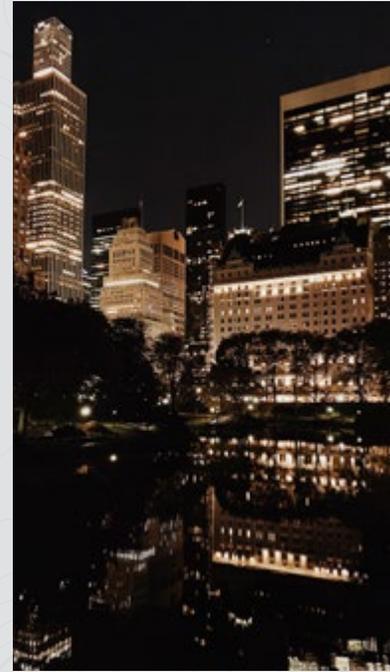




CREATING VALUE RESPONSIBLY

LAZARD

2020 Corporate Sustainability Report



## LAZARD 2020 PHOTOGRAPHY CHALLENGE

There were nearly 500 submissions from our colleagues across the firm, representing our offices around the world. Please enjoy a selection of the photos submitted in this report.

Photo credits are provided in an index beginning on page 51.



### 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 growth strategies, business plans and initiatives and anticipated trends in our business. These forward-looking statements, including with respect to the current COVID-19 pandemic, 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 expectations 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.

# 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.



### Our People & Culture

- Inclusion, diversity and equity
- Talent development
- Campus recruiting
- Employee engagement
- Community volunteering



### Sustainable Business

- Proprietary ESG integration framework
- Research insights
- Purposeful engagement
- ESG valuation and capital access



### Business Ethics

- Values, principles and standards
- Compliance protocols
- Personal integrity
- Information security
- Training and education



### Leadership & Governance

- Board oversight and independence
- Leadership and expertise
- Performance-based compensation
- Risk management
- Stakeholder feedback



### Environmental Sustainability

- Environmental and climate policies
- GHG reporting
- Resource preservation
- Eco-friendly workplace initiatives
- Carbon reduction

# CONTENTS

- 3 SUSTAINABILITY PRIORITIES
- 4 A MESSAGE FROM OUR CEO
- 5 LAZARD AT A GLANCE
- 6 ABOUT THIS REPORT
- 10 OUR PEOPLE AND CULTURE
- 11 OUR RESPONSE TO COVID-19

- 21 SUSTAINABLE INVESTING
- 33 SUSTAINABLE FINANCIAL ADVISORY
- 37 BUSINESS ETHICS
- 42 LEADERSHIP AND GOVERNANCE
- 47 ENVIRONMENTAL SUSTAINABILITY
- 51 PHOTOGRAPHY INDEX

- ↗ SASB
- ↗ TCFD

# A MESSAGE FROM OUR CEO



“  
**LAZARD’S COMMITMENT TO  
 SUSTAINABLE BUSINESS PRACTICES,  
 OUR STRONG CULTURE AND THE  
 DEDICATION OF OUR PEOPLE HAVE  
 ENABLED US TO ADAPT TO A RAPIDLY  
 CHANGING BUSINESS ENVIRONMENT.**

— **Kenneth M. Jacobs, Chairman and CEO**

When the COVID-19 pandemic took hold last year, the sudden reduction in people’s travel habits created startling images of a world with a reduced carbon footprint – from clear waters in Venice canals to blue skies over formerly smog-choked cities. Similarly, businesses’ responses to travel restrictions have showed ways of working more efficiently and more sustainably, on a much faster timetable than anyone had imagined. The global health crisis continues to create unprecedented challenges, yet it has also revealed unexpected paths toward a more sustainable future.

### **More efficient ways of working**

Lazard, like many of our clients, quickly adapted to virtual meetings in early 2020 and maintained our productivity even as the majority of our people worked from home. Business travel has begun to rebound, but we expect our air miles per capita will remain lower thanks to the growing use of videoconferencing.

The traditional office-centric workplace will also change. As more of our people return to the office, we are planning a “coordinated hybrid” model that blends the best of office and remote working. Giving our people more flexibility in where and how they work will benefit them, their families and Lazard—and the environment, as overall commuting hours decline.

### **Conscious community building**

Ironically, the experience of being physically apart for more than a year brought the Lazard community closer together. To counteract the disruptive effects of lockdown, our people conceived myriad ways to stay connected, from guest speaker events to global athletic challenges to talent exhibitions. Our affinity groups swelled with members and allies, initiating dialogues and activities that fostered greater understanding.

We also expanded our mental health awareness programs and adapted new protocols to better align work and life balance for people working from home. Our increased focus on community and well-being will remain as we pivot back to the office.

### **Increasing our local involvement**

The economic impact of the pandemic has highlighted wealth disparities around the world, including the lack of meaningful career opportunities for too many young people. Building on Lazard’s long history of public service, during the past year we stepped up our local involvement in cities around the world, with new and expanded programs focused on food relief, education and career preparation for students from under-resourced neighborhoods, as well as other charitable initiatives. Our people led the way by identifying worthy causes and partners and generously volunteering their time, which we support with the firm’s resources.

The world today still faces immense challenges, but we are encouraged by the scientific and technological innovations that are helping to fight the pandemic, and by the growing consensus around the need for sustainable and inclusive long-term economic growth. We believe that Lazard’s commitment to sustainable business practices complements our mission of providing trusted financial advice and investment solutions for clients, and that it will continue to benefit all of our stakeholders. Our *Corporate Sustainability Report* provides a view to our progress.

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

# LAZARD AT A GLANCE

Lazard has a simple and powerful model, focused on two businesses: Financial Advisory and Asset Management.

In Financial Advisory, we advise clients around the world on strategic and financial matters including mergers and acquisitions, restructurings, sovereign advisory, shareholder advisory, capital structure and capital raising. In Asset Management, we manage investment portfolios in key regions of the world and distribute them locally, regionally and globally. Our clients include corporations, governments, endowments and foundations, financial institutions and high net worth 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.



54%  
AMERICAS

6%  
ASIA/PACIFIC

40%  
EUROPE/  
MIDDLE EAST/  
AFRICA

\$2.52bn

Operating  
Revenue

\$259bn

Assets Under  
Management

~3,100

Employees

170+

Years Serving  
Clients



## NORTH AMERICA

New York  
Boston  
Charlotte  
Chicago  
Houston  
Los Angeles  
Mexico City  
Minneapolis  
Montreal  
San Francisco  
Toronto

## CENTRAL AND SOUTH AMERICA

Bogotá  
Buenos Aires  
Panama City  
Santiago  
São Paulo

## EUROPE

London  
Paris  
Amsterdam  
Bordeaux  
Brussels  
Dublin  
Frankfurt  
Geneva  
Hamburg  
Lyon  
Madrid  
Milan  
Nantes  
Stockholm  
Zürich

## ASIA PACIFIC

Beijing  
Dubai  
Hong Kong  
Melbourne  
Riyadh  
Seoul  
Singapore  
Sydney  
Tokyo

40

Cities

25

Countries

97

Nationalities

56

Languages

# ABOUT THIS REPORT

Lazard's 2020 Corporate Sustainability Report (CSR) continues our aim to address core topics prioritized by our stakeholders—employees, clients, shareholders, business partners and communities. Our 2018 materiality assessment defined our framework and ensured that our sustainability initiatives aligned with our values. Our 2019 report enhanced our reporting regarding our environmental impact, social practices and governance structure. Lazard's third annual CSR highlights our dedication to inclusion, diversity and equity, our continued commitment to developing and inspiring our employees, our approach to responsible business and our global environmental initiatives around the world. ESG is integrated across our operations, and supports our goal to have a positive impact on the economy, society and the environment. Report highlights in 2020 include:

- **Signatory to the United Nations Global Compact**
- **Signatory to the CEO Action for Diversity and Inclusion**
- **Joined Net Zero Asset Managers Initiative**
- **Alignment to Task Force on Climate-Related Financial Disclosures (TCFD)**

During the unprecedented year that was 2020, we continued to serve clients by providing expert advice and innovative solutions. As a firm, we emerged in a position of strength and resilience. Our commitment to sustainability accelerated through the appointment of a Head of Corporate Sustainability and we continuously seek opportunities to create long-term value through sustainable strategies and practices.

Our progress is reflected in the increased disclosures, cadence of our reporting and engagement in response to stakeholder interest. We highly value the perspectives of our stakeholders and we look forward to continued feedback on our sustainability journey.

## LAZARD 2020

As a firm, we emerged in a position of strength and resilience.



# OUR CONSCIENTIOUS APPROACH

**Lazard’s mission** is to provide trusted financial advice and investment solutions to our clients.

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

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



Led by our Guiding Principles



**Financial Advisory**  
**Asset Management**



Incorporate sustainability in our business and the advice we provide to our clients



**Our People and Culture**  
**Sustainable Business**  
**Business Ethics**  
**Leadership & Governance**  
**Environmental Sustainability**



Provides transparency and addresses evolving stakeholder interests



**Employees**  
**Clients**  
**Business Partners**  
**Shareholders**  
**Local Communities**



We recognize our business has an effect beyond the profits we generate



**Global Economies**  
**Reputation for Innovation**  
**Culture of Quality**  
**Enabling a Sustainable Future**

# OUR COMMITMENT TO FIRMWIDE SUSTAINABILITY

We pursue and integrate sustainable actions across our operations and seek opportunities to create value, have a positive impact and inspire our employees.

ASSET MANAGEMENT	FINANCIAL ADVISORY
<p><b>ESG integration</b> We cultivate a collective responsibility for investment professionals to incorporate sustainability assessments into their work</p>	<p><b>Corporate Reputation</b> Before entering into an engagement with a client we conduct due diligence to assess the company and its broader impact</p>
<p><b>Stewardship</b> As active managers we undertake purposeful engagements with companies to address sustainability imperatives</p>	<p><b>M&amp;A</b> ESG is one of the many criteria used to evaluate the merits of a transaction and is often viewed as a catalyst in sectors most impacted by the transition to a low carbon economy</p>
<p><b>Sustainable Investment</b> We seek to invest in companies that financially prosper while also protecting human and natural capital</p>	<p><b>Capital Structure Advisory</b> We work with clients to structure innovative sustainable finance solutions given the influence of sustainability issues on evaluating business plans, and the impact on access to and cost of capital</p>
<p><b>Investment Impact</b> We proactively vote proxies in ways we believe will maximize shareholder value long-term</p>	<p><b>Shareholder Advisory</b> We work with companies to set, evolve and strengthen their ESG strategies, engage with shareholders, and communicate compelling disclosures that resonate with key stakeholders</p>



## 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

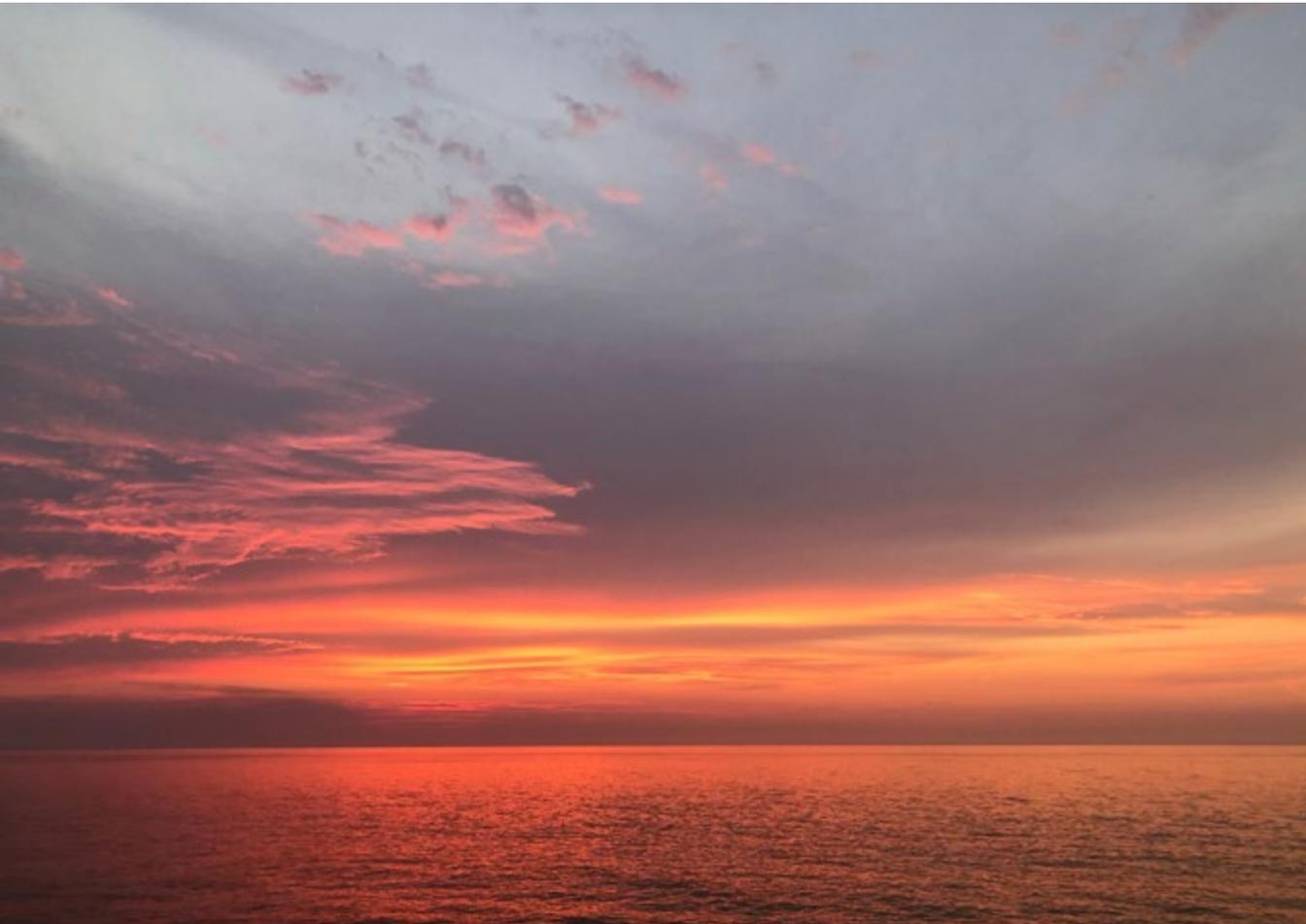
# GLOBAL CITIZENSHIP



Learn more about the UN Global Compact [here](#).

Lazard is a signatory to the United Nations Global Compact, the world’s largest corporate sustainability initiative, and supports its ten principles on human rights, labor, environment and anti-corruption. We align and integrate these principles into our culture, operations and strategies. Lazard is committed

to responsible business and our participation in this global initiative reinforces the firm’s mission to prioritize environmental, social and governance (ESG) topics of importance to our stakeholders—employees, clients, shareholders, business partners and communities.



## LEADING WITH INTEGRITY OUR GUIDING PRINCIPLES

### EXCELLENCE

- Put our clients’ interests first
- Act with conviction informed by deep research and analysis
- Live by the highest standards of integrity and discretion
- Innovate constantly

### EMPOWERMENT

- Value and embrace idiosyncratic perspectives
- Encourage intellectual curiosity; question assumptions and challenge conventions
- Foster a diverse and inclusive culture in which everyone can bring their full self to work
- Develop our people in an environment of learning, respect and dignity

### ENGAGEMENT

- Apply our local insights and global perspective for clients
- Collaborate to deliver the firm’s best thinking and skills
- Lead by example and act with drive and ambition for the firm
- Recognize that we are stewards of a great heritage and build on it for the future



# OUR PEOPLE AND CULTURE



# OUR RESPONSE TO COVID-19



Lazard discusses divergent economic recovery from COVID-19 pandemic

Our main concern since the COVID-19 outbreak has been the health and safety of our employees. Offices around the world have continued to operate, however, the majority of our people continue to work from home. We employ virtual and secure cloud-based systems to continue communicating,

collaborating and conducting client business. As a firm, we are in heightened communication with each other and our clients. The dedication of our people and the resilience of our culture is reflected in our actions as we continue to support our employees, serve our clients and contribute to our communities.

## COMMUNICATION

Dedicated COVID-19 portal on our Intranet, LazardOne, with up-to-date insights on pandemic guidelines and developments, videos and articles discussing economic and health implications of COVID from employees and health experts

Work from home, back to office updates and local COVID testing information

Town Halls and panel discussion with Lazard employees and with external guest speakers and leaders

Lazard Asset Management launched a COVID-19 resource center; a library of publications and insights on our website

## TECHNOLOGY

Technology designed to enable seamless, secure, cloud-based mobile access

Business continuity plans and dedicated Human Resources, emergency management and operational teams

Interactive learning sessions for best work from home practices and strategies

## EMPLOYEE SUPPORT

Active global Work to Wellness programs and offerings, activities and resources to support total well-being

Counseling and resources on mental health and caregiver support

Wellness and child-care reimbursements

Lazard@Home and Voices@Lazard social connectivity

Continuity—virtual internship programs, onboarding new hires, team meetings and client activity

## ENGAGEMENT

Local COVID-19 efforts and donations to local hospitals, healthcare workers and families in need

Local volunteer and giving programs worldwide

In 2020 the Lazard Foundation launched a special matching gift campaign and doubled its match of employee donations to charities responding to the pandemic. The Foundation also gave a special grant to Feeding America, the nation's largest domestic hunger-relief organization in response to the pandemic

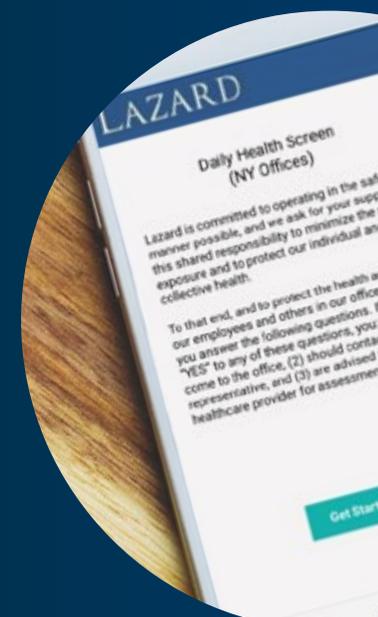
# LAZARD TOGETHER AGAINST COVID-19

**1M meals**  
served to families in need through Feeding America donation

**\$393K**  
total mask donation to the Madrid government by Lazard Spain

Lazard Paris donated FFP2 stock of masks to healthcare professionals

**1,000+**  
views of Lazard global discussion on potential economic implications of COVID-19 pandemic



↑  
**Healthcare Screening App for Entry to New York Offices**



# ADVANCING DIVERSITY

## Lazard creates belonging, individual value and optimal collaboration.

The value of diversity is ingrained in our culture and reflects our multi-cultural 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 for more than 170 years. The ongoing cultivation of an inclusive, diverse and equitable culture are 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 go hand-in-hand and without each, we may not be able to retain our top talent.

This year Lazard welcomed **George Okrah** as Senior Vice President of Diversity and Inclusion. George brings substantial experience and will partner with us to strengthen our focus across the firm on creating an ever-more diverse and inclusive culture.



- Cast a wider net
- Campus recruitment
- External networks

- Setting goals
- Metrics and progress
- Executive accountability
- Board-level governance

- Targeted sponsorship
- Increasing levels of responsibility
- Leadership opportunities

- Global mentoring
- Monthly management meeting and quarterly reporting to the board
- Training and resources

- Employee-led networks
- Mental and physical well-being
- Community outreach



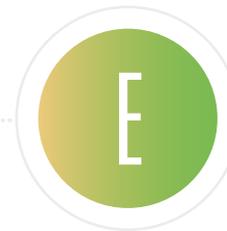
### INCLUSION

Valuing and respecting everyone so that they can reach their full potential



### DIVERSITY

Our people come from the widest possible mix of backgrounds and experiences



### EQUITY

Creating fair access, opportunity and advancement for all at Lazard



### ALLYSHIP

Being supportive of differences, learning and building confidence in others

We strive to ensure that all of our policies, including those related to workplace diversity and compensation, are designed with fairness in mind.



### Supporting and Inspiring Women

Attracting, retaining and elevating women from all backgrounds is woven into the fabric of our culture and the daily operations of the firm. Throughout our history, we have demonstrated and committed to providing equal opportunities in all aspects of 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 any form of 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. To support women at all levels, the Lazard's Women's Leadership Network (LWLN) serves as a forum to share experiences and best practices and is a resource for women, to accelerate their success through mentorship, education and sponsorship opportunities. Each year, Lazard hosts "Worldwide Women in Banking," a conference for women to engage with talented leaders and experts across the firm, sharing knowledge, connecting with one another and learning through a series of events, panels and discussions to support career development.



### Diversity Education & Training

We develop our people in an environment of learning, respect and dignity. We offer diversity and inclusion learning programs to provide the language, tools and resources for our employees to recognize unconscious bias, appreciate cultural and racial views, and create allyship. As part of our commitment to an engaging and welcoming workplace, learning events are hosted with expert moderators and Town Halls with senior leadership serve as a platform for employees to engage on topical issues. In addition, our employee affinity groups lead discussions on current events, social issues, and personal experiences. Through education and conversation, we hope to contribute to a more inclusive environment in the workplace and the world.



### Our integrity guides our approach to 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 UN-supported PRI, UN Global Compact, U.K. Stewardship Code, the Japan Stewardship Code, the Korean Stewardship Code, and the U.K. Women in Finance Charter.



Read more about Lazard's equal opportunity policy in our [Code of Business Conduct and Ethics](#) and our commitment to Pay Equity and Equal Opportunity on [page 45](#). Lazard further demonstrates this commitment as a signatory to the [UK Women in Finance Charter](#).



Kim Tilley,  
Asset Management

## WORLDWIDE WOMEN IN BANKING 2020

Lazard's Worldwide Women in Banking (WWIB) Conference took place as a global and virtual event, helping talented female leaders and experts around the world to connect and learn from each other.

540

participants in the  
WWIB Conference



94

global events hosted by  
Women's Leadership  
Network since founding

WATCH

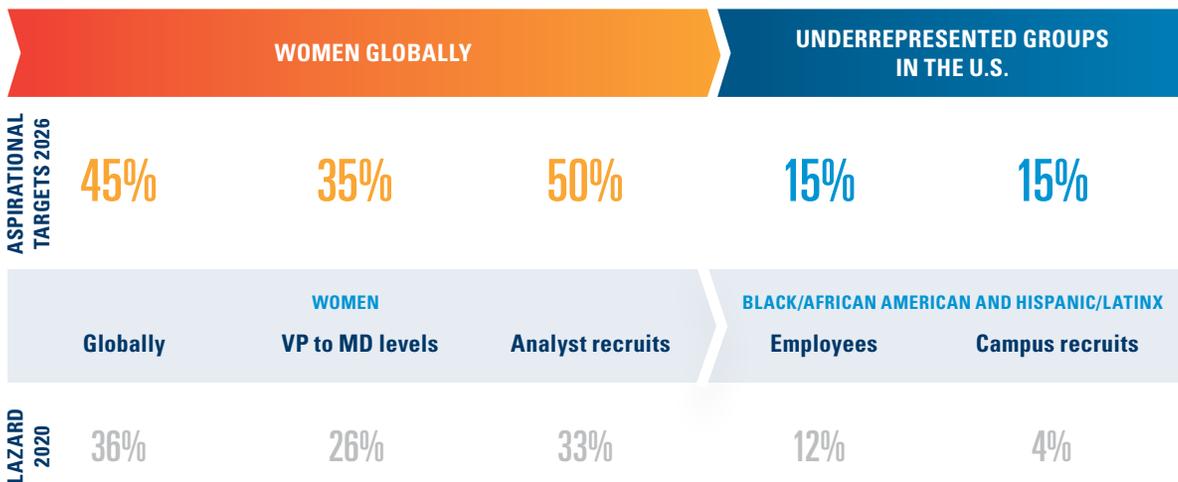
Highlights from  
this year's WWIB  
Conference

# OUR PEOPLE SHAPE OUR CULTURE

Our commitment starts at the executive level and it is a strategic management initiative to cultivate a workplace environment that attracts a diversity of perspectives and exceptional talent.

Encouraging an engaged workplace where employees feel connected allows them to thrive personally and professionally. We believe inclusion, diversity, equity and allyship is a business imperative. Diversity can help us understand our clients' experiences and objectives, and even more importantly, we benefit from the power of cognitive diversity.

We are committed to increasing our diversity at all levels across the firm with an enhanced and more sustained and focused strategy. To ensure we achieve our overall goal, we have set the following aspirational targets to increase our global diversity by 2026:



## DIVERSITY AT A GLANCE

We are proud of the rich cultural heritage of our people, and we continue to increase Lazard's overall diversity. Our global workforce of 3,100 people is based in 40 cities across 25 countries. We aim to continue to cultivate an environment where all people and ideas are welcomed. We assess diversity at all levels including the board, executive, and managerial levels. We continue to focus on increasing our diversity. We measure diversity by tracking key metrics where permitted, for hiring, retention, attrition, and promotions. In addition, our employee engagement surveys are another way to track progress around our diversity efforts. This confidential feedback plays a vital role in shaping our ongoing initiatives around workplace practices, culture, and career development.



50% of our Independent Directors are women



36% of our global employees are women



33% of our U.S. employees are from ethnic groups



50% of our employees are based in the U.S.



Read more about Lazard's [Diversity and Inclusion Statement](#) and [Equal Opportunity, and Anti-Discrimination Policies](#).

# FIRM-WIDE ENGAGEMENT AND CONNECTIVITY

Lazard encourages employees across businesses to connect and share interests among like-minded colleagues.

Our global employee-led affinity networks 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 broaden perspectives and inspire our people. In 2020, six new affinity groups were founded by employees and 75 engagements were hosted.

“  
**MY HOPE IS THAT THROUGH CONSTRUCTIVE CONVERSATIONS, WE WILL MAKE MEANINGFUL CHANGES FOR OUR BLACK AND AFRICAN AMERICAN COLLEAGUES.**  
 — Mike Wariebi, Asset Management  
 ”



Engagement, empowerment, and mentorship to create a supportive environment and meaningful inclusion for the Black and African American community.



Education, volunteer and networking opportunities for the LGBTQ+ community and its allies



Fostering an inclusive and supportive environment for the Asian, Asian-American and Pacific Islander community



Enables all employees, regardless of their family circumstances, to manage their work and family life effectively



Promotes awareness and creates a more inclusive work environment by enhancing, leveraging and developing our diverse culture



Cultivate awareness of Latinx culture and sustain an environment of diversity and inclusion that supports Latinx recruitment, retention, and professional advancement



Provides development and networking opportunities to support and promote women



Multigenerational employee driven initiative cultivating development and engagement through education, professional skills, networking and philanthropy



Employee-led podcasts, conversations and interviews on trending topics



Eco-friendly volunteer efforts in the workplace and communities around the globe



A network for veterans, service members, and military families and friends to learn from and support each other



Current and former employees connect through networking, newsletters and alumni events creating lifelong connections

## Corporate Action



### CEO ACTION FOR DIVERSITY AND INCLUSION

Lazard became a signatory in 2020 alongside nearly 2,000 CEOs and Presidents that have pledged their organizations and the 13 million+ employees within those firms to advance Diversity and Inclusion in the workplace.

**70**  
Town Halls  
hosted in 2020

## Creative Collaboration



### LAZARD INNOVATION CONTEST

To promote engagement, creativity, and constructive thinking about the future of our firm.

**340+**  
innovative ideas  
submitted

### LAZARD GLOBAL ENGAGEMENT

Lazard employees actively engage through digital forums and affinity newsletters, enhancing the sharing of ideas and perspectives globally.

**~2,400**  
employee  
contributors

# CAREER DEVELOPMENT: PRIORITIZING EDUCATION AND TRAINING

Our people are our most valuable asset and we believe investing in their development is essential to our long-term success.

We hire talented and motivated individuals, and we apply a dynamic approach to learning at all levels. Analyst and associate new hires typically begin with a multi-week immersion training to learn detailed aspects of our business, regulatory compliance and our expectations for ethical behavior. For all employees, the foundational imprint of our business is enhanced through more than 275 unique offerings of skills-based learning sessions, the opportunity to learn from seasoned professionals—building 433 mentor relationships across the firm, and access to more than a dozen affinity groups which foster communal engagement and guidance to enhance connectivity, skills and foster growth.



CONSTANT LEARNING IS CRUCIAL FOR LAZARD AT ALL LEVELS. OUR PIVOT TO VIRTUAL LEARNING IN 2020 EMPOWERED EMPLOYEES TO PERSONALIZE THEIR DEVELOPMENT. IN 2021, WE ARE BUILDING OUT OUR BESPOKE LEARNING PLATFORM.

— Alexandra Soto,  
Group Executive



We invest significant resources in continuing education at all levels of career development. Beyond our significant course offerings, we encourage our professionals to pursue continuing education by offering tuition reimbursement programs. We also leverage our global network of offices to sponsor a secondment program that allows selected individuals to work in another Lazard office, broadening their experience, and strengthening their international relationships and enhancing our global connectivity. In addition, we launched an online learning platform in 2021 which will significantly increase our learning offerings.



56,956

Learning Hours  
+25% YoY



277

Unique Courses  
+40% YoY



9,535

Attendees  
90% virtual



449

Workshops  
firmwide



19

Training Hours  
avg. per employee



\$924k

Tuition Reimbursed  
over 3 years

## MEANINGFUL PERFORMANCE FEEDBACK

Through a collaborative and dynamic performance management cycle focused on annual goals and individual development, the firm works to support our employees' success in their role and continuous growth. For the most comprehensive and insightful perspective, professionals are evaluated through 360-degree performance reviews that solicit broad input from peers, direct reports, and managers. Additionally, embedded in our employee performance reviews is a component which evaluates the quality of corporate citizenship and any team-oriented and/or inclusive behaviors that have been demonstrated in the workplace.

## LISTENING TO OUR EMPLOYEES

To meet our goals and support our employees, we consistently engage with employees to understand their priorities, concerns and recommendations for improving the firm. We value our employee's feedback and we rely on their candor as we assess our goals and strategy as a firm. In 2020, we conducted three engagement surveys and received more than 8,500 comments letting us know employees' thoughts and ideas.

# RECRUITING TALENT

## Discovering Our Future Leaders



Learn more about [Working at Lazard](#)

We seek to identify candidates who can capitalize on their expertise and

experience to contribute to better decision-making for our clients.

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 and authentic 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 undergraduate 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, including Howard University, Spelman College, Moorehouse College and other HBCUs, The Duke Association for Business Oriented Women, Out 4 Undergrad and Smart Women Securities. In early 2020, Lazard Financial Advisory in London hosted 80 students from secondary schools across the city for a day of interactive networking sessions to educate and inspire students to explore careers within banking. We also support the Forté Foundation, a non-profit promoting the advancement and equal treatment of women in professional careers.



### PARTNERSHIP WITH SEIZING EVERY OPPORTUNITY

We sponsor SEO with an annual donation and interview and hire the students the organization mentors as part of our partnership.



### PARTNERSHIP WITH BLK CAPITAL MANAGEMENT

We have partnered with BLK Capital Management, Corp., a 100% black-owned and student-run non-profit organization that focuses on educating members on opportunities available in the financial services industry.

## RECRUITING FOCUSED ON INTELLECT AND CULTURE



Original, insightful thinking



Integrity & ethical standards



Positive contributions beyond professional goals



Differentiated perspectives



Intellectual capacity & collaborative instincts

ASSET MANAGEMENT  
2021 U.S. INTERNSHIP CLASS

50%

Women

67%

Minority

FINANCIAL ADVISORY  
WOMEN ANALYSTS

50%

2020 Paris  
Campus  
Recruitment

32%

2021 U.S.  
Internship  
Class

# PROMOTING WELL-BEING

We believe that when employees feel their best, they are most productive in their careers.

We strive to enhance the total well-being of all our employees around the world. Our goal is to empower our people to achieve a balance among their commitments to career, family, and community, so we invest in a variety of wellness programs that encourage individuals to:

- **Care** for themselves, their family, and their community;
- **Thrive** physically and mentally; and
- **Prosper** financially

130+

Work to Wellness global events in 2020

800+

Employees tuned in to listen to a global Town Hall on mental health

~750

Colleagues joined our first competitive Global Step Challenge and logged over 287 million steps through running, walking and other exercise



Hosted virtual wellness week in the U.S. with interactive sessions for employees and their families



**FUTURE OF WORK @LAZARD.** As we evolve and benefit from the pandemic-driven remote environment in 2020, our goal is to leverage technology and optimize a more flexible approach to workspace. 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.



**HEALTH AND NUTRITION.** Work to Wellness is a global initiative that educates, motivates and empowers individuals to maintain a healthy lifestyle in and out of the workplace. Lazard offers frequent health education workshops, healthy fresh fruit deliveries, as well as on-site preventative screenings and flu shots. Lazard offers wellness reimbursement to both incentivize and maintain the physical health of our people and in 2020, Lazard expanded its fitness reimbursement to include purchasing in home gym equipment.



**MENTAL HEALTH.** Lazard is committed to raising awareness about mental illness, fighting the stigma, and providing support globally. We offer a wide-range of courses that assist employees and their families in developing emotional and financial well-being. Our Employee Assistance Program provides confidential counseling, financial consultation, work-life services and life coaching to assist with the management of everyday life issues.



**PARENTAL BENEFITS.** While our policies differ by country and regulatory requirements, we provide generous paid leave for primary caregivers, regardless of gender. To ensure our plans remain competitive, we regularly benchmark against a global set of industry peers and solicit employee feedback on our plans. Some of our newer benefits, including private coaching for fertility and parenting, and egg freezing, resulted from employee recommendations.



**FAMILY AND CHILD CARE SERVICES.** Family care support is a priority for the well-being of our employees. That is why we provide family and child care services, from on-site child care facilities and in-home dependent care for temporary situations, to caregiver search consultants for more long-term solutions to childcare and eldercare needs. Availability of services differs by office, but we strive to make sure employees have a strong network to pursue options. Outside professional services provide employees convenient, confidential, no-cost counseling and referral services to find the best solutions to manage life outside of work.

# COMMUNITY ENGAGEMENT & PHILANTHROPY

## Lazard Gives Back

Passion and purpose drive our support for local communities through both charitable contributions and hands-on volunteer activities. Our global Work for Good (WFG) program provides employees paid time-off to volunteer with a wide variety of local charities.



In the U.S., volunteers assist college-bound high school students writing admissions essays at the Cristo Rey College Writing Essay Workshop and engage with young children through Jumpstart’s Read for the Record.



In the U.K. the *Give As You Earn* (GAYE) program allows employees to donate to preferred charities through a pre-tax payroll deduction, which includes a company match.



In France, our philanthropic organization, *Lazard S’Engage*, with our employees donated €250,000 to emergency, social and healthcare initiatives.

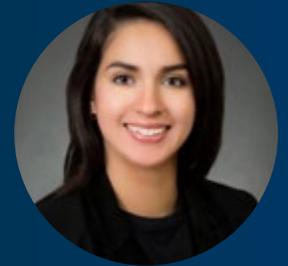


Lazard Tokyo crafted 1,500 paper cranes, symbolic of world peace, with enclosed messages of appreciation to COVID-19 front line responders.



### LAZARD FOUNDATION SPOTLIGHT

The Lazard Foundation partners with non-profit organizations in the U.S. that support education for children, adolescents, and adults by providing a financial contribution and volunteer opportunities.



**Isabella Calvo**, Lazard Foundation, shares some highlights of the Foundation during 2020.

#### What is the focus of the Foundation?

Lazard conducted an employee survey to identify personal philanthropic interests that would guide the formation of our U.S. charitable foundation. Based on employee feedback, the Foundation initially established its mandate to support organizations that focus on education in our communities. The Foundation directly reflects the interests of our employees beyond their professional roles at Lazard.

#### How does Lazard best serve local communities?

While the Foundation supports our partners financially, colleagues across the country donate their time and expertise to make a positive difference. Tutoring, facilitating mock interviews with first generation college students, and providing necessities and supplies to families and children in need are a few ways Lazard employees engage. Our offerings provide leadership opportunities for our employees to mentor and improve the lives of people most in need. Through these efforts, we build relationships, cultivate teamwork and shape local communities.

#### How did the Foundation pivot its priorities in 2020?

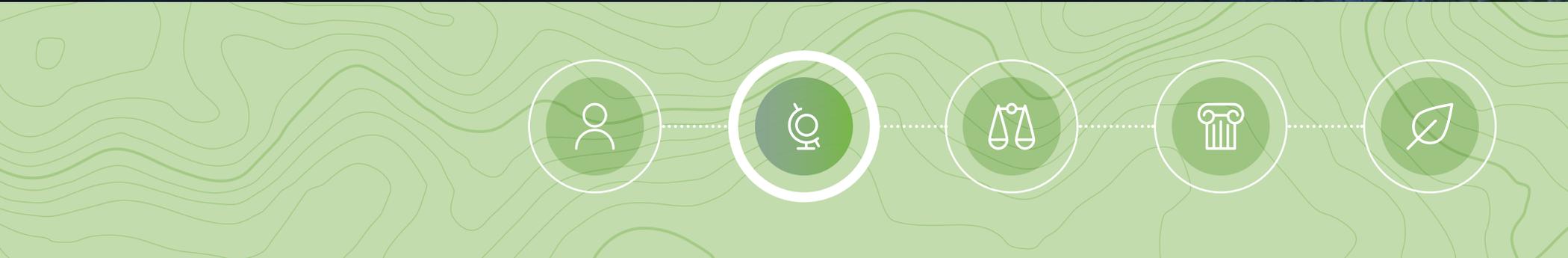
The Foundation is young and there is so much potential for growth and creativity in the way that we serve communities. Last year was a challenging year in many ways, with the pandemic and increased conversations on racial justice and structural equity. The Foundation provided relief and amplified support for our partners. It was also important that our employees working from home felt engaged and connected to Lazard. 2020 heightened our call to action and we established a more proactive approach to societal issues.

#### What are some meaningful contributions made by the Foundation?

The Lazard Foundation made significant donations to Feeding America and the NAACP Legal Defense And Education Fund in response to the pandemic and racial/structural equity, respectively. Throughout the year, U.S. employees donated to a variety of non-profit organizations that they believe will make a positive difference. Even in the remote working environment, our people continued to give and volunteer their time and resources.



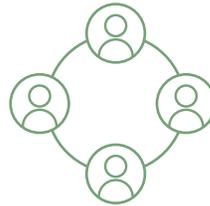
# SUSTAINABLE INVESTING



# SUSTAINABLE INVESTING PHILOSOPHY

Lazard's sustainable investing philosophy stems from a belief that long-term structural changes such as globalization, social inequality and climate change present financial risks and opportunities to both benefit our clients and promote a more sustainable future.

Lazard is committed to providing clients with innovative solutions, superior risk-adjusted investment performance, and exceptional service. As a global investor, we have a deep understanding and appreciation of the complex relationships and increasing feedback loops between business, industry, society, and the environment. We believe it is our responsibility to incorporate an assessment of material environmental and social issues, as well as the quality of governance practices, into our investment research and analysis.



## COLLECTIVE RESPONSIBILITY

As a research-driven organization, we see our biggest strength as our ability to cross-pollinate the knowledge of our subject matter experts across the firm in an organized and purposeful way, and draw value from their integrated insights.



## IMPACTFUL OWNERSHIP

As active managers, we are committed to fully exercising our role as stewards of capital. This entails providing our clients with customized sustainability solutions that meet their evolving needs and leading purposeful engagements with companies and sovereigns and outcome-oriented voting.



## CONTINUOUS INNOVATION

While we have long been committed to sustainable investing and ESG integration, it is important to recognize how quickly the field is evolving. This is why we continue to innovate and collaborate, both within our firm and the wider industry. We seek to support initiatives that promote wider adoption of sustainable investment practices through better standards and increased transparency.



# LAYERS OF ESG INTEGRATION

Our 250+ investment professionals are responsible for incorporating sustainability related risk and opportunity assessments into their work.

Communication and collaboration through our global research platform enhances market insights and the cross-pollination of ideas. Our sustainability approach is fundamental, integrated and forward-looking, creating a differentiated view from standardized ratings, and explicitly linked to performance and compensation assessments.



## GOVERNANCE, THOUGHT LEADERSHIP

- Proxy Voting Committee
- Stewardship Committee
- ESG Steering Committee
- Investment Council, Management Committee and Oversight Committee
- Client Partnerships
- Collaborative Initiatives



## INTEGRATED RESEARCH

- Materiality Mapping Frameworks
- Integrated Research Notes
- Company Questionnaires
- ESG Watch List
- Sovereign Analysis
- Purposeful Engagements
- Outcome-Oriented Proxy Voting
- Sustainability Scorecards



## RISK, COMPLIANCE REPORTING

- ESG Risk Exposures
- Carbon Benchmarking
- Strategy-Specific Client Reporting
- PRI Transparency and Assessment Report
- Sustainable Investment Report
- TCFD Report

1

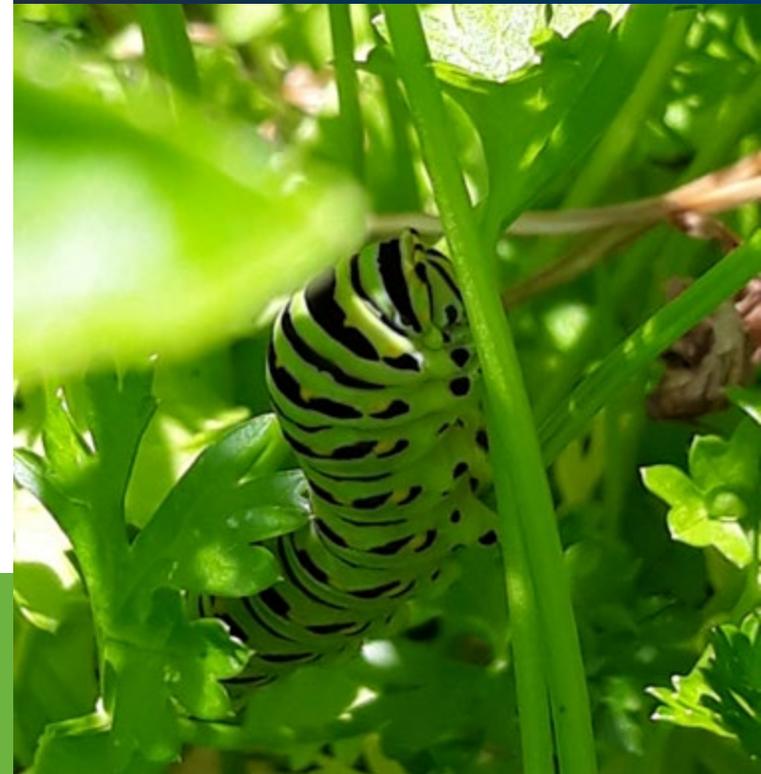
ESG integration across investment process

2

Sustainability as a core component of financial analysis

## OUR POLICIES AND REPORTS

- ✍ Annual Sustainable Investment Report
- ✍ Sustainable Investment and ESG Integration Policy
- ✍ Global Governance Principles
- ✍ Climate Change Investment Policy
- ✍ Proxy Voting Policy Overview
- ✍ Global Voting Summary
- ✍ Lazard Asset Management TCFD Report
- ✍ PRI Transparency Report



# ESG INTEGRATION: PROPRIETARY, FORWARD-LOOKING RESEARCH

01

.....

### Material Issues Assessment

Materiality Mapping Sessions

Identifying key E, S, and G issues for each sector

Bringing together equity and fixed income perspectives

02

.....

### Framework Development

Developing a framework for material issues

Determining key quantitative and qualitative metrics

03

.....

### Build a Differentiated Investment View

Conduct bottom-up research

Engage with company management

Gather and interpret available data



SPECIALIZED EXPERTISE

Comprehensive assessment

Integration across asset classes

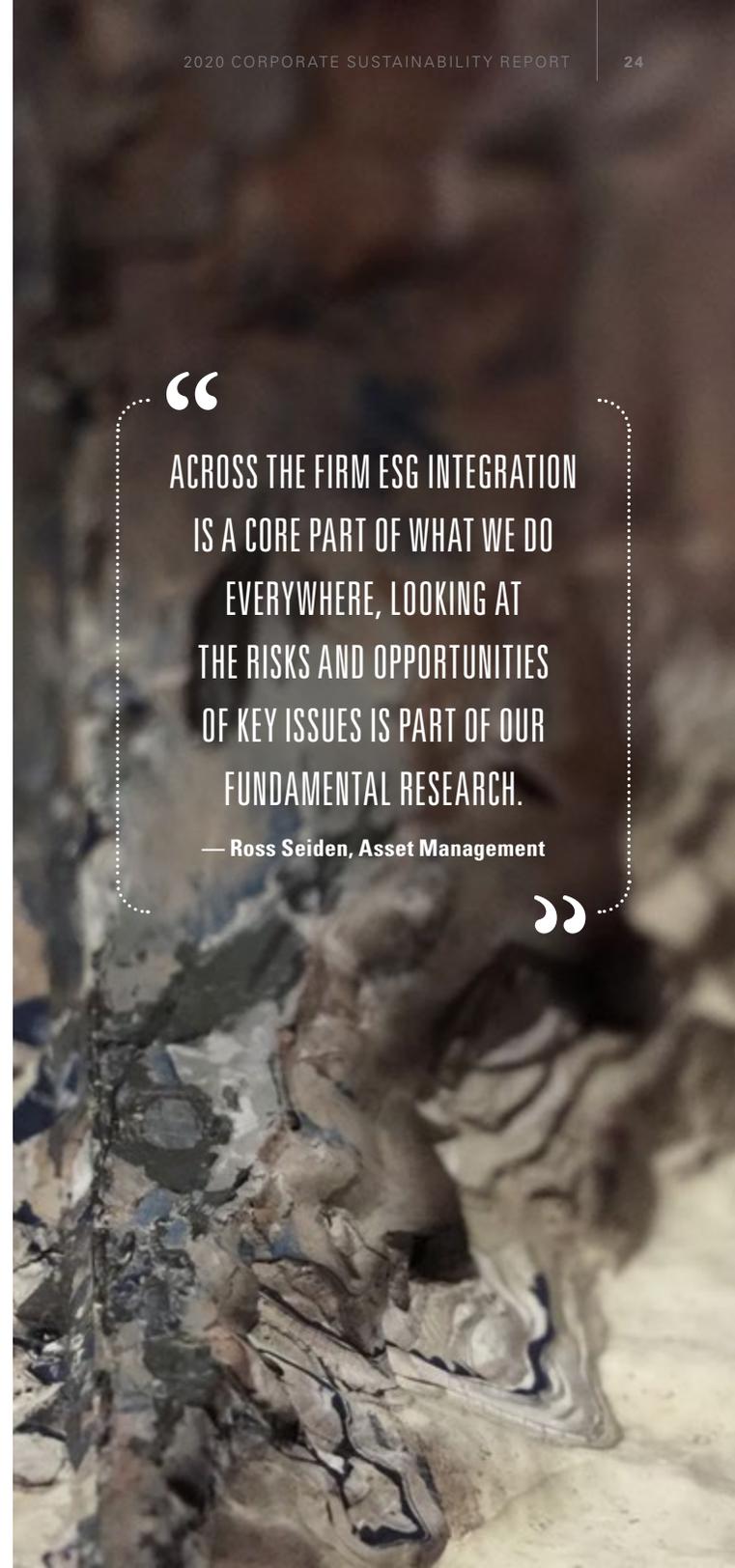
Deliver financial returns

“

ACROSS THE FIRM ESG INTEGRATION IS A CORE PART OF WHAT WE DO EVERYWHERE, LOOKING AT THE RISKS AND OPPORTUNITIES OF KEY ISSUES IS PART OF OUR FUNDAMENTAL RESEARCH.

— Ross Seiden, Asset Management

”



# ESG FRAMEWORK

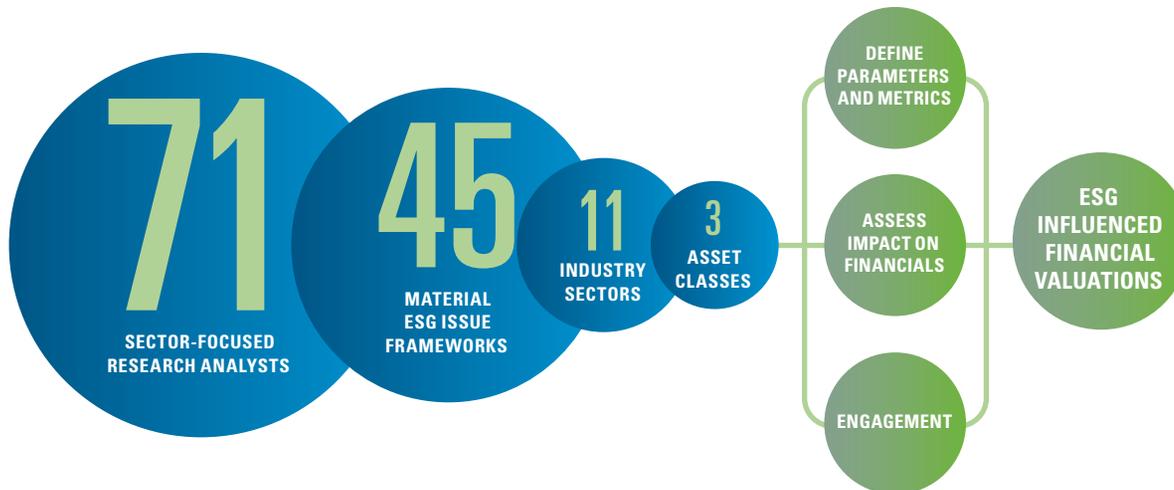
At Lazard Asset Management, we see the integration of human and natural capital assessment as the bedrock for sustainable investment.

The materiality of sustainability considerations is highly contextual. Our own journey has shown us that it can be sector specific, regional, or entirely idiosyncratic. To better assess materiality and understand how sustainability considerations may impact financial performance, we developed a process that is rigorous, but not rigid, and allows our investment professionals to identify and analyze the issues most pertinent to their securities, sectors, regions and portfolios.



Learn more about [Lazard's Sustainable Investing Approach](#).

Our analysts use bottom-up fundamental analysis skills to navigate the complex investment landscape. They develop differentiated perspectives on their sectors helping them to prioritize topics for engagement with company management.



## UNITED NATIONS-SUPPORTED PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI) LAZARD 2020



Strategy & Governance	A+
Listed Equity – Incorporation (>50%)	A+
Listed Equity – Active Ownership (>50%)	A
Fixed Income – SSA (<10%)	A
Fixed income – Corporate Financial (<10%)	A
Fixed income – Corporate Non-Financial (<10%)	A



# IMPACTFUL PORTFOLIO MANAGEMENT

We offer a spectrum of sustainable investment focused products to cater to our clients varying needs.

**93%**  
ESG integration  
achieved

**\$259bn**  
total AUM

## SUSTAINABLE EQUITY

- Global Sustainable
- U.S. Sustainable
- Bespoke quant solutions managed to a carbon budget



## THEMATIC EQUITY

- Global Thematic Focus
- Minerva Gender Diversity
- Bottom Billion
- Sustainable Solutions for Agriculture
- Energy Transition

## FIXED INCOME

- Global Sustainable Fixed Income

**\$20bn** AUM in low-carbon, thematic and sustainability focused strategies

# GLOBAL INSIGHTS & RESEARCH

Our analysts document and share ESG 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 factors in the course of managing our clients' portfolios.

In 2020, we published a selection of thought leadership pieces on various topics. Independent research is essential to our approach to investing. We are pleased to share our investment viewpoints, research, and updates on a timely basis with our clients through print and digital media.



OUR ANALYSTS ARE FOCUSED ON UNDERSTANDING COMPANIES, INDUSTRIES AND THE GEOGRAPHIES THOSE COMPANIES OPERATE IN. IT GIVES US A REALLY POWERFUL GLOBAL INSIGHT TO UNDERSTAND CHANGE AND THE THINGS THAT MATTER TO INVESTMENT OUTCOMES IN THE LONG RUN.

— Jennifer Abate, Asset Management



**Investment Research**

## Sustainable Investing: Past, Present and Future

Jennifer Anderson, Director, Co-Head of Sustainable Investment and ESG  
Nikhil Singhal, Director, Co-Head of Sustainable Investment and ESG

This paper aims to provide a historical context for investors seeking to understand the sustainable investing landscape as they search for and evaluate investment solutions that meet their unique requirements.

Humanity faces the social and economic effects of an unprecedented global pandemic alongside increasing evidence of the impact of climate change. The global challenges we face mean that the relationships between companies and their stakeholders – including employees, consumers, suppliers, governments, and the environment – have never been more complex or critical to understand. The current backdrop has given impetus to much broader interest in the adoption of sustainable investment and ESG, which is fast becoming one of the most important strategic priorities for investors.

**LAZARD**  
ASSET MANAGEMENT



**Play Video**

## Fundamental Focus

### Renewable Energy Credits' Carbon Secret

With  
William Gore-Randall  
Research Analyst



**Lazard Insights**

## The Value of Water

Dennis Neveling, CFA, Managing Director, Research Analyst

**Summary**

- At Lazard, sustainable investing does not exist as a separate discipline. Instead, we regard a company's management of human and natural capital alongside financial management, as a critical component of fundamental security analysis.
- To demonstrate how this aspect of management factors into our analytical approach, we present a brief overview of how it applies to our view of the beverage industry.
- One of the greatest risks to the beverage industry's margins lies in its management of natural capital. Water scarcity could increase its costs, erode its margins, and disrupt its agricultural supply chains. In addition, growing environmental concerns raise reputational risks.
- Water stress management, particularly operational improvements relating to water efficiency, can reduce a company's ability to mitigate change and drought, and provide a significant competitive advantage to global beverage competitors.

*Lazard Insights is an ongoing series designed to share value added insights from Lazard's thought leaders around the world and in our depth in any given product or sector. This paper is published in conjunction with a presentation following the author. The original recording can be accessed via www.lazard.com/research/insights.*

**LAZARD**  
ASSET MANAGEMENT



## Fundamental Focus

### Hydrogen's Role in the Green Economy

With  
Antoine Champenier  
International Industrials Analyst

**LAZARD**  
ASSET MANAGEMENT

## Hydrogen's Role in the Green Economy



CONNECTED INTELLIGENCE, MEANINGFUL COLLABORATION

"Dragonfly": Proprietary digital macro discussion board connects our investment community in real time, allowing a platform to discuss, share, and debate trending topics

# 2020 STEWARDSHIP PRIORITIES

Lazard's approach to stewardship is built on granular, in-depth knowledge of a company and its operating environment.



Learn more about [Lazard's Climate Change Investment Policy here.](#)

A key component of our strategy is investing the time to understand how a company's activities

intersect with significant structural shifts underway in today's dynamic society. As active managers, we undertake purposeful engagements with company managements and Boards of Directors to address sustainability imperatives.

Our regular engagements with companies and sovereigns on human and natural capital issues are informed by our proprietary materiality mapping frameworks that help our analysts and portfolio managers prioritize the human and natural capital issues that are most relevant to the long-term financial success of a company. The responsibility for all company engagements rests directly with our investment professionals. We consider this an important differentiator as we believe that shareholder engagement is most effective when it is undertaken directly by the analysts and portfolio managers actively making the investment decisions.



## HUMAN CAPITAL FOCUS ON COVID-19

When engaging with companies, we consider the management of human capital a key priority to the sustainability of the business and a strategic imperative for better value creation and long-term financial returns. Following the outbreak of COVID-19, our investment professionals engaged with boards and senior management to understand how they were managing and supporting employees during the crisis. In our view, investing in the health and safety of human lives protects human capital and shareholder value.



### Case Study: Fair Treatment of Employees

We engaged in multiple meetings with an American diversified media company and encouraged management to maintain pay for hourly workers during closure. Following our communication and engagement, management paid employees and continued medical coverage. We believe this will strengthen employee incentive to return to more normal working patterns and we will continue to engage as the pandemic restrictions progress.



## NATURAL CAPITAL CLIMATE CHANGE

Climate change is a defining issue of our time. We recognize the importance of engagement with company executives and boards on climate change issues, particularly where we believe that physical or transition risks could materially impact a company's long-term financial performance. In cases where Lazard's analysts identify opportunities for purposeful, outcome-oriented engagement, we use our deep fundamental understanding of the industry and business models to help effect change.



### Case Study: Protecting biodiversity related to palm oil production

We encouraged one of the largest users of palm oil in Brazil to join the Roundtable in Sustainable Palm Oil (RSPO), which it did in 2017. At year end 2020, 30% of its small farm suppliers use sustainable farming techniques, with a goal of 100% by 2030.

# 2020 ENGAGEMENT AND PROXY VOTING

We proactively engage with company management in order to assess long-term shareholder value.

We believe that stewardship should be conducted by analysts and portfolio managers so that voting and engagement decisions are consistent with investment rationales. We see this as an important differentiator as we believe shareholder and bondholder engagement is more effective when undertaken directly by the analysts and portfolio managers that own the companies or sovereign bonds in their portfolios. As active managers we are able to fully

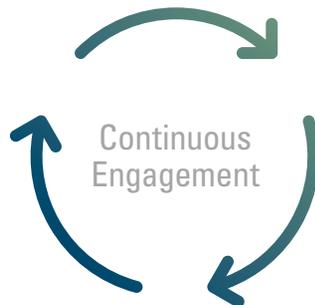
and continuously incorporate the insights from our activities into our investment decisions. Our investment professionals regularly meet with management and directors to better understand a company’s business strategy, use of shareholder capital and ESG practices. Our proxy voting structure is designed to ensure that our proxy votes are cast in our clients’ best interests and that we actively address conflicts of interest. We believe that as a fiduciary, we must vote proxies in ways we believe will maximize shareholder value. As such, our vote may not always coincide with management recommendations.



[View Lazard’s Proxy Voting Policy, Engagement Policy and Global Governance Principles](#)

## GATHER INFORMATION

**Our Objective:**  
Information-gathering in order to make fully informed investment decisions



## INFLUENCE CHANGE

**Our Objective:**  
Influencing change as necessary to protect and unlock shareholder value

## 2020 GLOBAL STEWARDSHIP

In 2020 Lazard voted at over 4,600 company Annual General Meetings and Extraordinary General Meetings.

4,603

Total Meetings

4,513

Meetings Voted

48,964

Proposals Voted Globally



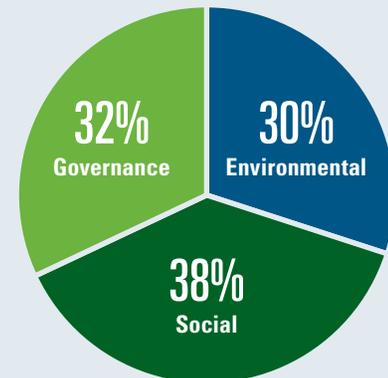
Share of shareholder resolutions that we supported in 2020



Total Proxies Voted

## ESG ENGAGEMENTS BY TOPIC

Lazard investment professionals participated in over 3,800 company meetings globally. In 42% of our meetings, we discussed the impact of an environmental, social and/or governance issue.



# RESPONSIBLE PRODUCTS

## What Sets Us Apart

Our employees put our clients’ interests first. We are dedicated to transparent and accurate marketing of our services and assist clients in the review, evaluation and formulation of investment guidelines so they are informed to make their own investment decisions. Our senior management is responsible for reviewing each product’s adherence to its stated guidelines and types of risks portfolios may face. Prospective clients receive marketing materials regarding our strategies and products and are encouraged to review all information prior to investing.



Global Fundamental Research	Risk Management	Global Reputation
ESG Integration	Customer tolerance levels	Responsible product offering
Continuously monitor potential social and environmental impacts	Explaining risk exposure	Employee education and training
	Product suitability	Customer suitability and satisfaction



AS GOVERNMENTS AND CONSUMERS PUSH THE WORLD TO BE GREENER AND HEALTHIER, LAZARD IS IDENTIFYING COMPANIES THAT ARE WELL PLACED TO BENEFIT. OUR FUNDAMENTAL INSIGHTS ON HOW COMPANIES OPERATE AND WHAT THEY PRODUCE ENSURES OUR INVESTMENTS MEET A CLEAR SUSTAINABILITY THRESHOLD.

— Nick Horton, Asset Management



### RESPECT

We maintain long-term relationships with clients around the world through earning their trust and loyalty. We treat each client fairly and with respect, and we endeavor to deliver results with consistent investment performance.



### RESOURCES

We provide direct access to specific teams dedicated to serving the investment needs of each type of client—institutional investors, private clients and registered investment advisors. We distribute information on our business activities and performance through our website and digital platforms.



### ENGAGEMENT

Regularly engaging with clients through a variety of forums allows our teams to incorporate their feedback into our business strategy to improve our products and services and provide innovative solutions.



- Real time product performance visibility [Lazard Asset Management](#)
- Conflict resolution is important to Lazard, [customer support](#)
- [Lazard Asset Management qualifications and business practices](#)

New employees participate in a multi-week training program to learn detailed aspects of our business

# QUESTION & ANSWER

## We believe that investors increasingly want to allocate their capital in line with their core values.

We also believe that investors have the opportunity and responsibility to use the power of their capital to influence company behavior through engagement to drive sustainable change.

**Marina Leacock**, Portfolio Manager/Analyst on Lazard's Minerva Gender Diversity strategy, discusses how allocating capital to businesses with high gender diversity can lead to higher investment returns.

**Why is diversity relevant to investors?** Organizations thrive on innovation. It is well understood that higher Diversity, Equity & Inclusion (DE&I) maximizes talent and reduces groupthink, which ultimately leads to better decision making. From a sustainability perspective, diverse companies tend to have stronger corporate governance and higher ESG credentials. Overall, this supports higher levels of business performance and robust economic and social development.

In 2020, McKinsey calculated that companies in the top quartile of gender diversity on Executive teams were 25% more likely to have above average profitability than peer companies in the fourth quartile. For racial/ethnic

diversity, this probability was 36%. As DE&I improves the quality of a business, it is no surprise that research suggests a strong correlation between DE&I and enhanced financial productivity and shareholder returns. Despite this, women remain hugely underrepresented in the most senior corporate and political leadership positions and progress in correcting this has been glacial. In 2020, the World Economic Forum estimated that at the current rate of progress, it would take 257 years to close the economic gender gap.

**What is Lazard's Minerva Gender Diversity investment strategy?** Minerva is an active global equity strategy that invests in companies with sustainably high financial productivity and a clear and demonstrable commitment to gender equality. Our purpose is to deliver strong investment returns for our clients and promote gender equality. Through active engagement, we aim to accelerate the pace of change to create a more equitable and economically stronger world for future generations.

**How do you integrate a gender lens into your investment process?** We invest in companies that truly value DE&I as a strategic driver for their business and empower women throughout their organization. To achieve this, we take a holistic approach to our diversity research and engagement that goes far beyond counting women in senior leadership. We analyze the granularity of companies' diversity representation throughout the whole organization, their policies and the level of management and board accountability. We also analyze how companies amplify their impact outside



their organization through their products and services, supply chains and the communities they serve. It is this in-depth research that unveils what is really going on inside a business and why we think active managers are best placed for gender lens investing.

**How has active engagement led to change?** We have been told by companies with which we engage that we are the first investors to question them about DE&I. Purposeful engagements can act as a catalyst for positive change. We look for progress in the companies with which we engage that push for continuous improvement. We stress the importance of DE&I to us as a firm and to our clients. Given our long investment horizon and low turnover, we develop a partnership with management and share our insights of best practice globally. We aim to have real impact through our engagements and active ownership and strive to accelerate the pace of change to gender equality.



Read [Lazard Minerva Gender Diversity 10 Reasons Why](#)

# COLLABORATIVE INITIATIVES

Lazard is a signatory or member of several organizations that inform our responsible investing. We embrace our collective responsibility to address generational challenges in collaboration and cooperation with other industry participants.

**Lazard is 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, in line with global efforts to limit warming to 1.5°C. Delivering on this commitment includes prioritizing emissions reductions within the sectors and companies in which we invest.

## SUSTAINABILITY



United Nations-Supported Principles for Responsible Investment (PRI)



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



Chief Executives for Corporate Purpose (CECP)



Pensions and Lifetime Savings Association (PLSA)



Sustainability Accounting Standards Board (SASB)



Abu Dhabi Sustainable Finance Declaration (AsFF)

## STEWARDSHIP & GOVERNANCE



International Corporate Governance Network (ICGN)



UK Stewardship Code



Financial Services Agency Japan Stewardship Code



Korea Stewardship Code



Farm Animal Investment Risk & Return (FAIRR) Initiative



United Nations Global Compact

## CLIMATE CHANGE



Institutional Investors Group for Climate Change (IIGCC)



Task Force on Climate-Related Financial Disclosures (TCFD)



CDP (formerly, the Carbon Disclosure Project)



CDP Science-Based Targets Campaign



Net Zero Asset Managers Initiative

## DIVERSITY & INCLUSION



L'Ascenseur



30% Club



CEO Action for Diversity & Inclusion



UK Women in Finance Charter



# SUSTAINABLE FINANCIAL ADVISORY



# ESG FOCUS IN VALUATION AND STRATEGIC TRANSACTIONS

Our Financial Advisory practice is increasingly evaluating ESG in M&A and Capital Raising.

Environmental, social and governance factors are increasingly top of mind on investment banking transactions, and at Lazard we expect to see the impact of our ESG advice in our shareholder advisory practice.

Our advisory business provides perspectives and insights from deep knowledge of industries and individual companies. Beyond the financial drivers, we provide a holistic picture of market challenges and opportunities. Every industry sector has noteworthy ESG factors; it's important to understand the material ESG factors on a sector and company specific level.



## CLIENT SELECTION OF TARGETS AND BUSINESS PARTNERS

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



## DUE DILIGENCE

ESG criteria are beginning to become a factor for due diligence in M&A activity.



## COMPANY VALUATION AND TRANSACTION TERMS

ESG risk may affect a company's valuation and transaction terms.



## TRANSACTION FINANCING

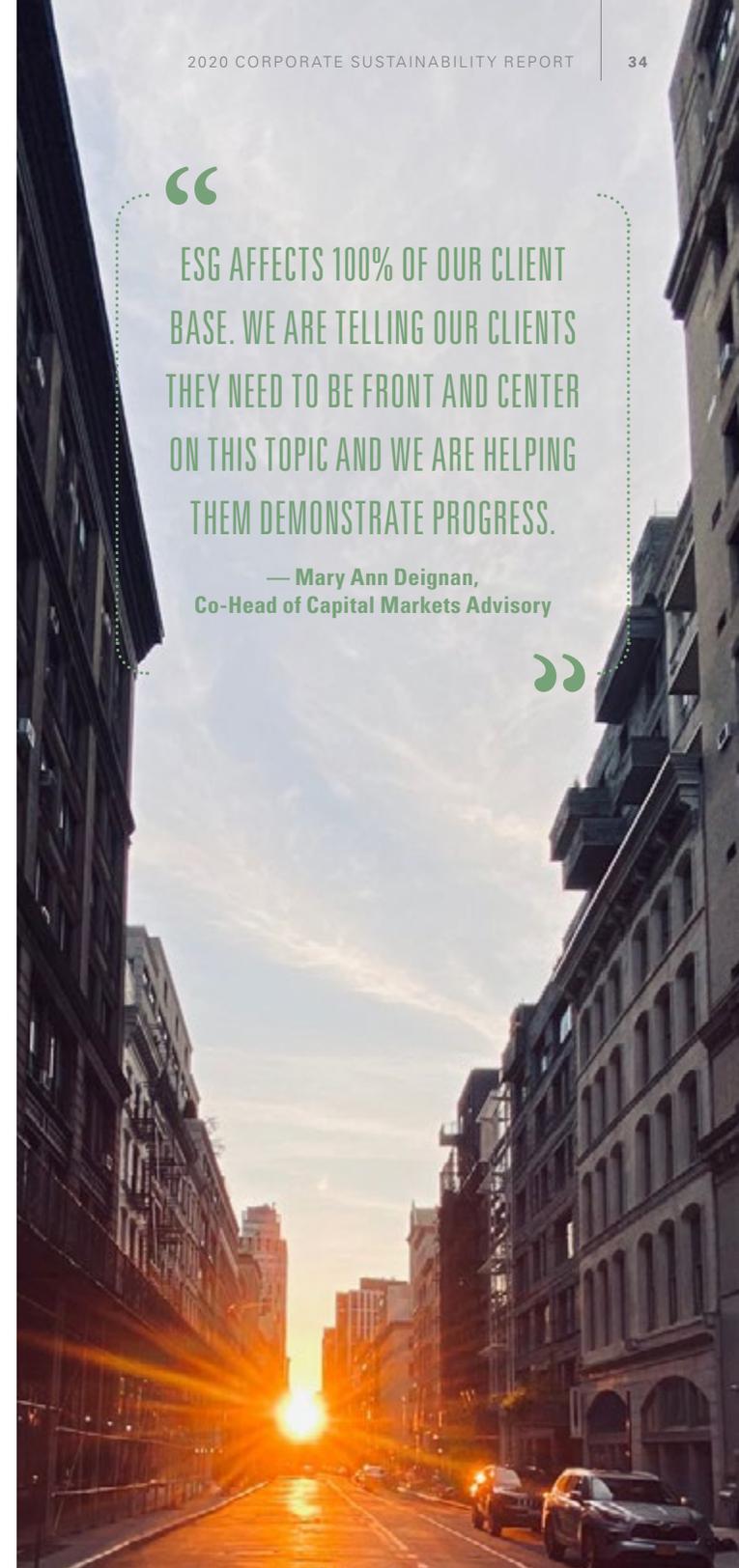
Cost and access to capital may be increasingly tied to a company's ESG actions.

“

ESG AFFECTS 100% OF OUR CLIENT BASE. WE ARE TELLING OUR CLIENTS THEY NEED TO BE FRONT AND CENTER ON THIS TOPIC AND WE ARE HELPING THEM DEMONSTRATE PROGRESS.

— Mary Ann Deignan,  
Co-Head of Capital Markets Advisory

”



# FINANCIAL ADVISORY: ESG INTEGRATION

The rise in ESG-related funds and campaigns focused on sustainability issues is likely to continue as more investors intensify their focus on allocating capital in a way that betters society.

## OUR PRACTICES

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

-  ESG factors are assessed alongside global economics, financial markets, company performance and reputation risk
-  We assess assignments for their ESG implications
-  We engage with broader stakeholders to identify and evaluate ESG issues and advise clients on sustainable strategies where appropriate
-  We educate relevant employees on ESG best practices, develop fundamental analytical subject matter expertise and provide thought leadership on emerging trends through Lazard perspectives
-  Our business is supported by robust control and monitoring functions, including internal audit, compliance, risk management, information technology and security, and independent consultants that provide auditing and risk assessments
-  We conduct due diligence and engage with third-party service providers where additional expertise is needed

## CLIENT ADVISORY

We help companies navigate the ESG landscape as they engage with stakeholders



# INDUSTRY EXPERTISE AND INSIGHTS



“

HYDROGEN HOLDS GREAT PROMISE IN THE TRANSITION TO RENEWABLE ENERGY. AS THE COSTS OF ALL FORMS OF RENEWABLE ENERGY CONTINUE TO FALL, HYDROGEN IS EMERGING AS A POTENT NEW FORCE FOR AVERTING CLIMATE CHANGE.

— Peter Orszag, Financial Advisory

”



## SHAREHOLDER ACTIVISM

### Annual Review of Shareholder Activism

Expectations are shifting for companies to incorporate the interests of all stakeholders, not just shareholders, into strategies for long-term value.



## AUTOMOTIVE TRENDS

### Global Automotive Supplier Study

This year's study, from Lazard and Roland Berger, included a focus on electric vehicles and analyzed performance indicators of approximately 600 suppliers around the globe to assess the current state of the industry, as well as trends and challenges.



## RENEWABLE ENERGY

### Levelized Cost of Energy

The cost of renewable energy continues to remain competitive. This year's LCOE report, for the first time, includes a report of hydrogen as a supplemental fuel component for combined cycle gas generation.



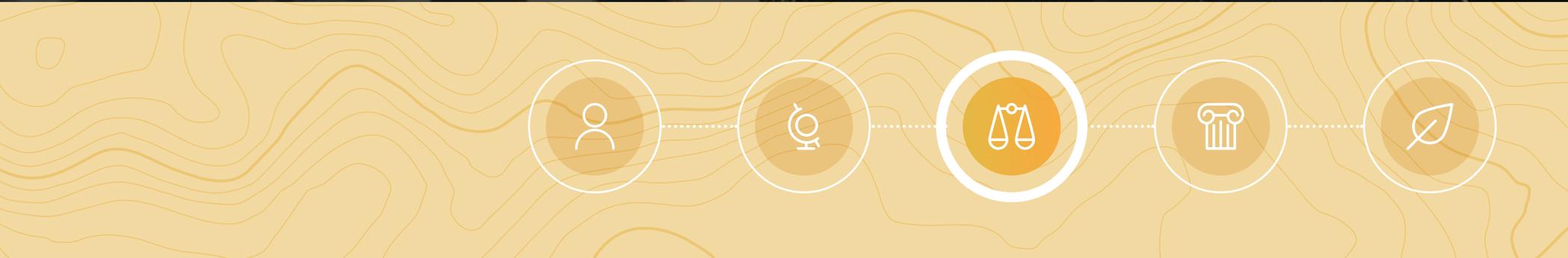
## HEALTHCARE

### Global Healthcare Leaders Study

This year's study focuses on the matters at hand faced by industry leaders: pandemic-related concerns, challenges, and expectations—both for the near term and longer term.



# BUSINESS ETHICS



# COMPLIANCE: OUR CONDUCT AND CULTURE

Our reputation for excellence is the foundation of 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 carefully designed policies and procedures that 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, acting with integrity is ingrained in our corporate culture. 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. Oversight is conducted by our global Legal & Compliance, Human Resources, Internal Audit and other departments, operating throughout Lazard's offices, which all ultimately report to Lazard's executive officers. Our [Code of Business Conduct and Ethics](#), posted on our public website, clearly defines standards that apply to our global employees. The Code sets out essential,

guiding principles for workplace conduct, compliance with applicable laws and regulations, anti-discrimination, conflicts of interest, and workplace health and safety, among others. In addition, our professionals participate in compliance training sessions that address our policies, requirements, and the consequences of failure to comply. Lazard uses these training sessions to demonstrate the practical application of judgment and highlight areas where ethical issues can arise. We use these training sessions and real-world examples to convey to employees that raising concerns is a collective responsibility. Our Legal and Compliance department provides training and discussion for business ethics, compliance and reporting with oversight from our Board through regular updates and discussions. Every year our professionals reaffirm their commitment to our compliance policies and procedures. Lazard's compliance manuals, applicable to our businesses around the world, summarize the applicable laws, rules, regulations and firm policies and serve as a resource for employees. In addition, Lazard distributes various other manuals concerning specific areas of the firm's business or operations. All employees are expected to be familiar with the contents of the manuals applicable to their business activities and act accordingly, seeking assistance from the Legal and Compliance department as needed. We also maintain systems that 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



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AT LAZARD, ALL EMPLOYEES ARE EXPECTED TO BE AMBASSADORS — BOTH INTERNALLY AND EXTERNALLY — OF LAZARD'S INSTITUTIONAL COMMITMENT TO INTEGRITY, DISCRETION AND SOUND JUDGMENT.

— Jim Hein, Legal and Compliance

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activities. 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.

# ETHICS AND COMPLIANCE PROGRAM

The integration of risk management, business ethics and regulatory compliance are cornerstones of our conduct.

Our business principles are intended to create a culture of transparency, awareness and personal responsibility through education, collaboration, monitoring and reporting. Our employees adhere to record-keeping requirements as applicable that accurately reflect the business of the firm. We have a framework for escalation and remediation which is communicated across the firm. Our employees are trained and educated on applicable laws and regulation addressing Anti-bribery and corruption, anti-money laundering, know your customer, economic sanctions, facilitation payments, and terrorist financing. Our managers are responsible for providing clear direction and setting the tone of responsible business conduct in accordance with these standards.



## Ethical Conduct

Acting with discretion, honesty and integrity



## Client Relations

Transparent, responsible and respectful business demeanor



## Information Barrier

Preventive measures to avoid transfer of information between our businesses

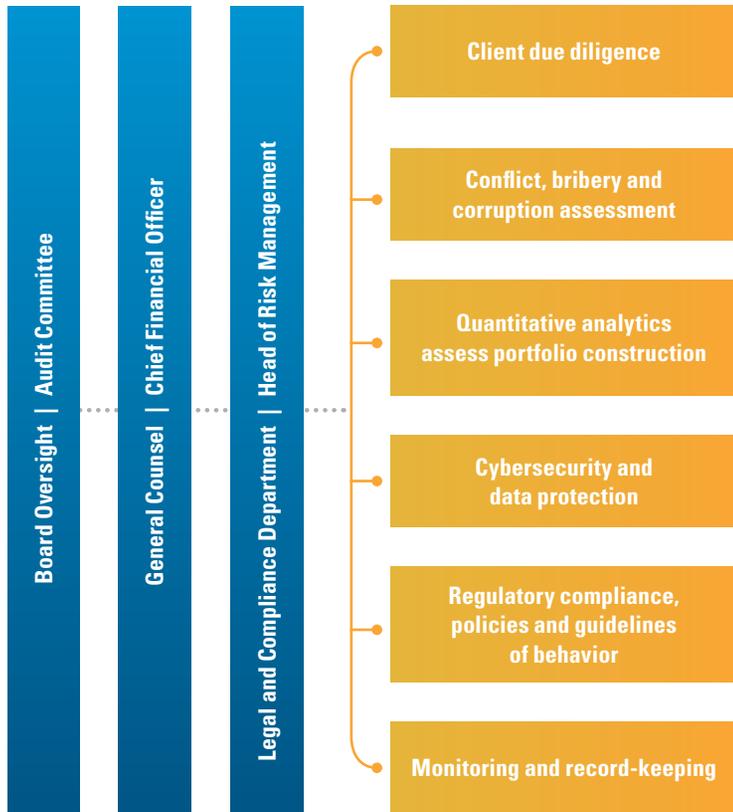
**ANTI-CORRUPTION POLICIES** Lazard’s strong culture of compliance reflects the importance we place on performing to the best of our abilities while adhering to appropriate standards of conduct and all applicable legal and regulatory frameworks. Lazard recognizes the risks that corrupt practices can pose to our business and has established policies addressing fair dealing, gifts and entertainment, and impermissible payments and gratuities, among other matters. These elements of Lazard’s compliance program are addressed at annual training sessions.

**ANTI-MONEY LAUNDERING POLICY** Lazard maintains Anti-Money Laundering (AML) policies across its businesses and “Know-Your-Customer” (KYC) identification procedures to facilitate the identification and confirmation of prospective clients, and to establish reasonable steps to detect and prevent potential money laundering activities. Lazard has designated AML compliance officers across its businesses who are responsible for updating their AML and KYC procedures and reviewing and analyzing potential suspicious activity. The AML compliance officers periodically arrange for a bi-annual independent review of Lazard’s AML policy and procedures. Lazard’s Legal and Compliance department annually trains employees and provides AML policies and materials, as appropriate.

**CORPORATE POLITICAL ACTIVITY** Lazard does not permit political contributions on the firm’s behalf in the United States at the federal, state or local levels to candidates, political party committees, ballot committees or political action committees. Our employees may voluntarily seek to assist individuals running for political office. Lazard maintains specific procedures for reporting political activity and contributions. Lazard’s employees may voluntarily make political contributions to individuals, political action committees and/or other political causes. However, employees are required to abide by strict political contribution policies and pre-approval requirements informed by both federal and state regulation prior to making such contributions.

**WHISTLEBLOWER PROTECTION** 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. 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 Business Conduct and Ethics, no matter whom the report concerns, or for participating in an investigation of any such report.

# ETHICS AND COMPLIANCE PROGRAM



**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 guidelines. Our Board, working together with the Audit Committee, undertakes a comprehensive review of Lazard’s risk profile and risk management strategies at regular intervals. 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. The controls that Lazard has designed to address 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. 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.

**DUE DILIGENCE** We evaluate clients prior to providing investment management or advisory services and may conduct periodic reviews over the lifetime of the client’s 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. As part of our compliance efforts we monitor client transactions for potential suspicious activity. 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 to the Chief Compliance Officer.

**INTERNATIONAL SANCTIONS** Lazard maintains policies and procedures designed to ensure compliance with economic sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury and other applicable global sanctions that could potentially impact Lazard’s financial advisory and investment advisory services on behalf of clients. Lazard’s Legal and Compliance department coordinates closely with financial advisory and investment professionals, as well as with outside legal counsel, to understand the potential application of such international sanctions programs to Lazard’s businesses.

# DATA PROTECTION AND CYBERSECURITY

The protection and security of sensitive information in each of Lazard’s offices and business lines worldwide is an essential aspect of our business strategy and embedded in our culture.

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 advisory services efficiently and safely. Business growth, technology innovation and increased electronic activity are dramatically reshaping the cybersecurity landscape. The potential consequences of a data security

breach impact financial, regulatory and reputational risk. Lazard makes significant investments in information technology that are designed to secure our information and enable the operations of our business, while simultaneously protecting against cyber threats. Our cloud-based platform and infrastructure are built to support firm-wide data and analytics initiatives. We enhanced our data security with an advanced Bring Your Own Key (BYOK) customer-managed permission vault. This technical innovation reduces our physical storage footprint while providing multi-level encryption for personally identifiable information.

Our global Information Technology department, in conjunction with our global Information Security department, implements comprehensive internal training, monitoring and reporting practices with respect to information security in order to safeguard the interests of our clients, employees and other

stakeholders. In many instances, we utilize technology solutions and third-party auditors to assess and confirm compliance with our policies and standards, as well as applicable laws and regulations. Our global Information Security department also identifies our employees’ roles and responsibilities with respect to data protection and security and provides training to our employees regarding information security protocols and practices. The Technology department ensures disaster recovery to promptly recover lost data in an emergency event. Our Information Security and Information Technology departments report consistently to the Risk Committee, Audit Committee, and Board of Directors to keep management informed on Lazard’s risk exposure and provide perspective on the current cybersecurity landscape.



## RISK PRIORITIES

- Information storage and transfer
- Asymmetrical risk
- Reputational risk
- Third-party risk assistance/assessment



## ACTION

- Training & education
- Consistent refreshment of ethical policies
- Regular audits
- Disciplinary action



## OUTCOMES

- Business efficiency
- Trust & resiliency
- Confidentiality
- Enhanced awareness
- Secure remote work





# LEADERSHIP AND GOVERNANCE



# A SUSTAINABLE FOUNDATION

Our strong corporate governance practices, implemented by our executives and Board of Directors, reflects our commitment to responsible business and conduct.



Read [Lazard's 2020 Annual report](#) and [Lazard's 2021 Proxy](#).

Our robust governance structure and consistent

evaluation of our culture, values and business objectives helps us shape our firm to better represent the perspectives of all our stakeholders. We believe active engagement with our stakeholders throughout the year through a variety of platforms achieves balanced and appropriate solutions in an ever-changing environment. Our policies and standards safeguard the interests of Lazard's clients, ensure compliance with applicable laws, and provide accountability and control systems commensurate with our firm's business activities.



**UNIQUE CULTURE** Lazard's purpose is to serve clients. From our beginning, this basic premise has shaped our culture. Our clients expect the best from us and we aim to surpass their expectations with the quality and diversity of our people. Our people are our greatest asset.



**RESPONSIBLE BUSINESS** Lazard's reputation is rooted in trust, and our commitment to our responsibilities and the values we demonstrate and adhere to is critical to our success.



**GOVERNANCE** The robust foundation of governance practices and guidelines allows our employees to serve clients responsibly.



**GUIDING PRINCIPLES** Excellence, Empowerment and Engagement—reflect Lazard's distinctive culture and our aspiration to achieve the greatest impact for all Lazard stakeholders. Our character and values have underpinned our success for more than 170 years and continue to guide our future growth.



**SUSTAINABILITY** Lazard addresses evolving topics of importance to our stakeholders and to our business, including diverse perspectives and entrepreneurial talent of our people, our sustainable investing strategy, our commitment to the environment, and our contribution toward creating a positive societal impact.

## SUSTAINABILITY IN PRACTICE

Our Board proactively guides our global culture and sustainability efforts, while our senior leadership identifies, prioritizes and provides execution of our strategic initiatives. In Asset Management, Lazard's Co-Heads of ESG and Sustainable Investing spearhead integration of ESG considerations into our research and portfolio management capabilities. To further evaluate sustainability from a client perspective, Lazard established an ESG Working Group consisting of business leaders and subject-matter expertise from across the firm.

This year, we formalized our efforts to advance our own sustainability profile by appointing Alexandra Deignan as Head of Corporate Sustainability



to oversee the firm's initiatives and reporting of our environmental, social and governance efforts. This new role underscores our corporate commitment to aligning sustainability with our businesses and values of our all our stakeholders and reinforces our belief in sustainability as a driver of long-term value.

# CORPORATE GOVERNANCE MODEL

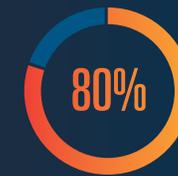
Lazard's Board of Directors has established four standing committees, each of which has a publicly available charter.

Our Workplace and Culture Committee provides Board-level focus on cultivating an environment that attracts a diversity of perspectives and exceptional talent. Chaired by our Lead Director, 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

We introduced a new board tenure policy for non-executive directors to ensure differing skills and perspectives are continuously represented on the Board, resulting in a new director added to our Board, Prof. Dr. Dr. Ann-Kristin Achleitner.



Independent Directors



Director Diversity



## CORPORATE GOVERNANCE HIGHLIGHTS

- Eight of ten directors are independent
- All committees are comprised entirely of independent directors
- Compensation discipline and clawback policy
- Robust stock ownership guidelines and anti-hedging policy
- Annual Board evaluations and self-assessments
- Succession planning and executive development oversight by the Board
- Strong commitment to stakeholder engagement
- Majority voting policy for directors

“

PROFESSOR ACHLEITNER COMPLEMENTS OUR BOARD'S DIVERSITY OF EXPERIENCE AND KNOWLEDGE. WE LOOK FORWARD TO ADDING HER VOICE TO OUR BOARD AND BENEFITING FROM HER EXPERTISE.

— Richard Parsons, Lead Director, Board of Directors

”

# PRUDENT APPROACH TO COMPENSATION PRACTICES

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 executives. In general, we compensate employees with competitive salaries and discretionary bonus structures, which are determined quantitatively and qualitatively—while ensuring that compensation levels do not consider race or gender. We believe that talented individuals are attracted to, and remain with, the firm because Lazard's compensation structure rewards strong performance in a consistent manner. Lazard compensation includes equity awards, including performance-based awards for executive 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. We believe that 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.

“ WE HAVE ARTICULATED FINANCIAL GOALS TO OUR SHAREHOLDERS, INCLUDING OUR OPERATING MARGIN, INVESTMENT OBJECTIVES AND RETURN OF CAPITAL STRATEGY. THE ACHIEVEMENT OF OUR PERFORMANCE METRICS ULTIMATELY DETERMINES OUR COMPENSATION LEVELS.

— Evan Russo, Chief Financial Officer



## PHILOSOPHY

- Retain and attract talent
- Structured decision-making
- Commitment to compensation governance
- Pay for performance
- Pay with long-term forward looking equity awards
- Pay with performance “at risk” awards
- Maintain compensation discipline
- Consistency on deferred compensation



## PAY EQUITY AND EQUAL OPPORTUNITY

- 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 ensure 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 is 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.

We engage with our stakeholders in various ways, including one-on-one meetings, investor conferences, internal Town Halls, quarterly earnings calls, annual meeting of shareholders, employee surveys and social media interaction, and others. Through these engagements, we develop an understanding of the issues relevant to our stakeholders, our industry and the global marketplace. Additionally, these engagements provide stakeholders with an opportunity to consider issues concerning our strategy and share their perspectives.

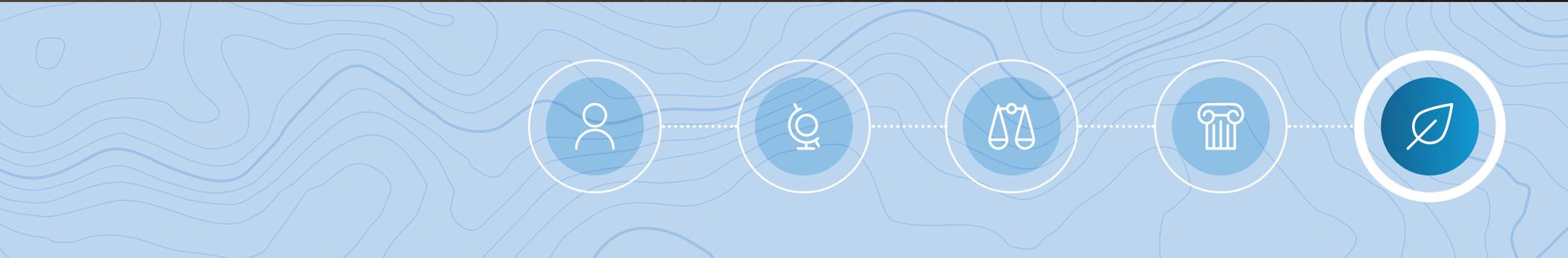
In 2020, given the restrictions due to the COVID-19 pandemic, our shareholder engagement transitioned to a virtual format and continued at a steady pace. We hosted approximately 200 investor meetings throughout the year, consistent with the prior year. Our strong foundation of shareholder engagement has resulted in a history of implementing changes over the years based on shareholder feedback, such as

recently implementing a tenure policy for independent directors that enhances Board refreshment by limiting independent directors to serving four complete terms (in addition to any partial term), and making significant enhancements to the performance metrics applicable to our NEOs in order to better align their compensation with shareholder benefits.





# ENVIRONMENTAL SUSTAINABILITY



# GLOBAL SUSTAINABILITY EFFORTS

Lazard encourages sustainable practices in our local offices around the world.

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. At Lazard, sustainability is ingrained in our work, operations and daily lives and we work together to take meaningful action.

## What has Lazard done?

- 79% of offices in energy-efficient buildings
- Digital workflow reduced printing
- Responsible recycling of IT hardware
- Switching from plastic cups and utensils to plant-based products
- Reducing single-use plastic including water bottles and coffee cups
- Automatic light dimmers and motion sensors

## LOCAL OFFICE INITIATIVES



## New York Office Journey To Fully Sustainable Pantry Procurement



# LAZARD'S SUSTAINABILITY PRACTICES AROUND THE WORLD

## PARIS

In 2020 Lazard inaugurated its new Financial Advisory office in Paris, France. The architecture and layout have been designed to encourage new, more collaborative and cross functional working practices, as well as innovation and creativity.



Sustainable features are embedded throughout, and the building is engineered to meet the highest environmental standards in terms of energy efficiency, water management and vegetal footprint.



### Energy efficiency

- Environmental certifications – BREEAM, HQE, Label BBC Effinergie
- Smart building management solutions



### Environmental sustainability

- 100+ spaces for bicycles and 14 electric car charging stations
- 100% paper PEFC or FSC (sustainably managed forests)
- 100% of paper and cardboard recycled
- No single-use plastic and waste sorting system



### Biodiversity protection

- 8,000+ melliferous plants in urban permaculture terrace
- Unique grey water and rainwater recycling system

## NEW YORK



Transition to bean to cup coffee machines, eliminated 65,000 coffee pods used per year



Silverware, chinaware, and glassware for all client meetings on conference center floor



Compost food waste on conference center floor



LEED Gold certified building



**~3,840**  
plastic bottles saved per year on conference floor



**~3,552**  
glass bottles saved per year on conference floor



**57,600**  
plastic straws saved per year

## LONDON

**38,000** fewer plastic pitch book covers

**700** keepcups with a tree planted for each

**73,000** fewer single-use cups

**700** Lazard mugs

**450,000** fewer disposable coffee cups

**100%** renewable electricity in use at Stratton Street office

**3** floors of meeting rooms with reusable water bottles

**7,200** trees planted in partnership with the Woodland Trust 2019

**700** Lazard water bottles

**6** dishwashers

**100%** recycled printer paper on all floors

**3** lunch and learn sessions focused on sustainability

### IMPACT IN THE U.K.



100% renewable energy in the U.K.



Lazard Asset Management London offsetting 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

# ENVIRONMENTAL FOOTPRINT



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

The scope of our environmental footprint principally derives from two main

sources: energy usage in our offices and employee travel. In this report, we have estimated our GHG emissions from our leased office space (S1 and S2), and employee travel (S3) where information is available from third-party business partners.

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

## OUR PROGRESS



### MEASURE

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



### ENGAGE

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

View our Environmental Statement [here](#)

Lazard is 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

#### GHG EMISSIONS

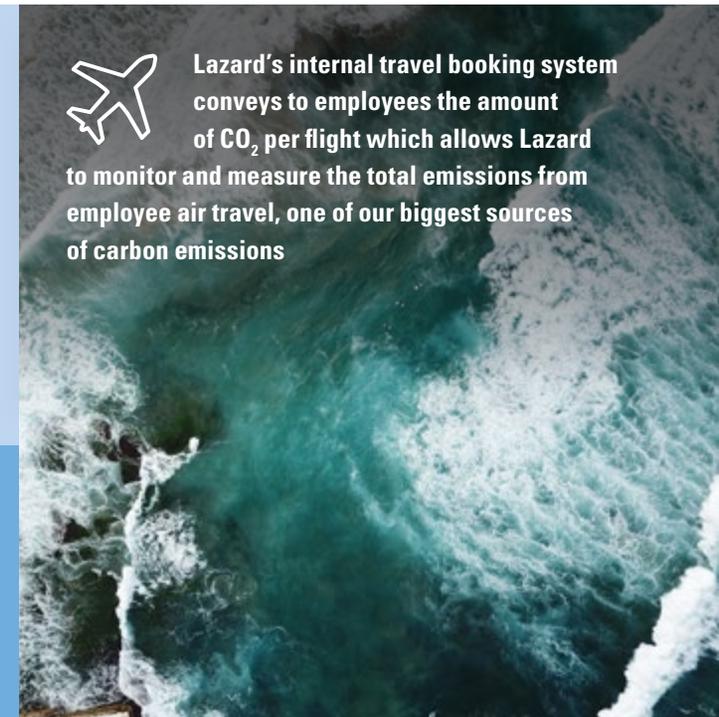
Measured in metric tons of CO<sub>2</sub> equivalent

	2018	2019	2020
Scope 1 (S1)	1,541	1,533	1,564
Scope 2 (S2)	6,617	6,515	5,850
Scope 3 (S3)	10,896	14,387	2,270
<b>TOTAL S1 + S2 + S3</b>	<b>19,054</b>	<b>22,435</b>	<b>9,684</b>
Scope 3 (S3) AUM	17,700,681	16,195,085	14,998,155
Total employees	2,996	3,018	3,106



Lazard's internal travel booking system conveys to employees the amount of CO<sub>2</sub> per flight which allows Lazard to monitor and measure the total emissions from employee air travel, one of our biggest sources of carbon emissions

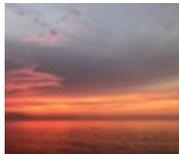
- Scope 1** Emissions estimated from building equipment utilizing fossil fuels to provide ventilation, heating and air conditioning based on square footage of leased properties.
- Scope 2** Emissions of purchased electricity estimated based on square footage of leased properties.
- Scope 3** Indirect emissions resulting from business travel. Data for 2018 includes North America, France, and the U.K. Data for 2019 includes North America, France, the U.K., Germany, Italy, the Netherlands, and UAE. Data for 2020 reflects global travel program.
- Scope 3 AUM** Represents approximately 65% of Lazard's AUM indirect emissions resulting from portfolio company carbon footprint as estimated by Trucost.

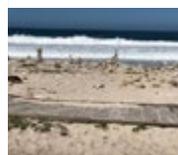
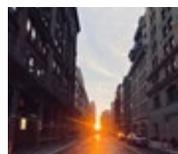


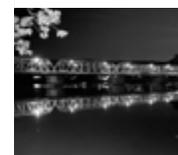


PHOTOGRAPHY INDEX

	<p>Cover</p> <p>Jonathan Pallett, Financial Advisory</p>
	<p>Page 2</p> <p>Souy Taing, Financial Advisory</p>
	<p>Page 2</p> <p>Jonathan Pallett, Financial Advisory</p>
	<p>Page 2</p> <p>Jonathan Pallett, Financial Advisory</p>
	<p>Page 2</p> <p>Maximilian Moehlmann, Financial Advisory</p>
	<p>Page 2</p> <p>Ronan Doyle, Asset Management</p>
	<p>Page 2</p> <p>Jacqueline Dinella, Corporate</p>
	<p>Page 6</p> <p>Richard Cho, Financial Advisory</p>

	<p>Page 9</p> <p>Nolan Spencer, Financial Advisory</p>
	<p>Page 10</p> <p>Souy Taing, Financial Advisory</p>
	<p>Page 16</p> <p>Ronan Doyle, Asset Management</p>
	<p>Page 16</p> <p>Oliver Dean, Financial Advisory</p>
	<p>Page 20</p> <p>Maximilian Moehlmann, Financial Advisory</p>
	<p>Page 21</p> <p>Ronan Doyle, Asset Management</p>
	<p>Page 22</p> <p>Souy Taing, Financial Advisory</p>
	<p>Page 23</p> <p>Nicole Miles, Corporate</p>

	<p>Page 24</p> <p>Katie Hall, Financial Advisory</p>
	<p>Page 25</p> <p>Richard Cho, Financial Advisory</p>
	<p>Page 28</p> <p>Eva Frankenberger, Corporate</p>
	<p>Page 28</p> <p>Marisa Wolff, Corporate</p>
	<p>Page 33</p> <p>Megan McManus, Corporate</p>
	<p>Page 34</p> <p>Philip Maher, Corporate</p>
	<p>Page 36</p> <p>Olya Vasilenko, Financial Advisory</p>
	<p>Page 37</p> <p>Natalie Gaisser, Financial Advisory</p>

	<p>Page 42</p> <p>Ronan Doyle, Asset Management</p>
	<p>Page 44</p> <p>Maximilian Moehlmann, Financial Advisory</p>
	<p>Page 47</p> <p>Maximilian Moehlmann, Financial Advisory</p>
	<p>Page 50</p> <p>Daniel Truong, Corporate</p>
	<p>Page 51</p> <p>Stephen Sands, Financial Advisory</p>

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