



LAZARD

2019

CORPORATE
SUSTAINABILITY
REPORT

Creating Value
Responsibly



Sustainability PRIORITIES

Lazard performed a materiality assessment 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 link to corresponding sections in this report, which provide more detailed disclosures on our management approach and key metrics.

 Corporate Culture	Diversity, inclusion and equality	Talent development	Campus recruiting	Employee engagement	Community volunteering
 Sustainable Investing	Proprietary ESG integration framework	Research insights	Stewardship priorities and voting record	Purposeful engagement	Innovation and collaboration
 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** About this Report
- 4** A Message from Ken Jacobs, CEO of Lazard
- 5** Our Guiding Principles
- 6** Our Conscientious Approach
- 7** Lazard at a Glance
- 8** Corporate Culture
- 15** Sustainable Investing
- 26** Business Ethics
- 30** Leadership & Governance
- 35** Environmental Sustainability
- 38** SASB Disclosures
- 43** GRI Index

Our Commitment to ESG

E

ENVIRONMENTAL

Evaluate environmental risks and opportunities in our investments and strategic advice

S

SOCIAL

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

G

GOVERNANCE

Lead with integrity and engage with all of our stakeholders

About This

REPORT

Lazard's 2019 Corporate Sustainability Report focuses on the 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 are aligned with our values. This strong foundation allowed us to evaluate and monitor our selected qualitative and quantitative metrics and enhance our reporting regarding our environmental impact, social practices and governance structure.

Lazard's second annual CSR continues to highlight our dedication to responsible business and the positive impact we strive to generate as a firm on society and the environment. New additions to our report include:

- Depiction of our materiality matrix
- Presentation of our Guiding Principles
- Alignment of our values and strategic pillars
- Independent, third-party verification of GHG emissions data
- Response to the SASB standards with an index to asset management and investment banking sectors

Our sustainability profile is consistent with the prior year, reflecting our established commitment to long-term value creation through sustainable strategies and practices. Our progress is reflected in the increased disclosures and 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.

A MESSAGE

from Ken Jacobs, CEO

Welcome to Lazard's Sustainability Report for 2019. As we prepared this report, a confluence of world events have underscored the fact that businesses bear responsibilities to all their stakeholders, including employees, customers, suppliers and shareholders – as well as the broader community.

The COVID-19 pandemic that continues to spread around the world has necessitated a strong response from employers to protect public health through private sector action. In addition, swelling global protests against institutionalized racism and discrimination have made clear that employers must play a leadership role in the creation of more just societies.

At Lazard, these responsibilities are embedded in our Guiding Principles, which guide us as we strive to reach our highest potential for all our stakeholders ([see page 6](#)). Defining our aspirations of empowerment, engagement and excellence, they serve as our touchstones for sustainable growth.



Local commitment with a global perspective is a defining feature of Lazard's culture.

Empowering our people

Our most important asset is our people. It is through their intellect and innovations that we fulfill our mission most effectively. A workforce comprised of people with varied backgrounds and experiences creates a rich diversity of thought that enables us to challenge conventional wisdom and make better decisions. Over the past year, we continued to pursue enhanced diversity in our workforce, and to expand internal programs such as affinity groups and events that reinforce an inclusive culture and encourage all our people to bring their whole selves to work.

Engaging with our communities

Local commitment with a global perspective is a defining feature of Lazard's culture. Our teams around the world have been helping their communities manage through the global health crisis with charitable giving and volunteer work. Despite the difficult circumstances of social distancing, they have taken action to support people in need in their local communities, even as they continue to provide our clients with outstanding service.



Excellence consistent with ESG principles

We embed environmental, social and governance principles across our operations and they are an integral part of our approach to conducting business responsibly. Over the past year, we have continued to enhance our ESG communication and transparency as sustainability becomes increasingly important to our stakeholders.

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. These qualities continue to help us fulfill our mission of serving clients with trusted financial advice and investment solutions. Through this report, we invite you to learn how we evaluate and act on our sustainability initiatives.

Kenneth M. Jacobs
Chairman and Chief Executive Officer

Our Guiding

PRINCIPLES

Achieving the greatest impact for all Lazard stakeholders with Excellence, Empowerment and Engagement

Our Guiding Principles reflect Lazard's distinctive culture and our aspirations for the future. They have shaped our success in the past, and they point the way toward sustainable growth.

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



Excellence means being both business friendly and being guided by a strong, ethical compass.

Nargis Hilal - Senior Vice President, Asset Management

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.

Our Business

Led by our Guiding Principles

Our People
Financial Advisory
Asset Management

Our Strategic Pillars

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

Corporate Culture
Sustainable Investing
Business Ethics
Leadership & Governance
Environmental Sustainability

Our Engagement

Provides transparency and addresses evolving stakeholder interests

Employees
Clients
Business Partners
Shareholders
Local Communities

Our Value

We recognize our business has an affect beyond the profits we generate. While we seek to generate value for our shareholders, we also seek to create long term societal value through our contributions to global economies, our reputation for innovation, our culture of quality and prudence, and our belief in generating a sustainable future for the next generation.

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.



53%
AMERICAS

7%
ASIA/PACIFIC

40%
EUROPE/
MIDDLE EAST/
AFRICA

\$2.6bn

Operating Revenue

\$248bn

Assets Under Management

+3,000

Employees

+170

Years Serving Clients

Fiscal year 2019



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



Corporate Culture

Our success is built upon the collaborative and entrepreneurial atmosphere of Lazard.

PEOPLE

Guide Our Future

As a firm, we focus on serving our clients, developing our people and supporting our communities. Our business is a reflection of the innovative and principled productivity of our people. Attracting, motivating and retaining talented and diverse individuals is essential to our long-term success. We invest in our people through multiple avenues:

- Talent development
- Diversity, inclusion and equality
- Engagement and empowerment
- Personal well-being and community

CREATING LAZARD'S UNIQUE CULTURE

Our commitment starts with a Board-level focus on cultivating a workplace environment that attracts a diversity of perspectives and exceptional talent. One of our four Board committees, the Workplace and Culture Committee, is chaired by our Lead Director and 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.

See the Board's Workplace and Culture Committee charter [here](#).



Lazard combines exceptional global competitiveness with an ingrained local presence, delivering unique perspectives with unparalleled experience, judgment and integrity.

Michelle Jarrard – Lazard, Board of Directors
Workplace and Culture Committee Member

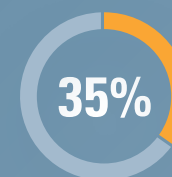
Diversity at a Glance

We are proud of the rich cultural heritage of our people, and we continue to increase Lazard's overall diversity. Our global workforce of 3,000 people is based in 40 cities across 25 countries. Please see our SASB disclosures and GRI index on page 38.

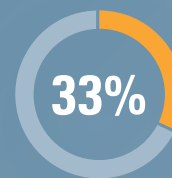


40 cities
25 countries
80 nationalities
60 languages spoken

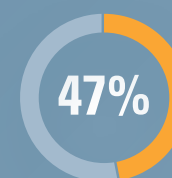
Women represent



of our employees globally



of our US employees are ethnic minorities



of Managing Director talent developed internally

Engaging Our People

LAZARD
Black & African American Employee Network

Communal engagement and mentorship to enhance performance, connectivity and retention

LAZARD
PROUD

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



LAZARD IQ

Inspires innovative thinking and global networking

LWL
 network

Lazard Women's Leadership Network (LWLN) provides development and networking opportunities with a focus on diversity awareness



Junior-level professional development exercising leadership skills, expanding networking and educational opportunities, and fostering philanthropic activity



Cross-Company Mentoring Program fosters career growth through external women's networking

LAZARD
 Green

Volunteers committed to building sustainability awareness and performing eco-friendly efforts in the workplace and communities around the globe

LAZARD
 ALUMNI

Opportunities to engage across career paths, blending current and former employees, to draw from broader experiences and promote lifetime connectivity

DIVERSITY, INCLUSION & EQUALITY

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.

Lazard is an intellectual capital business focused on delivering the best advice and solutions to clients. Achieving these objectives requires us to identify, develop and retain the best talent. A workforce comprised of people with varied backgrounds and experiences creates a rich diversity of thought that empowers us to challenge conventional wisdom, as diverse perspectives lead to better decisions.

Our appreciation of the power of diversity is ingrained in our multi-cultural heritage. The ongoing cultivation of diversity and an inclusive, equitable culture are essential to our continued growth. We are committed to sustaining an environment in which all employees – regardless of socio-economic status, race, color, nationality, religion, gender, sexual orientation, physical abilities, veteran or military status – can bring their whole selves to work to maximize their individual potential and our collective success.

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, 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 Diversity and Inclusion Policy and Equal Opportunity, Pay Equity and Anti-Discrimination Policies.](#)

TALENT DEVELOPMENT

Along the Journey



We invest the time and energy to differentiate ourselves through our ideas and advice.

Peter Orszag - CEO, Financial Advisory

From day one and through each employee's journey, Lazard prioritizes education and training. 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 150 unique offerings of skills-based learning sessions, the opportunity to mentor with seasoned professionals, building 550 mentor relationships across the firm, and access to more than a dozen affinity groups which foster communal engagement and guidance to enhance skills, connectivity and retention.

Our people are our most valuable asset and we believe investing in their

development is essential to our long-term success. 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.

Beyond our offices, the Lazard Alumni Network supports employee connectivity. We recognize opportunities may come from varied avenues and we support lifetime connections through our alumni network, newsletter and events.



Through investments in technology, we enhance workplace insights and collaboration.

Lazard IQ

Peer-to-peer knowledge collaboration

LEAD

Learn, engage, achieve, develop leadership training

Dragonfly

Proprietary digital macro discussion board

Learn LAM

Advanced asset management perspectives

LazardOne

Spotlighting our global community

Tech Academy

Goal-specific skills-based instruction

Meaningful feedback

We conduct employee surveys to solicit feedback from our employees on initiatives to make Lazard an even better place to work. In 2019, we received over 1,500 comments, including approximately 140 informing our future development programs, highlighting interests in new training topics, non-financial coursework and increased frequency to enhance opportunities to grow and learn at Lazard. In 2020, we are leveraging commentary from our surveys and focus groups to broaden our program offerings.

HOT TOPICS

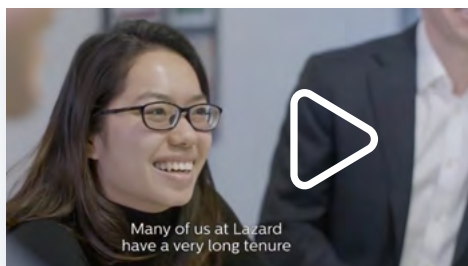
Diversity and inclusion
Leadership and management
Personal effectiveness
Regulatory and compliance

1,500+
comments on our engagement survey

150
unique course offerings



Learn about
[Building a Career at Lazard](#)

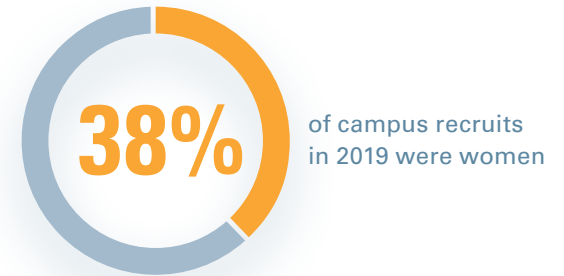


Building Our FUTURE

A MOSAIC OF TALENT, CREATIVITY AND COLLABORATION

Our future is based on the investments we make in recruiting and retaining talent. 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.

At the campus level, we build relationships with colleges and student organizations that support and advise underrepresented minorities, including Howard University and other HBCUs, Smart Women Securities, and SEO Scholars.



We host annual student events, such as Sophomore Diversity Days, Global Women in Banking, and others, to introduce young women and underrepresented minorities to potential careers in financial services. We also support the Forté Foundation, a non-profit promoting the advancement and equal treatment of women in professional careers. Lazard MBA diversity scholarships sponsor women and underrepresented minorities.

Augmenting our team with experienced hires, we seek talented individuals who aspire to work in a dynamic environment where excellence, empowerment and engagement are championed. We align the goals and experience of prospective talent with the firm's strategic growth to create a mutually beneficial experience.

Recruiting focus on intellect and culture



Original, insightful thinking



Integrity & ethical standards



Positive contributions beyond professional goals



Differentiated perspectives



Intellectual capacity & collaborative instincts

Investing in the WELL-BEING of Our Employees

Lazard supports and strives to enhance the total well-being of all its employees around the world. We understand that when employees feel their best, they are most effective in the workplace. We want all of our people to achieve a balance among their commitments to career, family and community, so we invest in wellness programs that address physical, emotional, family and financial needs, and support varied lifestyles.



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 discounted memberships to health clubs and fitness and nutrition reimbursement to both incentivize and maintain the physical health of our people.



Mental Health. Lazard believes emotional and mental health is essential. 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 Leave. 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.



Work-Life Balance. We recognize finding a work-life balance is a highly personal situation that encompasses career goals, family planning and life's unexpected experiences. We maintain a high-performance culture, and we empower our employees to confer with managers, respect the demands of team collaboration, and make choices that optimize work and personal obligations. Through significant investment in technology, we have the capability of providing remote and hybrid working options to our employees, although as a relationship-driven business we value an in-person work culture.



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 offices, 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

Creates Lasting Connectivity

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 supports employee initiatives to volunteer for good causes with a wide variety of local charities. Our employees find inspiring opportunities to make a difference and to share experiences with peers outside the workplace. As a firm, we sponsor the efforts with material resources, Lazard WFG-branded team attire and paid time off.

Employee giving is organized through regional initiatives to benefit local charitable causes. In the US, the Lazard Foundation supports a variety of nonprofit organizations with an emphasis on education in local communities. The Foundation also matches employees' contributions to qualifying charities. 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 the U.K. and France, our employees vote annually on their "charity of the year," and support it through fundraisers and personal participation.

LAZARD
FOUNDATION

GAYE

LAZARD
s'engage!



86
EVENTS

5,000
HOURS

∞
SMILES

Lazard U.K. – Payroll Giving Diamond Award recognizing a culture of philanthropy and committed giving in the workplace

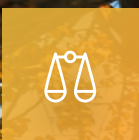
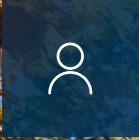


The Lazard Foundation's goal is to allocate capital in both an effective and sustainable way to build a better future for our communities.

Jason Weinberger – Associate, Corporate Strategy



Cleo Tsang, Analyst - Financial Advisory, helped restore Stuyvesant Cove Park as part of a New York Cares event.



Sustainable Investing

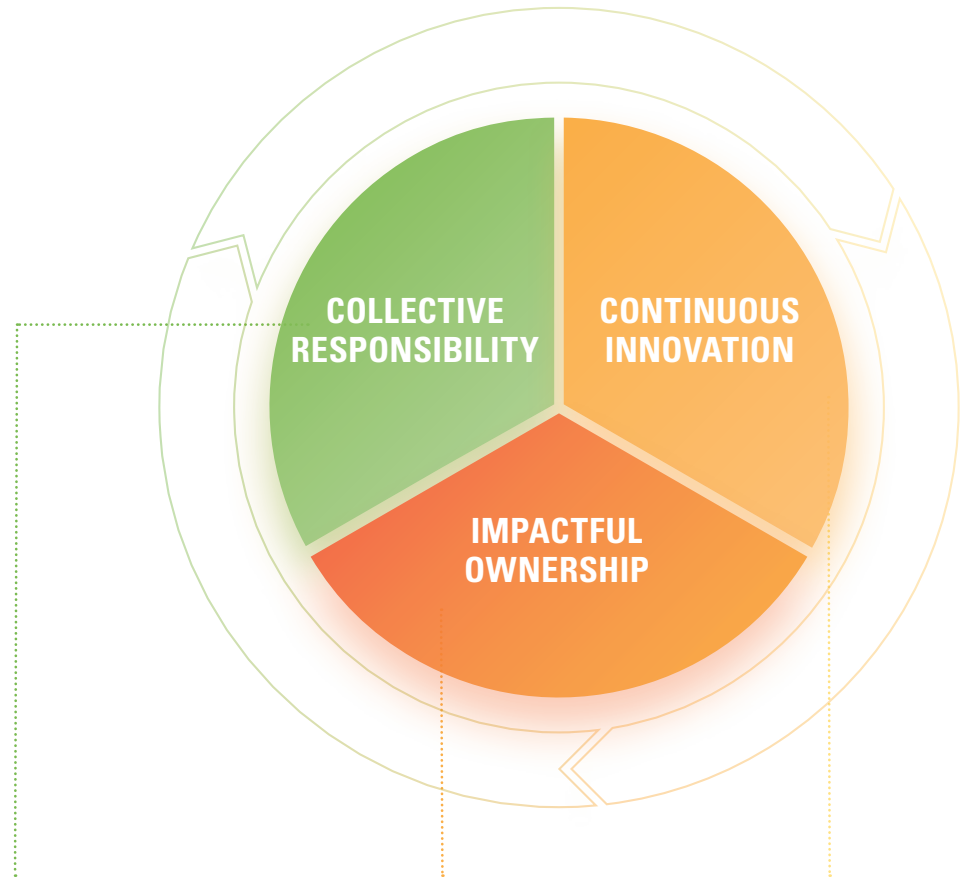
Our philosophy is based on being responsible stewards of capital.

ASSET MANAGEMENT

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 both financial risks and opportunities to 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.



As a research-driven organization, our biggest strength is 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 these integrated insights.

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

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 to support initiatives that promote wider adoption of sustainable investment practices through better standards and increased transparency.

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.



The growing interest in sustainability is likely to prompt a pendulum swing back to active management. Active asset managers with deep investment resources required to understand how sustainability issues intersect with financial performance and the ability to genuinely embed stewardship practices into the investment process will be best positioned to deliver more innovative solutions and superior risk-adjusted returns for their clients.

Jeremy Taylor - CEO, Lazard Asset Management London

Our policies:

- ✔ **Sustainable Investment Report**
- ✔ ESG Policy
- ✔ Global Governance Principles
- ✔ Climate Change Investment Policy
- ✔ 2019 PRI Transparency Report
- ✔ Engagement Policy for Shareholder Rights Directive II
- ✔ Proxy Voting Policy



2019 PRI Scores

	LAZARD	MEDIAN
STRATEGY & GOVERNANCE	A+	A
LISTED EQUITY – INCORPORATION (>50%)	A+	B
LISTED EQUITY – ACTUAL OWNERSHIP (>50%)	A	B
FIXED INCOME – SSA (<10%)	A+	B
FIXED INCOME – CORPORATE NON-FINANCIAL (<10%)	A	B

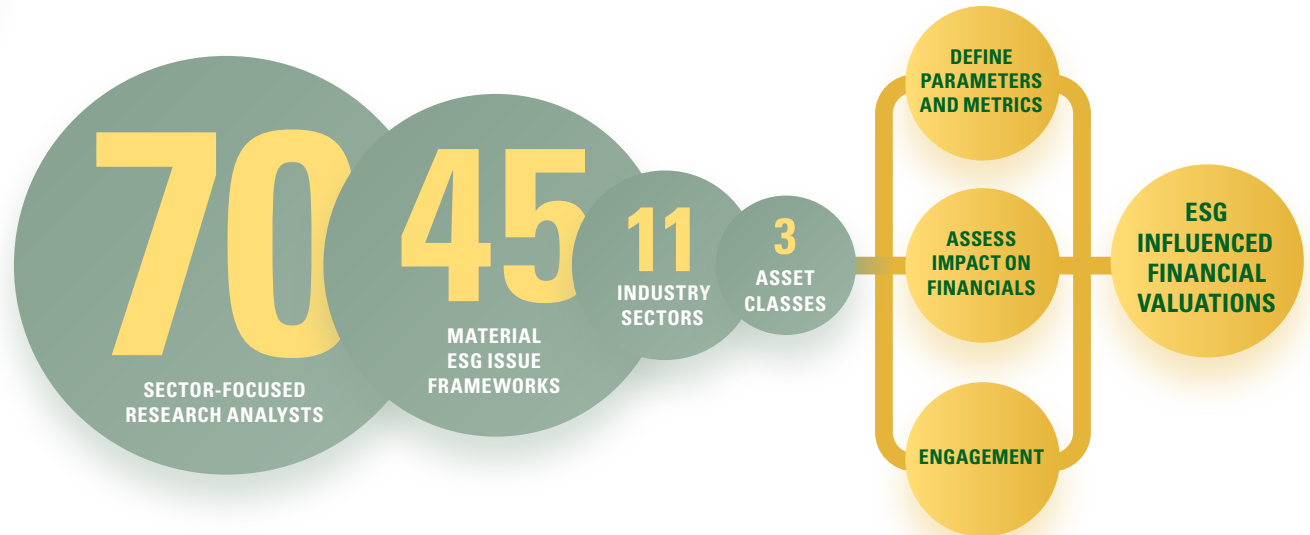
Lazard’s proprietary ESG FRAMEWORK

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.



Complex global issues, including climate change, social inequality and political polarisation, will continue to present us with significant challenges as well as opportunities from an investment perspective. We are proud of the thoughtful progress that we have made to date and are committed to working alongside our clients on our journey toward a more sustainable future.

Ashish Bhutani - CEO,
Asset Management



Read more about Lazard’s [ESG Approach](#) on our website.

GLOBAL Insight & 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.



As stewards of capital, we have to be keenly aware of our client's investment criteria. ESG, sustainability and impact investing can have different connotations and we are committed to providing our clients with customized solutions to address their long-term financial goals.

Jennifer Abate – Managing Director, Asset Management

Sustainability Talks

An Audience with James Close

Head of London's Low Carbon Circular Economy Programme

The Role of the Circular Economy in Addressing Climate Change

The 2015 Paris Agreement's central aim was to strengthen the global response to the threat of climate change by limiting the increase in global temperature to well below 2 degrees Celsius above pre-industrial levels. There is growing concern that many countries do not yet have a trajectory to meet their Nationally Determined Contributions (NDCs) or greenhouse gas emissions targets. This could result in international groups, including the Intergovernmental Panel on Climate Change, recommending new policies to stimulate a stronger response. Given the lag between policy and practice caused by the planning and capital cycle, time is running out to close the gap between the current and the targeted climate change trajectories. The national responses could become more immediate, more forward, and less constrained, increasing the risk of a disorderly transition to a low-carbon economy. The risk of a disorderly economic transition is increasingly attracting the attention of macro-prudential bodies, such as financial regulators and central banks, which have the power to stimulate change through other means.

LAZARD
REAL ESTATE MANAGEMENT

Sustainability Talks

18 March 2020

Perspectives on Protecting Human Capital

The current outbreak of the Coronavirus disease (COVID-19) has myriad implications for the global economy and financial markets. Both policymakers and investors are struggling to anticipate its impact in terms of its scale and duration, and in turn calibrate their responses. Beyond the issues of disrupted supply chains, lower economic growth, more accommodative monetary policy, and volatile stock markets, at its core COVID-19 is a human emergency. Companies are having to make very important decisions about their responsibilities to their employees, their customers, and their suppliers as well as to their shareholders. For investors interested in sustainability, the COVID-19 pandemic is an opportunity to see how companies are reacting to a sudden and dramatic test of their business models and assess how they are weighing the interests of their different stakeholders.

LAZARD
REAL ESTATE MANAGEMENT

Revisiting the Gig Economy Amid the COVID-19 Pandemic

27 March 2020

Subsequent to the publication of our paper: *Understanding the Investment Implications of the Gig Economy*, global public health emergency has unfolded. To tackle the outbreak of the coronavirus disease (COVID-19), a concerted effort is required from all parts of society, including individuals, communities, corporations in the public and private sectors, as well as regional and national governments and banks. Shoring the economic ties between companies, workers, and governments will be key to navigating this crisis.

As part of this, companies are having to make very important decisions about how to manage human capital through this pandemic, including how to define their responsibilities to their employees and customers, as well as their shareholders. Many gig economy businesses have proved to be valuable network enablers at this time, keeping food around lock-down areas and responding to exceptional levels of demand. However, the pandemic is also acutely highlighting the precarious nature of the gig economy worker-company relationship.

Consequently, more gig economy workers than full-time employees will have their income. Additionally, governments around the world have struggled to assess a sufficient size of the state enough for this nature of the workforce as that being provided to people in traditional employment models. The dual economy has likely led gig economy workers to continue working, even when they perhaps should not, as the alternative risks substantial hardship to income.

Some companies are acting to protect their gig economy workers, with several of the larger platforms committing to hardship funds, which will pay workers for periods when they are unable to work due to COVID-19. In the short term, this is a win-win. Customers feel more secure that the workers with which they contract are more likely to be healthy, and the workers themselves (who are working in particularly demanding situations) receive some of the benefits that have historically only accrued to employees.

It is not only so-called hardship funds that will become more conventional, and we seek to explore the differences between gig economy models and full-time employment models. Nonetheless, it seems likely to us that many of the business that have traditionally used gig economy employment models will see an improved overall trajectory in the pandemic as their ability to react to behavior towards online and on-demand services. As such, we expect an increasing proportion of the workforce could potentially become regarded as the social and economic made-ups created by less traditional employment models.

The deeper analysis on the trade-offs faced by workers in less traditional areas of employment, the business models of the companies that employ gig workers, and the geographical matters of both, please read the following paper.

LAZARD
REAL ESTATE MANAGEMENT

Sustainability Talks

16 April 2020

What COVID-19 Means for Corporate Strategy

Governments have taken unprecedented measures to safeguard people's lives from the Coronavirus Disease 2019 (COVID-19). These have had a massive impact on the global economy and led to the complex relationships between governments, companies, and society as a whole. Government and central bank initiatives are significantly helping many listed companies, showing them a lifeline at a time of crisis. However, these extraordinary interventions appear to have come with conditions. Many governments are encouraging listed corporates to show restraint on shareholder distributions, urging them instead to use their capital to reinforce their balance sheets and support their employees. Government initiatives are likely to have lasting consequences for equity investors.

LAZARD
REAL ESTATE MANAGEMENT

ESG'S CONTRIBUTION

to Fixed Income Analysis

ESG factors have a demonstrable impact on a country's macroeconomic performance, a key consideration for fixed income investors. Furthermore, transparency and strong governance result in narrowing sovereign bond spreads and a reduced likelihood of default. Standardized rankings of ESG indicators are valuable inputs but data collection may be slow to reflect recent developments. Lazard research incorporates a proprietary ESG framework to assess creditworthiness.

- **Environmental** factors can have important consequences for many economies that are dependent on agricultural exports and imports, which can be undermined by drought, crop disease, or flooding. These conditions can be caused by human actions like deforestation, or by natural disasters or extreme weather events.
- **Social** conditions also influence sovereign creditworthiness, since low standards of living, income inequality, limited educational opportunities, and political disenfranchisement can exacerbate poverty and unemployment, fueling protests that can lead to economic paralysis and armed conflicts.
- **Strong governance**, as demonstrated by political stability, policy transparency, and an adherence to the rule of law, generally results in policy predictability, greater institutional credibility, and a more favorable business climate.



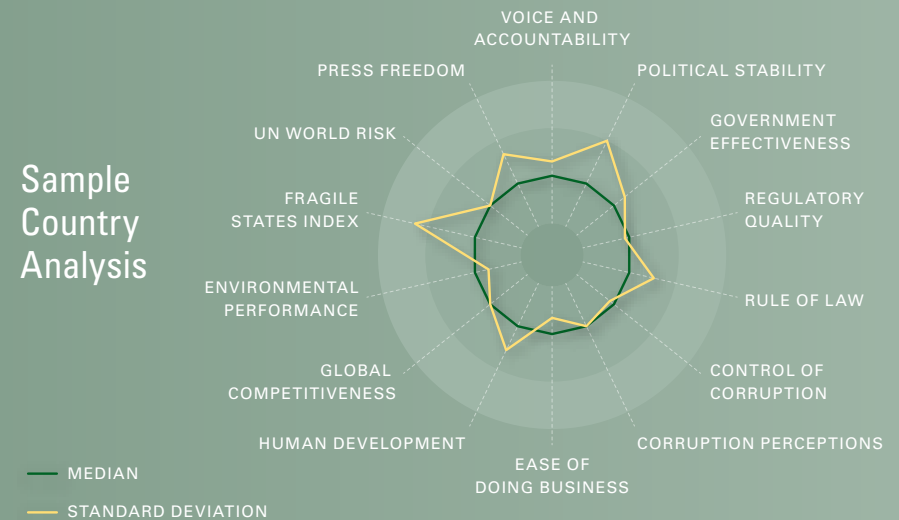
The Global Fixed Income team is vigilant about whom we invest in and our disciplined security selection process considers environmental, social, and governance (ESG) factors in an effort to avoid impairment and earn attractive risk-adjusted returns.

ESG FACTORS ARE CRITICAL IN OUR SOVEREIGN ANALYSIS

ESG Factors	Economic Strength	Government Finances	External Accounts
Environmental Performance	GDP per Capita	Fiscal Balance	Current Account/GDP
Human Development	Nominal GDP	Interest/Revenues	External Debt/GDP
Ease of Doing Business	Real GDP Growth	Public Debt/GDP	Foreign Reserves/External Debt
Rule of Law	CPI Inflation	Foreign Public Debt/Public Debt	Foreign Reserves/Imports
Policy Track Record	Regional Support		Exchange Rate Regime

For illustration purposes only.

ESG PERFORMANCE CORRELATES WITH COUNTRY SPREADS



2019 STEWARDSHIP PRIORITIES

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

CLIMATE CHANGE



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. As formal supporters of the Task Force on Climate-related Financial Disclosures (TCFD), Lazard Asset Management supports more detailed and transparent disclosure of material climate related risks from the companies in which it invests and seeks to engage with companies on their governance, strategy, and risk management of climate risk. Further information on our approach can be found in our [Climate Change Investment Policy](#).

DIVERSITY & INCLUSION



Research suggests that increased diversity within organizations enhances corporate decision-making. This can lead to improved corporate governance, enriching corporate brands and reducing reputational risks, ultimately affecting a company's cost of capital. There is significant academic evidence to suggest that increased diversity also enhances financial productivity and returns to shareholders. Through our engagements, we impress on company management the importance of diversity and inclusion, and hold management accountable for progress.

WORKPLACE SAFETY



Safety performance has long been a strategic imperative for industrial and manufacturing companies. Through recent engagements in the mining industry, we advocated for global standards in safety practices to prevent humanitarian disasters, address environmental risks and protect shareholder value. In discussions with company managements, we recommended aligning management incentives on operational and personal safety goals across multi-year timeframes. Evidence of progress was notable in BHP's introduction of their social value briefing and new remuneration framework in 2019.

2019 Stewardship Activities

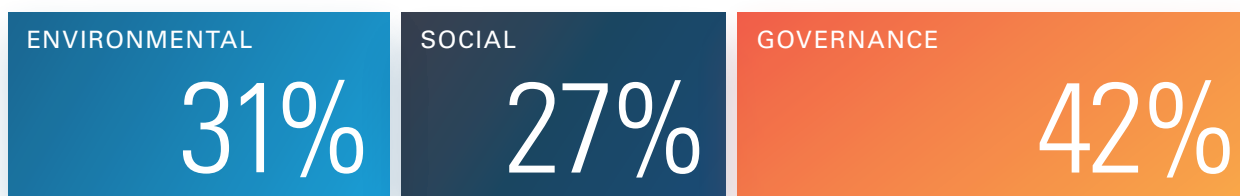
COMPANY ENGAGEMENT AND PROXY VOTING

We proactively engage with company management in order to assess long-term shareholder value. Our investment professionals regularly meet with management and directors to better understand a company's business strategy, use of shareholder capital and ESG practices. Evaluating environmental, social and governance issues is an integral part of Lazard's investment process as we recognize that these considerations can affect a company's valuation and financial performance.

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 here.](#)

Lazard investment professionals conducted over 4,000 meetings in 2019 with companies globally. In over 40% of our meetings, we discussed the impact of an environmental, social and/or governance issue.



2019 Global Proxy Voting Summary



Shareholder resolutions supported related to human and natural capital

66%

Total meetings
3,870

Meetings voted
3,805

Proposals voted globally
41,776



Total proxies voted*

*We endeavor to vote in all instances with the exception of situations where voting may impair the interests of our clients, e.g. share blocking.

Q & A



As a global investor, Lazard is focused on the shared challenges society faces today. A growing recognition of the climate emergency and acute levels of social inequality are catalyzing consumers, business, governments and society at large to promote a more sustainable future.

Co-Heads of Sustainable Investment & ESG, **Jennifer Anderson** and **Nikita Singhal**, share how this has implications for investors and Lazard's systematic and integrated approach to sustainable investing.

What differentiates Lazard's ESG and sustainability investing strategy?

Our expertise in fundamental research is Lazard's greatest differentiator. We cultivate a collective responsibility for all investment professionals to incorporate sustainability assessments into their work. Our in-depth knowledge of regional, industry and company distinctions enables us to develop forward-looking insights, and better position our clients ahead of a changing world rather than reacting to it.

Why does sustainability investing matter at Lazard?

We seek to invest in companies that financially prosper while also protecting human and natural capital. It is our responsibility to be long-term stewards of our clients' capital. Incorporating an ESG lens is more than a risk barometer. It is a way to drive change through informed capital allocation to allow for a more sustainable future.

Do you see any potential positive consequences resulting from the COVID-19 pandemic?

We expect a shift in companies increasing consideration of all stakeholders, not just shareholders, as a means to maximize long-term valuation. Companies that successfully define their contribution to society will enhance their prospects for growth.

As we transition to the reopening phase, we expect this reassessment of corporate responsibilities to produce positive outcomes for sustainable investing and society as a whole.

How does Lazard view the risks of climate change on client portfolios?

Climate change is one of the defining issues of our time. We are committed to evolving our investment processes to reflect advancements in the broader understanding of climate change, the physical risks associated with it, and how it might affect financial performance. The transition to a lower-carbon economy also presents multiple investment opportunities for our clients, which, as a global active manager, we are well-positioned to identify.

ESG and sustainable investing is very client driven. How does Lazard manage its advice given different spectrums of thinking?

Our strong ESG integration across asset classes allows us to provide the most informed investment decisions for all our clients and their portfolios. We believe in managing portfolios in a way that delivers investment performance and maximizes long-term shareholder value. For those clients with specific ESG objectives, we are able to customize solutions to meet individual goals.

LAZARD IS A MEMBER OF, OR SIGNATORY TO, THE FOLLOWING ORGANIZATIONS:



International Corporate Governance Network



Global Environmental Disclosure



United Nations-supported Principles for Responsible Investment



International Accounting Standards Board Investors in Financial Reporting Programme



Sustainability Accounting Standards Board Alliance



Pensions and Lifetime Savings Association (PLSA)



Farm Animal Investment Risk & Return Initiative



Financial Services Agency Japan Stewardship Code



UK Women in Finance Charter



Task Force on Climate-related Financial Disclosures Supporter



Korea Stewardship Code



Abu Dhabi Sustainable Finance Declaration



Financial Reporting Council UK Stewardship Code



The Institutional Investors Group on Climate Change



Chief Executives for Corporate Purpose Strategic Investor Initiative (SII) Advisory Board

SPECIALIZED EXPERTISE

A+ PRI Signatory

ESG materiality mapping

Proprietary Quarterly ESG Watch List

Carbon footprint portfolio reporting

LAZARD INITIATIVES

Formal ESG integration initiated into the investment process

Established internal ESG Group

Distributed first external ESG questionnaire for EM companies

ESG Policy Published

ESG Engagement Tracking

2001

2019

FINANCIAL ADVISORY

Spotlight on Industry Dynamics

AUTOMOTIVE TREND RADAR

Accelerating technology advancement through:

- Mobility
- Autonomous
- Digitization
- Electrification



Global Automotive
Supplier Study

RENEWABLE ENERGY RESEARCH

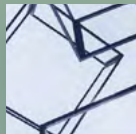
Renewable energy generation technologies are increasingly competitive with conventional generation.



Levelized Cost of
Energy Report

SHAREHOLDER ACTIVISM

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



2019 Review of
Shareholder Activism

HEALTHCARE

The Healthcare industry is undergoing a period of tremendous change. Through our Global Healthcare Leaders Study, we analyze industry leaders' views of the strategic opportunities and challenges.



Lazard Global Leaders
Healthcare Study 2019

AGRIBUSINESS

The agribusiness industry is experiencing a period of transformational change. Technology, data analytics and digital connectivity are harnessed in unprecedented ways to increase the efficiency and sustainability of global food production, which could transform the farming industry and strategic landscape over time.



Bridging the Gaps:
Finding Common Ground to
Advance Agriculture for All



Business Ethics

Lazard is committed to conducting business according to the highest ethical standards.

COMPLIANCE

Our Conduct and Culture



The performance and integrity of our people is critical to our success. The importance of our ethics and compliance principles is emphasized throughout an individual's career.

Naomi Wiesen – Managing Director, Financial Advisory Legal

Our success begins with our employees being accountable and responsible. Compliance therefore is not just procedural; it is a critical component of our ability to deliver 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 continually educate and train our employees on adherence to applicable laws and regulations. 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. Lazard has also adopted a [Supplement to the Code of Business Conduct and Ethics](#) for Lazard's CEO and Senior Financial Officers.

In addition, our professionals participate in compliance training sessions that detail

our policies, requirements, and the consequences of failure to comply. Lazard uses these training sessions to demonstrate the practical application of judgment and highlight common areas where ethical problems can occur. We use these training sessions and real-world examples to convey to employees that raising concerns can lead to meaningful action.

Every year our professionals review and 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 consequences to assist and educate 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 monitoring systems to track personal securities trading and electronic communications for impermissible activities.

At Lazard, we strive for the highest standards of business ethics and personal accountability, and we take actions to ensure performance in accordance with these standards.



The integration of risk management, business ethics and compliance within our workplace and culture benefits all of our stakeholders.

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 with regard to 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, impermissible payments and gratuities, among other matters. Lazard prohibits the receiving and giving of gifts from any individual except in a manner in accordance with these policies. At annual training sessions, our professionals review and discuss these elements of Lazard’s compliance program.

ANTI-MONEY LAUNDERING POLICY

Lazard maintains Anti-Money Laundering (AML) and anti-terrorist financing policies across its businesses and has adopted “Know-Your-Customer” (KYC) identification procedures to facilitate the identification and confirmation of prospective clients, and to take reasonable steps to detect and prevent potential money laundering activities. Lazard has designated AML compliance officers who are responsible for updating our procedures and reviewing and analyzing any potential suspicious activity. Lazard’s Legal and Compliance department annually trains employees and provides AML policies and materials, as appropriate.

CORPORATE POLITICAL ACTIVITY

Lazard does not make corporate contributions 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 other appropriate personnel about any observed 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.

DATA SECURITY

Business growth, technology innovation and increased electronic activity are dramatically reshaping the cyber security landscape. The potential consequences of a data security breach impact financial, regulatory and reputational risk. Lazard invests significantly in information technology that is designed to secure our information and enable our business, while simultaneously protecting against cyber threats. Our cloud-based platform and infrastructure is built to support firm-wide data and analytics initiatives. We are enhancing our data security with an advanced Bring Your Own Key (BYOK) customer-managed permission vault. This technical innovation is unique in that it reduces our physical storage footprint while providing multi-level encryption for personally identifiable information (PII).

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 regular training to our employees regarding information security protocols and practices including disaster recovery to promptly recover lost data in an emergency event.

Building Trust by Protecting Our Business

Integrity, discretion, and professionalism guide our mission and shape our unique culture. Lazard maintains strict adherence to these values to seamlessly perform at the highest level for our clients.



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 Chief Risk Officer, 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 report such risks to the Board.



Leadership & Governance

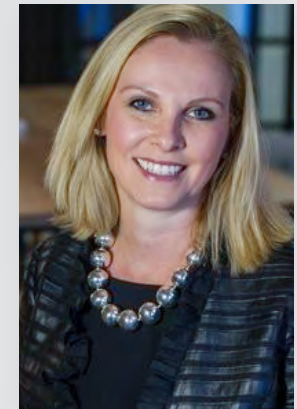
We are committed to corporate governance practices that support long-term value creation.

LEADERSHIP AND GOVERNANCE

Provides a Sustainable Foundation

Lazard's strong corporate governance practices, implemented by our leadership executives and Board of Directors, reflects our commitment to responsible business and conduct. 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 and evolve our firm 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. Lazard is governed by a Board of Directors and various committees of the Board that meet throughout the year. Our Board has established four standing committees: the Audit Committee, the Compensation Committee, the Nominating & Governance Committee and the Workplace and Culture Committee. Each of the standing committees has adopted and operates under a written charter.

Among the Board's responsibilities is oversight and approval of Lazard's Corporate Sustainability Report. Our Board has oversight responsibility for our global culture and sustainability efforts, while management provides senior-level input and review and strategic execution of our initiatives in this regard. In 2019, the Workplace and Culture Committee met four times and the Board reviewed corporate sustainability reporting initiatives twice during the year.



Lazard Board Members (clockwise from top): Richard Haass, Michelle Jarrard, and Richard Parsons

The power of Lazard resides in our effective leadership, sound governance foundation and policies allowing our employees to thrive and serve clients responsibly.



WORKPLACE AND CULTURE COMMITTEE

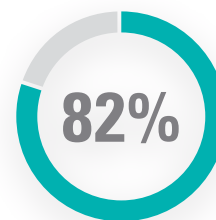
Lazard’s enduring success is a testament to the exceptional people we employ. As a global firm, we have always championed a diverse workplace and seek people from various backgrounds who offer a range of perspectives. Created in 2018, our Workplace and Culture Committee assists and advises management to continue to reinforce a workplace culture that helps attract, motivate and retain talented people. Encouraging an engaged workplace where employees feel connected with each other and their communities allows them to thrive personally and professionally. A focus on professional development programs inspires our people and cultivates the firm’s next generation of leaders. When our employees work in an environment where they feel included, they can excel and fulfill their potential. By having a more diverse workforce and fostering an inclusive culture, our people can thrive and feel a deeper connection to Lazard and its mission and success.

Corporate Governance MODEL

Policies and practices create a responsible culture aligned with our business strategy.

CORPORATE GOVERNANCE HIGHLIGHTS

- Nine of eleven 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



Independent Directors



44%
of our Independent
Directors are women

PHILOSOPHY

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

PAY EQUITY & EQUAL OPPORTUNITY

Clear policies and procedures to enforce our commitment to diversity, equal pay for equal work, and a safe, inclusive workplace.	All employment and promotion decisions are made on the basis of job-related criteria, recognizing the principle of equal employment opportunity.
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 characteristics worthy of protection.	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.

COMPENSATION

Prudent Approach to Compensation Practices

Lazard's compensation decisions are a reflection of employee performance aligned with our strategic and operational performance. 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 strive to create a culture that fosters excellence, collaboration, innovation, empowerment, inclusion, and engagement.



Shareholder value is a fundamental objective of our compensation programs. We employ a performance-based equity compensation structure with rigorous, quantitative metrics over multi-year vesting horizons.

Iris Knobloch – Lazard, Board of Directors Compensation Committee Member

ACTIVE STAKEHOLDER ENGAGEMENT

Integrating Stakeholder 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 greater 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.



The integration of sustainability and ESG factors in our engagement addresses evolving stakeholder interests in our culture, strategy and performance, enhancing the overall understanding of Lazard's long-term value.

Alexandra Deignan – Head of Investor Relations, Lazard





Environmental Sustainability

We are committed to sustainable practices in our procurement and business activities.





Smart technology and office strategies reduce paper consumption by approximately 30% annually



Responsible recycling of all IT hardware



Adoption of glassware and silverware, eliminating single-use plastic bottles



Public transportation benefits for commuters, reducing our carbon footprint



Eco-friendly coffee alternatives, bean to cup coffee eliminating coffee pods



Offices in energy-efficient buildings



eden project

100% renewable energy in the U.K.



WOODLAND TRUST

Lazard Asset Management London offsetting CO₂ emissions by planting 7,200 trees in the U.K.

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.

Lazard U.K.'s cleanup of London's Thames River



Environmental Footprint

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 2019, we updated our methodology based on recommendations from our industry-leading consultant, which led to a revision to our historical data. We also engaged an independent firm to assess and verify the 2019 GHG emissions for Scope 1, 2 and 3.



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

GHG Emissions <small>Measured in metric tons of CO₂ equivalent</small>	2016	2017	2018	2019
Scope 1 (S1)	1,491	1,708	1,541	1,533
Scope 2 (S2)	6,673	7,286	6,617	6,515
Scope 3 (S3)	5,510 <small>North America</small>	5,822 <small>North America</small>	10,896 <small>North America, France, U.K.</small>	14,387 <small>North America, France, U.K., Germany, Italy, Netherlands, UAE</small>
Total S1 + S2 + S3	13,674	14,816	19,054	22,435
Total employees	2,781	2,843	2,996	3,018

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 2016 and 2017 reflect North America only. 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.

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

- Calculate GHG inventory and seek independent, third-party verification
- Commit to sustainable practices and carbon emissions reduction initiatives



Engage

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

- Employee-led team in London awarded The Planet Mark for sustainability-focused efforts in 2019



Transparency

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

- Town Hall educational forums encourage a global dialogue
- Sustainability expert talks provide in-depth thought leadership
- LazardOne spotlights environmentally focused community efforts
- Lazard Green affinity group promotes awareness and sustainability initiatives



Commitment

View our Environmental Statement [here](#).

SASB DISCLOSURES

This Sustainability Accounting Standards Board (SASB) disclosure is prepared in accordance with SASB Asset Management (AC) and Investment Banking (IB) industry standards. Lazard is committed to providing meaningful and transparent information on our long-term business strategy and evolving ESG topics of importance to our stakeholders. We disclose information based on the SASB framework below and link to corresponding sections in our Corporate Sustainability Report (CSR) and other public information posted on our website www.lazard.com.

For more than 170 years Lazard has provided clients with trusted financial advice and investment solutions. Today we have approximately 3,000 employees in 40 cities serving clients across the globe. We aim to create a positive long-term financial, social and environmental impact for our stakeholders: clients, employees, shareholders and communities.

ASSET MANAGEMENT (AC) AND INVESTMENT BANKING (IB) FINANCIALS SECTOR DISCLOSURES

Dimension: **Social Capital**

Category: **Selling Practices & Product Labeling** Topic: **Transparent Information & Fair Advice for Customers**

CODE	ACCOUNTING METRIC	DISCLOSURE
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Material legal proceedings are disclosed in Lazard's 2019 Form 10-K (Item 3, page 31) and Lazard Asset Management's Form ADV (Item 9, page 38).
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	At A Glance , page 7 2019 10-K Annual Report , page 1
FN-AC-270a.3	Description of approach to informing customers about products and services	2019 10-K Annual Report , page 10

Dimension: **Human Capital**

Category: **Employee Engagement, Diversity & Inclusion** Topic: **Employee Diversity & Inclusion**

CODE	ACCOUNTING METRIC	DISCLOSURE
FN-AC-330a.1 FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Our global workforce includes 35% women and our U.S. workforce includes 33% minority representation. Approximately 50% of our workforce resides outside of the U.S. where it is not permissible to collect workforce demographic information. As part of our ongoing commitment to diversity, inclusion and equality across the firm, we have provided our management approach and detailed activities in our CSR, pillar Human Capital and Corporate Culture.

Dimension: **Business Model & Innovation**

Category: **Product Design & Lifecycle Management** Topic: **Incorporation of ESG Factors in Investment Management & Advisory**

CODE	ACCOUNTING METRIC	DISCLOSURE																				
FN-AC-410a.1	Amount of assets under management (AUM), by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing and (3) screening	<p>Lazard's total AUM was \$248 billion as of December 31, 2019.</p> <p>We integrate ESG analysis and engagement across approximately 72% of our asset classes and portfolios. In 2019, sustainability themed investing products and screening of client portfolios in total represented approximately 1% of our AUM. We believe client demand for dedicated ESG products and customized portfolios that incorporate sustainability themed investing and screening is increasing. As ESG-specific investment strategies become a larger portion of our client portfolios and total AUM, we expect to evolve our approach to reporting on ESG investment styles with an expanded description of our methodology.</p> <p>In millions of dollars</p> <table border="1"> <thead> <tr> <th>Level</th> <th>% of LAZ Assets</th> <th>Total</th> <th>Equity</th> <th>Fixed Income</th> </tr> </thead> <tbody> <tr> <td>ESG Integration</td> <td>72%</td> <td>177,601</td> <td>153,362</td> <td>24,239</td> </tr> <tr> <td>Sustainability Themed</td> <td>1%</td> <td>2,500</td> <td>4</td> <td>2,496</td> </tr> <tr> <td>Screening</td> <td>6%</td> <td>14,288</td> <td>11,287</td> <td>3,000</td> </tr> </tbody> </table>	Level	% of LAZ Assets	Total	Equity	Fixed Income	ESG Integration	72%	177,601	153,362	24,239	Sustainability Themed	1%	2,500	4	2,496	Screening	6%	14,288	11,287	3,000
Level	% of LAZ Assets	Total	Equity	Fixed Income																		
ESG Integration	72%	177,601	153,362	24,239																		
Sustainability Themed	1%	2,500	4	2,496																		
Screening	6%	14,288	11,287	3,000																		
FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of ESG factors, by industry	<p>At A Glance, page 7</p> <p>2019 10-K Annual Report, page 1</p>																				
FN-AC-410a.2 FN-IB-410a.3	Description of approach to incorporation of ESG in asset management and investment banking activities	<p>2019 10-K Annual Report, page 10</p>																				
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry	<p>We do not make material proprietary investments as part of our business activities.</p>																				

Dimension: **Leadership & Governance**

Category: **Product Design & Lifecycle Management** Topic: **Incorporation of ESG Factors in Investment Management & Advisory**

CODE	ACCOUNTING METRIC	DISCLOSURE
FN-AC-510a.1 FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations	<p>Material legal proceedings are disclosed in Lazard's 2019 Form 10-K (Item 3, page 31) and Lazard Asset Management's Form ADV (Item 9, page 38).</p>
FN-AC-510a.2 FN-IB-510a.2	Description of whistleblower policies and procedures	<p>Our Code of Business Conduct and Ethics defines the firm's policies and procedures. Lazard provides employees and the public with internal and anonymous channels through which concerns can be raised without reprisal. Matters are carefully reviewed and investigated with discretion and in accordance with the firm's protocols for legal, regulatory and ethical compliance. More information is provided in the following policy posted on our website: Accounting Concern Reporting Procedures.</p>

Category: **Professional Integrity** Topic: **Professional Integrity**

FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	<p>Material legal proceedings are disclosed in Lazard's 2019 Form 10-K (Item 3, page 31).</p>
FN-IB-510b.2 FN-IB-510b.3	(1) Number and (2) total amount of monetary losses as associated with professional integrity, including duty of care, by party	<p>Lazard is involved from time to time in judicial, regulatory and arbitration proceedings and inquiries concerning matters arising in connection with the conduct of our businesses. We review such matters on a case-by-case basis and establish any required accrual if a loss is probable and the amount of such loss can be reasonably estimated. No pending matters have risen to a material level as disclosed in Lazard's 2019 Form 10-K (Item 3, page 31).</p>

CODE	ACCOUNTING METRIC	DISCLOSURE
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	Our reputation relies on the ability of our people to act responsibly, deliver the best outcomes, and prudently manage risk. We strive for the highest standards of business ethics and personal accountability, and we take actions to ensure performance in accordance with these standards. Lazard maintains a Code of Business Conduct and Ethics and administers training to employees on firm policies, procedures, legal and regulatory requirements. Each employee must certify annually they have reviewed, understood and will comply with the firm's policies and procedures. Throughout the year, we provide training programs that further educate our employees with respect to legal and regulatory requirements, as well as the firm's policies and procedures, as well as steadfast adherence to a culture of the highest integrity and ethical conduct, as summarized in this report on pages 27-28.
		Category: Systemic Risk Management Topic: Systemic Risk Management
FN-AC-550a.1 FN-IB-550a.1	Percentage of open-end fund assets under management by category of liquidity classification Global Systemically Important Bank (G-SIB) score	As a fiduciary asset manager, liquidity is reviewed for each open-end portfolio because each portfolio invests independently. Aggregate liquidity classifications across funds would not provide meaningful insights as to how liquidity is managed at the fund level. Accordingly, we are omitting this information. Lazard and its affiliates are not designated a Globally Systemically Important Bank.
FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	Liquidity profiles are analyzed across Lazard Asset Management's strategies and portfolios by the portfolio and risk management teams on a daily and monthly basis. Lazard's Valuation and Liquidity Committee meets on a monthly basis to review portfolio-level liquidity statistics across all client portfolios. The Valuation and Liquidity Committee is comprised of members of Risk, Operations, Legal and Compliance and senior management. As a registered investment adviser, Lazard maintains liquidity-related policies and procedures informed by various U.S. regulations. Lazard's Investment Oversight Committee reviews liquidity and ad hoc analyses in response to material market events or portfolio changes, as necessary. Lazard's Global Risk Management team has a comprehensive liquidity monitoring process, used to calculate the time required to liquidate each portfolio. We also ensure there is no concentration in any holding of more than 20% of the total market capitalization of the security.
FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Our businesses are subject to extensive global regulation and internal stress testing is an integral part of our capital planning and risk management framework. Many of our affiliates that participate in the capital markets are subject to comprehensive regulations that include some form of minimum capital retention requirements and customer protection rules. We provide detailed disclosure of Regulatory Requirements in Lazard's 2019 Form 10-K (pages 9-11, 57 and 128-129).
FN-AC-550a.3	Total exposure to securities financing transactions	Lazard and its affiliates do not currently engage in securities financing transactions.
FN-AC-550a.4	Net exposure to written credit derivatives	Lazard and its affiliates do not currently engage in written credit derivatives.
FN-IB-550b	Disclose (1) percentage of total remuneration that is variable for Material Risk Takers (MRTs),(2) percentage of variable remuneration of MRTs to which malice or clawback provisions were applied, and (3) discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	Variable, or at-risk, compensation for named executive officers accounted for 89% of total compensation, as provided in our annual Proxy Statement 2020 . We have a compensation clawback policy for executive officers, however, no clawback provisions related to malice or professional integrity were exercised in 2019 or in the prior three years. For further information on our compensation objectives and practices, please see our Proxy Statement 2020 (pages 34-68). Level 3 assets and liabilities represent less than 1% of total investments as reported in Lazard's 2019 Form 10-K (Note 7, page 93-94) thus we do not view this as a material risk area.

Dimension: **Leadership & Governance** (continued)

Category: **Activity Metrics**

CODE	ACCOUNTING METRIC	DISCLOSURE
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	\$56 billion total registered AUM \$192 billion total unregistered AUM \$248 billion total AUM as of December 31,2019
FN-AC-000.B	Total assets under custody and supervision	Lazard Asset Management and Lazard Frères & Co do not maintain custody of client assets. \$17 billion total assets under custody at Lazard Frères Banque as of December 31, 2019. \$259 billion total assets under supervision/management as of December 31,2019.
FN-IB-000.A	(1) Number and (2) value of advisory transactions	In fiscal 2019, M&A transactions completed with values greater than \$500 million were 74 and net revenue was \$1,374 million as provided in Lazard's 2019 Form 10-K (page 47).
FN-IB-000.B	(1) Number and (2) value of proprietary investments and loans by sector	Lazard does not generally make proprietary investments. Private equity investments and seed capital for represented 2% of total assets as reported in Lazard's 2019 Form 10-K .
FN-IB-000.C	(1) Number and (2) value of market making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products	Lazard does not currently act as a market maker in securities transactions.

GRI INDEX

Lazard's Corporate Sustainability Report (CSR) references the Global Reporting Initiative (GRI) Standards: Core Option including the Financial Services Sector Supplement. The GRI Index refers to information within the CSR, [2019 Annual Report](#), [2020 Proxy Statement](#) and the Lazard website, www.lazard.com. Metrics that have been independently verified are indicated below and link to the corresponding verification statement.

GENERAL DISCLOSURES	LOCATION (PAGE, URL)
102-1	Name of the organization Lazard Ltd.
102-2	Activities, brands, products, and services At a Glance , page 7 2019 10-K Annual Report , page 1-2
102-3	Location of headquarters Principle Offices: New York, London, Paris 2019 10-K Annual Report , back cover
102-4	Location of operations At a Glance , page 7 Lazard Website , Locations tab
102-5	Ownership and legal form 2019 10-K Annual Report , page 81
102-6	Markets served At a Glance , page 7
102-7	Scale of organization At a Glance , page 7
102-8	Information on employees and other workers At a Glance , page 7 Corporate Culture , page 9 2019 10-K Annual Report , page 8 Lazard may engage external service providers for non-core business activity, or non-employee resources that support Lazard processes. There is no significant variation in employment numbers (such as seasonal hiring)
102-12	External initiatives Corporate Culture , page 12 Corporate Culture , page 14 Sustainable Investing , page 24

GENERAL DISCLOSURES (CONTINUED)	LOCATION (PAGE, URL)
102-13	Membership of associations Corporate Culture , page 10 Sustainable Investing , page 24 30% Club International Corporate Governance Network U.K. Stewardship Code International Accounting Standards Board Investors in Financial Reporting Programme Task Force on Climate Change Pensions and Lifetime Savings Association Farm Animal Investment Risk & Return Initiative Japan Stewardship Code U.K. Women in Finance Sustainability Accounting Standards Board Korea Stewardship Code Abu Dhabi Sustainable Finance Declaration United Nations Supported Principles for Responsible Investment The Institutional Investors Group on Climate Change Chief Executives for Corporate Purpose Strategic Investor Initiative Advisory Board Organization for Economic Co-operation and Development Principles of Corporate Governance

STRATEGY	LOCATION (PAGE, URL)
102-14	Statement from senior decision-maker CEO Letter , page 4
102-15	Key impacts, risks and opportunities About this Report , page 3

ETHICS AND INTEGRITY	LOCATION (PAGE, URL)
102-16	Values, principles, standards and norms of behavior Guiding Principles , page 5 Lazard Website , Our Firm Business Ethics , pages 27-28 Lazard Website , Investor Relations, Corporate Governance
102-17	Mechanisms for advice and concerns about ethics Business Ethics , page 27

GOVERNANCE	LOCATION (PAGE, URL)
102-18	Governance Structure Leadership & Governance , pages 31-32
102-20	Executive-level responsibility for economic, environmental and social topics CEO Letter , page 4 Leadership & Governance , page 31
102-21	Consulting stakeholders on economic, environmental and social topics Leadership & Governance , page 34
102-22	Composition of the highest governance body and its committees Leadership & Governance , page 32 2020 Proxy Statement , page 22
102-23	Chair of the highest governance body 2020 Proxy Statement , page 4
102-24	Nominating and selecting the highest governance body Leadership & Governance , page 31 2020 Proxy Statement , page 14, page 28
102-25	Conflicts of interest Code of Business Conduct and Ethics
102-26	Role of highest governance body in setting purpose, values and strategy 2020 Proxy Statement , page 22-23 Leadership & Governance , pages 31-34
102-27	Collective knowledge of highest governance body Leadership & Governance , page 31 2020 Proxy Statement , page 7
102-28	Evaluating the highest governance body's performance 2020 Proxy Statement , page 3

GOVERNANCE (CONTINUED)	LOCATION (PAGE, URL)
102-29	Identifying and managing economic, environmental and social impacts Sustainability Priorities , page 2 Leadership & Governance , pages 31-34 2020 Proxy Statement , page 26
102-30	Effectiveness of risk management processes Leadership & Governance , page 29
102-31	Review of economic, environmental and social topics CEO Letter , page 4
102-32	Highest governance body's role in sustainability reporting Leadership & Governance , page 31
102-33	Communicating critical concerns Business Ethics , page 27 Lazard Website , Investor Relations, Corporate Governance
102-35	Remuneration policies Leadership & Governance , page 33 2020 Proxy Statement , page 34
102-37	Stakeholders' involvement in remuneration 2020 Proxy Statement , pages 40-41

STAKEHOLDER ENGAGEMENT	LOCATION (PAGE, URL)
102-40	List of stakeholder groups About this Report , page 3
102-41	Collective bargaining agreements 2019 10-K Annual Report , page 8
102-42	Identifying and selecting stakeholders About this Report , page 3 Leadership & Governance , page 34
102-43	Approach to stakeholder engagement Leadership & Governance , page 34 2020 Proxy Statement , page 7
102-45	Entities included in the consolidated financial statements 2019 10-K Annual Report , page 63
102-46	Defining report content and topic boundaries About this Report , page 3 Sustainability Priorities , page 2
102-47	List of material topics Sustainability Priorities , page 2
102-48	Restatements of information None for this reporting period
102-49	Changes in reporting About this Report , page 3 Sustainability Priorities , page 2
102-50	Reporting period Fiscal Year 2019
102-51	Date of most recent previous report 2018 Corporate Sustainability Report was published in June 2019.
102-52	Reporting cycle Annual
102-53	Contact point for questions regarding the report Alexandra Deignan, Head of Investor Relations, alexandra.deignan@lazard.com , 212-632-6886

102-54	Claims of reporting in accordance with the GRI Standards	This report references the GRI Standards: Core Option
102-56	External Assurance	We engaged an independent firm to assess and verify the 2019 GHG emissions for Scope 1, 2 and 3 reported on page 37. For more details, a link to the verification statement prepared by Cventure is available on page 37.

MANAGEMENT APPROACH		LOCATION (PAGE, URL)
103-1	Explanation of the material topic and its Boundary	Sustainability Priorities , page 2 About this Report , page 3
103-2	The management approach and its components	CEO Letter , page 4

ECONOMIC PERFORMANCE		LOCATION (PAGE, URL)
201-1	Direct economic value generated and distributed	2019 10-K Annual Report , page 74
201-2	Financial implications and other risks and opportunities due to climate change	Environmental Sustainability , pages 36-37 Climate Change Investment Policy

ANTI-CORRUPTION		LOCATION (PAGE, URL)
205-1	Operations assessed for risks related to corruption	Business Ethics , pages 27-28
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics , pages 27-28

ENERGY		LOCATION (PAGE, URL)
302-1	Energy consumption within the organization	Environmental Sustainability , page 37

EMISSIONS		LOCATION (PAGE, URL)
305-1	Direct (scope 1) GHG emissions	Environmental Sustainability , page 37
305-2	Energy indirect (scope 2) GHG emissions	Environmental Sustainability , page 37
305-3	Other indirect (scope 3) GHG emissions	Environmental Sustainability , page 37

EMPLOYMENT		LOCATION (PAGE, URL)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Corporate Culture , page 13 Benefits offered to full-time employees in most locations include: health insurance, life and disability insurance, retirement plan, fitness/nutrition reimbursement, and employee assistance program.

TRAINING AND EDUCATION		LOCATION (PAGE, URL)
404-3	Percentage employees receiving regular performance and career development reviews	All employees receive periodic formal and informal reviews

DIVERSITY AND EQUAL OPPORTUNITY		LOCATION (PAGE, URL)
405-1	Diversity of governance bodies and employees	Corporate Culture , page 9 Leadership & Governance , page 32 2020 Proxy Statement , page 3 Lazard Website , Our Firm, Diversity

LOCAL COMMUNITIES		LOCATION (PAGE, URL)
413-1	Operations with local community engagement, impact assessments and development programs	Corporate Culture , page 14

FINANCIAL SECTOR SUPPLEMENT	LOCATION (PAGE, URL)
FS-1	<p>Policies with specific environmental and social components applied to business lines</p> <p>Lazard ESG Policy Sustainable Investment Global Governance Principles Climate Change Investment Policy Lazard ESG Integration: Annual Report 2019 PRI Transparency Report Engagement Policy for Shareholder Rights Directive II Lazard Proxy Voting Policy Lazard Environmental Statement</p>
FS2	<p>Procedures for assessing and screening environmental and social risks in business lines</p> <p>Sustainable Investing, page 17, page 18</p>
FS-5	<p>Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities</p> <p>Sustainable Investing, pages 15-25 Leadership & Governance, page 34 2020 Proxy Statement, page 7</p>
FS-6	<p>Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector</p> <p>2019 10-K Annual Report, page 48 (Financial Advisory), page 51 (Asset Management)</p>
FS-12	<p>Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.</p> <p>Lazard Proxy Voting Policy Global Governance Principles</p>

For more information about Lazard’s corporate sustainability initiatives or to provide feedback, please contact us:

sustainability@lazard.com