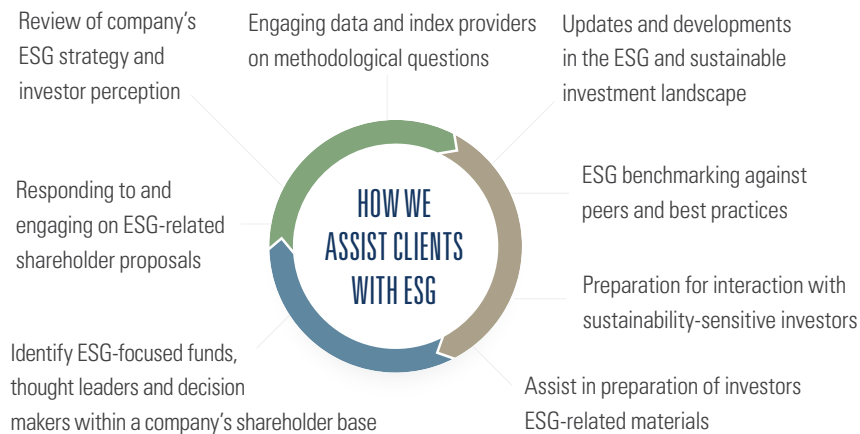


# SUSTAINABLE FINANCIAL ADVISORY



# THE ROLE OF SUSTAINABILITY IN OUR ADVISORY BUSINESS

**Capital Markets Advisory** We have the expertise to work with clients on their ESG programs and help them navigate the ESG landscape as they engage with investors and all stakeholders.



Environmental, social and governance factors often play a role across our financial advisory services as clients seek to identify risks and evaluate opportunities across the ESG spectrum. Our Financial Advisory business leverages the depth of our firm's expertise to provide advice on strategic and shareholder-related matters that create long-term value. We work with public and private companies across sectors, market caps and geographies to solve complex challenges across aspects of E, S and G and help our clients build and refine ESG strategies that resonate with an expanding and evolving stakeholder universe.

**Strategic and M&A Advisory** Our Financial Advisory practice assists clients and investors to enable them to meet their sustainability goals and strategic objectives.

## Client selection of targets and business partners

We are seeing more creative transactions addressing ESG needs in areas adjacent to a company's activities today.

## ESG catalysts

We support and advise clients on a range of transactions involving sustainable, societal and environmental considerations.

## Company valuation and transaction terms

ESG implications are assessed alongside global economics, financial markets, company performance and reputation risks that may affect a company's valuation and transaction terms.

## Transaction financing

Cost and access to capital are increasingly tied to a company's ESG actions.



"We continue to support clients on their strategic goals in response to the energy transition. By working closely with our energy and renewable teams, we provide clients with best-in-class advice rooted in sector experience."

Peter Orszag, CEO, Financial Advisory





# IMPACTFUL AND RESPONSIBLE BUSINESS APPROACH

Our reputation and success rests on the positive outcomes and long-term impacts of our client advisory work

We have established due diligence protocols and implemented processes for evaluating clients prior to confirming our role as an advisor, including screening for significant ESG and regulatory risks that may impact our firm and clients.

## Client Due Diligence and Risk Management Practices

ESG considerations are assessed alongside global economics, financial markets, company performance and reputation risk

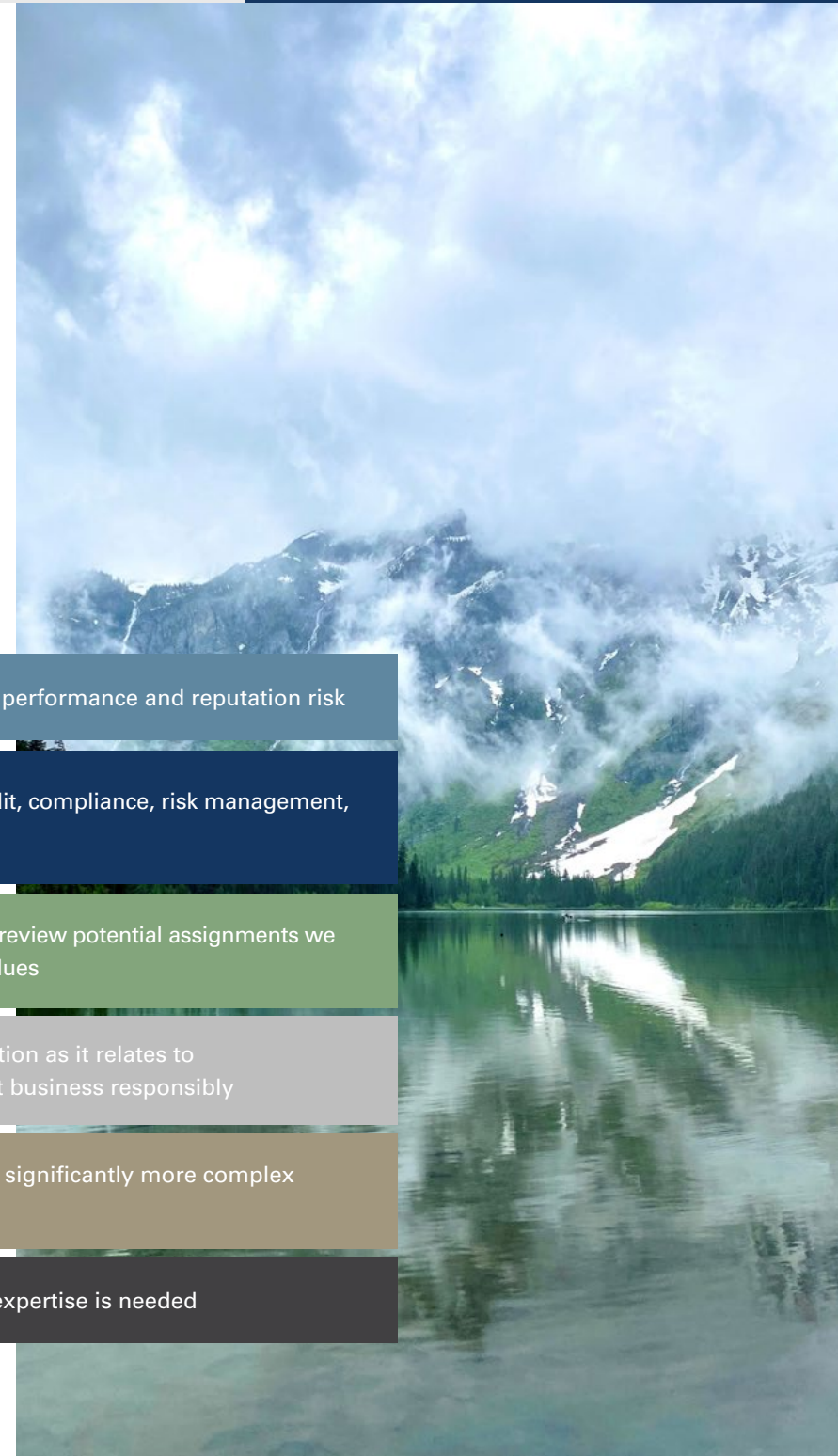
Our business is supported by robust control and monitoring functions, including internal audit, compliance, risk management, information technology and security

Our compliance and risk management teams work alongside senior leadership to identify and review potential assignments we may undertake and decline assignments that conflict with our firm policies, procedures and values

We provide training on our business standards and policies including resources and education as it relates to environmental, social and governance topics to ensure our people are equipped to conduct business responsibly

Clients operating in a particular high-risk sector or country, and transactions believed to be significantly more complex undergo enhanced review

We conduct due diligence and engage with third-party service providers where additional expertise is needed



# THOUGHT LEADERSHIP: OUR RESEARCH AND INSIGHTS


Our Financial Advisory business delivers cutting-edge, independent advice to clients and investors



**Environmental**  
[An Inflection Point for Corporate Infrastructure Levelized Cost of Energy+ report \(LCOE+\)](#)



**Social**  
[2022 Global Automotive Supplier Study](#)  
[Consumer Subscription Economics Report 2022](#)  
[Global Biopharmaceutical Leaders Study 2022](#)

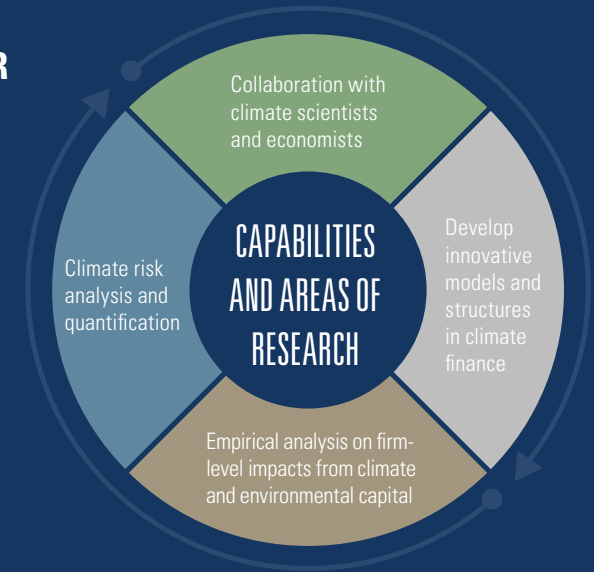


**Governance & Markets**  
[Policy Brief: How to Make Sovereign Debt Restructuring More Effective](#)  
[2022 Review of Shareholder Activism](#)  
[Secondary Market Report 2022](#)

## LAZARD CLIMATE CENTER

Lazard’s Climate Center uses a data-driven approach to examine the corporate finance effects of climate change and the energy transition. It brings together finance practitioners and leading academics to provide cutting-edge analysis, creating actionable implications for firms and investors.

[Recent Research](#)



[Lazard’s LCOE+ report](#) analyzes the levelized costs of energy from various generation technologies, energy storage technologies and hydrogen production methods. The report has become a widely respected reference in the Power and Energy sector and demonstrates the cost-competitiveness of renewable energy.

## DEEPLY CONNECTED ACROSS THE ENERGY TRANSITION SPACE

The energy transition continues to be a catalyst of innovation and change across industry sectors and economies globally.

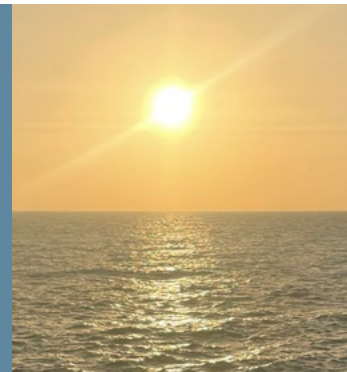
Energy Transition Assignments

~137

Since 2014

105%

3-year CAGR





# BUSINESS ETHICS



# OUR CONDUCT AND CULTURE

Our business and our success begins with responsible employees

Lazard is committed to the highest standards of business principles and ethics. Compliance therefore is not just procedural; it is a critical component of our culture and contributes to our delivery of the highest-quality service to our clients and results to our shareholders. We strive to attract and retain fair, honest, educated and prudent employees, whom we guide with policies and procedures that are designed to define the way we conduct business. We educate our employees to act in accordance with the values and ethics we espouse as a firm in every aspect of our business, and we believe acting with integrity is ingrained in our culture. Our Code of Business Conduct and Ethics (the “Code of Conduct”) and other internal policies and procedures define the standards that apply to our global employees to enable them to conduct business responsibly and promote a culture of respect and integrity.

We invest in resources to provide controls for risk management, compliance and audit that enable our employees to operate efficiently within the boundaries of acceptable conduct. We have a supervisory structure designed to facilitate compliance with the Code of Conduct and also maintain systems that are designed to enhance oversight of our

business activities and their compliance with our standards. For example, we utilize electronic systems to monitor personal securities trading and electronic communications for impermissible activities. Oversight is conducted by our global Legal and Compliance, Human Resources, Internal Audit and other departments, operating throughout Lazard’s offices, all of which ultimately report to Lazard’s executive officers. Lazard’s designated Anti-Money Laundering (“AML”) Officer and other members of the Legal and Compliance Department are responsible for designing and implementing our AML, anti-bribery and anti-corruption policies and procedures.

All employees are expected to be familiar with the contents of employee manuals applicable to their business activities and act accordingly, seeking assistance from the Legal and Compliance department as needed. Every year, our professionals are required to review and affirm their commitment to our compliance policies and procedures. At Lazard, we strive for the highest standards of business ethics and personal accountability, and we take corrective action as necessary to ensure adherence with these standards.



**Our Guiding Principles** reflect our distinctive culture and guide our standards of behavior that shape our success



**Excellence**

Live by the highest standards of integrity and discretion.



**Empowerment**

Develop our people in an environment of learning, respect and dignity.



**Engagement**

Lead by example with drive and ambition.

## BUSINESS INTEGRITY REPORTING PROGRAM

Lazard encourages all employees to speak with management, the Legal and Compliance department, the Human Resources department and/or other appropriate personnel about any suspected illegal or unethical behavior, or any suspected discrimination or harassment in the workplace. We have a global 24/7 Business Integrity Reporting System managed by an independent firm to supplement our existing channels with the option to report anonymously any concerns about possible violations of law, regulation, our Code of Conduct or other firm policies. Lazard strictly prohibits retaliation or any other penalty or adverse action against any individual for reporting in good faith any suspected violation of law, ethics, firm policy or the Code of Conduct, no matter whom the report concerns, or for participating in an investigation of any such report.

[Business Integrity Reporting Program](#)

[Code of Business Conduct and Ethics](#)

# ETHICS AND COMPLIANCE PROGRAM

Our Legal and Compliance department provides training for business ethics, compliance and reporting, with oversight from our Board through regular updates and discussions. Our professionals participate in compliance training sessions that address our policies, procedures, and the consequences of failure to comply. Lazard uses these training sessions to demonstrate the practical application of judgment and highlight areas where ethical and compliance issues can arise. We use these training sessions and real-world examples to convey to employees that raising concerns is a collective responsibility.

We have a framework for escalation and remediation which is communicated across the firm. Our employees are trained and educated on applicable laws and regulations addressing anti-bribery, anti-corruption, anti-money laundering, know your customer, economic sanctions, facilitation payments, and terrorist financing.

**Our Business Principles** are intended to create a culture of transparency, awareness and personal responsibility through education, collaboration, monitoring and reporting.



## Leadership and Training

Senior managers are responsible for providing clear direction and setting the tone of responsible business conduct in accordance with our culture and policies. We expect senior managers to lead their teams with integrity and the utmost adherence to our values. This involves ensuring those under their supervision comply with the firm’s Code of Business Conduct and Ethics and other policies and abide by applicable laws and regulations. Our senior managers play a critical role in promoting a culture of excellence and accountability so we can work together to serve clients to the best of our ability.

“We foster and reinforce a culture of integrity and prioritize managing risks our business may encounter. Through our work implementing policy and procedures informed by current regulation, the infrastructure we build is designed to enable our functions and people to perform at the highest standards.”

**Nargis Hilal, Asset Management**



# CULTURE OF RISK MANAGEMENT

We foster a culture of professionalism and integrity

## RISK MANAGEMENT GOVERNANCE



### Spotlight on Cybersecurity

Lazard’s cybersecurity program is led by our Chief Information Security Officer (CISO), who oversees our global information security strategy and program. We believe the protection and security of sensitive information across each of Lazard’s offices and business lines worldwide are an important aspect of our business practices and an integral part of our risk management framework. Discretion and ethical behavior of each of our employees with respect to Lazard’s assets, clients, business partners and other stakeholders allows us to carry out our services efficiently and safely.

**Training & Education**

Our CISO hosted a series of interactive Lazard-specific Information Security Awareness training sessions across regions covering the following topics:

- Importance of cybersecurity to Lazard
- Employee roles and responsibilities in protecting our assets
- Global cybersecurity and the evolving landscape

**Global Discussion**

In October 2022, our CEO Ken Jacobs moderated a global town hall with a panel of cybersecurity experts including Lazard’s CISO, covering a range of topics including today’s cybersecurity threats and best practices for safeguarding personal data.



**Risk Management** Lazard’s risk management framework is designed to ensure the reduction and mitigation of business and financial risk within the global market in which we operate. Risk management and protection is embedded throughout our company, integrated in both our investment research and valuation processes, and in our financial advisory services. We monitor and address risks through a system of internal controls, management systems, organizational structures, audit processes, compliance programs and a variety of other standards and policies. In Asset Management, we employ three separate levels of risk management oversight: (1) Portfolio Managers monitor portfolio risks on a real-time basis, (2) the Global Risk Management team regularly reviews all strategies, positions, sector and country allocations with quantitative tools, and (3) the Compliance Department reviews transactions and effectuates policies and procedures for the firm.



**Due Diligence** We evaluate clients prior to providing asset management or advisory services and may conduct periodic reviews over the lifetime of the client relationship. We screen clients and transactions for evidence of illegal activity, civil, criminal or tax-related penalties, sanctions, embargoes, or negative media references. We monitor our business relationships for any change of circumstances which may warrant further investigation. Lazard maintains policies and procedures designed to identify and properly report suspicious transactions. Employees are responsible for recognizing suspicious business behavior concerning the nature of a transaction and have an obligation to take appropriate steps to report such conduct.



**Governance and Oversight** Our Board, working together with the Audit Committee, undertakes a comprehensive review of Lazard’s risk profile and risk management strategies at regular intervals. Our Global Risk Committee meets biweekly and members of Lazard’s finance team, led by the Chief Financial Officer and the Head of Risk Management, review with the Audit Committee categories of risk we face, including any concentrations, interrelationships, and financial and cyber exposures. Many of those risks are subject to review by Lazard’s Internal Audit team through a formal audit program as well as ad hoc reviews.



**Internal Audit** Internal Audit is an independent function and serves to evaluate internal processes and controls throughout the firm to mitigate risks that may pose a threat to our business. Internal Audit is responsible for monitoring the integrity of financial and operational reporting, monitoring our cybersecurity programs and procedures, and ensuring our compliance with laws and regulations. The Global Head of Internal Audit reports to the Audit Committee quarterly. The Audit Committee reviews risks deemed material at regular meetings and reports such risks to the Board.



**Education and Training on Risk Principles** Lazard regularly reports on the types of financial and non-financial risks we may face as a firm. To reinforce our reports and policies, we educate employees on risk-specific principles and training is provided to new and current employees annually. Outside these formal training sessions, Lazard offers resources, tools and real-world examples with respect to risk management within our intranet and knowledge-sharing platforms. Through our internal systems, employees can engage on these topics and share best practices to prepare themselves to make professional decisions in challenging situations.



# LEADERSHIP AND GOVERNANCE

# LEADERSHIP SPOTLIGHT: CEO SUCCESSION

At Lazard, our business is led by strong corporate governance practices, implemented by our senior management and Board of Directors, which demonstrates our commitment to responsible business and conduct. One of the most consequential responsibilities of the Board is to ensure a smooth transition of leadership. In 2023, Lazard's Board announced the leadership succession of Peter R. Orszag, CEO of Financial Advisory, to become CEO of Lazard, effective October 1, 2023. Kenneth M. Jacobs, Chairman and CEO since November 2009, will serve as Executive Chairman of the Board.

*"Over his career spanning both banking and government, Peter has proven to be a strategic, visionary and decisive leader, with deep relationships across the industry and the ability to effectively lead Lazard through evolving global markets and complex geopolitical dynamics"*

**Richard D. Parsons,**  
Lead Independent Director of Lazard

## Our Sustainable Foundation

### BOARD OF DIRECTORS

Our board is responsible for overseeing the management of the firm's most significant risks, including reputational and operational. Oversight of sustainability, environmental and social risks are integral to evaluating potential impacts at the full Board level, as well as through committee-specific agendas.

### SENIOR MANAGEMENT

Established committees and working groups provide subject matter expertise, due diligence resources and risk assessment protocols on behalf of each of our businesses, with decision-making at the executive level. For example, we have a Global Risk Committee that reviews market conditions, asset positions, and cybersecurity monitoring on a regular basis across the firm. Our Workplace and Culture subcommittees develop internal engagement and feedback regarding talent retention, well-being and professional development.

### HEAD OF CORPORATE SUSTAINABILITY

Dedicated effort to oversee the firm's initiatives and reporting of our overall environmental, social and governance profile, which underscores our corporate commitment to aligning sustainability with our businesses and reinforces our belief in sustainability as a driver of long-term value.

### ASSET MANAGEMENT CO-HEADS OF SUSTAINABLE INVESTMENT & ESG

Responsible for enhancing the investment processes and setting policy regarding ESG research, investment analysis, insights and stewardship.

### CLIMATE CENTER

Leveraging novel research in sustainable finance to provide financial advisory on climate and natural capital risks, as well as decarbonization and energy transition opportunities for clients.





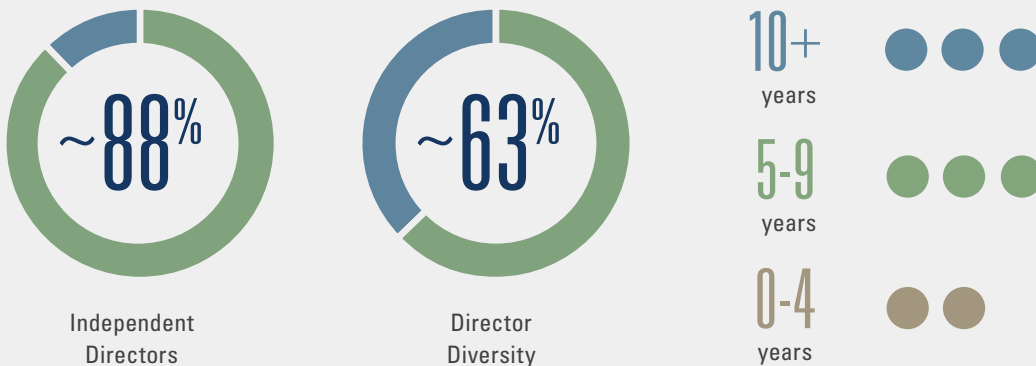
# GOVERNANCE MODEL

Lazard’s Board of Directors has established four standing committees, each of which has a publicly available charter. The Nominating and Governance Committee is tasked with reviewing and discussing sustainability matters affecting the firm, including environmental and social topics. Our Workplace and Culture Committee provides Board-level focus on cultivating an environment that attracts a diversity of perspectives and exceptional talent. This committee advises management on policies and strategies to build a workplace culture that helps attract, motivate and retain talented people, and fosters diversity, inclusiveness and engagement. Encouraging an engaged workplace where employees feel connected allows them to thrive personally and professionally.



## Active Board Refreshment<sup>1</sup>

We have welcomed five new independent Board members in the last seven years. Our term-limit policy for independent directors caps service to four complete terms, in addition to any partial term.



1. Data as of 2023 [Proxy Statement](#)

## CORPORATE GOVERNANCE HIGHLIGHTS<sup>1</sup>

- Seven of eight directors are independent
- All committees are comprised entirely of independent directors
- Compensation discipline, performance-based structure with equity alignment and clawback policy
- Robust stock ownership guidelines and anti-hedging policy
- Diverse and international directors, including gender, ethnicity and nationality
- Succession planning and executive development oversight by the Board
- Strong commitment to stakeholder engagement
- Majority voting policy for directors

# PERFORMANCE-BASED CULTURE

## Our people are our most important asset

Their talent, integrity and engagement have shaped our success in the past and they are instrumental to our ability to achieve sustainable growth and deliver value for our shareholders in the future. Lazard's compensation decisions are a reflection of employee performance aligned with our strategic and operational performance. We strive to create a culture that fosters excellence, collaboration, innovation, empowerment, inclusion, and engagement. Our Compensation Committee reviews compensation programs for consistency and alignment with our strategic goals, and has full authority to determine and approve the compensation of the CEO and senior

management. In general, we compensate employees with competitive salaries and discretionary bonus structures, which are determined quantitatively and qualitatively. We believe that talented individuals are attracted to and remain with the firm in part because Lazard rewards strong performance. Lazard's compensation structure includes equity awards, namely performance-based awards for senior management, to further align employee interests with long-term value creation for all shareholders. This practice highlights our commitment to creating and maintaining long-term value for all our shareholders.

### COMPENSATION PHILOSOPHY

- Retain and attract talent
- Structured decision-making
- Commitment to compensation governance
- Long-term equity pay alignment with shareholders
- Pay for performance
- Pay with performance "at risk" awards
- Maintain compensation discipline
- Consistency on deferred compensation

### PAY EQUITY & EQUAL OPPORTUNITY PRACTICES

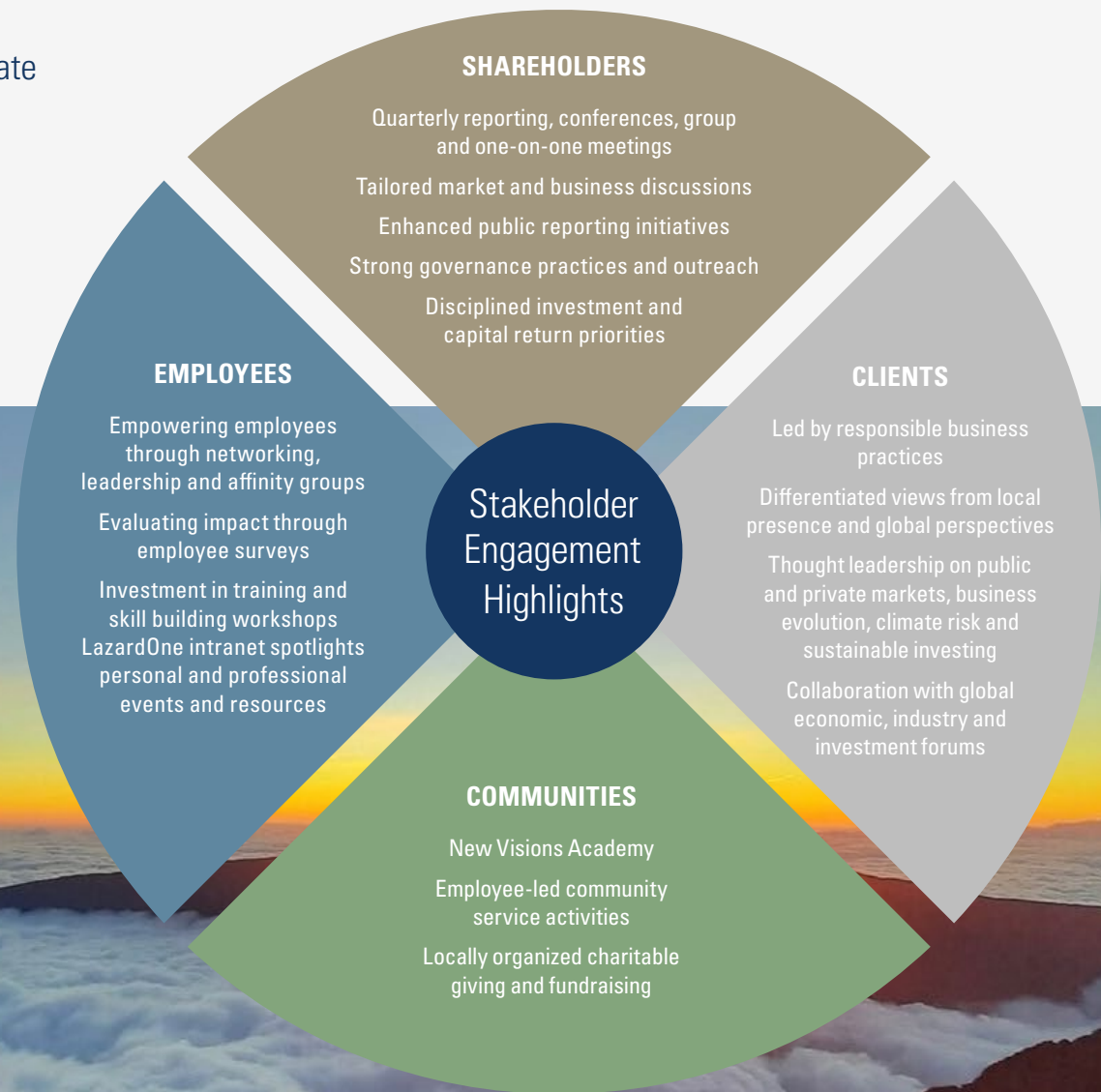
- Clear policies and procedures enforce our commitment to diversity, equal pay for equal work, and a safe, inclusive workplace
- Our policies prohibit discrimination based on age, gender, sexual orientation, affiliation to an ethnic group, nationality, religion or belief, marital status, pregnancy, disability or other circumstances or other diverse identities
- All employment and promotion decisions are made on the basis of job-related criteria, recognizing the principle of equal employment opportunity
- We conduct pay equity reviews globally at all levels to confirm that individuals with similar roles and responsibilities are receiving comparable wages, with bonuses determined on the merits of their performance



# ACTIVE STAKEHOLDER ENGAGEMENT: INTEGRATING PERSPECTIVES

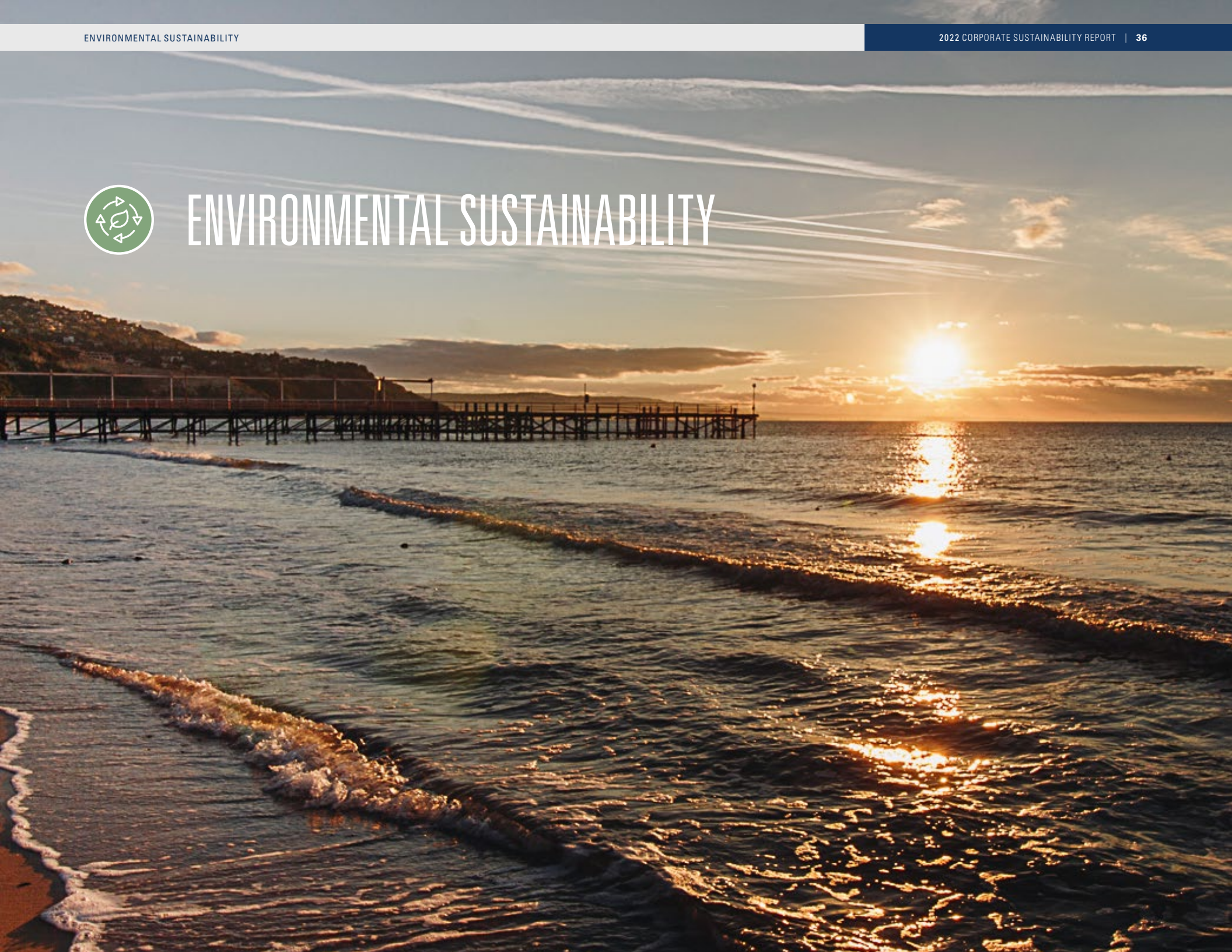
Proactive communication and collaboration with stakeholders are an integral part of Lazard's corporate governance and management processes

We regularly collaborate with our broad range of stakeholders through both formal and informal channels and value feedback regarding our business performance, corporate governance processes, policies and practices. Primary stakeholders include our clients, employees, shareholders, and the local communities in which we operate.





# ENVIRONMENTAL SUSTAINABILITY



# OUR SUSTAINABILITY INITIATIVES

## Spotlight on Local Actions

At Lazard, sustainability is ingrained in our work, operations and daily lives and we work together to take meaningful action. Lazard Green, our grassroots employee-led initiative, brings awareness to environmental issues and provides a forum for collaboration and innovative solutions to reduce Lazard’s environmental footprint. Each local office prioritizes initiatives and together we support a focus on continuous environmental improvement.

### Sustainable Procurement Practices

In 2019, the New York office transitioned to offering fully sustainable pantry items. All pantry items are either biodegradable, compostable, or made from recycled or sustainably-sourced materials and pure plastic pantry items have been eliminated.

#### Engagement

##### A CONVERSATION ON SUSTAINABLE FASHION

In celebration of Earth Day, a global town hall was held with Peter Orszag, CEO of Financial Advisory, and Roberto Funari, CEO of Alpargatas S.A. The conversation focused on the important role of companies in generating positive social and environmental impacts.

#### Responsible Paper Use

We cultivate a workplace that encourages sustainable practices and leverages digital tools to reduce printing and streamline collaboration.

##### New York

100% recycled paper to produce presentations

##### Tokyo

54% reduction in paper use since 2019

##### Milan and Paris

FSC-ECOLABEL-PEFC certified paper

##### London

65% reduction in paper use since 2019


### Community Impact

**Tokyo** Work for Good and Lazard Green members participated in a clean-up contest

**99** pounds of waste collected



**London** River Thames clean-up initiative

**12** bags of trash collected 



#### Energy Efficient

**76%**

office space in energy efficient buildings



**~120** global members

**Advocate for change, inspire innovation, demonstrate excellence**

**~20** 

cubic yards of undesirable plant growth cleared from Governor’s Island



**New York** Colleagues from our NY office helped restore an area of historic Governor’s Island as part of a Work for Good and Lazard Green joint volunteering initiative

“Sustainability should be a factor in all decisions across operations and across all levels of a firm. Since the adoption of the pantry greenware program in New York, many Lazard employees were happy to see sustainable items throughout the pantries and our proactive approach to managing waste responsibly.” **Lauren Welter, U.S. Head of Client Hospitality Services**

# ENVIRONMENTAL FOOTPRINT

The scope of our environmental footprint principally derives from two main sources: energy usage in our offices and business travel. In this report, we have estimated our GHG emissions from our leased office space (S1 and S2), and business travel (S3) where information is available from third-party business partners.

[Click here](#) to view the GHG inventory verification statement.

In 2020, we updated our GHG emissions to include our indirect emissions from investments in portfolio companies in Assets Under Management (AUM).

GHG EMISSIONS <i>Measured in metric tons of CO<sub>2</sub> equivalent</i>	2019	2020	2021	2022
Scope 1 (S1)	1,533	1,564	1,565	1,286
Scope 2 (S2)	6,515	5,850	5,253	5,232
Scope 3 (S3)	14,387	2,270	1,401	15,116
<b>TOTAL S1 + S2 + S3</b>	<b>22,435</b>	<b>9,684</b>	<b>8,219</b>	<b>21,634</b>
Scope 3 (S3) AUM (000)	11,010	10,565	11,683	9,388
Total employees	3,018	3,106	3,179	3,402

- Scope 1** Emissions estimated from building equipment utilizing fossil fuels to provide ventilation, heating and air conditioning based on square footage of leased properties.
- Scope 2** Emissions of purchased electricity estimated based on square footage of leased properties.
- Scope 3** Data for 2019 includes North America, France, the U.K., Germany, Italy, the Netherlands, and UAE. Data for 2020, 2021 and 2022 reflects global travel program.
- Scope 3 AUM** Represents financed carbon emissions for approximately 65% of Lazard’s AUM as estimated by Trucost. In 2022, we updated our methodology to align with industry practice of apportioned Scope 1 and Scope 2 emissions for portfolio companies. This is consistent with the *Asset Management Portfolio Metrics* section of our TCFD Report.



## Measurement

We voluntarily disclose our material sources of greenhouse gas (GHG) emissions so that we can influence changes that positively impact our environment and reduce climate change.



## Engagement

Our employees volunteer their talents and knowledge to establish initiatives and drive year-on-year progress in sustainability efforts.



## Transparency

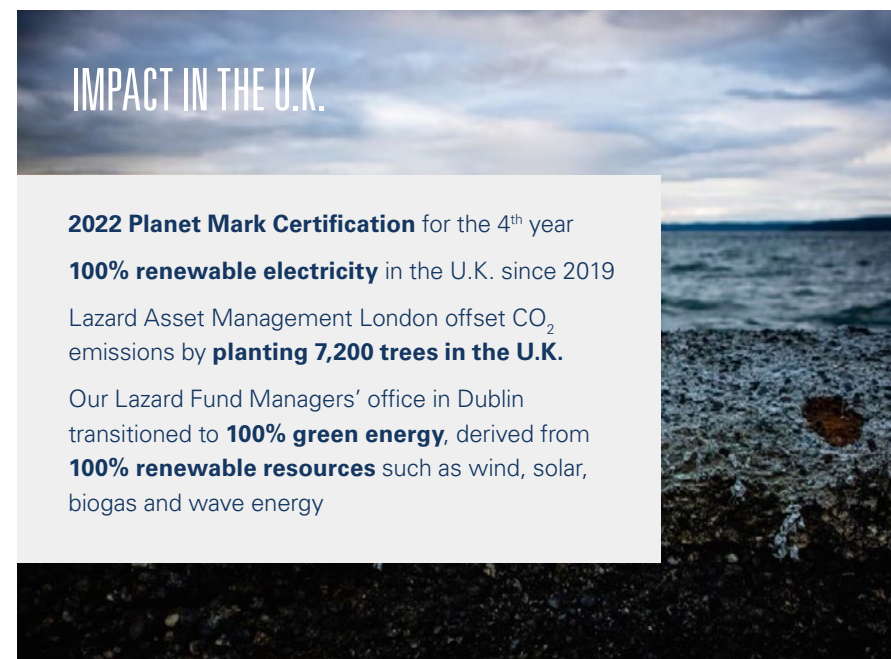
We recognize that transparency is essential for transformational change and we communicate and engage across the businesses.



## Commitment

Lazard was one of the first U.S.-based asset managers to join the Net Zero Asset Managers initiative, a group of global asset managers that commit to support the goal of net zero greenhouse gas emissions by 2050.

[View our Environmental Statement here.](#)













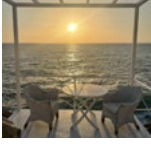





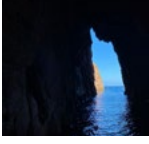
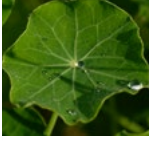










## IMPACT IN THE U.K.

**2022 Planet Mark Certification** for the 4<sup>th</sup> year  
**100% renewable electricity** in the U.K. since 2019

Lazard Asset Management London offset CO<sub>2</sub> emissions by **planting 7,200 trees in the U.K.**

Our Lazard Fund Managers’ office in Dublin transitioned to **100% green energy**, derived from **100% renewable resources** such as wind, solar, biogas and wave energy

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