



2021 CORPORATE SUSTAINABILITY REPORT

Creating Value Responsibly

LAZARD

LAZARD 2021

Photography Challenge

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



Photo credits are provided in an index on [page 43](#).



Safe Harbor: This report may contain forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may”, “might”, “will”, “should”, “could”, “would”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “target”, “goal”, or “continue”, and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies, business plans and initiatives and anticipated trends in our business. These forward-looking statements, including with respect to the current COVID-19 pandemic, are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by these forward-looking statements. These factors include, but are not limited to, those discussed in our Annual Report on Form 10-K under Item 1A “Risk Factors,” and also discussed from time to time in our reports on Forms 10-Q and 8-K. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this report to conform our prior statements to actual results or revised expectations and we do not intend to do so.

Inclusion of information in this report is not an indication that we deem such information to be material or important to an understanding of our business or an investment decision with respect to our securities.

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 SASB

 TCFD

Sustainability Priorities

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



Our People and Culture

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



Sustainable Business

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



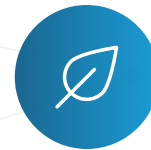
Business Ethics

- Values, principles and standards
- Compliance protocols
- Risk management
- Information security
- Training and education



Leadership and Governance

- Board oversight and independence
- Leadership and expertise
- Performance-based compensation
- Stakeholder engagement



Environmental Sustainability

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

A Message from Our CEO

As a global firm with a 174-year history, we view sustainability as a core component of our mission to deliver trusted financial advice and investment solutions. At Lazard, we manage our business to the highest standards of integrity and judgment and are dedicated to serving clients and the communities in which we operate.

2021 was a pivotal year at Lazard, as our employees navigated a return to the office, our firm achieved record results, and we continued to invest for growth and long-term shareholder value.

Environmental Stewardship

The Lazard Climate Center was launched in 2021 to provide rigorous, data-driven insights into the financial effects of climate change and the energy transition on companies and markets. The interdependency between people and the environment continues to be top of mind for employees and clients alike. As such, we are advancing our focus on the impact of climate change on industries, markets and the broader economy.

As the private sector builds decarbonization and the migration to green energy into long-term planning, the Lazard Climate Center seeks to serve as a partner to clients looking to understand how best to navigate these trends.

In March 2021, Lazard Asset Management became a signatory to the Net Zero Asset Managers Initiative, supporting the goal of net zero greenhouse gas emissions by 2050 or sooner. We believe meeting our commitment would enhance our fundamental research capabilities by addressing climate transition risks and opportunities while prioritizing real-world emissions reductions.

Growing Our People

Attracting a diversity of talent, providing resources to enable people to reach their full potential and maintaining a foundation of integrity are strategic priorities for the firm. Our affinity networks continue to expand, allowing our people to share a range of perspectives arising from diverse life experiences and amplifying the benefits

that cognitive diversity brings to our decision-making. Our diversity targets guide our efforts, and we hold ourselves accountable to building an inclusive culture where all backgrounds and perspectives are not only represented but celebrated.

Broadening Our Impact

This past year, the Lazard Foundation funded the Lazard New Visions Academy in partnership with New Visions for Public Schools. This is a two-year program that provides public high school students from under-resourced communities access to post-secondary readiness opportunities, financial literacy skills and professional capital. Our partnership with New Visions is just one of the ways we are supporting those in need in our communities.

Our people also take a proactive approach to addressing societal challenges and helping those in need around the world. The humanitarian crisis in Ukraine is devastating the lives of millions. In response, the Lazard Foundation in the U.S. enhanced its matching gift program to select non-profit organizations such as International Rescue committee and Save the Children which provide childcare, refugee and healthcare services to those affected. Across Europe, we are matching employee donations to the International Red Cross and other organizations that are providing relief to the citizens of Ukraine.

As markets, economies and societies evolve, sustainability and responsible business practices are at the heart of our mission to provide clients trusted financial and investment advice. We invite you to review our fourth Corporate Sustainability Report which highlights how we are delivering value sustainably.



Kenneth M. Jacobs
Chairman and Chief Executive Officer

Lazard at a Glance

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

In Financial Advisory, we advise clients around the world on strategic and financial matters, including mergers and acquisitions, restructurings, sovereign advisory, shareholder advisory, capital structure and capital raising. In Asset Management, we manage investment portfolios globally for clients including 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.

Our Global Presence



NORTH AMERICA

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

EUROPE

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

SOUTH AMERICA

- Bogotá
- Buenos Aires
- Santiago
- São Paulo

ASIA-PACIFIC

- Beijing
- Dubai
- Hong Kong
- Melbourne
- Riyadh
- Seoul
- Singapore
- Sydney
- Tokyo

40

Cities

96

Nationalities

25

Countries

55

Languages



- 53% AMERICAS
- 6% ASIA-PACIFIC
- 41% EUROPE/ MIDDLE EAST/ AFRICA

\$3.14bn

Operating Revenue

\$274bn

Assets Under Management

~3,200

Employees

170+

Years Serving Clients

About This Report

Lazard's 2021 Corporate Sustainability Report (CSR) demonstrates our ESG approach, initiatives and perspectives on key topics prioritized by our stakeholders—employees, clients, shareholders, business partners and communities. At Lazard, a focus on ESG matters underpins our business and is imperative to fulfilling our mission of serving clients responsibly and creating long-term value.

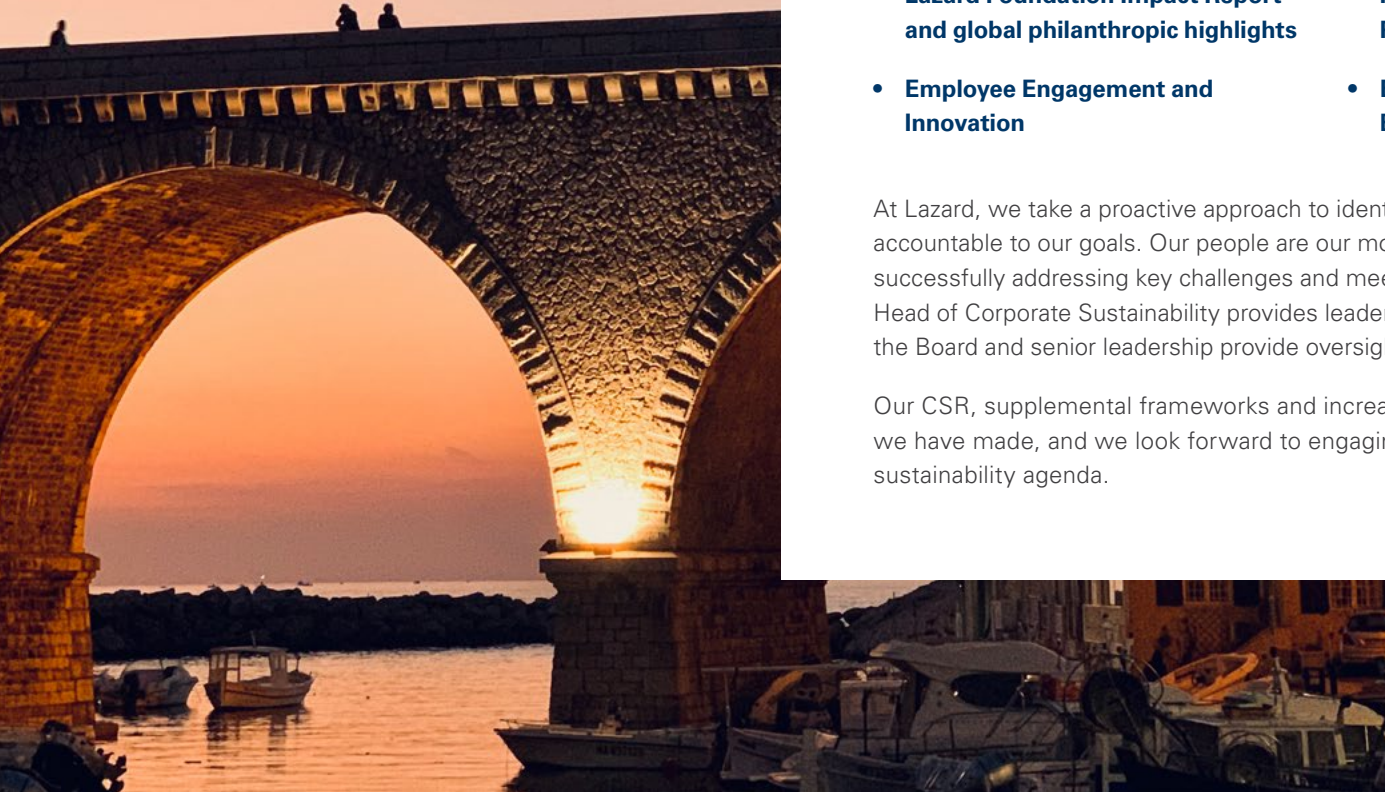
Lazard's fourth annual CSR illustrates our continued commitment to developing and inspiring our employees, our approach to cyber and information security risk management, and our global environmental and philanthropic initiatives. Through our focus on ESG and sustainability across the firm, we strive to have a positive impact on the economy, society and the environment.

Report highlights in 2021 include:

- **Lazard Foundation Impact Report and global philanthropic highlights**
- **Information Security and Data Privacy Statement**
- **Employee Engagement and Innovation**
- **Enhanced Code of Conduct and Business Ethics procedures**

At Lazard, we take a proactive approach to identifying ESG risks and opportunities and hold ourselves accountable to our goals. Our people are our most important asset. Their dedication is critical to successfully addressing key challenges and meeting the needs of our diverse global client base. Our Head of Corporate Sustainability provides leadership and guidance on our sustainability agenda, while the Board and senior leadership provide oversight and execution on strategic initiatives.

Our CSR, supplemental frameworks and increased ESG disclosures are indicative of the progress we have made, and we look forward to engaging with all our stakeholders to advance our sustainability agenda.



Creating Value Responsibly

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

Our reputation relies on the ability of our people to deliver the best outcomes, to act responsibly 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

- Financial Advisory
- Asset Management

OUR STRATEGIC PILLARS

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

- Our People and Culture
- Sustainable Business
- Business Ethics
- Leadership and Governance
- Environmental Sustainability

OUR ENGAGEMENT

Provides transparency and addresses evolving stakeholder interests

- Employees
- Clients
- Business Partners
- Shareholders
- Local Communities

OUR VALUE

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

- Global Economies
- Market Innovation
- Culture of Quality
- Enabling a Sustainable Future

ESG Engagement Across the Firm

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



ENVIRONMENTAL

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



SOCIAL

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



GOVERNANCE

Lead with integrity and engage with all of our stakeholders

Each of our businesses offer training and educational resources on environmental, social and governance topics unique to their respective industries to ensure our people are educated on policies, procedures and important ESG trends. Training and education on ESG matters is also provided to our employees through thought leadership, Town Halls, internal conferences and our corporate sustainability reporting.

FINANCIAL ADVISORY

In 2021, Financial Advisory launched a new **Sustainability Series**. In light of the growing impact of sustainability and ESG on our business, Lazard hosted panel discussions with colleagues and business leaders at the forefront of ESG trends to deepen our understanding of various topics and assess how we can adapt accordingly as well as meet the needs of our clients as they tackle these critical issues.

ASSET MANAGEMENT

Lazard Asset Management (LAM) conducts training on material and emerging ESG issues with the goal of improving internal expertise. In 2021, the Sustainable Investment & ESG team hosted several training sessions, including a session on LAM's Net Zero strategy. Formal sessions are just one way we foster learning; informal training opportunities arise through daily investment calls and one-on-one interactions with our investment professionals.





Our People and Culture



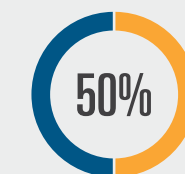


Diversity at a Glance

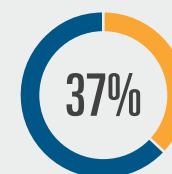
We are proud of the rich cultural heritage of our people, and we continue to increase Lazard’s overall diversity. Our global workforce of 3,200 people is based in 40 cities across 25 countries. We aim to cultivate an environment where all people and ideas are welcomed. We continue to focus on increasing our diversity and assess diversity at all levels, including the board, executive, managerial and entry levels. We measure diversity by tracking key metrics where permitted, for hiring, retention, attrition, and promotions. To advance our goals and guide our strategic workforce planning, we harness analytics and data to identify and evaluate our representation, hiring, promotion, engagement trends and other key data to enhance our workforce and human capital management strategy.

Our People and Culture Drive Our Performance

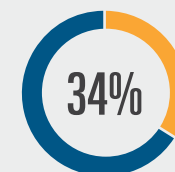
At Lazard, our expertise and reputation for excellence starts with our talented employees around the world. We cultivate a collaborative environment that encourages innovative thinking and fresh ideas. Our people set us apart: our colleagues come from diverse backgrounds and provide unique perspectives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



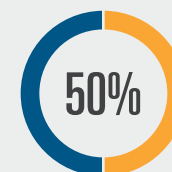
of our Independent Directors are women



of our global employees are women



of our U.S. employees are from ethnic groups



of our employees are based in the U.S.

Advancing Diversity

Lazard fosters belonging, individual value and optimal collaboration

The value of diversity is ingrained in our culture and reflects our multicultural heritage. As a global firm that has grown organically from local roots in different countries, we have a deep tradition of respect for individual differences, which has been core to our success for more than 170 years. The ongoing cultivation of an inclusive, diverse and equitable culture is essential to our continued growth. We are committed to sustaining a respectful environment in which all employees—regardless of socioeconomic status, race, ethnicity, nationality, religion, gender, gender expression, sexual orientation, physical abilities, veteran or military status—can bring their authentic selves to work and maximize their individual potential, as well as our collective success.

 Our [aspirational diversity targets](#) set in 2020 reflect our commitment to increasing diversity at all levels across the firm.

We are focused on creating a culture where people are able to capitalize on their differentiated experiences and

perspectives. It is crucial that they not only feel free to share their point of view but understand that it is expected and valued. Inclusion, diversity, equity and allyship go hand-in-hand in retaining our top talent.

Our diversity targets represent just one facet of our Inclusion, Diversity, Equity, and Allyship (IDEA) strategy. We focus our efforts across the firm to make progress on this journey.

Inclusion, Diversity, Equity & Allyship



Gender
Race, ethnicity & culture
Generational & life stage
Social mobility
LGBTQIA+
Military veterans, reservists & spouses
Disability, mental health & neurodiversity

Board Accountability

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

Our Workplace and Culture Committee at the Board level oversees the efforts by management to promote a diverse and inclusive workforce and encourages its people to engage with each other to broaden perspectives. Our Head of Diversity and Inclusion works together with senior leadership to manage the firm’s efforts as it relates to recruiting, retention and creating a culture of inclusion and acceptance across the firm.

Employee Leadership

The Financial Advisory Workplace and Culture Committee, the Corporate Finance Talent & Development Committee, and the Lazard Asset Management Inclusion Taskforce are examples of employee-driven working

groups across the firm dedicated to developing and retaining our best talent. The groups take an active part in supporting talent development by creating a variety of learning opportunities throughout the year. Our people are dedicated to ensuring that we are actively promoting diversity and inclusion across recruiting, onboarding, mentoring, training, and development, with a focus on measurement and transparency to ensure that we hold ourselves accountable and continue to make progress.

“As a co-lead of the LAM Inclusion Task Force and, more importantly, as a member of the Lazard community, I am grateful to be surrounded by people who help carry Lazard’s powerful culture and challenge us to become better investors.”

Emily Braverman,
Asset Management

Policies and Initiatives

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 U.N.-supported PRI, U.N. Global Compact, U.K. Stewardship Code, the Japan Stewardship Code, the Korean Stewardship Code, and the U.K. Women in Finance Charter.

Diversity and Inclusion

We develop our people in an environment of learning, respect and dignity. We offer diversity and inclusion learning programs to provide the language, tools and resources for our employees to recognize unconscious bias, appreciate cultural and racial views, and create allyship. For the first time, every colleague at the firm globally now has access to multiple on-demand learning modules that explore living with biases, conscious collaboration and inclusive leadership. As part of our commitment, learning events are hosted by expert moderators and Town Halls with senior leadership serve as a platform for employees to engage on topical issues.

Pay Equity

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

Gender Pay Gap Reporting

In line with local requirements, Lazard publishes a U.K. Gender Pay Gap Report annually for our Financial Advisory business.

Our Commitments



U.N. Global Compact



L'Ascenseur



30% Club



CEO Action for Diversity and Inclusion



U.K. Women in Finance Charter

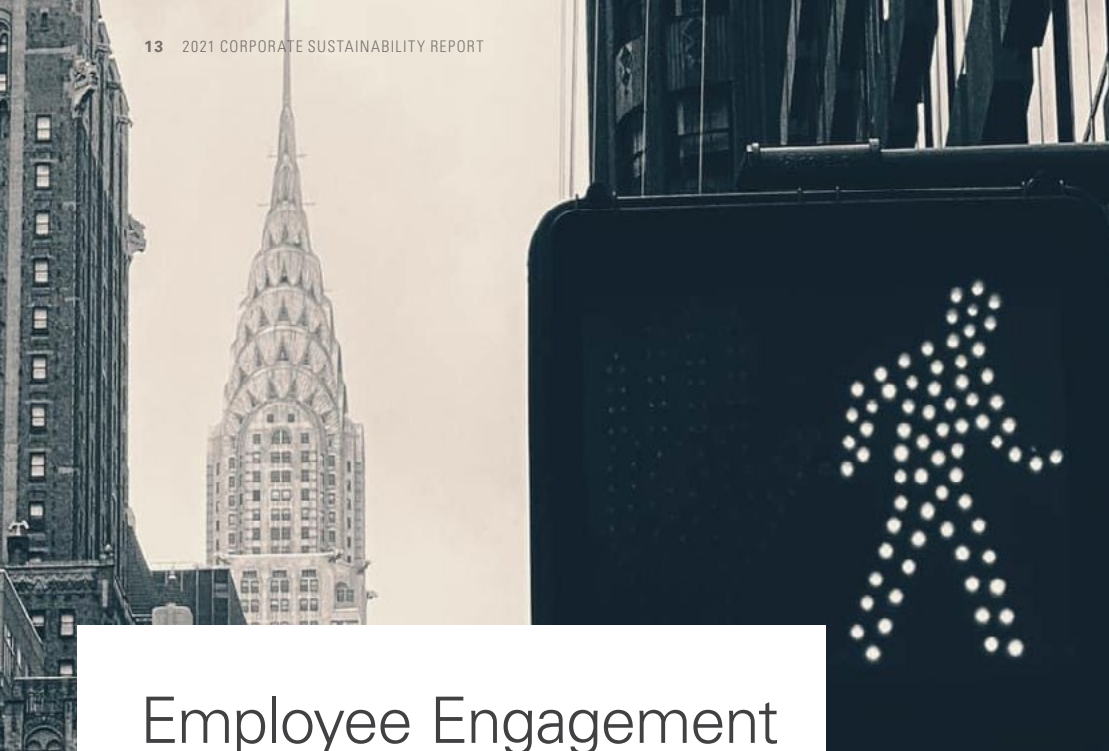


#StOpE Initiative

[Read more about Lazard's equal opportunity policy in our Code of Business Conduct and Ethics.](#) Lazard further demonstrates this commitment as a signatory to the [U.K. Women in Finance Charter](#).

[Financial Advisory U.K. Gender Pay Gap Report 2021](#)

[Diversity and Inclusion Statement](#)



Employee Engagement and Innovation

Coordination and knowledge sharing are critical to our success as an interconnected global firm



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



The Lazard Innovation Contest is a reflection of our commitment to openness, listening, progress and piloting of new ideas.

CEO Conversations

17

Small group conversations with 350 junior to mid-level employees

25

Group meetings with 700+ employees

4

Town Hall forums

@Lazard Social Media Activity in 2021

226

LinkedIn posts

95

Instagram posts

150

Tweets

24

YouTube videos

340

Submissions

10

Top ideas implemented

Listening to Our Employees

Employee feedback plays a vital role in shaping our priorities and decision-making around workplace practices and culture. We engage with employees through global engagement surveys to better understand their ideas, concerns and recommendations to strengthen our workplace priorities.

70%
global employee participation

>4,500
comments

50%
of respondents provided comments

Overall, survey results indicated employees positively view Lazard's commitment to diversity, equity and inclusion and most employees feel a sense of belonging at Lazard.

People Analytics

Our Human Resources team utilizes dashboard analytics to review diversity, hiring, attrition and other factors to evaluate our progress. Through these performance trends, we are able to identify potential gaps and apply insights to our hiring and talent development strategies. Below is a sample of how we track our progress on developing diverse talent within the firm.

TRACKING PROGRESS TO DIVERSITY GOALS

Women globally: VP and above

Aspirational Target: 35%







Firm-wide Engagement and Connectivity

Our global employee-led affinity networks allow colleagues of various backgrounds to share experiences and converse on initiatives relating to employee engagement, diversity, professional development, education and community outreach. Events are held throughout the year with both internal and external participants to broaden perspectives and inspire our people. Since 2020, employees founded eight new affinity groups and hosted more than 100 engagements in 2021.

“In my 15 years at Lazard, I’ve seen a number of positive changes. We are now in a position where we can be a more inclusive, entrepreneurial firm that enables talent to flourish.”

Mohit Pandya, Asset Management

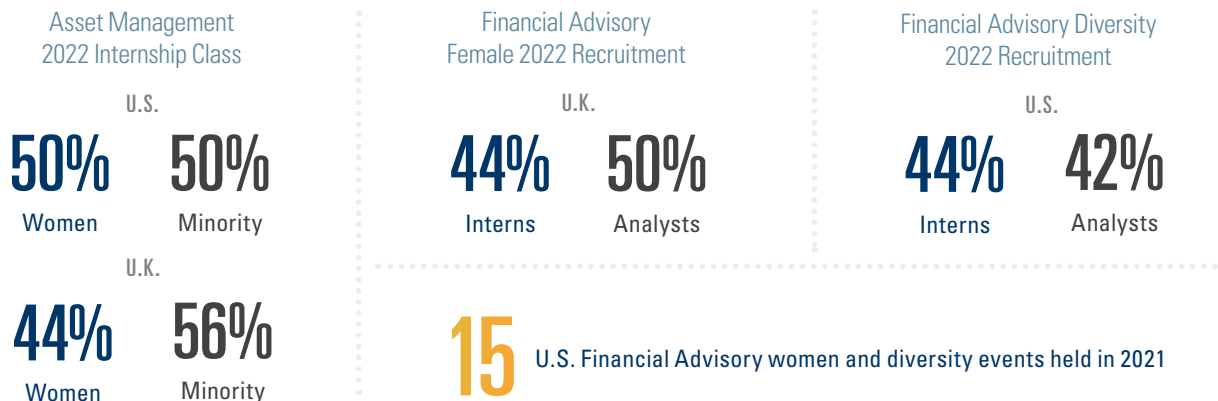
MULTICULTURAL	COMMUNITY	MENTORSHIP	GLOBAL CONNECTIVITY
 <p>LAZARD Black & African American Employee Network</p>  <p>LATINX ALLIANCE NETWORK</p>	<p>LAZARD <i>Green</i></p> <p>LAZARD VETERANS NETWORK</p> <p>LAZARD PROUD</p>	 <p>MENTORING @ LAZARD</p> <p>LWL network Lazard Women's Leadership Network</p>	 <p>LAZARD FAMILY NETWORK</p> <p>LAZARD ALUMNI</p>
	<p>The Latinx Alliance Network hosted a discussion with former Mayor of Brownsville, Texas, Tony Martinez. Mr. Martinez was joined by Lazard’s Pablo Hernandez Schmidt-Tophoff, Financial Advisory, for a candid discussion on immigration and the Latinx Community.</p>	<p>~100 Employees participated</p> <p>12,000+ Social media views</p>	<p>The LAM U.S. chapter of the Lazard Women's Leadership Network hosted an “Old Fashioned Meet & Greet” networking event to reconnect in person. Women across LAM New York attended and engaged in group discussions.</p> <p>105 Women's Leadership Network events hosted since founding</p>

Recruiting Talent

Discovering our future leaders

In our recruiting efforts, we proactively seek individuals who are highly talented and culturally enriching. We use a combination of formal and informal outreach programs to attract a diverse mix of uniquely talented and authentic people who we believe will make positive contributions to our firm and the broader community. Our diversity program is designed to improve the likelihood that people with differentiated backgrounds and perspectives are among the candidates we consider for any role.

Our campus recruiting includes focused efforts on recruiting women and underrepresented groups through club sponsorships and partnerships. At the campus level, we build relationships with colleges and student organizations that support and advise underrepresented groups, including Howard University, Spelman College, Morehouse College and other Historically Black Colleges and Universities (HBCUs), The Duke Association for Business Oriented Women, Wharton African American MBA Association, Wharton Women in Business, Columbia Business School: Black Students Association and Chicago Booth Armed Forces Group.



In 2021, we continued our partnership with SEO London’s Careers Program. This diversity partnership focuses on attracting, engaging and recruiting university students from ethnically diverse and/or lower socioeconomic backgrounds for our internship and full-time analyst programs. Colleagues from our London office facilitated interactive workshops and skills sessions throughout the recruitment season to support the development of SEO Candidates.

2021 PARTNERSHIPS TO ADVANCE DIVERSE HIRING

We partner with multiple organizations to support our hiring efforts. For example, we support the Forté Foundation, a nonprofit promoting the advancement and equal treatment of women in professional careers and the Toigo Foundation, a nonprofit which fosters the career advancement and increased leadership of underrepresented talent.



Recruiting focused on intellect and culture



Original, insightful thinking



Differentiated perspectives



Integrity & ethical standards



Intellectual capacity & collaborative instincts



Positive contributions beyond professional goals

Training and Career Development

Investing in our people supports our future growth



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



Global & Internal Mobility

Employees have the opportunity to learn from seasoned professionals—building formal and informal mentor relationships across the firm.

At Lazard, we encourage employees to find their own place, whether in their team or across the globe, where they can bring value to the firm. We encourage colleagues to explore cross-department opportunities or roles in other groups. 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, strengthening their international relationships, and enhancing our global connectivity.



Performance Management

In 2021 we introduced **Pathways**, a new performance and development framework and platform. This simplified framework assesses both business results and demonstrated behaviors in the workplace, such as collaboration, inclusivity, curiosity and integrity, and focuses on development actions and long-term career aspirations. All colleagues support each other's ongoing development by soliciting and providing feedback on peers, superiors, and direct reports.

15,000+
peer feedback
comments exchanged



Recruiting & Onboarding

We hire talented and motivated individuals, and we apply a dynamic approach to learning at all levels. Analyst and associate new hires begin their careers with a multi-week immersion training program to learn technical skills, regulatory compliance fundamentals and professional and leadership development.

This year, we worked across the globe to enhance and streamline the onboarding process for lateral hires, specifically focusing on cultural integration into the firm in the first 90 days.



Global Learning & Leadership Development

Lazard focuses heavily on learning through the apprenticeship model, where colleagues learn hands-on by solving challenges and observing others. Learn@Lazard, our formal learning platform, was launched in April 2021 and offers on-demand and instructor-led courses covering a wide range of categories, including how to prepare our people to lead individuals and teams effectively. In the U.K., our London office piloted the Director Development Program which includes several leadership and development workshops and programs with both external speakers and Lazard Managing Directors.

GLOBAL LEARNING

\$1.2M
tuition
reimbursement in
last four years

~47,000
training hours
completed

LEARN@LAZARD

~2,600
unique learners

~5,200
completed
courses

~3,400
learning hours
completed

62% of MD
promotes in Financial
Advisory started their
careers as interns,
analysts or associates



Work to Wellness

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

Through our global Work to Wellness program, our goal is to empower our people to achieve a balance among their commitments to career, family, and community, so we invest in a variety of wellness programs that encourage individuals to:

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

Mental Health: Lazard is committed to raising awareness about mental illness, fighting the stigma, and providing support globally. Our **Employee Assistance Program** provides confidential counseling, financial consultation, work-life services and life coaching to assist with the management of everyday life issues for employees and their family members. Work to Wellness regularly hosts educational seminars on a range of mental health topics – from manager trainings to stress and resiliency courses. In 2021, we launched a global campaign for World Mental Health Day, which included local support resources and live webinars. We also provide access to meditation apps, including Unmind and Headspace.

Family Benefits: We believe people’s personal and professional lives are equally important. We provide generous paid parental leave for new parents, regardless of gender. For example, in the U.S., our parental leave policy offers 20 weeks of paid leave for primary caregivers of a newborn or newly adopted child. Some of our family-friendly benefits include private coaching for fertility and parenting, egg freezing and storage, adoption and surrogacy reimbursements, back-up childcare, elder care coaching and virtual tutoring.

Safety of Lazard Colleagues: To ensure the health and safety of team members, we have established protocols and parameters including COVID-19 testing and health questionnaires on our Lazard health app. Our intranet provides up to date information on local regulations, office plans and policies.

Future of Work @Lazard: As we evolve from the pandemic-driven remote environment in 2020, our goal is to leverage technology and optimize a more flexible approach to work. We believe that a coordinated hybrid model empowers our employees to balance personal responsibilities while ensuring that we continue to engage in-person, enhancing camaraderie, mentorship and teamwork, and enabling creative spontaneity that often results from collaboration.

Health and Nutrition: Lazard reimburses fitness and nutrition expenses to promote physical health among our people. Additionally, Work to Wellness sponsors global step challenges, on-site flu shot clinics, health education workshops, as well as fresh fruit deliveries in partnership with Dining Services.

In 2022, we introduced **Included Health** in the U.S., a healthcare concierge service for our LGBTQIA+ community.

Work to Wellness 
Building a Healthy Workplace

100+

U.S. managers attended mental health leadership training

~70

Wellness events

 **Included Health**



Physical health



Network Challenges



Gender Affirming Care



Community Support



Mental Wellbeing



Benefits Navigation

*Note: Offerings differ by business and location

Lazard Gives Back

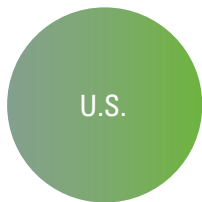
Passion and purpose drive our support for local communities through both charitable contributions and hands-on volunteer activities. Our global **Work for Good** (WFG) program provides employees paid time-off to volunteer with a wide variety of local charities. As part of this initiative, the firm launched **Lazard Cares**, whereby Lazard employees can allocate one business day per year to volunteer for a qualifying organization. The mission of Lazard Cares is to encourage employees globally to volunteer with charities and community organizations of their choosing.



Our New York office volunteered with the Lazard Foundation's nonprofit partner Children's Aid for a garden beautification project

GLOBAL PHILANTHROPY

LOCAL IMPACT



U.S.



Lazard Foundation

\$4.4M donated since the Foundation's launch in 2019

Lazard New Visions Academy

16,654 hours of student participation



U.K.

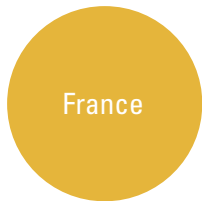


Lazard Empowers

115+ students attended insight events and workshops

Give as You Earn (GAYE)

£109,867 donated to charities in 2021



France



Lazard S'Engage

€346,153 donated in the past three years

Lazard Frères Gestion (LFG)

Promote and safeguard patronage of the arts through education, restoration and exhibition

[Lazard Frères Gestion-Institut de France Foundation](#)



Global



Work to Wellness

\$30,000 donated to charities in the last two years

Lazard New Visions Academy

The Lazard New Visions Academy, announced in May 2021, is a two-year pilot program funded by the Lazard Foundation. It is a signature initiative, created in partnership with New Visions for Public Schools, that provides approximately 600 New York City public high school students from under-resourced communities with the opportunity to gain vital knowledge, experience and relationships to set them on a path toward future professional careers.



[View the Lazard Foundation's inaugural Impact Report](#) to learn more about The Lazard New Visions Academy and the Foundation's partnerships with nonprofit organizations.

[Learn more about our global volunteer opportunities on our website: Community Engagement](#)



Sustainable Investing



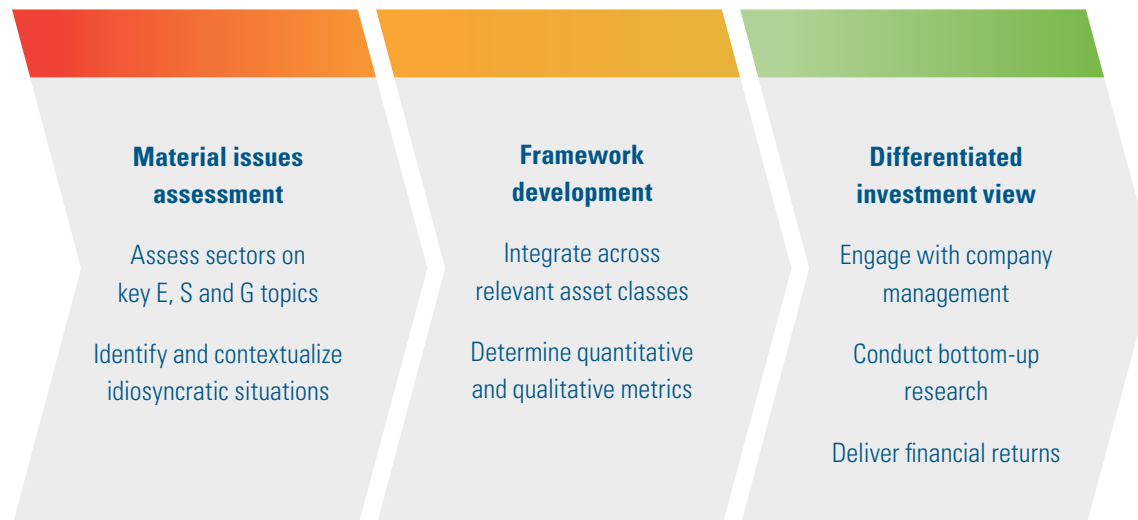
Sustainable Investment Philosophy

Lazard Asset Management has been investing on behalf of clients for over 50 years. As a global investor, we have a deep understanding and appreciation of the complex relationships between business, industry, society, and the environment. Lazard's sustainable investing philosophy stems from a belief that long-term structural changes such as globalization, social inequality and climate change present financial risks and opportunities to both benefit our clients and promote a more sustainable future. 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.

Our ~300+ investment professionals are responsible for incorporating environmental, social, and governance-related risk and opportunity assessments into their work. We think our ESG subject matter experts add the most value by supporting our investment professionals who have in-depth knowledge of individual companies under their coverage and held in portfolios. At the end of 2021, our ESG team had expanded and evolved into four key functions: research, stewardship, data & analytics, and client intelligence.

[Our Policies and Reports](#)

Our sustainability approach is fundamental, and forward-looking, creating a differentiated view from standardized ratings



Enhancing Investment Capabilities for a Changing World



2021 was a milestone year in many respects. There were considerable challenges, including enduring disruption from the pandemic. This past year was also monumental in recognizing the effects of climate

change and the impact of changing regulatory forces. As a result, ESG is increasingly important as a financial factor in security analysis and portfolio construction. Lazard's approach to ESG applies across key relevant functional areas of our business including research, stewardship, data and analytics and client intelligence.

Ashish Bhutani, CEO, Asset Management



ESG Framework

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 relevant investment professionals to identify and analyze the issues we have identified as most pertinent to their securities, sectors, regions and portfolios.

We consider the financial materiality of ESG issues to exist on a spectrum, with varying levels of intensity, influenced by contextual considerations across geographies and industries, and constantly evolving over time.

[Learn more about Lazard's Sustainable Investing Approach](#) In 2021, we further refined our materiality mapping process to better assess how certain sustainability attributes may impact a sector or company's products, particularly as it relates to emerging opportunities in addition to ESG operational risks.



United Nations Principles for Responsible Investment (PRI) Lazard 2020

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

ESG Considerations Across Key Functions



GOVERNANCE THOUGHT LEADERSHIP

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



INTEGRATED RESEARCH

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



RISK COMPLIANCE REPORTING

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

“We believe that fundamental analysis and ESG analysis should be performed in an integrated fashion, by the same investment specialists. In doing so, our sustainability insights enable us to make better investment decision for our clients”

Louis Florentin-Lee, Asset Management

Global Insights & Research

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

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 considerations in the course of managing our clients' portfolios. Independent research is essential to our approach to investing. Investment insights are shared and debated among our investment professionals through digital platforms, training sessions, interactions with external experts and industry organizations. We regularly share our investment viewpoints, research, and updates with our clients.

Connected Intelligence and Collaboration

Materiality Mapping Sessions

Systematic and dynamic process to identify risks and opportunities by sector, intensity, and contextualized for geography and company factors.

Sustainability Scorecard Workshops

Proprietary framework for assessing materiality and company response to sustainability risks and opportunities concerning products and operations.

Climate Change and Net Zero Seminars

Focused on Lazard's strategy pillars: Decarbonization; Engagement; Green Revenues.

Informal Training

Throughout daily routines, investment insights are shared and debated amongst our investment professionals.

Governance: Proxy Voting

Pre-season briefing on executive compensation, board diversity and other governance.

External Speaker Series

We host periodic discussions with expert sources from industry partnerships.



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

[Sustainable Investing 2021 Year in Review](#)

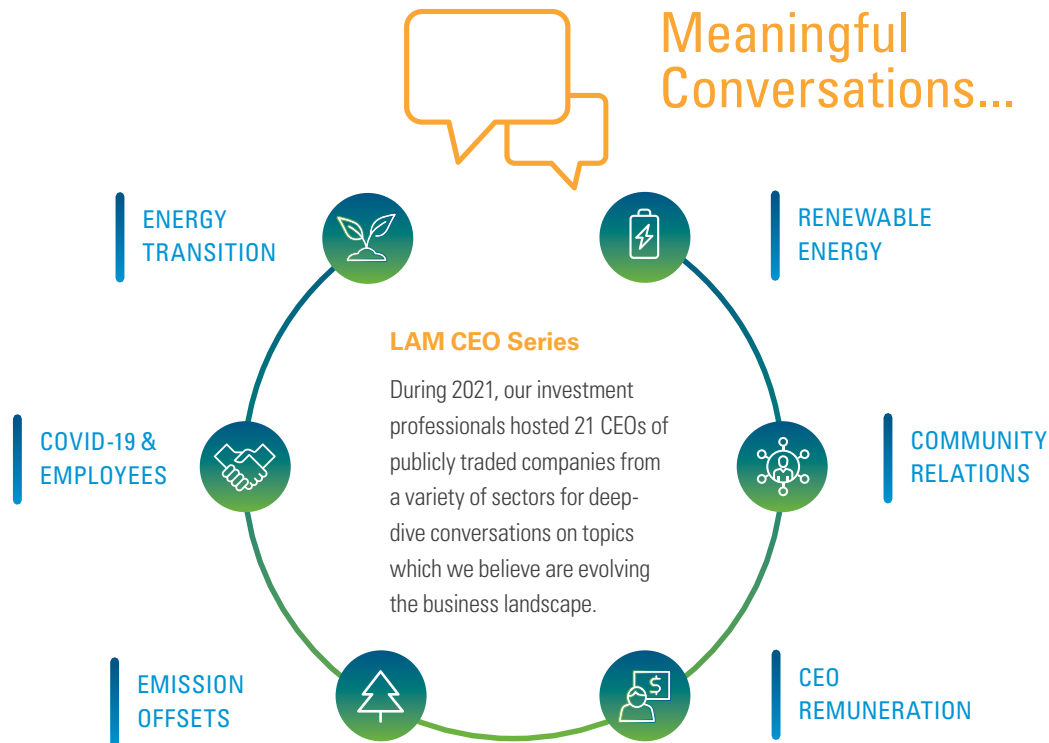


2021 Stewardship & Engagement

As active investors with established relationships and deep knowledge of our portfolio companies, we are in a strong position to engage constructively with management teams.

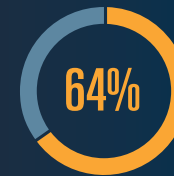
As stewards of our clients' capital, we draw on a variety of tools to influence companies to promote more effective management of, among others, sustainability issues that we believe are material to our overarching investment thesis.

We proactively engage with company management in order to assess long-term shareholder value. We believe that stewardship should be conducted by analysts and portfolio managers so that voting and engagement decisions are consistent with investment rationales. We see this as an important differentiator as we believe shareholder and bondholder engagement is more effective when undertaken directly by the analysts and portfolio managers that own the securities in their portfolios.

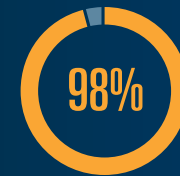


2021 Global Stewardship

In 2021, LAM voted in over **5,000** meetings.



Share of shareholder resolutions that we supported in 2021



Total Proxies Voted

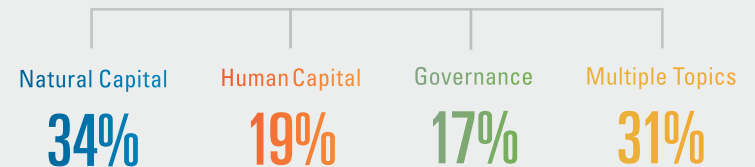
ESG Engagement

LAM participates in ~4,500 company meetings per year

ESG Discussed in Meetings



ESG Meeting Breakdown by Topic



Net Zero Goal and Industry Collaboration

Contributing to progress through partnerships and actions

Managing to Net Zero

Lazard is one of the first U.S.-based asset managers to join the Net Zero Asset Managers Initiative (NZAM), a group of global asset managers that commit to support the goal of net zero greenhouse gas emissions by 2050, in line with global efforts to limit warming to 1.5°C.

We believe meeting our net zero commitment would enhance our fundamental research capabilities by addressing climate transition risks and opportunities while prioritizing real-world emissions reductions.

DECARBONIZATION ANALYTICS

To measure, track and report on historical and forward-looking carbon emissions of relevant portfolios, we are developing proprietary tools to help us identify material holdings in high emitting companies and engage in more transparency and greater alignment to a 1.5°C pathway.

CLIMATE-RELATED ENGAGEMENT

Engage with companies to better understand their emissions profile relative to net zero trajectories, and how their decarbonization plans can link to long-term financial performance.

GREEN REVENUE ASSESSMENT

Assess exposure to climate solutions within relevant portfolios using third-party data and our own proprietary Green Revenues framework to measure whether companies are contributing to decarbonization.

[Our Approach to Net Zero](#)

Industry Collaborations

Lazard is a signatory or member of several organizations that inform our responsible investing. Participation in industry initiatives is designed to keep us fully informed about emerging best practices and industry standards such as climate transition plans and portfolio level carbon metrics. These industry initiatives may also provide the opportunity to promote greater transparency and adoption of emerging best practices at scale.

SUSTAINABILITY

-  United Nations-Supported Principles for Responsible Investment (PRI)
-  International Accounting Standards Board (IASB) Investors in Financial Reporting Programme
-  Chief Executives for Corporate Purpose (CECP)
-  Pensions and Lifetime Savings Association (PLSA)
-  Sustainability Accounting Standards Board (SASB)
-  Abu Dhabi Sustainable Finance Declaration (AsFF)
-  Responsible Investment Association Canada

CLIMATE CHANGE

-  Institutional Investors Group for Climate Change (IIGCC)
-  Task Force on Climate-Related Financial Disclosures (TCFD)
-  CDP (formerly, the Carbon Disclosure Project)
-  Net Zero Asset Managers Initiative
-  Taskforce on Nature-related Financial Disclosures (TNFD)

STEWARDSHIP & GOVERNANCE

-  International Corporate Governance Network (ICGN)
-  U.K. Stewardship Code
-  Financial Services Agency Japan Stewardship Code
-  Korea Stewardship Code
-  Farm Animal Investment Risk & Return (FAIRR) Initiative
-  United Nations Global Compact
-  Board of Director Training Institute of Japan (BDTI)



Sustainable Financial Advisory



ESG Advisory

Our approach and practices

Environmental, social and governance factors are increasingly top of mind on investment banking transactions. Beyond the financial drivers, we provide a holistic picture of market challenges and opportunities. Our advice helps companies execute on strategic positioning and focuses on identifying differentiated opportunities to create long-term value.

Our Financial Advisory business provides perspectives and insights from a deep knowledge of industries and individual companies. We work with public and private companies across all sectors, market caps and geographies to solve complex challenges across all aspects of E, S and G and help our clients build and refine ESG strategies that resonate with an expanding and evolving stakeholder universe.

“Our clients are enhancing engagement efforts to address increasing investor interest in topics such as climate change, societal impact, corporate culture and the Board’s role in risk mitigation.”

Kathryn Night, Financial Advisory

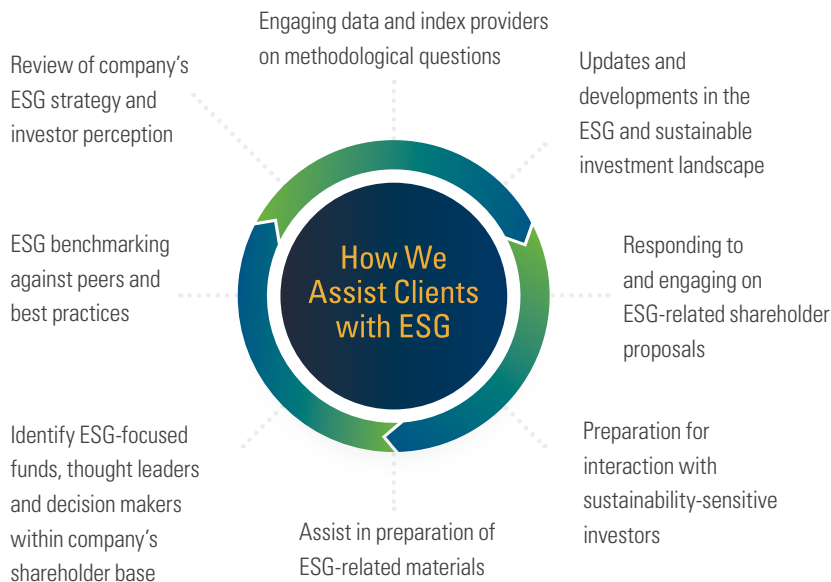
CLIENT ADVISORY

SHAREHOLDER ADVISORY

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

STRATEGIC ADVISORY

Our Financial Advisory practice is increasingly evaluating ESG in M&A and capital raising as investors and clients are more focused on the ESG framework when identifying and evaluating opportunities.



Client selection of targets and business partners

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

Due diligence

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

Company valuation and transaction terms

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

Transaction financing

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

How We Engage and Advise on ESG

We help companies navigate the ESG landscape as they engage with stakeholders and advise companies focusing their efforts on transitioning to a lower carbon economy

Lazard Climate Center

Companies across a range of industries and sectors are increasingly focused on making investments in a world quickly preparing to transition to a zero-carbon economy.

The Climate Center seeks to address knowledge gaps and serve as a partner to companies looking to understand how best to navigate these trends.

Through our research, we now have a foundation for understanding the potential impact of emissions and

energy transition on industries, companies, the cost of capital and investing strategies. Our proprietary data shows that while pricing sensitivity to changes in carbon emissions varies across sectors, our results suggest investors are actively pricing transition risk into valuations.

[Lazard Climate Center Inaugural Research](#)



“The corporate sector has a leading role to play in the world’s response to climate change. The data accumulated so far makes it clear that the more greenhouse gases a company emits, the lower its stock price relative to its earnings.”

Peter Orszag, CEO, Financial Advisory



How the Lazard Climate Center Differentiates Itself

-  Intersection of academic research with industry perspective
-  Firm-level analysis
-  Cutting-edge insight
-  Practical and actionable implications
-  Innovative solutions on pressing climate issues

Energy Transition Assignments

~70
Since 2019

91%
3-year CAGR

“Our clients are investing in renewable sources of energy and allocating capital expenditures to improve the carbon intensity of their existing assets. We advise companies to evolve in ways that contribute to the decarbonization of the entire energy complex, providing competitive economic advantages alongside broader environmental benefits.”

Doug Fordyce, Financial Advisory

Impactful and Responsible Business Approach

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

Environmental and social risk assessment is integrated into our business risk management and client selection process. Responsible business includes a commitment to identify and assess business opportunities to appropriately screen significant ESG and regulatory risks that may impact our firm and clients.

Our Practices

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



Client Due Diligence

We have established due diligence protocols and implemented processes for evaluating clients prior to confirming our role as an advisor. We review environmental and social risks as part of our due diligence prior to onboarding new projects or client engagements and decline any assignment that conflicts with our firm policies, procedures and values.



Leadership

Our compliance and risk management teams work alongside senior leadership to identify and review potential assignments we may undertake. Clients operating in a particular high-risk sector or country, and transactions believed to be significantly more complex may undergo enhanced review.



Sustainability Committee

Lazard has established a Sustainability Committee consisting of senior leaders across the Financial Advisory business. The committee meets regularly to discuss Lazard's evolving ESG priorities and evaluate sustainability from a client perspective.



Industry Expertise and Insights

ENVIRONMENTAL



[Levelized Cost of Energy, Storage and Hydrogen](#)

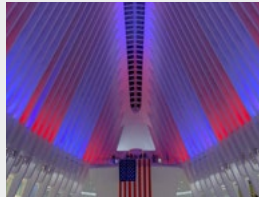
Lazard's three annual reports provide a comparative cost-based analysis for a wide spectrum of renewable and conventional generation technologies. Our studies document the continued acceleration of the energy transition and solutions which will be key to increased energy efficiency and sustainability.



[Lazard Climate Center](#)

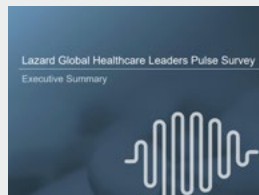
The Lazard Climate Center was formed to provide rigorous, data-driven insights on the financial effects of climate change and the energy transition on companies and markets. The Center's initial work is the most comprehensive analysis to date on how markets are currently viewing firm-level emissions.

SOCIAL



[Consumer Subscription Economics Report](#)

Our Consumer Subscription Economics Report shows the mass adoption and success of media subscription businesses in the last decade spilling over into new sectors, revealing a major shift in consumer behavior around the purchasing of online services.



[Global Healthcare Leaders Study 2021](#)

This year's study focuses on pandemic-related expectations and challenges for industry leaders, as well as their strategic priorities. One of our central findings is that most healthcare respondents believe that industry financing and strategic activity will continue at recent levels or accelerate.

GOVERNANCE & MARKETS



[2021 Review of Shareholder Activism](#)

Expectations are shifting for companies to incorporate the interests of all stakeholders, not just shareholders, into strategies for long-term value. Lazard's quarterly review of shareholder activism compiles and analyzes data on key activism trends.



[Sponsor-led Secondary Market Report 2021](#)

2021 marked a year of unprecedented growth in the private equity secondary market. This report encompasses the results of Lazard's market research and tracking, as well as a survey of secondary market investors that we conducted in January 2022.



Business Ethics



Our Conduct and Culture

Our business and our success begins with responsible employees

Lazard is committed to the highest standards of business principles and ethics. Compliance therefore is not just procedural; it is a critical component of our culture and contributes to our delivery of the highest-quality service to our clients and results to our shareholders. We strive to attract and retain fair, honest, educated and prudent employees, whom we guide with policies and procedures that are designed to define the way we conduct business. We educate our employees to act in accordance with the values and ethics we espouse as a firm; in every aspect of our business, and we believe acting with integrity is ingrained in our corporate culture. We invest in resources to provide controls for risk management, compliance and audit that enable our employees to operate efficiently within the boundaries of acceptable conduct. Oversight is conducted by our global Legal & Compliance, Human Resources, Internal Audit and other departments, operating throughout Lazard's offices, all of which ultimately report to Lazard's executive officers.

Our [Code of Business Conduct and Ethics](#) ("the Code of Conduct"), posted on our public website, clearly defines standards that apply to our global employees. The Code of Conduct sets out essential, guiding principles for workplace conduct, compliance with applicable laws and regulations, anti-discrimination, conflicts of interest, anti-bribery and anti-corruption, among others.

We recently updated and expanded policies in the Code of Conduct regarding:

- **Handling of confidential information**
- **Insider trading and personal securities trading**
- **Information barrier policy**
- **Anti-corruption & anti-money laundering**
- **Political activity and contributions**
- **Vendor conduct**
- **International economic sanctions**
- **Cybersecurity & electronic information security**

All employees are expected to be familiar with the contents of employee manuals applicable to their business activities and act accordingly, seeking assistance from the Legal and Compliance department as needed. We have a supervisory structure designed to facilitate compliance with the Code of Conduct and also maintain systems that are designed to enhance oversight of our business activities and their compliance with our standards. For example, we utilize electronic systems to monitor personal securities trading and electronic communications for impermissible activities. At Lazard, we strive for the highest standards of business ethics and personal accountability, and we take corrective action as necessary to ensure adherence with these standards.



Business Integrity Reporting Program

Lazard encourages all employees to speak with management, the Legal and Compliance department, the Human Resources department and/or other appropriate personnel about any suspected illegal or unethical behavior, or any suspected discrimination or harassment in the workplace.

We have a global 24/7 Business Integrity Reporting System managed by an independent firm to supplement our existing channels with the option to report anonymously any concerns about possible violations of law, regulation, our Code of Conduct or other firm policies.

Lazard strictly prohibits retaliation or any other penalty or adverse action against any individual for reporting in good faith any suspected violation of law, ethics, firm policy or the Code of Conduct, no matter whom the report concerns, or for participating in an investigation of any such report.

[Global Business Integrity Reporting](#)

Ethics and Compliance Program

Our Legal and Compliance department provides training for business ethics, compliance and reporting, with oversight from our Board through regular updates and discussions.

Our professionals participate in compliance training sessions that address our policies, requirements, and the consequences of failure to comply. Lazard uses these training sessions to demonstrate the practical application of judgment and highlight areas where ethical issues can arise. We use these training sessions and real-world examples to convey to employees that raising concerns is a collective responsibility.



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

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

Leadership and Training

Senior managers are responsible for providing clear direction and setting the tone of responsible business conduct in accordance with these standards. We expect senior managers to lead their teams with integrity and the utmost adherence to our values. This involves ensuring those under their supervision comply with the firm’s Code of Business Conduct and Ethics and other policies, and abide by applicable laws and regulations. Our senior managers are responsible for demonstrating leadership and upholding our firm’s values and policies.

“Training and developing our people is fundamental to the success of our business. We invest in robust resources and learning sessions to provide a foundational knowledge of core compliance, ethical and regulatory principles.”

Scott Hoffman, Chief Administrative Officer and General Counsel



Ethical Conduct

Acting with discretion, honesty and integrity



Client Relations

Transparent, responsible and respectful business demeanor



Information Barrier

Preventive measures to avoid transfer of information between our businesses

Lazard Learning

Coordination and knowledge sharing are critical to our success as an interconnected global firm. Lazard IQ is Financial Advisory’s internal platform for colleagues to share expertise, knowledge, insights and best practices globally across a range of topics including transaction case studies, industry trends and the regulatory landscape.

As not all jurisdictions have the same regulations, Lazard U.K. held a learning teach-in for analysts and associates on Key Legal Documents and Processes to inform employees on legal and regulatory frameworks and provide insights and real-world experiences in practice.



Culture of Risk Management

Building a culture of professionalism and integrity



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 to effectuate policies and procedures for the firm.



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



Governance and Oversight Our Board, working together with the Audit Committee, undertakes a comprehensive review of Lazard’s risk profile and risk management strategies at regular intervals. Our Global Risk Committee meets biweekly and members of Lazard’s finance team, led by the Chief Financial Officer and the Head of Risk Management, review with the Audit Committee categories of risk we face, including any concentrations, interrelationships, and financial and cyber exposures. 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.



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



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

Data Protection and Cybersecurity

We believe the protection and security of sensitive information across each of Lazard’s offices and business lines worldwide is an important aspect of our business practices and an integral part of our risk management framework.

Discretion and ethical behavior of each of our employees with respect to Lazard’s assets, clients, business partners and other stakeholders allows us to carry out our services efficiently and safely. The potential consequences of a data security breach impact financial, regulatory and reputational risk. Lazard makes significant investments in information technology that are designed to secure our information and enable the operations of our business, while simultaneously protecting against cyber threats.

Lazard’s [Information Security and Data Privacy Statement](#) illustrates our practices, systems and standards we employ to ensure the protection and safety of the information we use.

Our practices and processes are designed to secure our data, systems, and services in accordance with the NIST CSF framework: Identify, Protect, Detect and Respond, and Recover.

Through frequent Town Halls with senior leadership and learning sessions, we communicate to our employees the significance of cybersecurity and how best to position themselves to mitigate threats. 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. Third-party vendors providing services for our firm undergo diligent risk assessments and are required to have controls that meet our standards.

Our Chief Information Security Officer, along with our dedicated Information Security and Information Technology departments, report consistently to the Risk Committee, Audit Committee, and Board of Directors to keep them informed regarding Lazard’s risk exposure and provide perspective on the current cybersecurity landscape. In February 2021, an independent third party assessed our cybersecurity program’s alignment with the CSF and we plan to have external reviews conducted periodically on an ongoing basis.

Information Security & Data Privacy Framework



Our global Information Security department also identifies our employees’ roles and responsibilities with respect to data protection and security and provides training to our employees regarding information security protocols and practices.

CYBERSECURITY TRAINING TOPICS OFFERED FIRM-WIDE

-  Information & cybersecurity fundamentals
-  Information & physical security protection
-  Security awareness
-  Safe use of Lazard technology
-  Data protection
-  Data privacy & credential management
-  Social engineering & phishing
-  Communication & media scrutiny



Leadership and Governance



Sustainable Foundation

At Lazard, our business is led by strong corporate governance practices, implemented by our executives and Board of Directors, which demonstrates our commitment to responsible business and conduct

We believe the alignment of our culture, values and business objectives with long-term, sustainable priorities enables us to better represent the perspectives of all our stakeholders. We further inform our views through active engagement with our stakeholders throughout the year through a variety of platforms to incorporate balanced and appropriate solutions in an evolving landscape. 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.

[Read Lazard's 2021 Annual Report](#) and [Lazard's 2022 Proxy](#).

Our structured approach to advance our sustainability priorities:

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

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

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

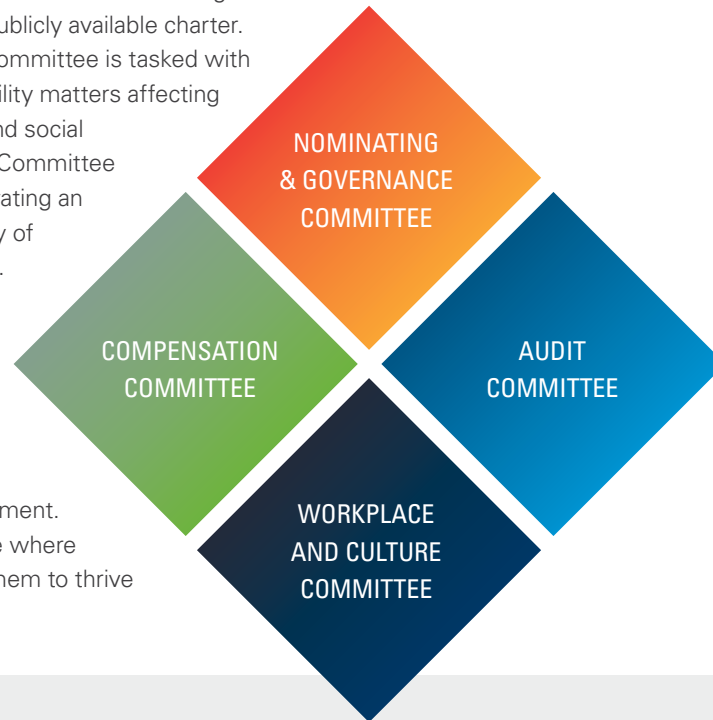
Asset Management Co-Heads of Sustainable Investment & ESG Responsible for enhancing the investment processes and setting policy regarding ESG research, investment analysis and insights and stewardship.

Lazard Climate Center Provide data-driven insights and tools for business leaders and investors to integrate climate change considerations into strategic decisions and corporate finance. Areas of research include effect of GHG emission on corporate valuations, climate sentiment analysis, carbon offset markets and environmental taxonomy.



Governance Model

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



CORPORATE GOVERNANCE HIGHLIGHTS

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

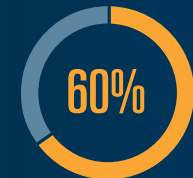


Active Board Refreshment

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



Independent Directors



Director Diversity



* Including two executive directors



Performance-Based Culture

Our people are our most important asset

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

We believe that talented individuals are attracted to and remain with the firm in part because Lazard rewards strong performance.

Lazard's compensation structure includes equity awards, namely performance-based awards for 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.

Compensation Philosophy

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

Pay Equity & Equal Opportunity Practices

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



Active Stakeholder Engagement: Integrating Perspectives

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

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



Environmental Sustainability



Our Sustainability Initiatives

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



Spotlight on Local Actions

BEIJING

On Earth Day, Lazard Beijing partnered with Share the Care, a local volunteer organization, to plant trees in suburban Beijing. Lazard employees planted 96 oriental arbor-vitae trees and donated ¥11,000 to the organization.

FRANKFURT

In recognition of World Cleanup Day, for the second consecutive year, Lazard Green members of the Frankfurt office came together to clean up waste in the city center.

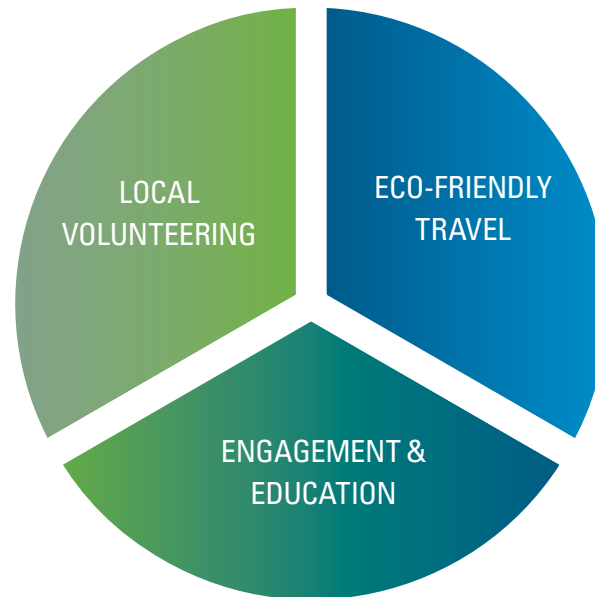
TOKYO

Lazard Tokyo held an employee-led educational session about sustainable practices in the office, and in celebration of Asia-Pacific Climate Week, nine of our APAC offices participated in a Lazard Green session hosted by TerraCycle, a global leader in innovative recycling.

Lazard Japan Asset Management Sustainability Mission Statement

LJAM は、エコに配慮しながら(E)働きやすい職場や健全な社会づくり(S&G)を整えることで、サステナブルな将来にむけてコミットします。

“We at LJAM are committed to achieving a sustainable future by improving our environmental impact (E) and contributing to the well-being (S&G) of our office and to the wider community.”



~82

Global Lazard Green members

18

Offices represented

LONDON

In 2021, our London office partnered with Tusker Cars and launched an Ultra-Low Emission Vehicle Scheme as a new benefit, providing employees incentives to lease electric cars and lower their carbon footprint.

PARIS

Lazard Paris encourages sustainable mobility with electric car and bike purchase programs, a free electric bike fleet and bike parking.



“In Paris, our sustainability journey has accelerated, reflecting the enthusiasm of our employees. Our newly created sustainability committee aims to adopt climate-friendly work habits such as sustainable procurement and minimizing paper printing.”

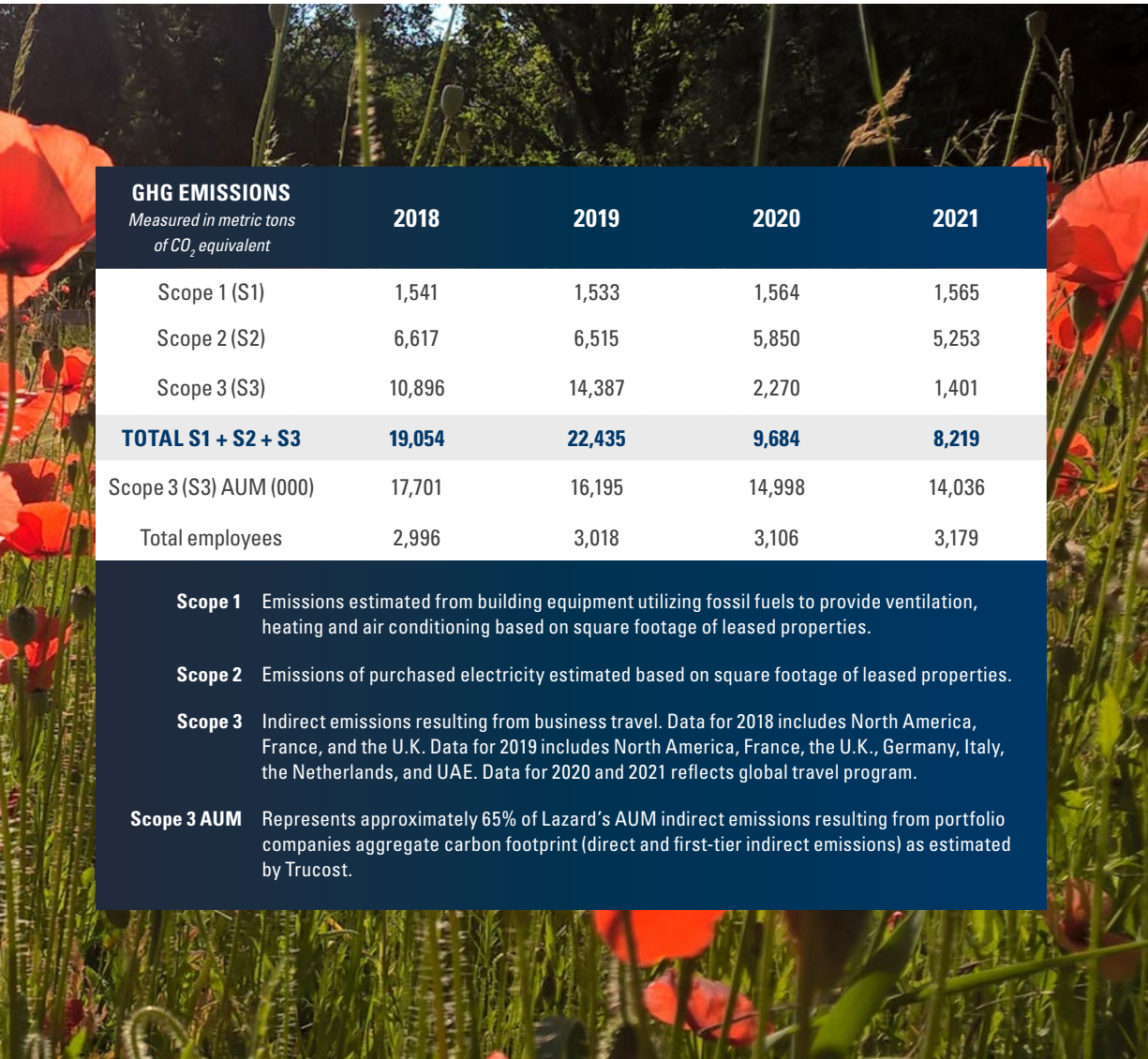
Isabelle Xoual, Financial Advisory

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

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

GHG emissions from our leased office space (S1 and S2), and employee travel (S3) where information is available from third-party business partners. In 2020, we updated our GHG emissions to include our indirect emissions from investments in portfolio companies in Assets Under Management (AUM).



GHG EMISSIONS <i>Measured in metric tons of CO₂ equivalent</i>	2018	2019	2020	2021
Scope 1 (S1)	1,541	1,533	1,564	1,565
Scope 2 (S2)	6,617	6,515	5,850	5,253
Scope 3 (S3)	10,896	14,387	2,270	1,401
TOTAL S1 + S2 + S3	19,054	22,435	9,684	8,219
Scope 3 (S3) AUM (000)	17,701	16,195	14,998	14,036
Total employees	2,996	3,018	3,106	3,179

- Scope 1** Emissions estimated from building equipment utilizing fossil fuels to provide ventilation, heating and air conditioning based on square footage of leased properties.
- Scope 2** Emissions of purchased electricity estimated based on square footage of leased properties.
- Scope 3** Indirect emissions resulting from business travel. Data for 2018 includes North America, France, and the U.K. Data for 2019 includes North America, France, the U.K., Germany, Italy, the Netherlands, and UAE. Data for 2020 and 2021 reflects global travel program.
- Scope 3 AUM** Represents approximately 65% of Lazard’s AUM indirect emissions resulting from portfolio companies aggregate carbon footprint (direct and first-tier indirect emissions) as estimated by Trucost.



Measurement

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



Engagement

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



Transparency

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



Commitment

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

[View our Environmental Statement here.](#)

Impact in the U.K.



2021 Planet Mark Awards Absolute Carbon Reduction finalist



100% renewable electricity in the U.K. since 2019




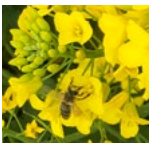


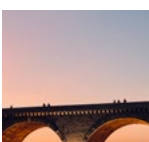








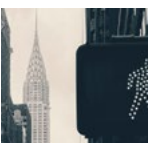
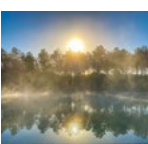


Lazard Asset Management London offset CO₂ emissions by planting 7,200 trees in the U.K.



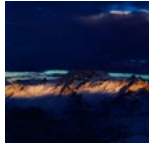


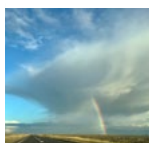
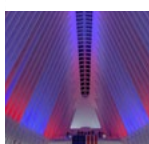

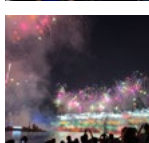



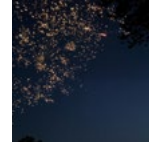

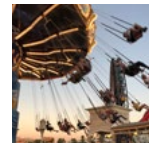
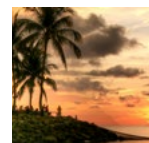

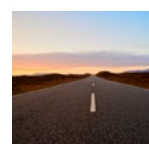
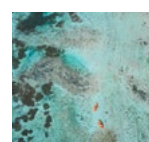
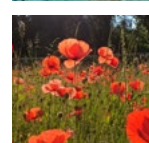
Our Lazard Fund Managers’ office in Dublin transitioned to 100% green energy, derived from 100% renewable resources such as wind, solar, biogas and wave energy

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