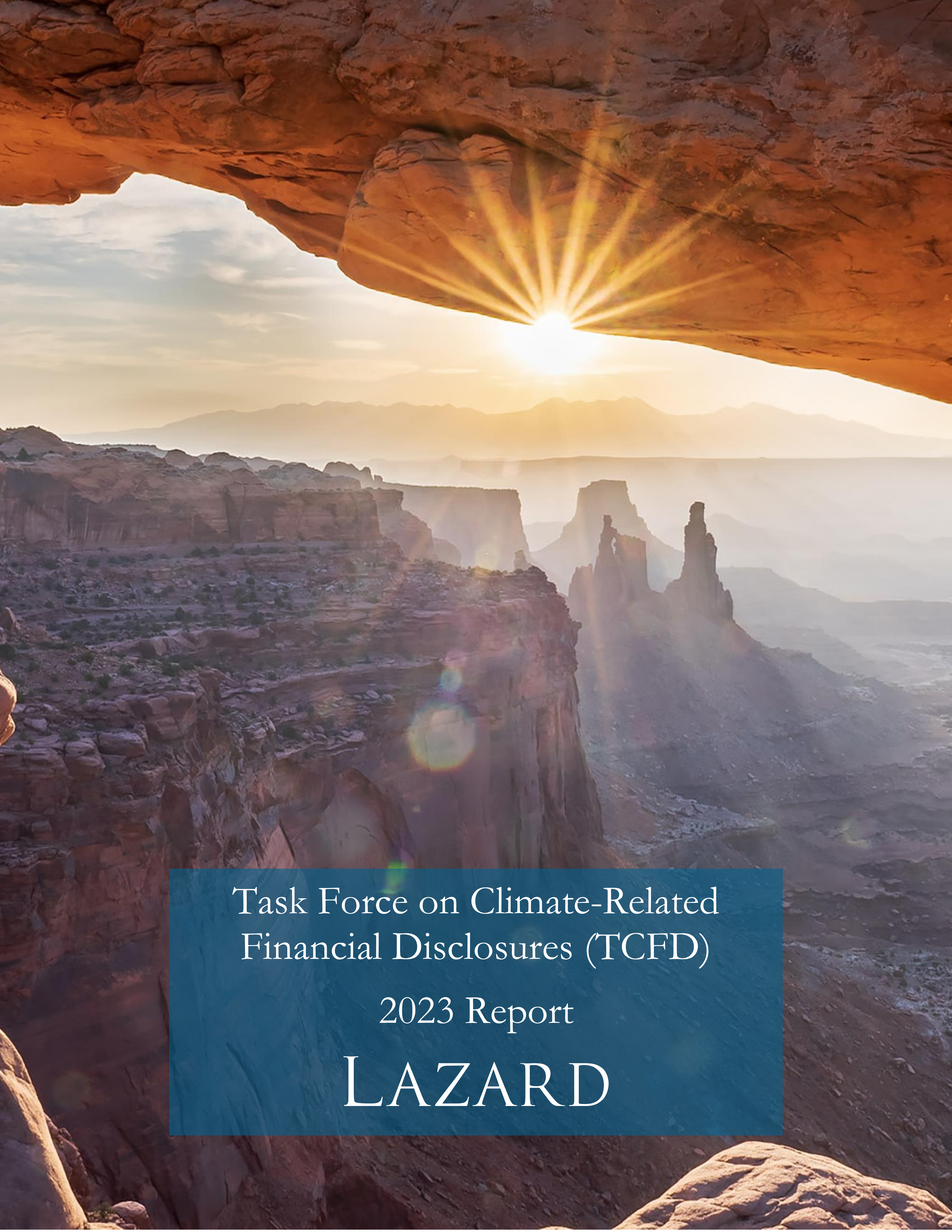


Task Force on Climate-Related Financial Disclosures (TCFD)

2023 Report

LAZARD

Safe Harbor

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

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

Photography: Lazard 2023 Employee Photography Challenge
Thomas Mathew, Asset Management

Task Force on Climate-Related Financial Disclosure (TCFD)

The Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) is a market-driven initiative, developed as a set of recommendations for voluntary and consistent climate-related financial risk disclosures. Using TCFD's framework, Lazard, Inc. (Lazard) aims to provide greater transparency on climate-related risks and opportunities across our global operations and our approach, which is designed to identify and manage the impacts of both physical and transition risk. Factors and scenario analyses related to climate change are highly complex and inherently difficult to predict, and this report reflects our progress toward disclosing our strategy and managing potential impacts over time.

Our Commitment

Lazard (NYSE: LAZ) is one of the world's premier global financial advisory firm and investment manager with over a 175-year history of providing trusted financial advice and solutions to our clients around the world. With operations in North and South America, Europe, the Middle East, Asia and Australia, Lazard serves as a trusted advisor to institutions, corporations, governments, partnerships, family offices, and high-net-worth individuals, pairing our global presence with meaningful local relationships and insights. Our clients rely on us to monitor and provide solutions that address risks and opportunities that affect their businesses and investments. Preparing for the long-term impacts of climate change, both physical and the transition to a low-carbon economy, are top of mind for many of our clients as well as our stakeholders. Lazard conducts independent fundamental analysis and collaborates at the highest levels of business, government and academia to understand climate change evolution and evaluate the potential for impacts to both our business strategy and our clients. The first step is leading by example in evaluating our own operations and providing transparency to stakeholders, including the perspective of:

1. A **corporate entity** with operations potentially impacted by climate-related risks and opportunities, and with procurement practices that may have direct and indirect impacts on the environment;
2. An **asset manager** with responsibility for investment performance including the financially material effects of the global transition to net zero within the bounds of our clients' guidelines and objectives and across relevant portfolios and strategies; and
3. A **financial advisor** with an initiative to support clients in their climate transition, as well as understand the impact on valuation and cost of capital inherent in relevant business strategy and investment decision-making.

Lazard is committed to being transparent with stakeholders regarding our environmental footprint and actions in support of a sustainable future. Across the relevant aspects of our firm, we are conducting research and implementing initiatives designed to measure, monitor, and address climate risk. We proactively explore opportunities to collaborate with clients, alliance organizations, NGOs, academic institutions, and industry groups to increase awareness of responsible products and services, we encourage our people to develop and implement local and firm-wide initiatives that challenge how we think and act in order to reduce our own environmental footprint, and we aim to foster innovation in support of climate solutions.

Summary of ways in which we address climate-change risk by business:

Corporate	Asset Management	Financial Advisory
Firm-wide engagement and collaboration	Evolving proprietary climate-related frameworks, models, and methods of analysis	Market pricing, valuation and capital allocation assessment of climate-risk transition
Enterprise risk management of environmental factors at local offices	Stewardship of client capital through allocation, engagement and proxy voting	Client due diligence on strategy, operational impacts and investment prioritization
Voluntary disclosures and engagement with key stakeholders	Offering a range of investment products that consider and/or integrate sustainability metrics	Climate change-related analysis and perspectives by industry sectors and technologies
Responsible business culture	Collaborative initiatives	

Governance

Board Oversight

Lazard's Board of Directors (Board) has oversight responsibility for our global sustainability efforts. Our Board reviews our Corporate Sustainability Report (CSR) and additional sustainability disclosures as needed. The Nominating and Governance Committee periodically and as pertinent, reviews and discusses sustainability matters affecting the firm, including the firm's sustainability strategy, business objectives, climate-related risks and opportunities and broader environmental and social topics that may be associated with climate change.

Executive Management

Lazard's leadership team has responsibility for evaluating environmental and climate-specific risks and opportunities. Lazard's Investor Relations team is responsible for maintaining the firm's relationship with investors and proprietary sustainability ratings research firms concerning climate and broader sustainability issues, while also providing guidance to senior management based on upcoming or proposed regulatory changes, voluntary disclosures, investor perspectives and strategic business trends. Lazard's Head of Corporate Sustainability leads the firm's corporate sustainability agenda, including integrating environmental and climate-related considerations into Lazard's operations, ensuring alignment with key frameworks and disclosure expectations, and facilitating engagement on sustainability trends as drivers of long-term value across the organization. To drive further firm-wide education and engagement on assessing and managing climate-related topics, Lazard publishes thought leadership research and insights on various climate related topics. Complementing our research, colleagues connect with internal and external business leaders through our sustainability focused global town halls to dive into deeper topical climate-related issues and trends.

In Asset Management, our Executive Leadership Team, working with the relevant Management Groups, is responsible for oversight of the firm's Sustainable Investment and ESG strategy and objectives, including its climate strategy across relevant portfolios and products. The Executive Leadership Team also reviews firmwide Sustainable Investment and ESG policies and reports, including LAM's Climate Change Investment Policy, and oversees Lazard's Net Zero Asset Managers initiative commitment, among other areas and initiatives related to sustainable investment and human capital, natural capital and governance considerations.

LAM's commitment to the Net Zero Asset Managers initiative is led by the Sustainable Investment and ESG team and the relevant portfolio management teams are responsible for implementation of strategy-specific net zero targets within their portfolios.

Lazard Asset Management's Climate Change Investment Policy governs our approach based on three pillars:

1. Climate-integrated research,
2. Climate-focused engagement, and
3. Transparency, disclosure and reporting on climate issues

The Global Stewardship Committee has identified climate change as a priority for engagements and reviews policies and procedures on an ongoing basis. LAM's Global Risk Management team provides risk reports to relevant portfolio managers, which may include relevant sustainability-related metrics from third party providers.

In Financial Advisory, we assess the impact of environmental factors on climate in the same manner that we assess global economies, financial markets, company performance and reputational risk. Environmental factors are integrated with traditional valuation parameters and considered potentially transformational catalysts as economies and governments work to support a transition to a lower carbon economy. Our goal is to generate innovative ideas and actionable solutions to better serve our clients, including assessing and adapting to climate change risks and opportunities where appropriate.

Progress towards this goal is driven by thought leadership and research from the Lazard Climate Center (Climate Center) and our global Power, Energy & Infrastructure Advisory group. The Climate Center was established in 2021 to further our data-driven analysis on the financial effects and opportunities of climate change and the energy transition on companies and markets. The Climate Center brings together leading economists and practitioners to develop key insights and models around climate finance and the energy transition. The initiative seeks to fill a crucial gap in climate finance and economic research, which has tended to focus on national or sector-level trends, by delving into the practical implications and impact on specific companies. Research has also addressed the growing opportunity set emanating from the carbon and energy transition. Through these research efforts, Lazard aims to provide significant, actionable insights as business leaders, investors and policy makers address the climate crisis in the years and decades to come. Our Power, Energy & Infrastructure Advisory group brings unique perspectives and thought leadership within the energy, power and utility space, informing the advice we provide to clients. In June 2024, the team released its annual Levelized Cost of Energy+ report, which analyzes the levelized cost of energy from various generation technologies, energy storage technologies and hydrogen production methods. The Climate Center continues to provide rigorous and differentiated insights as part of this group. View the latest research from the Lazard Climate Center here and Lazard's LCOE+ report here .

Strategy

Climate-Related Risks and Opportunities

Lazard believes that structural changes, such as climate change, present both financial risks and opportunities to promote a more sustainable future. As financial advisors and investors, we are well positioned to help identify climate-related risks and opportunities for our clients and investee companies as the world transitions to a low-carbon economy. We seek to use our capital markets expertise and insights on the complex relationships between business, industry, society, and the environment to provide clients with innovative solutions to their climate-related risks and concerns and to generate superior risk-adjusted investment performance.

Specific to our own business, we have identified potential short-medium term and long-term climate-related risks.

PHYSICAL RISK	TIME-HORIZON	TRANSITION RISK	TIME-HORIZON
Acute Physical risk from extreme weather events, including intensified storms, which may impact the buildings in which Lazard operates and, as a result, could disrupt our business	Short-medium term	**Reputational** Reputational risk from stakeholder perceptions of our business and its role in advising clients or making investment decisions based on climate-related changes in market factors, such as commodity prices, cost of capital, and valuation of assets and liabilities	Long-term
Chronic Risk of increased insurance premiums and operational costs due to a higher likelihood of building damage from storms, flooding, or other natural disasters	Long-term	**Regulatory Pressure/Policy** As the type and availability of energy sources evolve, as well as potential impacts from policy and regulatory decision-making, evaluate a sustainable pathway through investments in advanced technology and market solutions for emission we cannot eliminate	Long-term
		Regulatory and legal risks resulting from more stringent climate reporting and disclosure requirements which differ across regulatory bodies and countries	Short-medium term
		Market & Customers Shifts in financial market pricing and valuation expectations due to climate change, that affect industries and individual companies in which we may advise clients	Short-medium term
		Portfolio investment risk resulting from changes in financial market sentiment or actual performance results stemming from changing market demand, regulatory requirements or cost of capital and investment	Short-medium term
		Impact to assets under management, and therefore asset management business revenues, due to fluctuation in portfolio market value stemming from materialized portfolio investment risks (as described above) and opportunities, and/or asset flows stemming from changing consumer preferences	Short-medium term
		Management of climate-related risks and opportunities, including the achievement of climate-related targets and initiatives across our business strategies, investment processes and operations	Long-term
		Delivering on LAM's commitment to the Net Zero Asset Manager's initiative which aims to achieve a goal of net zero emissions by 2050 by: (1) engaging with companies transitioning and reducing climate impact to	Long-term

We believe that we are identifying and seeking to address climate-related risks, which are potentially impactful to Lazard's business, and we continue to evaluate our exposures to physical and transitional climate risks from a corporate perspective. The effects of climate change also present strategic and investment opportunities for our businesses. In Asset Management, our Sustainability Focused strategies are designed to meet our clients' demand for products that clearly address structural shifts in the global economy. In Financial Advisory, we work with public and private companies across sectors, market capitalizations and geographies to solve complex challenges and help our clients build and refine sustainability strategies that resonate with an expanding and evolving stakeholder universe.

Please refer to the "Impact of Climate-Related Risks and Opportunities" and the "Risk Management" sections of this index for further details on these identified risks as well as our strategies to further understand and seek to mitigate these risks.

Scenario Analysis Insights

Scenario analysis is designed to provide hypothetical constructs on the future if certain trends continue; however, it is not a forecast or prediction of actual outcomes. Climate scenario analysis can be useful to explore the impact of different climate change pathways on our business and it provides opportunities for us to leverage our financial, industry and technology insights to better evaluate risks across a variety of economic, market and other conditions. While significant research has been conducted, the base assumptions underlying climate scenario analysis are however, predominantly provided by a single source currently which lower the confidence level of assessed impacts.

To support Lazard's efforts to align its climate-related strategy and disclosures with the TCFD framework and bolster its understanding of pertinent climate risks to Lazard, we have conducted a climate risk scenario analysis of Lazard's corporate operations. Our scenario analysis methodology incorporates three primary components within three risk categories:

- Physical climate risks for Lazard's largest office locations
- Transition climate risks for Lazard's operations
- Carbon pricing that may impact future travel costs

Summary Methodology

This analysis models the potential exposure of Lazard's Scope 1, 2 and 3 GHG emissions from its own business activities to climate risk over the timeframe of 2025 – 2050. The scope of our environmental footprint principally derives from two main sources: energy usage in our offices and employee travel. This analysis excludes Lazard's indirect Scope 3 GHG emissions associated with its AUM which is subject to separate commitments under the Net Zero Asset Manager's initiative.

Risk	Source	Scenarios		
Physical	Intergovernmental Panel on Climate Change (IPCC) warming scenarios	**RCP 8.5** No mitigation efforts made to reduce emissions	**RCP 6.0** Escalation of emissions reduction, peak in 2060 and stabilize after 2100	**RCP 2.6** Require immediate, steep reduction in emissions to reach net zero by 2050
Transition	Qualitative scenarios	**Current State**	**Delayed Transition**	**Net Zero**
Carbon pricing	Network for Greening the Financial System (NGFS) scenarios	**Current State**	**Delayed Transition**	**Net Zero**

IPCC Warming Scenarios: Represent warming pathways in climate models to determine potential physical impacts (e.g., impact on natural disasters, flooding, extreme weather events).

RCP: Representative Concentration Pathways developed by the IPCC to model the net increase in warming of Earth's atmosphere under different greenhouse gas emissions concentration scenarios.

- RCP 2.6 = emissions meet net zero by 2050, immediate reduction in emissions needed
- RCP 6.0 = emissions peak in 2060 and stabilize after 2100
- RCP 8.5 = no mitigation efforts are made to reduce emissions

Physical risk – assesses six different climate risk indicators: changes in temperature and wind speed, population exposed to heatwaves and wildfires, and damage from river flooding and cyclones.

Transition risk – assesses three different trends: government policy / regulatory requirements (particularly around absolute emissions reduction targets), market and investor sentiment, and systematic changes in sectors such as utilities, insurance and air travel.

Carbon pricing risk – assesses carbon tax levied on travel providers and passed on to customers.

NGFS Scenarios: Evaluating societal transitions around different levels of warming, not just the physical effects, and incorporating assumptions of carbon price levels that drive intended transitions. These carbon price assumptions are used in Lazard's carbon pricing analysis.

Key Findings and Assessment

Risk	**Scenarios**		
	RCP 8.5 **Current State**	**RCP 6.0** **Delayed Transition**	**RCP 2.6** **Net Zero**
Physical	**Risk:** increased costs from property damage, productivity loss from disruption **Opportunity:** higher efficiency from continuity planning, employee safety		
Level of risk	High risk in office locations with proximity to rivers, cyclones and heat zones	Moderate risk due to extreme weather events	Well prepared with resilience measures confirmed across building leases / locations
Transition	**Risk:** increased costs from renewable energy and building electrification, emissions reduction requirements **Opportunity:** lower insurance/utility costs from efficiency and mitigation strategies, reputational benefits from responsible business initiatives		
Level of preparedness	Well prepared	Acceleration needed on green lease clauses and vendor alignment to set climate reduction targets	Implementation of renewable energy purchase and travel policies necessary to reduce emissions
Carbon pricing	**Risk:** increased costs from carbon tax on highest emitting industries and customers **Opportunity:** reduced travel spend, higher adoption of innovative technologies		
Extent of impact	Insignificant increase in travel airfare	Moderate increase in travel airfare	Potentially high increase in airfare 5-25%

Summary Implications

Finding balance amid momentous shifts in markets, environmental change and societal demand necessitates both a long-term view and commitment to meaningful progress. We believe Lazard is on a pathway to address the impacts of climate-related risks and opportunities as inferred from the scenario analysis we have conducted. We continue to evaluate the decarbonization of our own operations and proactively collaborate with alliances, partnerships, and NGOs focused on further developing industry standards and frameworks to measure and reduce our financed emissions in line with LAM's Net Zero Asset Manager's initiative commitment.

Opportunities to address progress in our own operations over time include:

- Engage with current and potential office space landlords to evaluate mitigation or resilience measures to minimize the impact of potential physical climate risks at property locations
- Evaluate renewable energy procurement options and approaches to lower-emission travel

- Consider the utilization of targets to seek to reduce operational emissions and investment emissions that qualify as material under proposed regulatory requirements
- Integrate relevant climate-risk reduction plan into financial business strategy

Impact to Our Businesses, Strategy, and Financial Planning

We seek to leverage our capabilities across the firm to facilitate our environmental and climate-related initiatives, support our clients in their transition and resiliency planning, and strengthen industry and market dialogue more broadly about the pace of change related to climate change.

In our own operations, we evaluate sustainable practices in our procurement and business activities. We incorporate environmental sustainability and energy preservation considerations in our office building design, renovation, and choice of location. For instance, many of our leased office space are in buildings certified to Leadership in Energy and Environmental Design (LEED) standards or have received an ENERGY STAR® energy efficiency label from the U.S. Environmental Protection Agency and Department of Energy (DOE). We are conscientious of our environmental footprint as it relates to physical assets, business continuity planning, and remote-access infrastructure. We have invested in video conferencing technology, which helps to reduce our travel-related emissions, and we partner with vendors that are able to track and report on our travel emissions.

Due to the nature of our business model, which primarily focuses on financial advisory and asset management services, we do not formally incorporate climate risk into our financial planning processes at this time. Our risk management practices enable us to continuously monitor emerging risks, ensuring that our business remains resilient. We will continue to review our approach to climate risk as part of our ongoing commitment to responsible business in a rapidly changing environment. In Financial Advisory, we have invested capital in developing research capabilities, primarily conducted through our Climate Center, to provide analytical insights on the financial effects of climate change and the energy transition on companies and markets. Our focus is both on the impact of national or sector-level trends, as well as firm-level insights derived through economic research on specific companies and their strategies for growth and/or transition. As part of our evaluation of the impact of climate change on valuation and cost of capital, we may advise companies to consider changes in capital allocation and expenditure strategy, communication or governance, to address climate risks or opportunities and simultaneously unlock shareholder value.

In Asset Management, we have invested capital and intellectual resources to develop our in-house expertise in climate change and sustainability—including in the energy transition, stewardship, and net zero. In 2021, LAM joined the Net Zero Asset Managers (NZAM) initiative, a group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by or before 2050. Joining NZAM was designed to help us meet our duties to participating clients and was a natural extension of our existing Climate Change Investment Policy. More information about our commitment can be found in the NZAM Initial Target Disclosure Report and further details about our framework can be found in Lazard Asset Management's Approach to Net Zero Portfolios.

Lazard's approach to assessing portfolio Net Zero alignment is through our Climate Alignment Assessment (CAA). Our CAA evaluates how relevant portfolio assets are positioned today and over the long term for the net zero transition. The CAA is a proprietary tool designed to assess portfolio holdings' progress towards net zero across six categories defined by the IIGCC's Net Zero Investment Framework: ambition, targets, emissions performance, disclosure, decarbonization strategy, and capital allocation. We utilize multiple data sources (e.g., CDP, SBTi, CA100+, Net Zero Tracker, TPI, Bloomberg) to evaluate the strength of portfolio companies' net zero commitment and strategy for implementation.

The CAA aids our relevant investment professionals and clients in systematically analyzing portfolio assets while staying up to date with evolving disclosure environments and regional implications.

As active managers, we seek to engage with companies to support real-world emissions reductions and the CAA helps to inform our engagement and proxy voting activities. Climate change has been identified as one of our top down, firm-level engagement priorities. For ESG Integrated portfolios and strategies we target engagement with companies that we identify as having the most material risks related to climate change, are the highest emitters, or have poor practices related to disclosure and transparency. Our relevant investment professionals engage with companies on financially material climate-related issues, focusing on areas where physical or transition risks could impact long-term financial performance.

Broadly, our Sustainable Investment and ESG team seeks to provide tools, trainings and resources to our relevant investment professionals to allow them to consider financially material sustainability risks and opportunities, including those that relate to climate, for the issuers they cover.

Resilience of Strategy Across Relevant Portfolios and Products

Although we conduct various scenario analyses at an investment or company-specific level, we are still exploring the best methodologies, models, and targets to assess overall resilience across differing warming scenarios. Academics have raised questions on the validity of using climate model information to appropriately inform financial risk, impact, and corresponding resilience over long time scales. Despite these challenges, we continue to develop tools and analyses to monitor the resilience of our strategy in the face of numerous potential climate scenarios and expect this area of analysis and calculation to evolve over time.

Specifically for climate scenario analysis, while we believe the tools currently offered in the market have various shortcomings, we recognize that this analysis is necessary to meet regulatory requirements and client expectations in certain jurisdictions. We have begun to leverage a third-party climate risk platform to conduct climate scenario analysis for in scope portfolios, but, at this time, such analysis is used only for reporting purposes and is not incorporated into investment analysis or decision making. We continue to review third party offerings as necessary and appropriate.

Risk Management

Processes for Identifying and Assessing Climate-Related Risks

At Lazard, we evaluate climate-related risks in our own operations and across our businesses.

Climate-related risk considerations are expected to have a limited impact on our operations but are connected with other types of risk we may face. As part of our enterprise risk management, we evaluate climate-related risk assessments in partnership with our insurer for the buildings we own and the spaces we lease to identify any potential physical risks, including flooding, storms, and other extreme weather events. We understand physical risks and extreme weather may have an impact on our employees' ability to commute to work or travel broadly for business. Our investments in technology and hybrid work structure allow for continued productivity outside of our office.

In Asset Management, financially material climate-integrated research conducted by our relevant investment professionals provides the first layer of assessment for transition, physical impact, and geopolitical regulatory risks. Our proprietary framework for financially material human capital, natural capital and governance considerations aggregates the sustainability issues our relevant investment professionals believe to be the most material for the sectors they cover, including a range of climate-related risks and opportunities such as water scarcity, energy management, physical and regulatory risks. Our investment professionals, where relevant, also incorporate external data and analytics to identify risks and opportunities.

CASE STUDY: The Impact of EU Carbon Pricing on Airlines

In December 2022, the European Union updated its emissions trading scheme (ETS). Historically, the scheme had allowed for a certain number of free emissions allowances to safeguard industries' competitiveness and avoid carbon leakage, but these are now being gradually phased out. For the aviation industry, these free emissions allowances are expected to be 100% phased out by 2026.

Analysts on LAM's fundamental research platform covering the aviation industry to analyze the effects of this phase out on compliance costs for intra-EU flights and the evolution of emissions allowances for European airlines. In addition, they analyzed how these two dynamics will impact competitive advantages in the space going forward. The model calculated the additional cost per passenger, as a percentage of current ticket prices, considering factors like fleet age, efficiency, and existing emissions payments when free allowances are removed. From this research, the analysts expect the relative cost advantage of leaders in the space to widen as a result of the changes to the ETS.

We believe our proprietary analysis of climate-change considerations that are financially material to particular industries, like the work described above, enhances our bottom-up stock selection process.

In Financial Advisory, our conflict clearance evaluation, which assesses potential assignments for regulatory, legal and reputational risk includes consideration of sustainability-related risk to our firm. Our legal and compliance teams work alongside senior management to review environmental and social risks as part of our due diligence prior to confirming our role as an advisor. Within our capital markets advisory business, we assess environmental, social and governance vulnerabilities in the context of shareholder activism.

In addition, the Lazard Climate Center, in collaboration with leading members of academia from Harvard, Columbia, and Imperial College, is continuing to develop bespoke analysis of climate change events and expectations to incorporate into client advisory assignments. The Climate Center generates firm-level valuation discount rates emanating from greenhouse gas emissions, as well as quantifying valuation effects from corporate climate actions such as emissions disclosure and net zero commitments. The industry and geographical level of specificity allow us to assess how the market is pricing climate risk on a client-by-client basis, which affords the ability to quantify the financial benefits of decarbonization. The Climate Center also examines the financial implications and risks for firms engaging in carbon accretive and carbon dilutive transactions, as well as how general climate risk exposure may impact M&A. By focusing on firm-level effects, the Climate Center can effectively work with business leaders and investors to integrate climate change considerations into strategic decision-making.

Lazard Climate Center – Our Value: Differentiated Research Insights

Carbon Premium Analysis

Effects of climate change and energy transition on financial valuation

Corporate Commitment Analysis

Analysis of the cost-benefit of net zero commitments and climate-related disclosure

M&A Emissions Analysis

Identifying whether climate considerations (such as the emissions dilutive or accretive nature of a transaction or induced regulatory coverage) may affect M&A

Processes for Managing Climate-Related Risks

Once climate-related risks are identified and assessed, we seek to determine whether these risks can be managed or mitigated. As part of our operational enterprise planning and risk management, we have developed business continuity plans for our geographic locations, which includes significant investment in technology to maintain a coordinated hybrid work environment. Our plans are overseen by our Global Head of Corporate Real Estate and Corporate Services and are specific to each location. Where applicable, these plans include strategies designed to mitigate and build resiliency around climate-related risks affecting the location to minimize their impact on our operations.

Climate-related issues are a component of our Asset Management research analytics and long-term investment thesis across relevant strategies and products.

Our stewardship approach seeks to align engagement and proxy voting, with investment decision-making at the heart of these interactions. Our 2023 data shows that human capital, natural capital and governance topics were discussed in 29% of all company meetings, with natural capital-related topics discussed in 47% of these meetings. As an active manager, we seek regular dialogue with company management as an integral part of our fundamental research process. This can include meetings with company management that allow us to gain a better understanding of a company's approach to managing natural and human capital-related risks and opportunities and, in certain cases, these meetings can result in tangible investment outcomes or observable changes in company or issuer practices that support real-world outcomes. Internally, engagements are centralized in our proprietary research database known as Lazard Asset Management Research (LAMR). We summarize our actions in our Annual Sustainable Investment Report, available in the Sustainable Investment section of Lazard Asset Management's website, and we provide more specific transparency and evidence to our clients demonstrating when climate risks have influenced our buy/sell decisions, as applicable.

In Financial Advisory, we assist our clients in managing their climate-related risks by developing and refining sustainability strategies, including strategic transition planning to achieve emissions reduction targets, and in their stakeholder engagement efforts. Our mergers and acquisitions practice has helped clients undergo the energy transition through sub-verticals including but not limited to green buildings, sustainable energy generation, storage, hydrogen, EVs, biofuels, and waste management.

Integration of Risk Processes into Overall Risk Management

Lazard's enterprise risk management framework is designed to mitigate our business and financial risks within the global market in which we operate. Identification, assessment, and mitigation of climate-related risks are included in this workflow. Risk management and protection are embedded throughout our company and integrated in both our investment research and valuation processes. We monitor and address risks through a system of internal controls, management systems, organizational structures, audit processes, compliance programs and a variety of standards and policies.

Our risk management framework is overseen by our Global Risk Committee, which reports on our risk management performance to our Board's Audit Committee. Our global risk management team is responsible for setting risk policies, independently assessing risks and overseeing management of risks.

In Asset Management, our relevant investment professionals actively assess financially material climate-related risks on a contextual basis, and from both bottom-up and top-down perspectives across relevant strategies and products. From a geopolitical perspective, our analysis of sovereign bonds has long incorporated financially material human capital, natural capital and governance considerations including the dynamics with respect to climate change that could have significant impacts on the creditworthiness of countries. At the relevant portfolio level, portfolio managers regularly monitor and report on investee company emissions, as appropriate.

Additionally, we provide an ESG Watchlist to our investment professionals concerning companies in our relevant client portfolios. On a monthly basis, LAM's Global Risk Management Team generates a report containing ESG Risk Ratings and Controversy Scores sourced from Sustainalytics which incorporate human capital, natural capital and governance considerations. The report also flags companies in breach of the United Nations Global Compact Principles as provided by MSCI. Investment professionals are encouraged to conduct further research on any watchlist companies held in relevant portfolios to determine the reasons for higher risk.

Metrics and Targets

Metrics Used to Assess Climate-Related Risks and Opportunities

We disclose firm-wide metrics based on the Sustainable Accounting Standards Board (SASB) framework in alignment with Asset Management and Investment Banking standards in our Corporate Sustainability Report. We have also voluntarily disclosed our material sources of greenhouse gas (GHG) emissions since 2018 in order to provide transparency and accountability for our environment footprint. Beyond our own operations, we believe our greatest ability to influence climate-related risks and opportunities resides within our Asset Management business. Engaging with portfolio companies on decarbonization strategy and allocating capital to better capture opportunities and address risks associated with a lower carbon economy helps us mitigate risks and leverage opportunities in the expected energy transition.

Furthermore, we leverage our proprietary investment research and capital markets insights, as well as third-party data metrics on climate-related risks associated with water, energy, land use, and waste management, to influence change across the spectrum of global companies and sectors accessing the capital markets. Where relevant, we encourage better disclosure of climate-related risks by enterprises, in particular metrics that can help investors quantify the potential impact of climate change on financial performance, and innovations that can lead to lower carbon emissions.

LAM has designed a climate analytics dashboard, which has been integrated in internal portfolio management systems used by our investment professionals. This dashboard helps to support our relevant investment professionals in assessing climate-related risks and opportunities and includes security-level and portfolio-level climate metrics that are required for net zero portfolio management and client reporting. Key metrics include carbon footprint, security-level intensity metrics, financed emissions and weighted average portfolio trajectory along determined net zero pathways.

Operational Scope 1, 2, and 3 GHG Emissions

The scope of our operational GHG emissions principally derives from three main sources: energy usage in our offices, business-related employee travel, and investments. We have estimated our GHG emissions from our leased office space (S1 and S2), and business travel (S3a) where information is available from third-party business partners. We engage an independent firm to assess and verify the 2023 GHG emissions for Scope 1, 2, and 3a operational emissions.

Beyond our operational footprint, our Asset Management business has estimated financed emissions resulting from its assets under management (AUM), provided as Scope 3b. Financed emissions represent Scope 1 and Scope 2 attributed emissions from companies which are, in part, owned by asset managers through debt or equity securities. As the risks endemic to the global transition to a low-carbon economy are more broadly understood, asset management clients are increasingly requiring asset managers to reduce climate risk exposure in their managed portfolios by decoupling their capital from high-emission investment risk. LAM's approach to financed emissions begins with analyzing AUM climate risk, steering its relevant portfolios towards Paris-aligned investments, and providing climate performance and disclosure. For a more detailed description of LAM's process to implement a net zero portfolio, see "Targets and Performance" and "Asset Management Portfolio Metrics" sections.

Total Lazard GHG Emissions

Measured in metrics tons of CO2 equivalent (MtCO2e)	2020	2021	2022	2023
Scope 1 (S1)	1,564	1,565	1,286	1,269
Scope 2 (S2)	5,850	5,253	5,232	5,052
Scope 3 (S3a) – Business Travel	2,270	1,401	15,116	18,804
Total operational emissions	**9,684**	**8,219**	**21,634**	**25,125**
Scope 3 (S3b) – AUM (000)	10,565	11,683	9,388	8,274

Click here to view our GHG verification statement for total operational emissions.

Emissions Sources

- Scope 1 (S1) emissions estimated from building equipment utilizing fossil fuels to provide ventilation, heating and air conditioning based on square footage of leased properties.
- Scope 2 (S2) emissions of purchased electricity estimated based on square footage of leased properties.
- Scope 3 (S3a) indirect emissions resulting from business travel. Data reflects global travel program.
- Scope 3 AUM (S3b)[1] represents financed carbon emissions for approximately 60% of Lazard's AUM as estimated by Sustainalytics in 2023 and Trucost in 2020-2022. In 2022, we updated our methodology to align with industry practice of apportioned Scope 1 and Scope 2 emissions for portfolio companies. This is consistent with the "Asset Management Portfolio Metrics" section of our TCFD Report.

Targets and Performance

As part of LAM's commitment to NZAM, we have worked with our portfolio managers and clients to analyze relevant portfolios against our proprietary Net Zero Framework. LAM's commitment includes interim targets covering the proportion of assets to be managed in line with net zero, with a baseline of 2019 as default but with certain strategy-specific variation. For the strategy assets that are a part of our commitment, LAM has established three preferred portfolio alignment methodologies: LAM's proprietary Climate Alignment Assessment (CAA), Science-based Target (SBTi) Validated Commitments and Weighted Average Carbon intensity (WACI). Initiative. We are engaging with portfolio companies to better understand their emissions profile relative to net zero trajectories, and how their decarbonization plans can link to long-term financial performance.

We are continuously evaluating and implementing sustainable practices. We are focused on reducing our environmental footprint and we look forward to further highlighting our progress in our annual Corporate Sustainability Report.

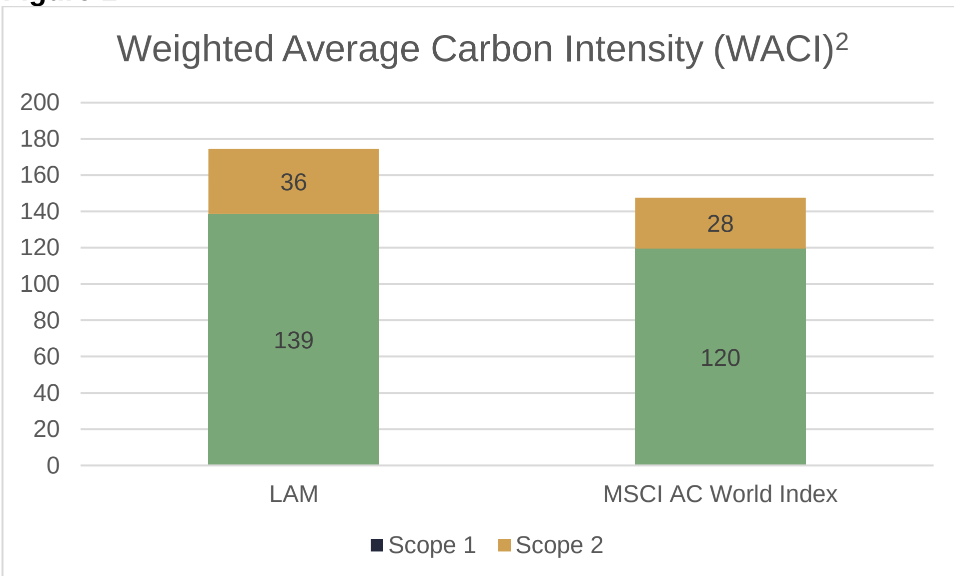
Asset Management Portfolio Metrics

Emissions Metrics

Emissions metrics, although considered backward-looking, provide information about a portfolio's exposure to emissions and can help investors understand a portfolio's position with regards to the transition towards a low-carbon economy.

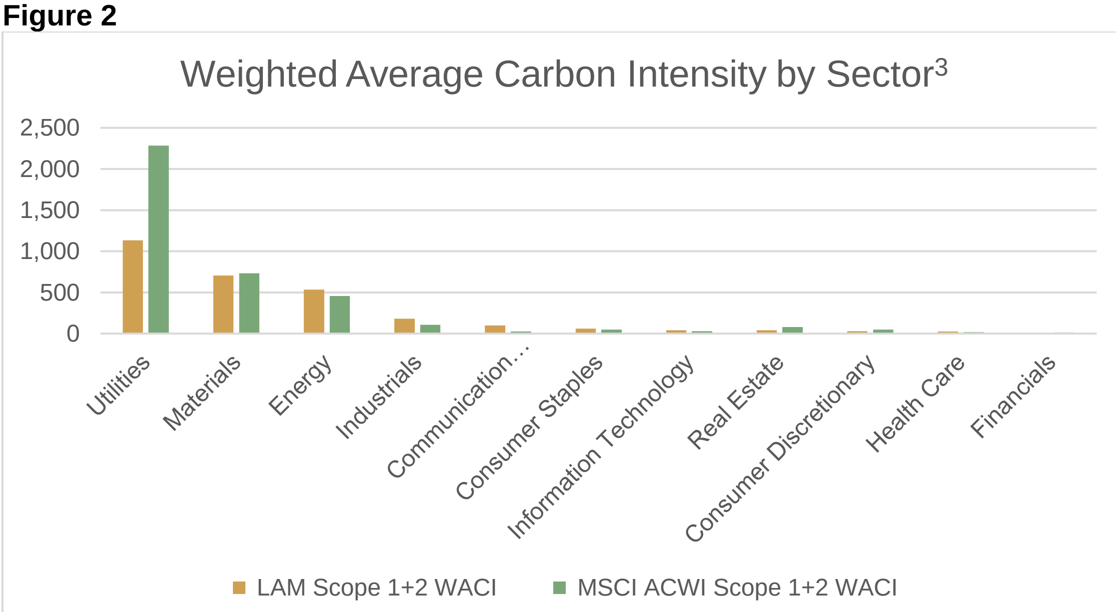
LAM's Weighted Average Carbon Intensity (WACI) was higher than that of the MSCI ACWI with respect to Scope 1 and Scope 2 emissions. Based on our long-only equity and corporate fixed income holdings, LAM was overweight the Industrials and Utilities sectors, which generally have relatively high emissions, relative to the MSCI ACWI. When viewed as proportions of LAM's overall Scope 1 + Scope 2 WACI, the Utilities, Industrials, and Materials sectors drove over 70% of the total[2].

Figure 1



LAM's WACI compared to the MSCI ACWI on a sector basis underscores focus areas for climate and decarbonization strategy engagements.

Figure 2



Exposure Metrics

Exposure to companies with involvement in fossil fuels can reflect exposure to potential risks as governments set clear incentives for decarbonization of our economies. Approximately 11.2% of LAM's relevant AUM[4] had involvement in / revenues from fossil fuels[5].

Science-based targets and net zero targets can reflect companies' intentions to align with and move the business in the direction set at a global level. For these metrics, higher exposure at the portfolio level is viewed as positive.

Of LAM's relevant AUM[4], 57% was invested in companies which have self-disclosed that they have either committed to setting or have set science-based targets[6].Additionally, 64% of LAM's relevant AUM[4] was invested in companies which have self-disclosed their ambition and engagement related to achieving net zero greenhouse gas (GHG) emissions[7].

Appendix

Unless otherwise noted, Portfolio Metrics are based on LAM's AUM as of 31 December 2023, which does not include those of Lazard Frères Gestion or other asset management businesses of Lazard, Inc.

Any emissions and exposure metrics pertain only to long-only equity and corporate fixed income holdings (LAM's relevant AUM). Sustainalytics emissions data was available for over 70% of LAM's total AUM as of 31 December 2023. Sustainalytics and Bloomberg data coverage of LAM's AUM varies over time.

Company emissions data based on 2022 figures available through Sustainalytics. Data based on parent company identifier where security identifier data not available.

1. Scope 3 AUM (S3b) Estimated Financed Emissions
   Source: Sustainalytics, Lazard Asset Management
   Coverage: Over 70% of LAM's total AUM
   Definition: Total of carbon emissions for a portfolio (based on the % of the company owned), expressed in tons CO2e.
   Formula:
   $$\sum_i^n \left(\frac{current\ value\ of\ investment_i}{issuer\ EVIC\ _i} * issuer's\ Scope\ 1 + Scope\ 2\ GHG\ emissions_i\right)$$

2. Scope 1+2 Weighted Average Carbon Intensity (Total Portfolio)
   Source: Sustainalytics, Lazard Asset Management
   Coverage: Over 70% of LAM's total AUM
   Definition: Portfolio's exposure (weighted average) to carbon-intensive companies, expressed in tons CO2e/$M revenue.
   Formula:
   $$\sum_i^n \left(\frac{value\ of\ investment_i}{total\ value\ of\ covered\ portfolio\ holdings} * \frac{issuer\ Scope\ 1 + Scope\ 2\ \ GHG\ Emissions_i}{issuer\ revenue\ (\$M)_i}\right)$$

3. Scope 1+2 Weighted Average Carbon Intensity (Sector)
   Source: Sustainalytics, Lazard Asset Management
   Coverage: Over 60% of total LAM AUM
   Definition: Sector's exposure (weighted average) to carbon-intensive companies, expressed in tons CO2e/$M revenue.
   Formula:
   $$\sum_i^n \left(\frac{value\ of\ investment_i}{total\ value\ of\ covered\ portfolio\ holdings} * \frac{issuer\ Scope\ 1 + Scope\ 2\ GHG\ Emissions_i}{issuer\ revenue\ (\$M)_i}\right)$$

4. LAM Relevant AUM
   Source: Lazard Asset Management
   As of 31 December 2023
   Defined as LAM's AUM invested in long only equities and corporate fixed income.

5. Exposure to Companies with Involvement in Fossil Fuels
   Source: Sustainalytics, Lazard Asset Management
   Coverage: Over 60% of total LAM AUM
   Definition: % of Portfolio assets with exposure to revenues from fossil fuels (Involvement in Fossil Fuel - Thermal Coal Extraction, Thermal Coal Power Generation, Oil & Gas Generation, Oil &

Gas Production and Oil & Gas Product and Services, Arctic Oil & Gas, Oil Sands; does not include Shale Energy)

6. Exposure to Companies with Science Based Targets
Source: Bloomberg, Lazard Asset Management
Definition: % of portfolio holdings (by weight) for which the company has explicitly disclosed that they have either committed to setting or have set science-based targets, which are defined as aligning with the goals of the Paris Climate Agreement to limit warming to well below 2°C above pre-industrial levels.

7. Exposure to Companies with Net Zero Targets
Source: Bloomberg, Lazard Asset Management
Definition: % of portfolio holdings (by weight) for which the company has disclosed its ambition and engagement related to achieving net zero greenhouse gas (GHG) emissions

Relevant Formulas from the Recommendations of the Task Force on Climate-Related Financial Disclosures

Weighted Average Carbon Intensity:

$$\sum_{i}^{n}\left(\frac{current\ value\ of\ investment_i}{current\ portfolio\ value} * \frac{issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ Emissions_i}{issuer's\ \$M\ revenue_i}\right)$$

Total Carbon Emissions:

$$\sum_{i}^{n}\left(\frac{current\ value\ of\ investment_i}{issuer'smarket\ capitalization_i} * issuer's\ Scope\ 1 + Scope\ 2\ GHG\ emissions_i\right)$$