

Jefferies

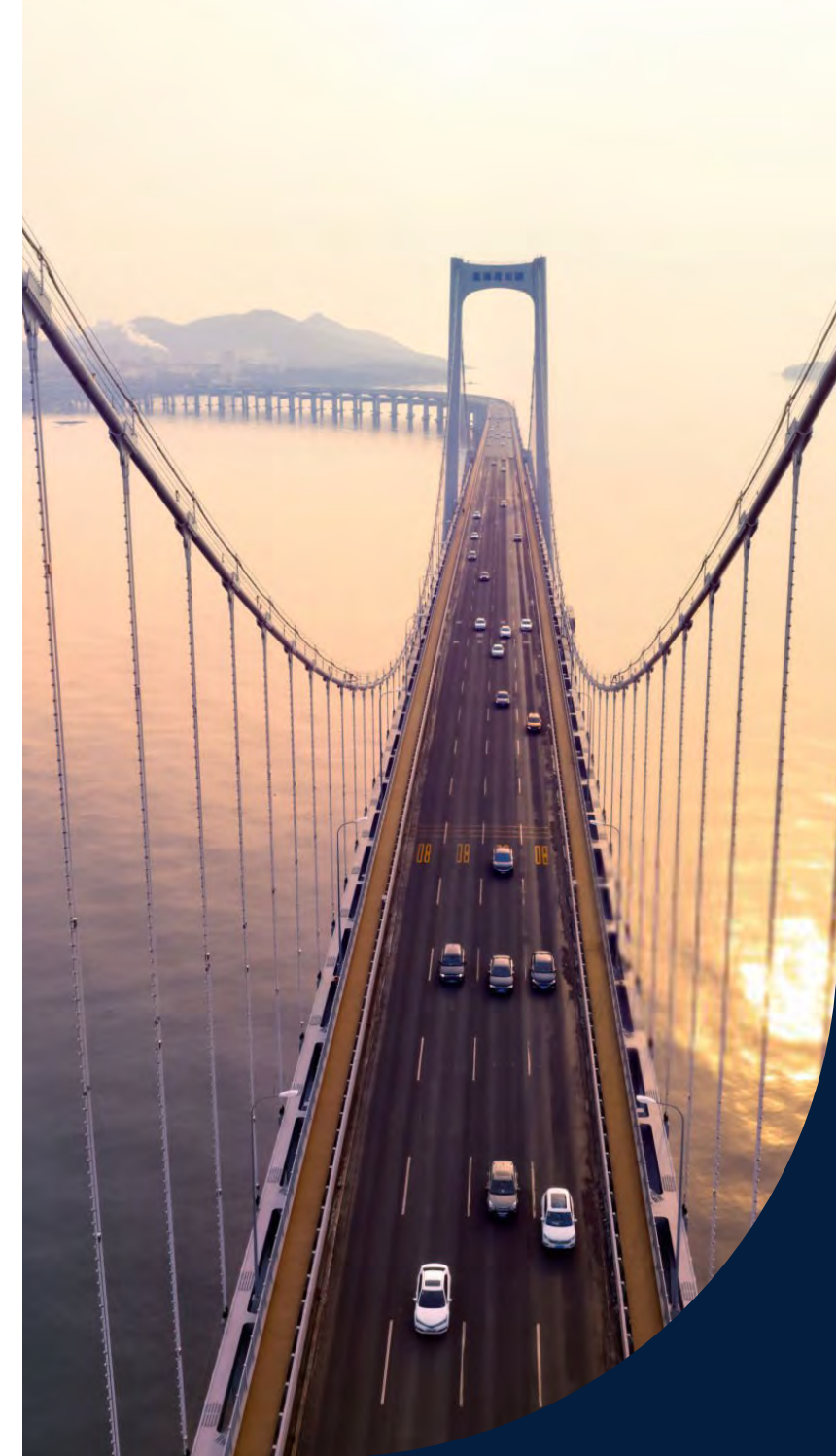
# Sustainability Report

MARCH 2024



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# Letter from Our CEO and President

Four years ago, in the introduction to our inaugural sustainability report, which was titled “What’s Past is Prologue,” we stated that “words have meaning” and that “our lexicon needs updating.” At that time, we were commenting upon the fact that the catch phrase we lived by, “long-termism,” needed to be updated to “sustainability.”

When we made that comment, it was a paean to the great results our team had achieved because of their dedication to long-termism. And it was taking notice of how everything Jefferies had done over its then nearly six decades fit squarely within all four corners of the environmental, social, and governance (ESG) and diversity, equity, and inclusion (DEI) movements.

Now there seems to be a new movement and an effort to rewrite the lexicon just as we were getting used to it. Keeping up with these movements is no easy feat!

Some say that ESG is a bad word. We are told that it has been weaponized. Lawsuits have emerged. Party platforms have solidified. Even the Harvard Business Review is jumping on the bandwagon. As just one example, in its December 2023 issue, it published an article titled “ESG is Under Attack. How Should Your Company Respond?”<sup>1</sup>

Likewise, ESG’s cousin, DEI, has become a profanity. Recently, Fortune told us that DEI has become weaponized and cast as a villain.<sup>2</sup> Here, too, we read about legislation and litigation and a bunch of other things. And just a few weeks ago, the New York Times published “Facing Backlash, Some Corporate Leaders Go ‘Under the Radar’ with D.E.I.”<sup>3</sup> which talks about employing DEI initiatives in a “less in your face way.”

Did we mention these movements are hard to keep up with?

As we said in our most recent annual letter to shareholders,<sup>4</sup> while we are both of a certain age and have really cool and important jobs, at the end of the day we are still two kids from New Jersey. We don’t much care about what acronyms have been weaponized or what the movement du jour is. Putting aside our families, who are the most important things to us and whom we care about more than anything, the only thing we care about as corporate leaders is Jefferies. We live it. We breathe it. We bleed it. And when we say Jefferies, we don’t mean the corporate entity or entities. We mean our Jefferies family; we mean every employee-partner who makes Jefferies run; we mean our incredible Board of Directors; we mean every stakeholder who has entrusted us with the capital to help build their wealth; we mean every client and customer who allows us the privilege of serving them; and we mean our trusted partners like the SMBC Group, MassMutual and Berkshire Hathaway.

And the way we care for them is to do everything in our power to grow our business, profit, return on equity, and Jefferies’ share price – including, most importantly, doing so in a way that we can sustain over the very long term.

We were tempted to call this report the 2024 Long-Termism Report and, with tongue in cheek, to go back to the future, back to the old lexicon and back to our decades-old pursuit of long-termism. But we stuck with “Sustainability.” This report is filled with all the ways our team is fortifying and growing Jefferies and protecting all our constituencies through being good corporate citizens. We can’t say it’s always easy, but we can say it’s usually pretty simple.

Always do the right thing. Treat people fairly. Work hard. Set a good example for others. Leave the campground cleaner than it was when you found it.

As you read this report, you will see myriad examples of how we and our team practice these principles every single day. If you have other things you think we can do, we would love to hear from you.



**Richard B. Handler**  
Chief Executive Officer



**Brian P. Friedman**  
President

## Jefferies’ Mission and Purpose

Jefferies is a people-driven business. Our greatest contribution to the world flows through our team of outstanding professionals who live the Jefferies values of partnership, service, nimbleness, drive, and humility to make a positive difference in the communities in which we live and work. We strive to be a global leader in investment banking and capital markets and to build value for our clients and stakeholders by leveraging our diverse team and our culture of resilience and innovation.

1 <https://hbr.org/2023/12/esg-is-under-attack-how-should-your-company-respond>  
 2 <https://fortune.com/2024/01/04/anti-dei-movement-fringe-mainstream-corporate-america-diversity-equity-inclusion-meaning-joelle-emerson/>  
 3 <https://www.nytimes.com/2024/01/22/business/diversity-backlash-fortune-500-companies.html>  
 4 [https://s201.q4cdn.com/673481134/files/doc\\_financials/letter-to-shareholders\\_thumbs/2023/Jefferies-2023-Shareholder-Letter.pdf](https://s201.q4cdn.com/673481134/files/doc_financials/letter-to-shareholders_thumbs/2023/Jefferies-2023-Shareholder-Letter.pdf)

# Letter from the ESG/DEI Committee of the Jefferies Board

We come to you this year with one less Committee member than we had last year. Our colleague, fellow director, and friend, Barry Alperin, was a director of Jefferies since 2018 and the Chairman of this Committee since its inauguration in 2020, decided to retire. While we are sad to see him go and will miss his leadership on this Committee and on the Board, we wish him the best of luck in this next chapter of his life. To help get him started on that chapter, we supplied him with a fancy Scotty Cameron putter and a few dozen Titleist golf balls. And to make sure he thinks about us when he plays, we engraved on the putter and imprinted on each and every golf ball “Jefferies.” Barry, thanks again for everything you did for us, the Board, and Jefferies.

As you have likely read from our other public filings, MaryAnne Gilmartin, who joined the Jefferies Board in 2018, is our new Committee Chair. Not at all surprisingly, she has followed through on Barry’s strong leadership and hard work.

One of the results of this year’s hard work has been an expansion of our measurement of our Scopes 1, 2, and 3 emissions. For 2021, we measured all Scope 1 and Scope 2 emissions and two categories of Scope 3 emissions (fuel and energy-related activities and business travel). To offset those measured emissions, last year we bought renewable energy credits (RECs) to address Scope 1 and Scope 2 emissions and carbon offsets for Scope 3 emissions.

We took steps to expand our Scope 3 accounting for our fiscal year 2022 inventory. We have measured five additional Scope 3 categories (Purchased Goods and Services, Capital Goods, Waste Generated in Operations, Employee Commuting, and Downstream Leased Assets) for a total of seven categories of Scope 3 emissions, including the first two we measured for 2021.

To address the impact of our emissions, for fiscal year 2022 we purchased Green-e Renewable Energy Credits (RECs), or nationally equivalent products, in the countries in which Jefferies does business to address emissions associated with grid electricity. For our U.S. operations, we purchased RECs generated in New York City. We considered several offset projects and sellers to ensure the purchase of high-quality, verified offsets in the amount of our remaining Scopes 1, 2, and 3 emissions not associated with electricity. The offsets purchased were from renewable solar installations in India and certified by Verified Carbon Standard (VCS). We plan to follow a similar process to address the impact of our fiscal year 2023 emissions in the future.

We are, of course, not finished. In 2024, we may explore further opportunities to reduce our environmental impact through operational efficiency measures in the offices and data centers we occupy, reduce our impact from our business travel, expand internal training, and pursue additional engagement with our supply chain. We are very much looking forward to the results of that work, which we will report back on next year.

In addition to those efforts, we are pleased to report that, in 2023, senior management hired Management Leadership for Tomorrow (MLT), a nonprofit organization committed to advancing racial equity, to conduct a racial equity and gender equity diagnostic.

Following the completion of the diagnostic, we will be participating in MLT’s Racial Equity at Work Certification program, a comprehensive improvement system designed to drive action toward enhanced racial equity.

We are particularly interested in hearing from MLT on how we can refine our efforts to increase the ethnic and racial diversity at Jefferies. As we have said before, we would love to see the larger Jefferies reflect the diversity that is now reflected on our Board. We are not going to pretend that it will be easy. Our decades of professional service in our careers forces us to recognize that there are myriad hurdles to achieving that goal. But, as we have said before, with Rich and Brian at the helm, we are confident that the same smarts that have propelled Jefferies into the global powerhouse it has become will also propel Jefferies to achieve the diversity profile we seek to achieve.

## ESG/DEI Committee of the Board

MaryAnne Gilmartin (Chair) | Linda L. Adamany  
Matrice Ellis Kirk | Thomas W. Jones | Jacob M. Katz

## Jefferies Board Diversity – Diverse Lead Independent Director

**45%** 5 of 11 directors are diverse by gender/ethnicity

**36%** 4 of 11 directors are women

**63%** 5 of 8 independent directors are diverse by gender/ethnicity

**3** Board Committees chaired by Diverse Independent Directors

**5** 5 of 11 directors added in last five years

# About Jefferies

## Who We Are

Jefferies is one of the world’s leading full-service investment banking and capital markets firms. Distinguished by our partnership culture, the depth of insight we deliver to our clients, and our flat entrepreneurial structure, we have had incredible consistency of leadership and strategy. This difference has fueled our growth across all services and enabled us to deliver for our clients at their most critical moments.

**We are**

**Insightful**

Ideas and advice to support our clients goals, drawn from our deep sector and product expertise.

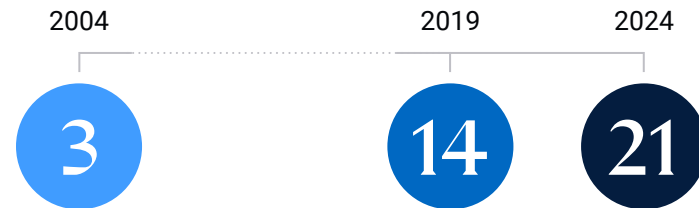
**Driven**

Nimble, entrepreneurial structure, and culture relentlessly focused on and designed to deliver for clients.

**High Touch**

It’s personal at Jefferies. We forge deep client partnerships built on trust and high-touch service.

## Global Growth – Number of Countries Where We Operate



**47 offices** in 21 countries

**5,268** Worldwide Employee-Partners<sup>1</sup>

### 3,281 employee-partners in the Americas

New York – Global Headquarters

Atlanta, Boston, Calgary, Charlotte, Chicago, Dallas, Houston, Jersey City, Los Angeles, Miami, Nashville, Orlando, Palo Alto, Philadelphia, Red Bank, Richmond, San Francisco, São Paulo, Stamford, Toronto, and Washington D.C.

### 1,343 employee-partners in Europe and the Middle East

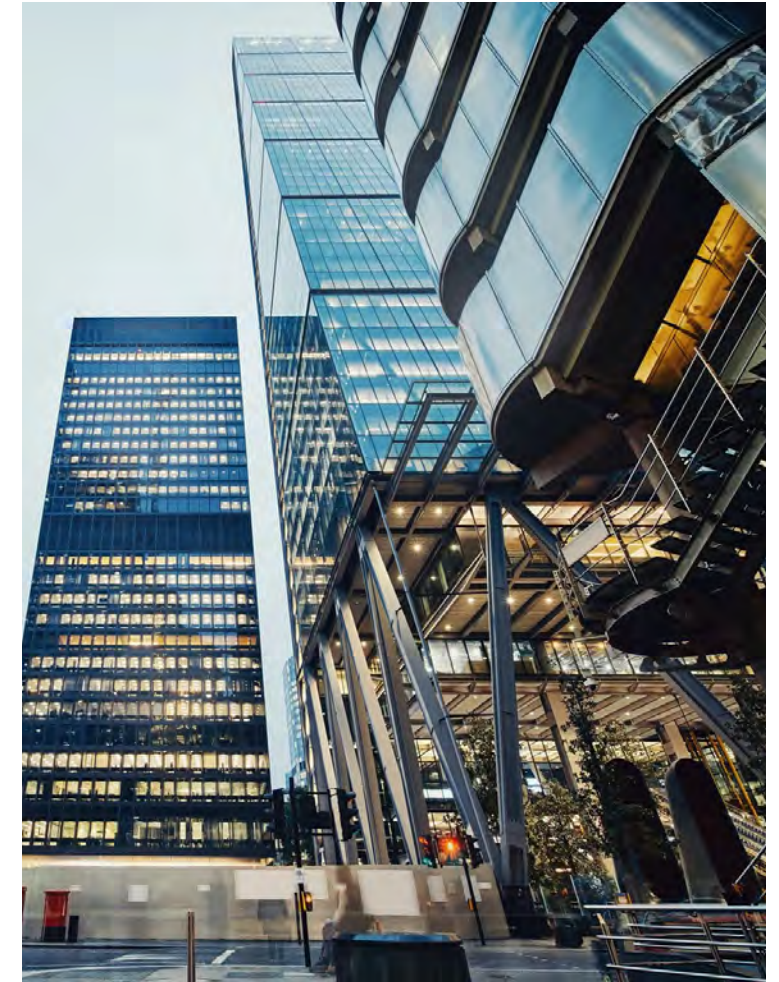
London – European Headquarters

Amsterdam, Cascais, Dubai, Frankfurt, Madrid, Milan, Paris, Rome, Stockholm, Tel Aviv, Warsaw, and Zurich

### 644 employee-partners in Asia Pacific

Hong Kong SRA – Asia Headquarters

Beijing, Melbourne, Mumbai, Seoul, Singapore, Sydney, and Tokyo



<sup>1</sup> Employee-partner headcount is as of November 30, 2023, and excludes employees of our Stratos, OpNet, HomeFed, Foursight Capital, and M Science subsidiaries. This Sustainability Report primarily addresses the activities of the main broker-dealer operating entities of Jefferies Financial Group Inc. Additionally, this report addresses activities of certain subsidiaries and investees, which have their own sustainability programs as presented on pages 49-51. This report excludes Vitesse Energy, Inc., due to its spin-off to Jefferies’ shareholders in January 2023.



### Working For Our Shareholders

**\$986 million** in capital returned to shareholders in 2023

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**\$6.0 billion** in capital returned to shareholders over the last six years

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**Ranked the 6th largest investment banking firm** by Dealogic across global mergers and acquisitions and global equity capital markets verticals (excluding China)

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**Ranked 7th globally** by Dealogic in combined mergers and acquisitions, equity capital markets, and leveraged finance verticals

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Jefferies' total Equity Research **ranked 5th in the U.S. and 6th in Europe** by Research II and **3rd** best overall in Asia by Asiamoney for combined Equity Research and Sales

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**Ranked 1st** in ESG research by U.S. Institutional Investor in its 2022 and 2023 surveys

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**Ranked 1st** in ESG research by European Institutional Investor in its 2023 survey

# 2023 Sustainability Highlights



Jefferies began the process of **aligning with the Task Force on Climate-related Financial Disclosures (TCFD) framework** and advancing climate risk management practices in its European divisions.

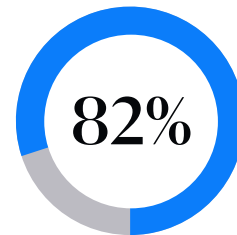
Jefferies **expanded its GHG inventory** to include several other relevant Scope 3 categories.

In 2023, we took steps to **improve the quality of our Greenhouse Gas (GHG) assessment** by leveraging new software in coordination with third-party consultants.

The **Board's ESG/DEI Committee has oversight** of Jefferies' sustainability and diversity, equity, and inclusion programs.

## \$22 Million

Raising over \$22 million in charitable donations to support over 445 non-profit organizations, including those providing humanitarian aid and support to the Maui wildfires and Israel.



**Inclusion-focused employee engagement survey** resulted in an engagement score of 82%.

## 831

831 employee-partners participated in the fourth annual Jefferies Cross-Divisional Mentoring Program in 2023.

Held **60+ inclusive leadership** trainings globally since the program's launch in February 2022

## 180

Unique events relating to ESG globally, including thematic and expert meetings

**Ongoing firmwide sustainability education** on global topics and business model integration

Engaged **224 unique clients** from 84 firms through 12 client-targeted employee resource group events in **Chicago, Hong Kong, London, Miami, and New York**

Continuous cyber awareness training to **100% of our employee-partners and contractors**

SECTION 2

# Sustainability at Jefferies

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# Our Approach

We see sustainability as a key contributor to Jefferies’ long-term growth strategy and business success. Our sustainability program guides how we advance strategic initiatives that more effectively support our global team, decrease our environmental footprint, support the communities in which we work and live, and advance sustainable finance initiatives through our business model.







[Our Board of Directors recognizes the importance of integrating governance, environmental stewardship, and social responsibility throughout our global operations in alignment with our business strategy to advance long-term enterprise value creation.](#)

Executing upon our commitment, we have made great strides in sustainability throughout our firm, but we are not resting as we know we still have much more work to do. Starting with a mature, comprehensive, and realistic view of each sustainability risk and opportunity, specific action must be charted and accountability measures put in place.

We see sustainability as a long-term commitment that spans the full value-chain, and that is why we are working with our clients to finance and implement a smart, long-term transition that addresses key challenges in a practical manner.

## Foundation of Our Sustainability Program

The foundation of our commitment to sustainability is focused on the following key areas:

 <p><b>Sustainable Finance</b></p> <p>We establish our ESG/DEI strategies to support solutions essential to building a sustainable future and driving value to our employees, shareholders, and communities worldwide.</p>	 <p><b>Our Team</b></p> <p>We strive to maintain a culture of transparency, trust, and respect, and foster an entrepreneurial culture that emphasizes DEI.</p>	 <p><b>Giving Back</b></p> <p>We aim to make a positive difference in the communities in which we live and work by giving back through financial donations, leadership support, and volunteer commitment.</p>
 <p><b>Responsible Business Practices</b></p> <p>We are committed to sound corporate governance and ethical practices, building long-term value for our shareholders, and trust with stakeholders.</p>	 <p><b>Environmental Stewardship</b></p> <p>We continue advancing our environmental stewardship to build climate resilience, reduce our carbon footprint, and promote eco-friendly practices across our global operations.</p>	

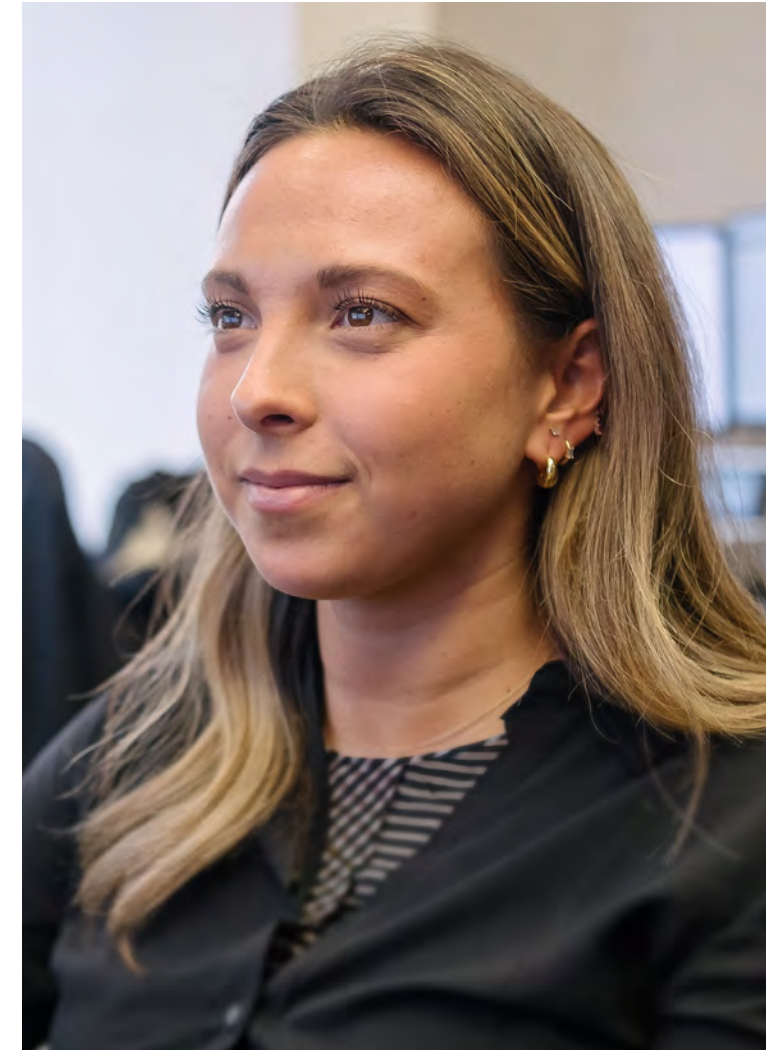
# Governance of Sustainability

Jefferies’ governance supports and implements sustainability strategies across the company, manages goal setting and reporting, strengthens relations with external stakeholders, and ensures overall accountability. We recognize that sustainability benefits society, and also helps our business with long-term benefits, including mitigating risks, attracting new investors and shareholders, increasing the company’s equity, and attracting and retaining the best talent. Through our governance structure and policies, we work to align the perspectives of our clients, shareholders, stakeholders, Board of Directors, management, and employee-partners.

## Board Oversight

Our Board, as a whole and through its standing committees, works closely with our executive management to oversee our ESG/DEI initiatives and reporting and sustainable business practices. The ESG/DEI Committee has oversight of Jefferies’ sustainability and diversity, equity, and inclusion programs.

Board Responsibilities	Oversight Areas
<b>Board of Directors</b>	ESG/DEI program through oversight of our business strategy and annual strategic planning
<b>ESG, Diversity, Equity, and Inclusion Committee</b>	ESG and DEI risks, strategies, policies, programs, and practices, including risks and opportunities relating to climate change
<b>Audit Committee</b>	Financial reporting and legal and regulatory compliance risk, the Code of Business Practice, and Whistle Blower Policy
<b>Compensation Committee</b>	Compensation and benefits programs for our officers, and employee-partners, and assistance with Board oversight of policies and strategies related to human capital management, including recruiting, retention, and diversity
<b>Nominating and Corporate Governance Committee</b>	Board nominees — specifically, including diverse candidates; Corporate Governance Guidelines, and corporate governance policies
<b>Risk and Liquidity Oversight Committee</b>	Enterprise risk management activities, including business continuity planning, cybersecurity, and privacy risks



## Integrated Oversight



The ESG/DEI Committee oversees our sustainability program to ensure that our management team discusses sustainability matters while reviewing our business operations, advances initiatives to broaden our workforce diversity, pursues our environmental sustainability strategy, and helps to address social issues outside Jefferies.

## Key Responsibilities of the ESG/DEI Committee

- **Evaluation of corporate risks, policies, strategies, and programs** related to matters of sustainability, climate change, social responsibility, culture, governance, and diversity, equity, and inclusion
- **Establishment of ESG/DEI policies and formal ESG/DEI assessments** to adhere to best practices
- Oversight of corporate culture and **evaluation of progress in workforce diversity and inclusivity**
- **Expansion of ESG/DEI reporting**
- **Measurement, reporting, and mitigation** of our environmental impact
- **Evaluation of impact** on social issues
- **Evaluation of management's efforts** to react and respond to social issues affecting Jefferies and the communities in which we operate

[Learn More: ESG, Diversity, Equity, and Inclusion Committee Charter](#)

## ESG Working Group

Our ESG Working Group includes cross-functional leaders who meet regularly to discuss sustainability issues critical to our business and stakeholders. The group recommends steps to promote sustainability objectives by developing and driving ESG initiatives to advance sustainability strategies and reports progress to the ESG/DEI Committee.

## Firmwide Training

Jefferies provides firmwide ESG education. We educate our employee-partners about ESG and share how Jefferies is advancing sustainability initiatives. Our employee-partners learn about Jefferies' sustainability program and initiatives at onboarding and through ongoing internal employee communication with educational material and updates.



Jefferies was recognized by the **Women's Forum of New York** at its "Breakfast of Corporate Champions" for making **gender balance in the boardroom a strategic business imperative**.

## Stakeholder Engagement

Ongoing and extensive stakeholder engagement is key to our business success and impacts our business processes. Our approach helps to inform our Board and management team of sustainability topics critical to our stakeholders, shape the development and execution of our sustainability efforts, and drive long-term shareholder value creation. The following table summarizes some of the ways we actively engage with key stakeholders.



Stakeholder Group	Engagement Approach	ESG/DEI Topics of Discussion
<b>Clients</b>	<ul style="list-style-type: none"> <li>Individual client meetings and information conferences</li> <li>Client communication through platform and regular client outreach</li> <li>Sustainability Matters Summits and ESG Forums</li> <li>Shared community development and support</li> <li>Client questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>Integration of ESG/DEI into investment decision-making</li> <li>Assessment of sustainability matters and financial implications of critical areas, such as human rights, climate change, and supply chain management</li> <li>Jefferies' information security and privacy practices</li> </ul>
<b>Employee-Partners</b>	<ul style="list-style-type: none"> <li>Firmwide town hall meetings and Q&amp;A sessions with Executive Team</li> <li>Annual engagement surveys and review of results and feedback</li> <li>Virtual meetings and regular employee communication through email and intranet</li> <li>Formal reporting mechanism to raise issues such as fraud, harassment, information security/privacy incidents, and safety concerns</li> </ul>	<ul style="list-style-type: none"> <li>Diversity and equal opportunity</li> <li>Health and safety, and remote/hybrid work arrangements</li> <li>Benefits and compensation</li> <li>Wellness and mental health support</li> <li>Training, professional development, and career advancement</li> <li>Internships and recruitment</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>One-on-one meetings to review business and ESG/DEI topics</li> <li>Annual investor meeting</li> <li>Interactions at industry associations and sell-side conferences</li> <li>Conversations with Investor Relations Team</li> <li>Shared community development and support</li> </ul>	<ul style="list-style-type: none"> <li>Business strategy and long-term financial sustainability</li> <li>Sustainability reporting, goals, and executive compensation</li> <li>ESG/DEI initiatives and objectives, such as climate change, workforce diversity, and corporate governance</li> <li>Sustainable investment strategy</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Meetings, emails, calls, conferences, and site visits</li> <li>Assessments and questionnaires on business continuity, anti-money laundering and compliance, credit risk, information security, privacy, carbon emissions, diversity, and modern slavery</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Code of Conduct</li> <li>Business continuity and supply chain management</li> <li>Sustainability initiatives, workforce diversity, and eco-friendly business practices</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Collaborations to advance shared priorities of social responsibility and community needs</li> <li>Interactions building community partnerships and volunteerism</li> <li>Philanthropic donations and investments</li> <li>Meetings in unison with our clients to maximize positive impact</li> </ul>	<ul style="list-style-type: none"> <li>Community development and support in areas of racial injustices, access and affordability, healthcare, and wellness support</li> <li>Volunteerism and corporate donations</li> </ul>

SECTION 3

# Sustainable Finance

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# Jefferies' Sustainable Investment Statement

As a leader in the financial sector, we have influence in funding and bringing awareness to issues of sustainability. We believe long-term investors must look ahead to the risks that might impact the value of their investments, as well as identifying investment opportunities over long-term horizons. We also believe that governance is the foundation upon which successful companies are built. It is the mechanism through which Jefferies can ensure that interests are aligned between fellow shareholders, management, and other stakeholders.

Our Sustainable Investment Statement (SIS) helps our clients, prospective clients, employees, and other stakeholders to better understand how Jefferies defines and approaches these different aspects of sustainable investing and finance. This statement was developed through robust stakeholder engagement, including the ESG/DEI Committee and senior executives from multiple Jefferies business units, based on a peer review and recommendations conducted by an external consultant. For more information, please see our [SIS on the Governance page](#) of our website.



We are a member of Sustainable Trading, an inclusive membership network driving positive change in ESG practices within financial markets trading. [Learn more](#)

As part of our due diligence process, Jefferies assesses various factors that may include financial performance, industry trends, quality of management, reputational, and other risks, as well as ESG factors. We make these assessments for our clients as well as for the investments that we make on our own behalf. The factors included in our evaluation process continue to evolve and are assessed and adjusted on an ongoing basis. However, Jefferies does not make investment business decisions based solely on ESG criteria, nor do we market ourselves as an ESG investor.

Climate change is currently one of the top-tier risks facing us and poses significant challenges for the global economy. At Jefferies, we try to transform these challenges and turn them into opportunities for new and growing businesses that are focused on decarbonization strategies. Through our sustainable finance activities, we help our clients pursue and implement low-carbon strategies.



# Sustainable Finance Solutions and Services

The energy transition accelerated in 2023, with installation of renewable capacity around the world rising by almost 50% in 2023, the fastest growth rate in the past two decades.<sup>1</sup> With policy incentives and a wave of innovative digital solutions, climate-related capital continues to flow into both public and private markets. Amid this dynamic landscape, investors grapple with a critical question: how to optimally allocate time and capital to emerging clean technologies. At Jefferies, we aim to provide investors with a strategic framework to navigate this complex landscape.

[We are providing clients with finance solutions to advance environmental and social initiatives including affordable housing, renewable energy, and the decarbonization of various industries.](#)

We strive to increase the number of green bonds, social bonds, and sustainability-linked bonds. Examples of our sustainable financing activity are highlighted over the following pages.

<sup>1</sup> Executive summary – [Renewables 2023](#) – Analysis - IEA

## Fixed Income Transaction



Jefferies acted as a Left Lead Bookrunner on a \$550 million Senior Secured Notes offering for Savers Value Village, Inc. (Savers), the largest for-profit thrift operator in North America operating 317 thrift stores under the Savers, Value Village, Village des Valeurs, Unique, and 2nd Ave. banners. Savers is committed to redefining secondhand shopping by providing one-of-a-kind value merchandise, ranging from quality clothing to home goods. The company purchases secondhand goods from its nonprofit partners, processes the merchandise, and then sells it in its stores or to wholesale customers.

Savers seeks to positively impact the environment by reducing waste and extending the life of products. The company has paid over \$580 million to non-profit partners for donated goods since 2018.

## Municipal Finance Group

Jefferies' Municipal Finance Group is a market leader in working with governmental entities and nonprofits to finance their capital needs. Importantly, we continue to be at the forefront of assisting borrowers with evaluating ESG considerations in all facets of capital planning and disclosure, and we have launched many ESG borrowing programs and initiatives for governmental and nonprofit entities across the U.S.

In 2023, Jefferies' Municipal Finance Group served as senior manager or placement agent on over \$3.0 billion of ESG-labeled financings (including Green Bonds, Social Bonds, or Sustainability Bonds); since the first ESG-labeled financing was sold in the municipal market in 2013, our team has led \$11.9 billion of such financings.

In 2023, our ESG-labeled financings supported affordable housing, higher education, primary/secondary education, solid waste, state revolving fund, transit, and water/sewer projects, among others. More broadly, the work of the Municipal Finance Group also touches on airports, healthcare, power/energy, surface transportation, and other general governmental purposes.



**Municipal Finance Group: 2023 Sustainability-Related Initiatives and Transactions**



**Lincoln University** is a state-related institution with its main campus in Lincoln University, Pennsylvania, and a School of Adult and Continuing Education in Philadelphia. Lincoln University is the first Historically Black College and University (HBCU) in the U.S. to grant four-year degrees. Jefferies served as senior managing underwriter on a Social Bond issuance for Lincoln University, in which Kestrel provided a third-party opinion related to the financing based on the University's mission and history.



**The Ohio Water Development Authority (OWDA)** was created in 1968 to provide financial assistance for environmental infrastructure through the provision of loans to local governments in Ohio. Jefferies served as senior manager on \$150 million of Sustainability Bonds issued related to its Drinking Water Assistance Fund Program (DWAF), which provides below-market and zero percent loans (including principal forgiveness loans) for planning, design, and construction of water treatment projects to water systems to meet Safe Drinking Water Act standards.



**San Diego Unified School District (SDUSD)** is the second largest school district in the State of California and serves most of the population of the City of San Diego. SDUSD has resolved to achieve net-zero energy districtwide by 2035 and phase out the use of fossil fuels by electrifying all infrastructure. SDUSD has already constructed 75 photovoltaic systems, self-generating approximately 32,000,000 kWh of clean energy per year. Jefferies served as senior manager on a \$100 million Green Bond issuance for SDUSD (issued as part of a larger issuance in Fall 2023) – the designation was reliant on a second-party opinion from Kestrel due to the financing's conformance with the four core components of the ICMA Green Bonds Principles.



**San Francisco Public Utilities Commission (SFPUC)** is a department of the City and County of San Francisco and is responsible for maintenance, operation, and development of the water, wastewater, and power enterprises within the City. The SFPUC is committed to providing retail drinking water services to San Francisco and wholesale water to three Bay Area counties in a manner that values environmental and community interests, and sustains the resources entrusted to its care. Jefferies served as senior manager on a \$486.9 million Green Bond issuance for the SFPUC (issued as part of a larger issuance in Summer 2023). The designation was based on the climate adaptation and/or mitigation benefits of the projects refinanced by the bonds; the bonds are also certified by the Climate Bonds Initiative as Climate Bonds.



**The State of Connecticut** raised \$426 million of Social Bonds, with Jefferies as senior manager, to finance local K-12 school construction projects, which are generally financed through a combination of local funding and State reimbursement. The State's reimbursement percentage is determined by a statutory formula that ensures a significantly higher proportion of funding is dedicated to the municipalities that need it most.

**In 2023, the activities of Jefferies' Municipal Finance Group also supported the organizations and projects highlighted below.**





# Global Investment Banking and Capital Markets

During 2023, Jefferies supported a variety of sustainability-related deals and transactions related to climate change, energy transition and decarbonization, and social impact, including those highlighted below.



**Arglass (U.S.)** is a specialized environmentally sound glass manufacturer. Jefferies was Sole Lead Placement Agent on a \$213 million Senior Secured Bond to refinance existing debt on its state-of-the-art glass manufacturing project in Valdosta, GA.



**Burnham RNG LLC (U.S.)** is a waste-to-energy developer. Jefferies was Sole Lead Placement Agent on a \$186 million Senior Secured Green Bond for the construction of an agricultural wastewater to renewable natural gas project in Pasco, WA.



**Divert Inc. (U.S.)** is a renewable natural gas developer owned by Ara Partners and Enbridge. Jefferies was Sole Lead Placement Agent on \$63.4 million Senior Secured Notes for the construction of its Turlock, California, organic waste to renewable natural gas project.



**Enel (Italy)** is an Italian power utility and one of the largest renewable generation portfolio owners in the world. Jefferies was sole sell-side advisor on the announced sale of a 150MW geothermal and solar power plants for \$271 million to Ormat Technologies.



**FuelCell Energy (Nasdaq: FCEL) (U.S.)** is a publicly traded fuel cell and hydrogen electrolyzer manufacturer and project operator. Jefferies was Joint Sales Agent for ATM equity issuance program.



**Haddington Ventures (U.S.)** is an energy-focused private equity firm. Jefferies was Sole Sell-Side Advisor on the sale of the majority interests in ACES Delta, one of the largest hydrogen production and storage projects in the world, to Chevron.



**Renewable Energy Alternatives (U.S.)** is a family-office-backed renewables developer. Jefferies was Sole Sell-Side Advisor on the sale of a community solar portfolio to an undisclosed buyer.



**Tyr Energy/TED Renewables (U.S.)** is an independent power and renewable development company. Jefferies was Sole Sell-Side Advisor on the sale of its late-stage 450MW solar development projects to Adapture.



# Asset Management

## Leucadia Asset Management

Leucadia Asset Management (LAM), a division of Jefferies, manages a range of investment strategies spanning diverse asset classes. LAM is a signatory to the Principles for Responsible Investment and has an asset management-specific ESG policy in addition to being subject to Jefferies' broader sustainability policies and initiatives. Third-party managers on the LAM platform may have their own ESG policies and integrate ESG considerations into investment decisions.



### CASE STUDY: Energy Transition

Jefferies' carbon-abating transactions generated in 2023 nearly doubled compared to 2022.

The transition from fossil to renewable generation, the decarbonization of transportation, and the drive for greater resource efficiency accelerated in 2023. Wind and solar represented more than 14% and 27% of power generation in the U.S. and Europe, respectively, which constitutes the highest level of renewable generation in history. At the same time, emerging technologies in the areas of carbon capture and green hydrogen saw greater investment from both private equity funds and corporations as newly enacted legislation in the U.S. and Europe helped to improve the economics of these technologies.



### Jefferies' noteworthy energy transition transactions in 2023 included advising:

- **Blackstone** on its acquisition of PowerGrid Components, a provider of mission critical components used in power transmission and distribution infrastructure;
- **Carbonvert** on the sale of its interest in the Bayou Bend Carbon Capture and Storage (CCS) project to Equinor, which was the largest sale of a CCS project to date;
- **Evero Energy**, a waste-to-energy company, in connection with its £215 million debt raise;
- **NEOS Partners** on its acquisition of MGM Transformers, a provider of dry transformers used by the power and renewable energy industries;
- **Rivian**, an electric vehicle manufacturer and automotive technology and outdoor recreation company, in its \$1.7 billion convertible notes offering; and
- **Verkor**, a motive battery manufacturer, on the company's €850 million private placement.

# Sustainability and Transition Strategy

Jefferies is proud to have the top ESG Strategy Team in the world, ranked #1 in U.S., Europe, Japan, and Australia by Institutional Investor survey and Asiamoney Brokers Poll. We have constructed a global Sustainability and Transition Strategy Team that takes both a top-down and bottom-up approach to our ESG research initiatives. The team is led by Aniket Shah, PhD. Mr. Shah leads the integration of ESG and sustainability analysis within the global investment research department and engages with clients on this dynamic area of corporate and financial services.

We incorporate ESG and DEI themes, content, and analyses within our strategy for our clients to integrate into their own investment processes. In this way, we are assessing companies and analyzing trends in relation to clean energy solutions, giving perspective to clients on the impact of carbon markets and other climate-related market mechanisms and opportunities.

The Sustainability and Transition Strategy Team is responsible for a wide range of dedicated expert and corporate events. In 2023, over 14,100 client touchpoints were facilitated through events around the world. A periodic “ESG Strategic Insights” newsletter, stakeholder engagement, and advisory service are also part of the broader client offering. We are proud to present Jefferies as “One Firm” to our institutional and corporate clients.

Our ESG engagement with corporate issuers on sustainability issues is foundational to gaining a clear sense of how companies of various sizes throughout the world are evolving their respective corporate strategies and reporting based on ESG considerations.

Our top-down strategy currently focuses on key themes within the environmental and social areas of sustainable investing, giving perspective as to how investors can incorporate a thematic view on ESG factors into investments. These themes include climate and the energy transition, human capital and corporate culture, governance and corporate strategy, and policy and regulation.

Our bottom-up integration approach involves collaborating with sector analysts to identify material ESG issues at the subsector level and how these issues may have a material financial impact on the companies we cover from an equity strategy perspective.

## Jefferies

### ESG Strategy

[In Search of Climate Gold Dust: How to Invest in the Net-Zero Transition](#)

[The Step-by-Step Guidebook to US Human Capital Analysis](#)

[Governance Primer: 10 Key Corporate Governance Questions](#)

## Jefferies

### Global | ESG Strategy

[You Asked, We Answered: 10 Common Questions on Europe’s ESG Market](#)

[Heat Pumps in Europe: Getting Less Pumped...](#)

### 2023 Client Engagement

14,100+

client touchpoints related to our ESG advisory offering in global equities.

~1,000<sup>1</sup>

unique clients interacted with our ESG offering globally.

180

unique events relating to ESG globally, including thematic and expert meetings.

### 2023 Published Content

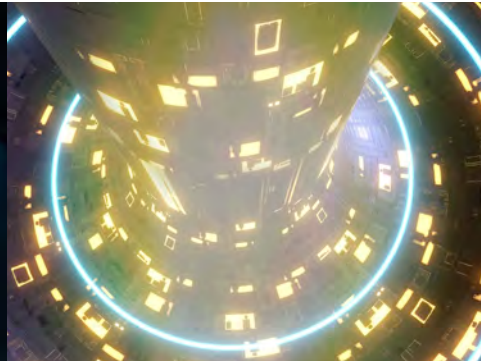
300

ESG-related strategy reports published globally.

<sup>1</sup> This includes analyst marketing and interactions, bespoke client requests, and industry expert meetings.

# Jefferies 2023 Conferences and Summits

We bring together companies and investors for Jefferies corporate sustainability summits and conferences to discuss practical applications of current sustainability topics. Examples of some 2023 events are listed below.



## Jefferies Climate Finance Day

### NYC Climate Week

During NYC Climate Week, Jefferies hosted a full-day event dedicated to climate finance. The agenda included insights into how climate finance has evolved since 2010, the viability of oil and gas companies in the low-carbon transition, how banks and insurance should manage risk, linking executive compensation to emission reduction, honing shareholder strategies to contribute to emission reduction, the need for decision-useful climate scenarios, and the importance of net-zero financial disclosures.

## Jefferies Deep Sea Mining Summit

### When Net Zero & Nature Collide

At this event, independent experts and companies seeking to produce from the deep sea shared insights about deep-sea mining. Advocates argued that the global net-zero transition could need these metals and minerals, while opponents pointed to potentially catastrophic environmental impacts in this dialogue.

## Jefferies ESG Nuclear Fusion Summit

### Investable Paths to Fusion Power at Scale

For decades, nuclear fusion has offered the promise of limitless clean power. Commercial-scale plants have, however, remained always out of reach for the energy industry. For the first time ever, scientific breakthroughs mean we may be on the cusp of making fusion power a reality. Industry expert Dr. Melanie Windridge and companies at the cutting edge of nuclear fusion joined forces to explore the investable opportunities for nuclear fusion.

## Jefferies Renewables & Clean Energy Virtual Conference

### Examining the Renewable Energy Value Chain

This event considered perspectives across the renewable energy value chain, including renewable power generation, for example, from wind and solar; sourcing of key raw materials, such as cobalt, lithium, and rare earth metals; energy storage and distribution through batteries and hydrogen; decarbonization initiatives from upstream actors; and related enabling technologies such as fuel cells.

## Jefferies Virtual Aero, Airlines, Chemicals and Defense ESG Summit

### The State of Sustainable Industry

Our Industrials Summit consisted of virtual presentations with C-Level executives and industry experts focused on ESG and new sustainable technologies. This virtual summit focused on how companies can create new franchises helping their customers and consumers adapt to climate stress and reduce their climate impact.

SECTION 4

# Our Team

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# Supporting Our Global Team



5,268

Our global team of 5,268 employee-partners and their entrepreneurial spirits define Jefferies.

Our global team and its entrepreneurial spirit define Jefferies. Our flat structure empowers our employee-partners to leverage their talents and experience to serve clients, manage teams, and define their personal work-life balance. We are committed to doing our best to maintain a culture of transparency, trust, and respect.

We invest in the resilience and well-being of our employees and address issues that affect the health, community, economic stability, and social identity of our workforce. We foster an inclusive environment, maintaining safety and well-being in and out of the workplace, while respecting the cultures of the countries in which we live and work.

We comply with relevant occupational health and safety laws with the goal of minimizing exposure to health risks and maximizing safety. We offer competitive health benefits and additional services, such as wellness classes, counseling, guest speaker series, and health incentives.

## Employee Health Benefits

We provide competitive health benefit options that augment employee retention and attract prospective talent. Jefferies does not use a one-size-fits-all construct for its work-life balance policies. Globally, expecting and existing parents have access to resources that include one-on-one access to clinicians, experts, and specialists through an external partnership.

Jefferies offers generous parental leave benefits, including paid time off for primary and secondary caretakers, lactation rooms, backup childcare, and incentives for expectant mothers to participate in a Healthy Pregnancy Program. Our family-forming inclusive benefits, through our Global Fertility, Surrogacy, and Adoption Program, provides \$25,000 to all employees hoping to expand their families. Our benefits program also supports parents returning from leave by pairing them with employee-partner buddies who give advice on successful reintegration into the office.

In 2023, we continued to expand our inclusive benefits offerings to provide a range of resources to support employee needs related to perimenopause and menopause through our partnership with Cleo.

## Wellness Programs

Support for the physical and mental health of our employee-partners is and will continue to remain our top priority. Employee-partners who qualify for comprehensive healthcare benefits have access to our Employee Assistance Program (EAP), a confidential resource available to help with personal challenges. The EAP provides access to confidential counseling for difficulties such as marital and legal problems, drug or alcohol abuse, depression or stress, and childcare.

Jefferies provides other wellness programming and resources to support our employee-partners. We host wellness webinars led by mental health experts. Our webinars focus on topics such as managing anxiety, supporting employee-partners to prevent burnout, harnessing empathy in the workplace, resiliency in a world of uncertainty, embracing a year of powerful change, nutrition and healthy eating habits, and more. These sessions are tailored to the audience based on the region in which they are being delivered.

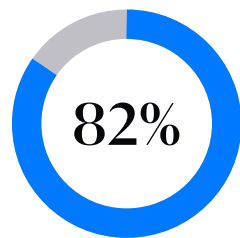
[We also offer our employee-partners confidential, one-on-one wellness counseling with third-party mental health experts. This service is available to anybody seeking supplemental support and guidance.](#)

Additionally, to encourage good physical-health practices, we have a robust lineup of fitness classes. We offer our employee-partners free access to a digital fitness application. Jefferies also partners with well-known fitness studios in New York and London to provide our employee-partners access to “Jefferies-only” classes.

# Investing in Our Talent

## Employee Engagement

Our annual Inclusion-Focused Employee Engagement Survey enables employee-partners to provide feedback on an anonymous basis. The survey resulted in a 73% employee participation rate and an inclusion score of 82%, in line with the financial services benchmark. These results were shared with the Board and the ESG/DEI Committee, including progress made on the actions recommended following previous years' surveys.



The survey resulted in a 73% employee participation rate and an **inclusion score of 82%**, in line with the financial services benchmark.<sup>1</sup>

## Training and Development

We are passionate about developing a culture of leaders at Jefferies by investing in our employee-partners at every stage of their careers. We offer customized year-long training curriculums across divisions and title levels globally for Investment Banking, Fixed Income, Equities and Corporate focused on upskilling, professional development and management best practices. We also offer mentoring initiatives, including our firmwide Cross-Divisional Mentoring Program, Career Advisory Program, and New Hire Buddy Program.

**We provide our employee-partners at all stages in their careers with the tools to become thoughtful and effective leaders.**

Through technical and professional educational development courses designed to support employees in their current roles and prepare them for advancement and future career opportunities, we are supporting employees to meet their career objectives and contribute more meaningfully. Jefferies offers tuition reimbursement for eligible college and other educational courses.

Our Women in Leadership Series provides learning, development, and networking opportunities to position our female leaders for success. Our Jefferies Women's Initiative Network Career Catalyst Program offers development and networking opportunities to Vice President promotes. Our leadership development program, sponsored by our Jefferies Black and Latino Network (J-NOBLE) and Jefferies Ethnic Minority Society (JEMS), is aimed at providing professional development and career advancement training to participants. We also offer continuing education opportunities to our employee-partners through annual educational benefits to help them advance their technical, financial, communications, and leadership skills.

### DEVELOPING INCLUSIVE LEADERS

Since the launch of Inclusive Leadership Training in February 2022, we have achieved **100% completion across 60+ sessions globally through fiscal year-end 2023.**

<sup>1</sup> The financial services benchmark represents a range of financial services companies from more traditional, large financial services firms to small, regional organizations. The benchmark is made from approximately 10 million questions answered in the last 12 months from over 200 organizations (ranging in size from 20 to 24,400 people).

## Employee Spotlights



**JOE LEWIS**  
MD Corporate Hedging and FX Solutions

Congratulations to Joe Lewis on his appointment to the [Options Clearing Corporation \(OCC\)](#) Board of Directors.

The OCC is the world's largest equity derivatives clearing organization, and Joe's appointment is a testament to his extensive track record and exceptional expertise advising clients in the currency and derivatives markets.

Mr. Lewis is a widely respected leader at Jefferies with an innovative, forward-thinking mindset. As the co-founder of the Jefferies Network of Black and Latino Employees (J-NOBLE), he fosters a best-in-class work environment, emphasizing the importance of diversity and inclusion in company culture.



**ALICE TAPSIKOVA**  
Named "Rising Star" by Financial News

Congratulations to Alice Tapsikova, who was named a [Rising Star of Investment Banking](#) by *Financial News London*, an honor that highlights young professionals who stand out among their peers.

Since joining our firm in 2018, Alice has had an integral role in growing Jefferies into a top-ranking infrastructure franchise in Europe. She is responsible for the European utilities' coverage and assisting clients in investing in energy transition opportunities. Ms. Tapsikova is also a champion for diversity and young talent development at Jefferies through her involvement with JEMS and jWIN.

# Diversity, Equity, and Inclusion

## Our DEI Strategy and Oversight

Our commitment to DEI is a key element of our sustainability strategy. We aim to have a diverse composition of leaders among our Board, management teams, and across our global workforce. We believe that diversity throughout Jefferies not only creates an inclusive environment but also delivers visible results.

The ESG/DEI Committee of the Board has oversight of DEI strategy and initiatives. Our Diversity Council, co-chaired by our CEO and President and sponsored by executive leaders, ensures that DEI is integrated into our recruitment, retention, development, and promotion of diverse individuals across the firm.

We have a unique approach that is focused on recruiting a diverse pipeline of talent and providing tools and resources to support advancement of all employee-partners at Jefferies and beyond. We are committed to building a culture that provides opportunities for all employee-partners regardless of our differences and that supports a workforce that is reflective of the communities in which we live and work.


To foster an inclusive work environment, we have implemented policies and measures focused on nondiscrimination and sexual harassment prevention. We also have an internal website dedicated to DEI. In 2023, we began publishing our [EEO-1 data](#) externally.

# 3,656

As of November 30, 2023, **3,656 employee-partners** updated their self-identification.

## Building Blocks of DEI Strategy

Our DEI Strategy continues to focus on initiatives that expand **representation**, build upon employee-partners' sense of **inclusion**, and focus on **equitable** policies and practices.

<p><b>ACCOUNTABILITY</b></p> <p><b>Fostering Inclusive Leadership</b></p> <p>All employees are accountable for fostering an inclusive workplace.</p>	<p><b>RECRUITING</b></p> <p><b>Building Inclusive Teams</b></p> <p>Focus on broadening the pipeline from which we recruit and hire talent.</p>	<p><b>EMPLOYEE DEVELOPMENT</b></p> <p><b>Training Our Leaders and Future Leaders</b></p> <p>Equipping our people at all stages with the tools necessary to become thoughtful, inclusive, effective leaders.</p>	<p><b>EMPLOYEE RESOURCE GROUPS</b></p> <p><b>Fostering Community and Belonging</b></p> <p>Each ERG is founded on the core pillars to recruit, retain, and empower diverse employee-partners and promote community outreach and engagement.</p>
<p><b>MARKETING AND BRANDING</b></p> <p><b>Showcasing DEI Initiatives and Communication Internally and Externally</b></p> <p>Communication of progress toward a diverse and inclusive workplace, internally and externally.</p>	<p><b>METRICS</b></p> <p><b>Manage What Is Measured</b></p> <p>Ongoing measurement of representation, engagement and experiences to foster continuous improvement.</p>	<p><b>CLIENT AND COMMUNITY ENGAGEMENT</b></p> <p><b>Innovative Thinking for Clients and Lasting Change for Our Communities</b></p> <p>Pooling our collective insights to provide innovative thinking for clients in creating lasting change in the communities in which we live and work.</p>	



## DEI Strategy and Execution

### 2021

- Inclusion-focused survey launched and progress made on resulting proposed actions
- Global self-identification metrics collected
- Unconscious Bias Training rolled out
- J-Asia, JEFabilities, global NextGen launched
- Bespoke DEI development training program enhanced
- Pronouns added to intranet
- DEI internal website launched
- External branding displayed through LinkedIn posts
- DEI Team expanded from two to four

### 2022

- Inclusion-focused proficiency rolled out in annual review process
- Career Relaunch Program and Career Switch Program aimed at recruiting diverse lateral talent launched
- Inclusive benefits through Global Fertility, Surrogacy, and Adoption Program expanded
- New Parent Buddy Program created
- Second Annual Inclusion Survey completed
- Third-party expert engaged to conduct a racial equity audit in 2023

### 2023

- Inclusive Leadership Training rolled out
- Conducted racial and gender equity diagnostic
- Retained expert consultants for equal pay analysis
- Self-ID campaign launched to increase data collection
- Third Annual Inclusion Survey completed
- Engaged clients through 12 ERG events
- Menopause benefits rolled out; parental leave flexibility introduced

## Inclusive Recruiting Programs

We are focused on broadening the pipeline from which we recruit and hire diverse talent through both campus and lateral hiring initiatives. We seek to provide both a diverse slate of potential candidates and a diverse panel of interviewers. We provide hiring managers with interview resources that support inclusive hiring practices.

Globally, our hires have become more diverse over time, with female representation increasing by 15% between 2018 and 2023.

For campus recruiting, we have partnered with several organizations globally to increase access to qualified candidates. We host insight days and symposiums that describe Jefferies and investment banking to candidates who come from a diverse range of backgrounds. In 2023, we welcomed 374 interns globally from 154 different colleges, universities and business schools, of which 78% were from diverse backgrounds and experiences. We also ran over 20 diversity-focused campus recruiting programs.

In 2023, we launched an Investment Banking MBA Fellowship Program to support Summer Associates based on their outstanding achievements and financial need. Each Fellow is paired with a Managing Director-level mentor and provided developmental support. This year, we contributed a total of \$200,000 toward our Fellows' tuition for the second year of their MBA program.

Laterally, we have several programs to attract talent, including our Career Relaunch Program, a 12-week immersive program that offers those who have been out of the workforce for at least two years an opportunity to relaunch their careers. Participants receive training focused on both professional and technical skills, support and mentorship. Additionally, the Equity Research Career Switch Program offers diverse candidates the opportunity to pivot into a career in investment banking. These participants receive senior leader mentorship and in-depth knowledge of a market sector to learn how to assess a company's strategy, financial outlook, and securities value.



Jefferies' Employee Resource Group, Jefferies' Network of Black and Latino Employees (J-NOBLE), welcomed rising high school senior and college freshmen students from Prep for Prep to participate in two immersion days at our New York headquarters to learn about opportunities for a career in financial services.

## Employee Resource Groups

Our Diversity Council carries out the strategies of the Employee Resource Groups (ERGs). Employee driven and led, each ERG is governed by an Executive Sponsor, Co-Leaders, and a group of Diversity Council members.

Focused on creating a culture of inclusion and belonging, our eight ERGs were founded on the core pillars of recruitment, retention, and empowering our diverse employee populations while promoting community outreach and engagement across Jefferies. Participation in each group is open to all our employees globally.

There were more than 80 events and initiatives sponsored by our ERGs over the course of 2023. These included opportunities to network with colleagues, volunteer and give back to the community, participate in discussions with senior leaders and external guests, and to attend lunch-and-learn sessions with external speakers to raise awareness about various DEI topics.

**J-Asia** is dedicated to celebrating, building, and maintaining a diverse and multicultural community for employee-partners of Asian heritage and allies.

**JEFAbilities** is committed to fostering an inclusive environment in which our workplace enables individuals with disabilities and those who are neurodiverse to reach their full potential.

**JEMS** (Jefferies' Ethnic Minority Society) aims to encourage, empower, and invest in the next generation of talent while developing an inclusive working environment that appreciates and cultivates a diverse workforce, reflecting our clients and society at large.

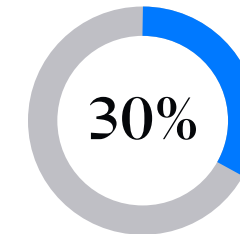
**jMosaic+** is dedicated to fostering an inclusive and open environment for the LGBTQ+ community and its allies across the firm.

**J-NOBLE** (Jefferies' Network of Black and Latino Employees) fosters an inclusive, diverse, and equitable working environment with a focus on Black and Latino employee-partners.

**NextGen** (NextGen Advisory Council) serves as a voice for the analyst and associate communities at Jefferies and helps educate, retain, and elevate emerging leaders across the firm.

**jVETS** (Jefferies' Veterans Network) works to recruit, develop, promote, and retain veterans at Jefferies.

**jWIN** (Jefferies Women's Initiative Network) invests in the recruitment, retention, and advancement of women at Jefferies.



**30% of employee-partners** participate in ERG initiatives and events each year.

**80+**

Over **80 ERG-sponsored programs and events** held in 2023



**March 2023:** Our Disability and Neurodiversity Employee Resource Group co-chair facilitated an open conversation with former CEO of PageGroup and permanent wheelchair user, Steve Ingham.

**March 2023:** jWIN hosted an evening of engaging conversation with Mahnaz Safa in celebration of International Women's Day. Mahnaz is a Jefferies International Limited Board Member and Champion for Diversity, Equity, and Inclusion.

**June 2023:** J-Asia London colleagues celebrated the Dragon Boat Festival and participated in a unique dragon boat race training experience, followed by traditional Chinese cuisine.

**June 2023:** jMosaic+ colleagues in New York and London gathered throughout the month of June for networking and fitness opportunities to celebrate Pride Month.

**September 2023:** J-Noble fireside chat with JW Cortés in celebration of our veteran community and Hispanic Heritage Month. JW shared his experiences as a Gunnery Sergeant in the U.S. Marine Corps and throughout his career as a Hispanic American in the entertainment industry.

**October 2023:** In celebration of UK Black History Month, JEMS hosted a candid conversation with David Olusoga, addressing topics such as the evolution of racism within the UK and the impact of Black British History on Financial Services.

**November 2023:** NextGen partnered with the Jersey City local community to host a Thanksgiving food drive, sending volunteers, supplies, and baskets for distribution to local families. With the help of NextGen, Jefferies donated 80 turkeys to families in need.

**November 2023:** jVETS EMEA hosted an inaugural Insight Day for 30 service leavers, military veterans, and spouses, providing an introduction into investment banking and capital markets.

## PROMOTING INCLUSIVITY WITH CLIENT ENGAGEMENT

During 2023, **we engaged 224 unique clients from 84 firms** through 12 client-targeted ERG events in Chicago, Hong Kong, London, Miami, and New York. Several internal events were also extended to clients and friends to continue promoting inclusivity in the financial services industry.

### Cross-Divisional Mentoring Program

Jefferies' Cross-Divisional Mentoring Program is a global initiative with the goal of providing mentorship and learning opportunities and fostering long-term relationships among employee-partners.

831

831 employee-partners participated in the fourth annual Jefferies Cross-Divisional Mentoring Program in 2023.

## ERG Spotlight: Race and Neurodiversity



### NOVEMBER 2023

JEMS and JEFabilities hosted an inspirational and candid Fireside Chat with Professor Jason Arday, a British sociologist and writer known for his research on race and racism. Professor Arday guided the participants through an engaging discussion of the intersectionality between race and neurodiversity.

SECTION 5

# Giving Back

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# Doing Good

Harnessing the power of one, our firm, our employee-partners, and our clients collectively band together to address crises and disasters facing our communities around the globe. Through coming together to support others, we continue to promote and advance organizations, people, and causes that are driving positive global change under the most urgent, challenging circumstances.

Through Jefferies “Doing Good” Global Trading Days, the firm has raised more than \$60 million in the past five years for more than 300 charitable organizations providing aid and relief efforts for the Maui wildfires, COVID-19, Texas, Haiti, Hurricane Dorian, Pakistan, Asia Pacific Tonga, Australia, Ukraine, and Israel.

“Doing Good” defines Jefferies, and we are incredibly proud that Doing Good will always be an important and permanent part of Jefferies’ social fabric.



## Jefferies Philanthropy

During our fiscal year 2023, we supported over 445 nonprofit organizations with our charitable donations.



## Doing Good Global Trading Days

On Doing Good days, we donate 100% of the net global trading commissions for all trading in equities, fixed income, and foreign exchange by our clients. In addition, Jefferies as a firm makes a corporate donation and invites our global employee-partners to also donate.

### Maui Wildfire Relief: August 16, 2023

In response to the Maui Wildfires Jefferies raised over \$7 million for 13 charities that provided critical aid and support to those impacted by devastating wildfires in Maui.

**\$7,000,000** Donated

### Humanitarian Aid for Israel: October 10, 2023

Our October 10, 2023, Doing Good trading day raised \$8.5 million for 11 charities providing critical humanitarian aid to those impacted by violence in Israel.

Jefferies efforts also resulted in an additional \$4 million in contributions after the trading day closed, increasing the donation amount to \$12.5 million.

**\$12,500,000** Donated

## Charitable Sponsorships and Matching Fund Programs

Jefferies has several programs designed to raise and match funds for external charitable organizations and non-profits that support our mission of “Doing Good.”

### Here are a few examples:

#### Town Hall Awards

The annual Town Hall Awards provide Jefferies with an opportunity to recognize employee-partner accomplishments, as well as support the charitable organizations of personal importance to them. Each award was represented by a \$5,000 donation to the employee-partner’s charity of choice.

## Varsity Matches

For the second year, Jefferies sponsored The Varsity Matches. Our support embodying our love of competition and commitment to diverse representation in Sports and Finance. In 2023, we partnered with The Varsity Matches on several Diversity, Equity, and Inclusion initiatives, and co-collaborated with Leonard Cheshire, a charity that supports independent living and working for people of varying abilities.

## GoodToday

GoodToday, a non-profit platform that sends a weekday email to employee-partners, makes it easy to support qualified causes and organizations. Employee-partners are able to allocate a Jefferies-sponsored donation between two charities that support the cause of the day. Across the globe, our employee-partners donated over \$100,000 through direct and add-on contributions in 2023.

**\$195,000**

combined donation to 33 charitable organizations in 2023

 <b>Arts, Culture and Conservation</b>	 <b>Education</b>	 <b>Health and Research</b>	 <b>Underserved Communities</b>
<b>\$25,000</b>	<b>\$77,500</b>	<b>\$35,000</b>	<b>\$57,000</b>
<ul style="list-style-type: none"> <li>American Jewish Committee</li> <li>Casa Belvedere, the Italian Cultural Foundation</li> <li>Central Park Conservancy</li> <li>Hounds in Pounds</li> <li>Public Theater</li> </ul>	<ul style="list-style-type: none"> <li>Children of Fallen Patriots Foundation</li> <li>Jefferies Family Scholarship</li> <li>Marist College</li> <li>St. John's University</li> <li>Tufts University</li> <li>University of Virginia School of Law</li> <li>Yale University</li> </ul>	<ul style="list-style-type: none"> <li>Ceca Foundation</li> <li>Crohn's &amp; Colitis Foundation, Inc.</li> <li>Dreams2Live4</li> <li>Elton John Aids Foundation</li> <li>Evelina Children's Charity</li> <li>Great Ormond Street Hospital</li> <li>Kevin Armstrong MD Memorial Sports</li> <li>SynGAP Research Fund, Inc.</li> <li>Tiny Miracles Foundation, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>Community Impact</li> <li>Crown Agents Limited</li> <li>Friends of HaGal Sheli</li> <li>GiveWell</li> <li>Hope for New York</li> <li>Inspirica</li> <li>Magic Breakfast</li> <li>My Sister's Place</li> <li>Prep for Prep</li> <li>The Frederick Douglass Project for Justice</li> <li>The Kind Kitchen Palm Beach</li> <li>West Side Campaign Against Hunger</li> </ul>

# Jefferies Family Scholarship

For the 43rd consecutive year, the Jefferies Family Scholarship (JFS) has provided educational awards in support of the children of our employee-partners.

These awards are intended to recognize outstanding achievement, both academic and nonacademic, and address financial need and individual excellence. The \$12,500 annual scholarship includes an option to apply for renewal through graduation (a potential award total of \$50,000), allowing students to matriculate through their current degree programs.

To date, 1,384 scholarships have been awarded totaling more than \$12.4 million, including \$791,500 in awards to 65 students in 2023. This is an all-time high number of awards and dollars awarded – surpassing last year with 15 more recipients and \$178,000 more in scholarships.

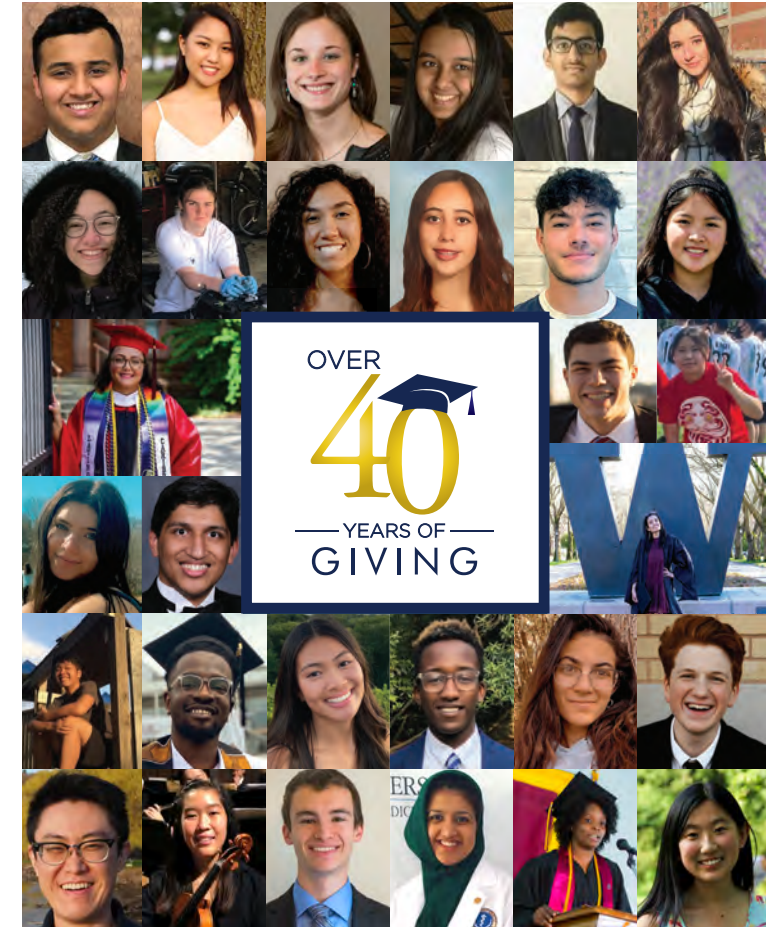
Children of employee-partners attending any level of college, university, or graduate school, as well as those in the last two years of private or independent high school, are encouraged to apply.

Jefferies has always been defined by its family-centric culture and commitment to giving back. By increasing the scholarship awards, we hope to provide more opportunity and financial support to those pursuing their academic dreams.

[We can think of no better gift than education.](#)

## Selection of 2023 Scholarship Recipients

- **Accounting with a concentration in MIS** – Binghamton University, U.S.
- **Artificial Intelligence/Cyber Security** – Rider University, U.S.
- **Behavioral Science** – San Jose State University, U.S.
- **Business Administration and Law** – University of Hong Kong, HK
- **Computer Science** – University of Toronto, CA
- **Economics and Business Management** – University of Southampton, UK
- **Environmental Science** – University of Washington, U.S.
- **Engineering and Computer Science** – Boston University, U.S.
- **Finance/Economics** – University of Bristol, UK
- **Liberal Arts** – Farmingdale State College, U.S.
- **Literature and Publishing** – Master’s program, National University of Ireland, Galway, IE
- **Medicine** – Columbia University Medical School, U.S.
- **Motorsport Engineering** – Coventry University, UK
- **Nursing** – Nassau Community College, U.S.
- **Philosophy, Politics and Economics** – Durham University, UK



“There is no limit to what you can achieve.”

**\$791,500**

in awards to 65 students in 2023

**\$12.4 Million**

total awarded in scholarships

**1,384**

total scholarships awarded over 43 years

# 2023 Employee Volunteerism

Giving back to our community demonstrates our core values of employee health and well-being; diversity, equity, and inclusion; and collaboration.

Jefferies works with leading inclusion-focused charitable organizations. In 2023, we provided 24 volunteer opportunities for Jefferies employee-partners to give back to their community. Our 140 employee volunteers backed up their words with actions, donating time in support of not-for-profits and creating lasting partnerships with our charitable partners.



## Charity Begins at Home – UK Weekly Food Distribution Initiative

Every Friday, Jefferies UK Investment Banking employee-partners volunteer for Charity Begins At Home’s incredible Food Distribution initiative. Together with other corporate partners, they provide food and life-essential items to those who are homeless or less fortunate in the London local community.

## jVETS Partners with The Mission Continues and City of Jersey City

Jefferies Military Veterans (jVETS) joined forces with The Mission Continues and the City of Jersey City to beautify and enhance Pershing Field Memorial Park. Volunteers dug in and got their hands dirty with park beautification projects and preparation of the community center for a mural to honor WWII Tuskegee Airmen.

## STEPtember – Cerebral Palsy Fundraising and Fitness Challenge

Once again, NextGen, JEFabilities, and Jefferies employee-partners across the globe stepped up and successfully participated in STEPtember, a virtual month-long step challenge that raised awareness and funding for the Cerebral Palsy Alliance Research Foundation. Jefferies employees recorded a collective 24.5 million steps and raised \$26,311 in donations.

## Christmas Comes to Orphans in Ukraine



This year’s Jefferies Frankfurt (JEG) philanthropy initiative collaborated with SONETSCHKO, a non-profit organization, supporting a children’s home in Ukraine, to provide orphaned and partially disabled young children with warm clothes, toys, sweets, and daily essentials.

Thanks to donations from more than 40 Jefferies volunteers, an impressive 11,100 EUR was collected and spent on presents, staple foods, and hygiene products for 106 orphaned children and their caregivers in the Ukrainian Zaporizhzhia region.

In early December 2023, JEG volunteers carefully assembled and wrapped the more than 100 Christmas presents. Later that week, three Frankfurt colleagues loaded a van with the boxes and drove 1,000 kilometers to a transit point in Poland, from which the donated goods traveled to Ukraine.



SECTION 6

# Responsible Business Practices

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# Business Ethics and Compliance

Our employee-partners and Board members maintain a high standard of conduct and foster a culture of transparency and trust.

## Code of Conduct

Jefferies' [Code of Business Practice](#) (Code) applies to Jefferies and its subsidiaries, our employee-partners, officers, and directors. We embrace the importance of managing our business in full compliance with all applicable laws and regulations. Each employee-partner and officer is required to annually certify in writing both receipt and review of the Code.

Our Code outlines our values and principles and provides guidance for reporting violations and covers various topics, including conflict of interest and insider trading. We have an open-door policy that encourages employees, consultants, independent contractors, vendors, and interns with workplace concerns (including any alleged discrimination or harassment) to bring those concerns to the attention of their manager, a member of the Legal Department or Human Resources. Jefferies also has an Ethics Hotline for reporting complaints, including anonymous complaints.

## Employee Awareness and Training

Employee-partners undergo mandatory training that covers different risks to the company, including our Code, trading, technology, data protection and privacy, cybersecurity, market and regulatory compliance, fraud and theft, business disruption, clients and business practices, and people risk. As part of our ongoing effort to maintain a culture of mutual respect,

all Jefferies employee-partners are required to attend a mandatory Sexual Harassment Prevention Training annually, and in 2023, 100% of employee-partners undertook Unconscious Bias Training.

## Anti-Money Laundering

Jefferies and its senior management are firmly committed to compliance with all applicable laws and regulations relating to combating money laundering activity and terrorist financing. Where applicable at the operating subsidiary level, an Anti-Money Laundering (AML) Program has been implemented that includes internal policies, procedures, and controls; the designation of an AML Compliance Officer; an ongoing mandatory employee training program; provisions for an independent auditor to test the implementation of the AML Program; and risk-based procedures for conducting ongoing customer due diligence, including understanding the nature and purpose of the customer relationship and conducting ongoing monitoring to identify and report suspicious transactions and to maintain and update customer information.

## Anti-Bribery and Corruption

Jefferies has a zero-tolerance approach to bribery and corruption. Our policy prohibits bribes of all kinds, whether in a commercial or government setting. This includes the offering, giving, solicitation, or acceptance of any bribe or corrupt inducement, whether in cash or in any other form, to or from any person or company wherever located, whether a public official or public body, or a private person or company by any individual employee, director, agent, introducer, finder, consultant,

contractor, or other person or body acting on Jefferies' behalf, to gain any commercial, contractual, or regulatory advantage for Jefferies or its clients in any way that is unethical to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

## Whistle Blower Policy

Jefferies' [Whistle Blower Policy](#) includes procedures for receiving and investigating complaints. The policy provides protection for whistleblowers. Our Audit Committee is responsible for handling whistleblower procedures.

## Progress, Not Politics

[Jefferies does not maintain a political action committee and does not engage in lobbying activities. Jefferies did not make any corporate contributions or contributions to political parties.](#)

Jefferies does not reimburse, compensate, or otherwise incentivize employee-partners for making political contributions. We have a Political Contribution Compliance Policy in place that is intended to prevent any conflict of interest or pay-to-play practices with political contributions to state and local officials who may have influence over the awarding of government and public business to financial service providers.

# Data Security and Customer Privacy

Technology has enabled unprecedented levels of data sharing, processing, and analysis. While this has brought many benefits to people and businesses, the need to protect Jefferies, our business partners, and our clients against sophisticated and modern cyber threats is of the utmost importance.

## Oversight and Governance

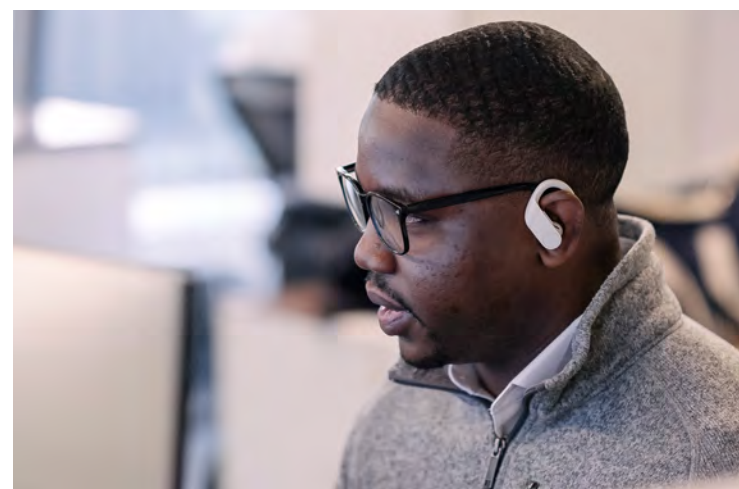
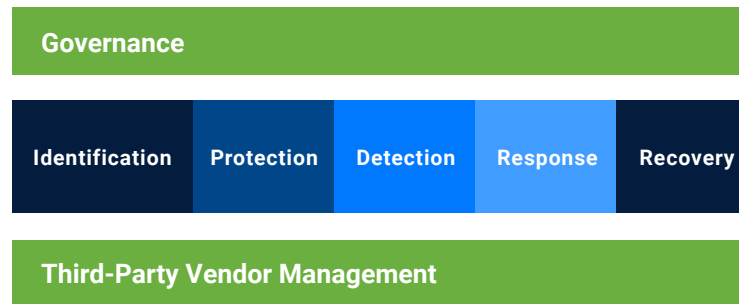
Jefferies' Chief Information Security Officer (CISO) oversees our information technology (IT) cybersecurity programs and has overall responsibility for the strategic vision and the design, development, and implementation of and adherence to all necessary protocols related to cybersecurity. The CISO keeps the Board informed about Jefferies' security posture and cybersecurity maturity program on a regular basis. The CISO provides updates about cybersecurity events, significant incidents, and new initiatives. In addition, our CISO meets with the chairs of the Risk and Liquidity Oversight Committee and the Audit Committee to cover new cybersecurity trends for educational purposes.

Jefferies has implemented rigorous data privacy and security controls. We utilize industry-leading frameworks, such as the International Organization for Standardization and National Institute of Standards and Technology (NIST), to set our policies and standards. We strive to maintain the availability, authenticity, confidentiality, and integrity of Jefferies' information assets.

[Our IT Operational Risk Committee, composed of senior executives across business and control divisions, defines and oversees our key risk indicators.](#)

## Data Security Controls

We make sure our internal controls are effective and meet — and, where possible, exceed — industry standards. Jefferies uses seven layers of controls: governance, identification, protection, detection, response, recovery, and third-party vendor management. We invest in and utilize intelligence solutions and state-of-the-art technology to defend against internal and external cyber threats.



## Our Approach to Data Security

Our internal data security defense efforts include:

**Annual review** of cybersecurity-related policies, standards, and procedures

**Centralized administration** of user-access permissions

Dedicated **24/7 Security Operations Center**

**Third-party vendor management assessment**

Annual penetration testing and **regular vulnerability scans**

Endpoint security, such as **anti-virus using industry-leading solutions**

**Firewall traffic monitoring** and access activity

**Data Loss Prevention** solutions with strict data classification to detect and respond to potential data losses

**Physical security** for Jefferies' premises and data centers

**System and Organization Controls** attestation

Participation in law enforcement and industry cyber threat **security standard information sharing groups**

## Cyber Incident Response Program

Jefferies has a formal, comprehensive, and documented incident response plan that is designed to minimize the impact of a security incident to Jefferies’ networks, systems, data, users, and business processes. The incident response plan is aligned with leading cybersecurity incident response practices, including the globally recognized NIST framework. The Security Operations Center conducts regular incident response training exercises and leverages the feedback from those exercises to continually improve the incident response process effectiveness against the latest tactics, techniques, and procedures used by threat actors. In addition, we also perform cybersecurity tabletop exercises with our business leaders to assess their readiness in the event of a cyberattack.

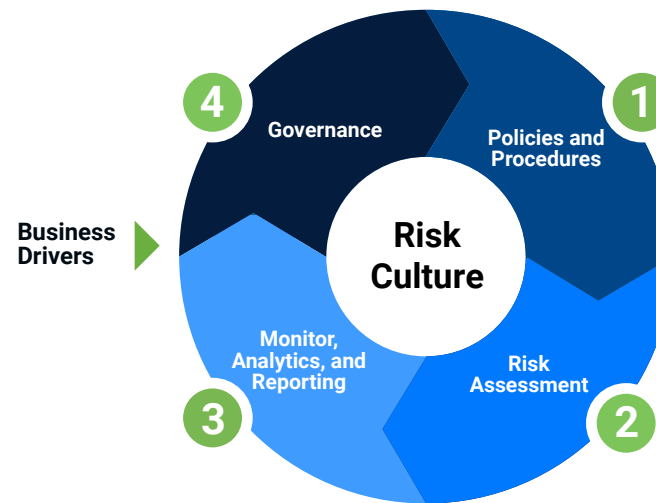
## Cyber Awareness and Training

Jefferies is committed to cultivating a cyber awareness culture. All new joiners are required to take cybersecurity training upon joining, and we provide continuous training to 100% of our employee-partners and contractors, equipping them with the knowledge to protect our sensitive data and customer information. We conduct regular phishing tests on employee-partners; require remedial training when needed; and offer detailed information on how they can protect themselves from cybersecurity threats — together with the security tools which they can use — on the Jefferies intranet platform.

## Information Technology Risk Management

An effective IT risk management program provides transparency into areas of existing and emerging risks and aligns the risk management processes to meet business objectives. Our IT Risk Framework is fully integrated with our cybersecurity program. Every year, our IT environment is assessed based on the system’s availability, authenticity, integrity, and confidentiality. In addition, all technology employees are encouraged to submit any potential risks, aligned with our “See Something, Say Something” culture.

### IT Risk Framework



## Privacy

Jefferies is committed to protecting the personal data of our customers, employee-partners, and third parties engaging with the firm.

[Jefferies has robust governance processes in place to oversee our collection, processing, and retention of personal data. We continually review how we protect individuals’ privacy and look for ways to strengthen our privacy program.](#)

We are accountable for complying with data-privacy laws and principles, which include requirements to minimize the amount of personal data processed and prevent this personal data from being improperly disclosed (whether by accident or intentionally). Our privacy notices, which include details as to how Jefferies handles and processes personal data, are publicly available [on our website](#).

Privacy risk is a subset of operational risk, which is governed by the Jefferies Operational Risk Management Framework (ORMF). The ORMF, together with the European Privacy Risk Control Framework (EPRCF), specifies the procedures and standards under which privacy risk is identified, measured, and managed. The EPRCF is in the process of being rolled out globally on an extended basis.

# Risk Management

The extent to which we effectively manage the risks within our business activities is critical to our profitability, financial soundness, and long-term viability. Accordingly, we have a comprehensive Risk Management Framework (RMF) with formal governance structures and processes to identify, assess, monitor, and manage risk.

[ESG risks are incorporated into our risk taxonomy reflecting their impacts to Jefferies' principal risks within the RMF.](#)

## Risk Management Framework

We have a hierarchy of the Board and its Committees that support an effective risk governance structure.

The Board is ultimately responsible for the governance and oversight of risk management so that management maintains systems and controls that enable risks to be appropriately identified, measured, managed, and monitored.

Our Global Chief Risk Officer (CRO) and Global Treasurer meet with the Board's Risk and Liquidity Oversight Committee quarterly to present our risk profile and to respond to questions. Through the RMF, the Board's Risk and Liquidity Oversight Committee requires a comprehensive and integrated view of risk and risk management and the use of a common risk language and taxonomy across the firm.

The Risk Management Committee, which meets weekly and comprises our CEO, President, Chief Financial Officer, Global Treasurer, Global CRO, and General Counsel, reviews the firm's risk profile, top/emerging risks, and limit utilizations. All activities within the firm that represent idiosyncratic risk or reputational risk are vetted by the Risk Management Committee.

Our risk-management processes encompass the active involvement of executive and senior management, and we take a federated approach to risk management with risk oversight responsibilities assigned to a number of functions with specific areas of focus. Within the Risk Department, our Global CRO has primary responsibility for overseeing the development and implementation of the RMF, while senior members of the Risk Department own the implementation of its supporting policies and procedures. Risk management and mitigation themes are communicated throughout within the organisation, with the "tone from the top" cascaded through the governance structure and respective policies and procedures.



## Our Risk Management Principles

- **Robust Risk Culture.** Everyone takes individual and collective responsibility for mitigating risk.
- **Hands-On Approach.** Senior management is deeply involved in the details of our risk management approach.
- **Independent and Integrated.** Risk management teams are independent from, yet deeply integrated into, the business.
- **Asset Quality.** With a key focus on asset management quality, those assets that are less liquid are particularly scrutinized with additional metrics, limits, and constraints to manage risks.

## Business Continuity Management

We have put in place business-continuity and technology plans reasonably designed to enable us to conduct business outside of traditional Jefferies' office work locations, including work-from-home and connectivity options, to authenticate access to Jefferies' platforms, proving resiliency across a variety of scenarios in an attempt to maintain and support regardless of physical location. Those plans include business technology to continue to trade and the technology that will permit us to continue to communicate with each other, our regulators, and our partners and affiliates.

# Supply Chain Management

Jefferies' suppliers primarily support our financial services business — supplying personnel, purchased goods, and services for our offices and operations. The goods and services provided to us include business services (such as cleaning, catering, security, and print and document services), and professional services (such as external training, audit services, and advisory services in areas such as tax, law, regulation, and insurance), as well as resources related to real estate, technology (the systems, software, and equipment to maintain our global technology infrastructure), market data, and travel. Some of our suppliers are engaged on a global scale while others are regional.

## Supplier Risk Governance

Jefferies' Vendor Risk Management group is responsible for coordinating our periodic supplier risk assessment program, which evaluates the risk of critical suppliers and is based on an internal and external questionnaire with responses reviewed by the relevant internal subject-matter experts. The assessment looks at business continuity, anti-money laundering and compliance, credit risk, information security, privacy, and other factors important to our business. Each review produces a rating assessment that ultimately informs continued business with a supplier. The assessment also focuses on inquiries addressing carbon emissions, diversity, privacy, human rights, and modern slavery.

Our supplier risk governance includes the formal adoption of the Jefferies [Supplier Code of Conduct](#). This outlines the expectations for suppliers providing products and services to Jefferies, and key areas addressed include ethics, labor, health, safety, and the environment.

## Human Rights

Jefferies acknowledges the pervasive human rights risks, particularly around privacy, data security, and ethical practices in our value chain. Our strong policies and management systems in each of these areas help make us resilient in a volatile world of accelerated innovation, global data proliferation, and fast-changing regulatory frameworks. We also have strong relationships with our business partners to ensure our expectations for ethical business conduct and compliance are passed down.

Jefferies applies a risk-based approach to assess the likelihood of the existence of modern slavery and human trafficking within our supply chain. We have concluded that this continues to be a low risk; however, we recognize it is important that we continue to monitor this risk.

In the event that we should become aware of a case of modern slavery or human trafficking occurring within our supply chain, or any other material breach of our Supplier Code of Conduct, we would take appropriate action, which may include terminating the contract with the supplier. More information on our approach to combating human trafficking in our supply chain is outlined in our [Modern Slavery Act Statement](#).

Jefferies is committed to responsible and ethical business practices in our operations and with our partners, clients, and vendors around the world. We know that managing risks to rights holders is not only the right thing to do, but also good for the financial longevity of our business. Jefferies respects the human rights defined in the U.N. Universal Declaration of Human Rights and follows the framework set forth in the U.N. Guiding Principles on Business and Human Rights. We embed human-rights policies and practices across our business, guided by our [Human Rights Statement](#), Modern Slavery Act Statement, Code of Business Practice, Employee Handbook, and Supplier Code of Conduct.

## Vendor Cybersecurity Assessment

Jefferies maintains a strong third-party vendor management process that addresses all elements of vendor engagement. A mandatory cybersecurity assessment is required for new vendors that pose potential risk. The assessments are overseen by the Global Information Security Team to ensure that our policy is being applied consistently and operating effectively. We require critical vendors to complete periodic assessments through which we seek to understand if there have been any significant changes to how a vendor operates or to a vendor's risk environment.

# Responsible Approach to Tax

Jefferies' approach to tax is designed to be aligned with our business purposes, our global strategic goals, and the needs of all our stakeholders, including clients, shareholders, regulators, tax authorities, and the communities in which we operate.

We are committed to complying with all tax laws, rules, and regulations in every jurisdiction in which we do business. We are a current income taxpayer, both within and outside the U.S.

Jefferies does not adopt inappropriately tax-motivated transactions or products and any tax planning is supported by genuine commercial activity. We do not have an appetite for aggressive tax structures.

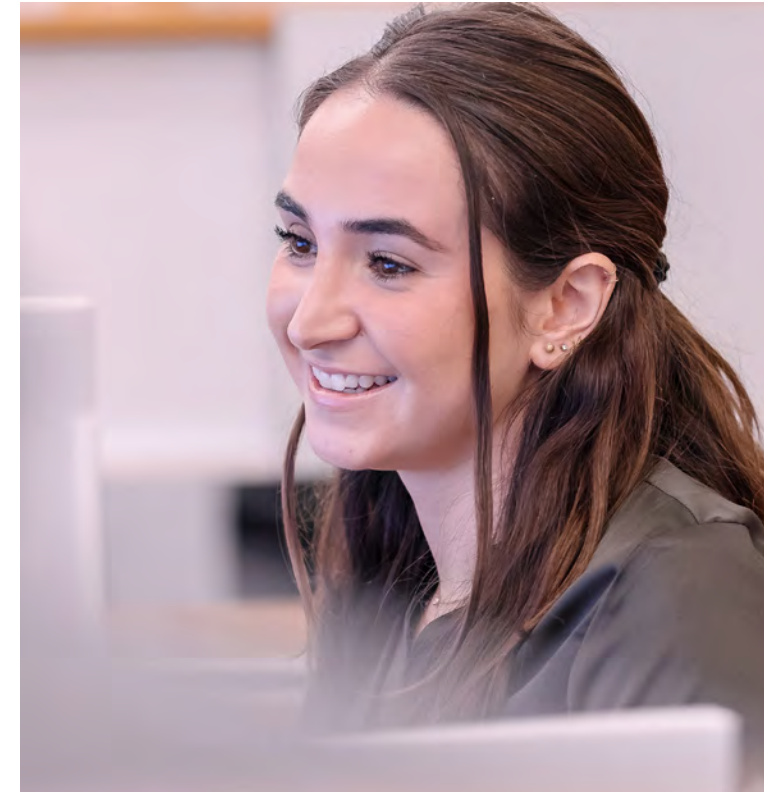


## Our approach to tax is guided by the following principles:

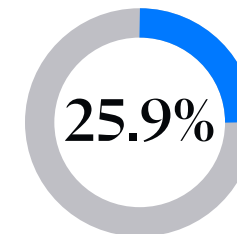
- We are committed to adhering to the tax law in all jurisdictions in which we operate.
- We emphasize strong internal controls. Our tax policy is overseen by our Chief Tax Officer, who reports to the CFO.
- We are committed to having open and transparent relationships with tax authorities, including providing country-by-country reporting as required by the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting initiative. As with any group of our size and complexity, several areas of differing interpretation or disputes with tax authorities may exist at any point in time. We work with the local tax authorities to try to agree and resolve these in a timely manner.

## With respect to our clients' taxes, we are guided by the following principles:

- We have made considerable investment, implementing processes designed to enable us to support external tax transparency initiatives and reduce the risk of financial services being used to facilitate customer tax evasion. These initiatives include the U.S. Foreign Account Tax Compliance Act, the OECD Standard for Automatic Exchange of Financial Account Information (the Common Reporting Standard), the DAC6 EU mandatory disclosure regime, and the UK legislation on the corporate criminal offense of failing to prevent the facilitation of tax evasion.
- We have processes in place to avoid providing inappropriately tax-motivated products or services to our clients.



## Our Tax Contributions



**Our effective tax rate was 25.9% for fiscal years 2022 and 2023**, and we paid cash income taxes globally of \$159 million and \$214 million, respectively.

SECTION 7

# Environmental Stewardship

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# Our Approach

Jefferies pursues an environmental-sustainability strategy that seeks to mitigate our impact on the environment while increasing the efficiency and resiliency of our operations.

**Our approach to Environmental Stewardship is reflected under the below topics:**

**#1** Building climate resilience by incorporating climate-related risks and opportunities into our business strategy, and

**#2** Managing greenhouse gas (GHG) emissions and operational, environmental impacts throughout our business.

[In 2023, we took steps towards aligning with the Taskforce on Climate-related Financial Disclosures \(TCFD\) framework and integrating the associated recommendations into our processes and operations.](#)

We also became a CDP supporter, further demonstrating our commitment to environmental stewardship.



# Building Climate Resilience

Our governance supports and implements climate strategies across Jefferies, as well as managing goal setting and reporting. We recognize that sustainability benefits society, but it also helps our business with long-term benefits, including mitigating risks, attracting new investors and shareholders, and hiring and retaining the best talent.

## Understanding our risks and opportunities

Jefferies recognizes the increasing and evolving risks associated with climate change – we understand our responsibility in identifying, assessing, and appropriately responding to such risks. Likewise, we understand that the transition to a low-carbon economy also presents opportunities. We are committed to monitoring climate-related risks and opportunities and integrating them into our planning processes.

The rapid transition to a low-carbon economy presents a combination of both transitional risks and physical risks. We see these transitional risks being driven by a combination of external policy as well as technological, reputational, and market changes. Jefferies would expect these transitional risks to materialize over the short to medium term. We see physical risks arising from potentially acute or chronic changes and seek to prepare for the possibility of this materializing over the longer term.

The transition to a low-carbon economy also presents Jefferies with several opportunities. Resource efficiency, for instance through the move to more energy-efficient buildings, may result in reduced operating costs. The use of lower-emission sources of energy, new technologies and participation in the carbon

market may lead to reduced exposure to fossil fuel prices and enhanced reputational benefits. Development and expansion of products and services to address shifts in capital markets behavior may lead to increased revenues and new opportunities.

In response to identified risks and opportunities, we hope to pursue an environmental sustainability strategy primarily focused on reducing emissions and, as a mitigation strategy, offsetting them. We are committed to matching 100% of our global electricity use with renewable, zero-carbon energy and to offsetting remaining emissions in an effort to mitigate our impact while we work to reduce our environmental footprint.



## Climate considerations within our business, strategy, and financial planning

Jefferies sees sustainability, including climate considerations, as a key enabler of growth and an important consideration within our business, strategy, and financial planning. Our experience demonstrates that sustainability creates positive business impact and societal value. Related risk and opportunities are considered, affecting our business strategy and financial planning in the following areas:

 <h3>Products and Services</h3> <p>Jefferies seeks to support ESG-related deals and transactions related to climate change, energy transition, and decarbonization. Further to this, Jefferies provides financial support for sustainability initiatives by providing Sustainable Finance Solutions and Services. Jefferies acts as manager or placement agent on ESG-labelled financings (e.g., green bonds, social bonds, or sustainability bonds), deploying capital for green energy. See our <a href="#">Sustainable Finance</a> section for more information.</p>	 <h3>Supply Chain</h3> <p>Jefferies sets environmental expectations for suppliers through our Supplier Code of Conduct. See our <a href="#">Supply Chain Management</a> section for more information.</p>	 <h3>Adaptation and Mitigation Activities</h3> <p>Jefferies mitigates both direct and indirect physical risks by ensuring due diligence is completed on our own operating decisions and supply chains. See our <a href="#">Business Continuity Management</a> section for more information.</p>	 <h3>Investment in Research and Development</h3> <p>Jefferies' Sustainability and Transition Strategy Team engages with investors, corporates, regulators, and policymakers, with a focus on ESG themes including net zero, ESG policy, and regulation. They lead the integration of sustainability analysis within the global investment research departments, which in turn adds value to clients' investment processes. In addition, the team drives internal engagement within our businesses to continue to develop our climate change strategies. See our <a href="#">Sustainability and Transition Strategy</a> section for more information.</p>	 <h3>Operations</h3> <p>Jefferies takes a keen interest in sustainability within our operations and moves to measure and reduce our impact on the environment. See our <a href="#">Managing GHG Emissions and Operational Impacts</a> section for more information.</p>
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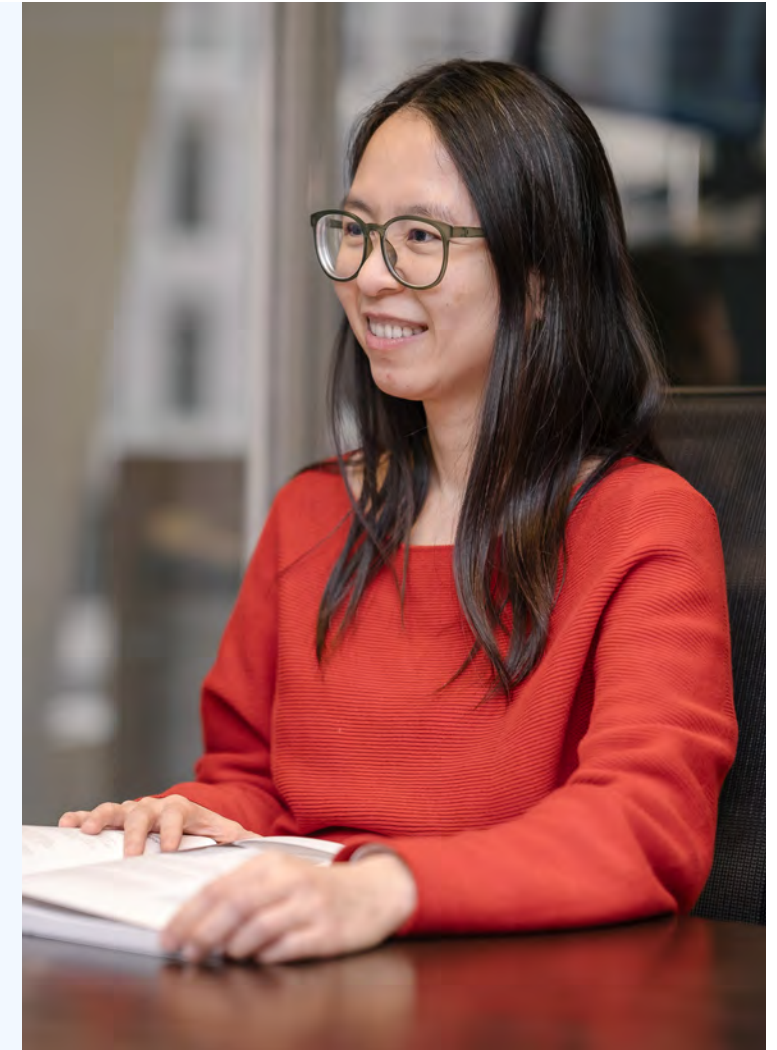
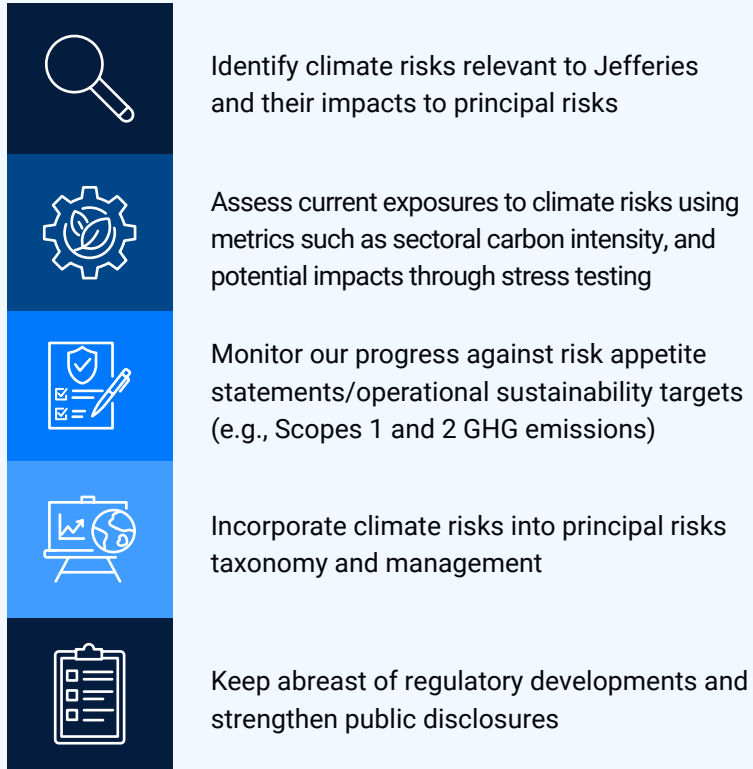
**CASE STUDY:**

**Jefferies International Limited’s (JIL) and Jefferies GMBH’s (JEG) Climate Risk Management Approach**

Jefferies is strengthening and expanding its climate risk identification and management approach by adding a climate-risk stress scenario in its capital assessment framework, beginning with its European entities, JIL and JEG. Progress is underway to leverage specialist data and science-based models that better capture climate change and the effects of possible legal and regulatory, technological, and demographic developments under different pathways and over longer time horizons.

The JIL and JEG Enterprise Risk Function within the Risk Department has been defining a climate risk management framework, which provides guidelines for recognizing and managing resulting risks and opportunities. This evolving framework and associated processes are being informed by regulatory and legal requirements, best practice, specialist data, and analytical tools.

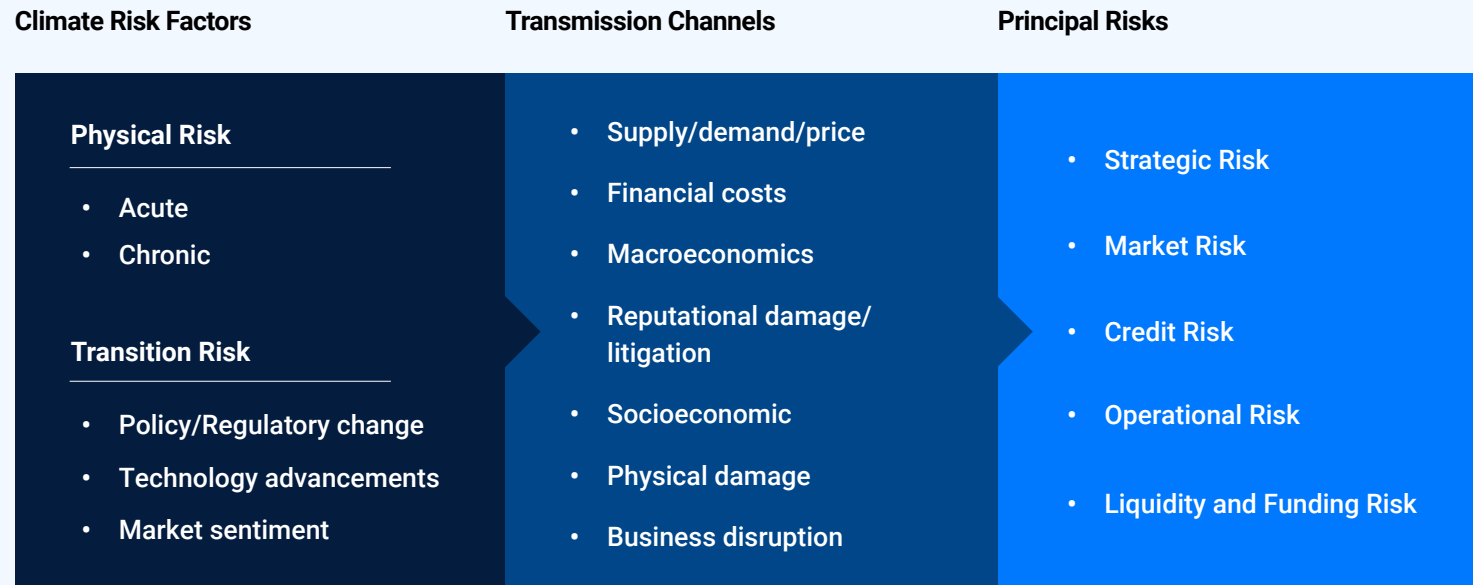
**Risk Management Framework and Processes for Climate Risk Management**



**CASE STUDY** (continued)

**Risk Identification**

JIL strives to identify the full range of risks relevant to our business activities and operations across relevant risk types, maintaining and tracking those in its Risk Taxonomy. JIL has been enhancing the Taxonomy by linking climate change and wider ESG risks to our Principal Risks by identifying and assessing transmission channels, as shown below:



## CASE STUDY (continued)

### Risk Assessment

JIL uses carbon-intensity metrics<sup>1</sup> in assessing climate-risk exposure, and the potential impact from climate change using tools that include stress testing. JIL initially applied its assessment methodology to its trading portfolio.<sup>2</sup>



#### Portfolio GHG Emissions

JIL’s Scopes 1, 2, and 3 GHG emission data was analyzed to identify sectorial and single name concentrations and provide a tool to monitor business and strategy shifts as our clients transition to sustainability. JIL’s assessment methodologies and analytical capabilities will continue to develop and mature over time, as climate science modelling, the legal framework, and regulatory guidelines evolve.

#### Stress Testing

Stress testing forms a key part of JIL’s risk management approach. It is also part of the analytical tools used to assess and quantify potential impacts from climate change. Initial approaches to scenario analysis based on JIL’s portfolios and activities include a combination of:

- quantitative assessments such as climate-specific stress scenarios used for internal capital assessment purposes;
- qualitative assessments such as the potential risks arising from extreme weather events and JIL’s preparedness and response to such physical risks; and
- ad-hoc scenario analysis.

#### Risk Management & Integration

JIL’s management of climate risks is integrated into our risk-management processes of Principal Risks.

<sup>1</sup> JIL uses GHG emission data and confidence scores from specialist third-party providers. Where publicly observable and audited GHG data is not available, a combination of external and internal estimates is used. The internal estimate is based on two dimensions – sector and turnover – and uses the third quartile of observed data points. JIL applies a Carbon Confidence Score as a granular (issuer level) measure of the quality of data. The score ranges from 1 to 10 (10 being the highest). JIL assigns a confidence score of 3 to proxied emissions based on its internal estimation methodology. The overall assessment methodology will continue to evolve over time as more reliable data and analytical tools become available.

<sup>2</sup> JIL provides clients with investment banking services and access to global markets for a range of fixed income and equity products. Currently, JIL does not offer retail, corporate, or wholesale financing, and does not hold its own investments.

# Managing GHG Emissions and Operational Impacts

Since 2021, Jefferies has worked to mitigate Scopes 1 and 2 emissions across our operations and co-located data centers. By employing energy efficiency strategies, leveraging renewable electricity, and compensating for the emissions Jefferies could not otherwise eliminate by purchasing verified carbon credits, we demonstrate our ongoing commitment to environmental stewardship.



## Metrics

With the goal of assessing and reporting our GHG emissions, Jefferies’ collected information across its global wholly owned and subsidiary operations to calculate the GHG emissions related to onsite energy consumption for fiscal year 2022. For our 2022 GHG assessment, we began the exercise of expanding our calculations of Scope 3 emissions to include other relevant categories. We advanced calculations related to our financed emissions and will consider disclosing our Category 15 emissions in future reporting.

As noted by our Board’s ESG/DEI Committee, for fiscal year 2022 we purchased Green-e Renewable Energy Credits (RECs), or nationally equivalent products, in the countries in which Jefferies does business to address emissions associated with grid electricity. For our U.S. operations, we purchased RECs generated in New York City. We considered several offset projects and sellers to ensure the purchase of high-quality, verified offsets in the amount of our remaining Scopes 1, 2, and 3 emissions not associated with electricity. The offsets purchased were from renewable solar installations in India and certified by Verified Carbon Standard (VCS). We plan to follow a similar process to address the impact of our fiscal year 2023 emissions in the future.

More information about these projects can be found in the [Managing our GHG Footprint](#) section.

1 2022 amounts reflect our fiscal year, which is December 1 – November 30.  
 2 Vitesse Energy, Inc. was spun off in January 2023 and has been excluded from fiscal year 2022.  
 3 Scope 3 emissions reflect location-based calculations.

## Jefferies Corporate Greenhouse Gas (GHG) Emission Reporting<sup>1, 2</sup>

	2022
<b>Scope 1 (tCO<sub>2</sub>e)</b>	
Scope 1	4,223
<b>Scope 1 (tCO<sub>2</sub>e)</b>	
Scope 2 (location-based)	10,052
Scope 2 (market-based)	1,813
<b>Scopes 1 &amp; 2 (tCO<sub>2</sub>e)</b>	
<b>Total Scope 1 and Scope 2 (location-based)</b>	14,274
<b>Total Scope 1 and Scope 2 (market-based)</b>	6,036
<b>Scope 3 (tCO<sub>2</sub>e)<sup>3</sup></b>	
Category 1: Purchased goods and services	97,053
Category 2: Capital goods	45,044
Category 3: Fuel- and energy-related activities (location-based)	4,310
Category 5: Waste generated in operations	388
Category 6: Business travel	24,507
Category 7: Employee commuting	5,502
Category 13: Downstream leased assets	4,571
<b>Electricity (MWh)</b>	
Total Electricity Consumed	24,766
Environmental Attribute Certificates (EAC) Purchased (including RECs, GOs, iRECS)	24,766
<b>Percent Renewable Electricity (reflecting EAC purchases)</b>	<b>100%</b>

## Fiscal Year 2022 Inventory Parameters

Jefferies has adopted the “Operational Control” approach in setting an organizational boundary, which involves accounting for the GHG emissions from operations over which we have the ability to introduce and implement operating policies.

Additionally, we have specifically constructed the boundaries of this inventory to align with the boundaries of our consolidated financial reporting. Under this approach, we include all emission sources from our consolidated subsidiaries. This includes all Jefferies offices and distribution centers that were operational for all or part of the inventory period. Consultants calculated Scope 1 and Scope 2 emissions for all sites within our operational control and according to the defined parameters.

The operational boundary encompasses the emissions over which Jefferies and our consolidated subsidiaries have control and provides a basis for the prioritization of emission reduction initiatives. Operational boundaries for our fiscal year 2022 GHG inventory include:

### Scope 1

Direct GHG emissions occur from sources that are owned or controlled by Jefferies, including:

- Fuels combusted in motor vehicles and aircraft
- Natural gas or other fuels combusted onsite at offices, and data centers
- Refrigerant fugitive emissions from owned and operated equipment

### Scope 2

Indirect GHG emissions resulting from the consumption of purchased electricity or district-chilled water and steam at owned or controlled facilities, including all offices and data centers

The above inventory boundaries align with the Greenhouse Gas Protocol Corporate Standard, providing an internationally accepted framework for consistency and transparency in our GHG accounting and reporting efforts.



In cases where Jefferies-owned or -operated facilities were further leased or subleased out to other entities, these direct and indirect emissions were allocated into Scope 3 emissions (Downstream Leased Assets) as opposed to being accounted for in our Scopes 1 and 2 emissions.

### Quality Control

To bolster confidence in our calculations, Jefferies worked with two separate firms to calculate 2022 GHG emissions, both of which produced similar results. We plan to pursue third-party assurance for our GHG calculations in the future.



## Managing Our GHG Footprint

Since early 2023, Jefferies has worked to advance our environmental sustainability strategy. We are committed to 100% renewable energy and plan to set emissions reduction targets, which will underpin the strategy and ensure that Jefferies’ own operations are on course to reduce emissions. To achieve these targets, Jefferies’ focus will continue to be on increasing energy efficiency, pursuing its 100% renewable electricity goal, and supporting the development of new technologies and projects that can help reduce emissions.

Offsetting with carbon credits is a near-term mitigation strategy. We recognize our collective responsibility to act now, even before technologies exist to enable the world to operate fully with reduced emissions. Until that time, in addition to adopting technologies and practices that enable us to operate with lower emissions now, we have committed to offsetting by supporting projects and technologies available today that can help avoid carbon emissions in the atmosphere. In 2023, we purchased offsets in the amount of our calculated 2022 Scopes 1, 2, and 3 categories, as listed in the table on page 46, to demonstrate our commitment to mitigating the impacts of climate change.

Our Carbon Offset Projects		
<b>Offset project name as listed in the registry or program</b>	Bundled Solar Power Project by Vector Green Energy Private Limited	Solar Energy Project(s) by SB Energy Private Limited
<b>Project identification number</b>	VCS 1770	VCS 1805
<b>Offset project type</b>	Avoided emission; Voluntary Emission Reduction (VER) Technology Solar; VCS Project Type: Energy industries (renewable/non-renewable sources)	Avoided emission; Voluntary Emission Reduction (VER) Technology Solar; VCS Project Type: Energy industries (renewable/non-renewable sources)
<b>Offset standards/verification</b>	Verified Carbon Standard (VCS) VCS Project Validator: LGAI Technological Center, S.A. (Applus+)	Verified Carbon Standard (VCS) VCS Project Validator: TÜV SÜD South Asia Private Limited
<b>Protocol used to estimate emissions reductions benefits</b>	VCS Methodology ACM0002	VCS Methodology ACM0002
<b>Business entity selling the offset and the offset registry/program</b>	STX Commodities LLC	STX Commodities LLC
<b>Quantity of offsets purchased</b>	122,257 VER	100,000 VER



SECTION 8

# Highlights at Our Investee Companies

Berkadia

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HomeFed

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# Our Investee Companies

## **BERKADIA**

Berkadia is a leader in the commercial real estate industry, offering an integrated mortgage banking, investment sales and loan servicing platform.

After launching its ESG program in 2022, Berkadia matured its program by prioritizing topics from its materiality assessment. Berkadia's ESG program goals and objectives are executed by the ESG Working Group, which is composed of cross-functional leaders. Berkadia also receives support from third-party consultants to provide education to its working group members and guide its ESG strategy.

### Caring for the Environment

Berkadia is conducting its second annual GHG assessment to assess its 2023 Scopes 1, 2, and business travel-related Scope 3 emissions. Berkadia also helps borrowers navigate the limited availability and increased cost of insurance in high-risk climate areas to ensure the continued availability of affordable housing.

### Investing in Our People

Berkadia believes that employee health and well-being is paramount and reviews and enhances its benefits offerings regularly. In 2023, the company added additional parental leave benefits and expanded fertility coverage to include financial support and resources for family planning. Berkadia's diversity, equity, inclusion, and belonging (DEIB) platform and employee resource groups help to create an inclusive workforce connecting diverse perspectives and under-represented demographics.

### Giving Back to Our Communities

Berkadia has a robust philanthropy program, including corporate sponsorships, a matching gift program, and a time allowance for employee volunteering. Berkadia supported several organizations in 2023, including but not limited to Habitat for Humanity, Project Destined, Rebuilding Together, Over the Rainbow, Rhett Syndrome Research Trust, Integrate for Good, and City Year.

It is the eighth year that Berkadia's employees in India volunteered at a local school, in partnership with Child Welfare & Holistic Organization for Rural Development (CHORD), which serves over 200 underprivileged students. The Berkadia Foundation also financed the construction of a three-story, 20-classroom school that opened in June 2023.

### Supporting Affordable Housing

In 2023, Berkadia's Affordable Housing platform generated \$2.9 billion in loan volume, \$628 million in investment sales volume, and \$290 million in Low-Income Housing Tax Credit equity volume of financing and was ranked the #1 GSE and HUD Affordable Housing lender. Berkadia's mission-driven multifamily housing business was 76% of all loan origination volume in 2023.

In 2023, Berkadia participated in Fannie Mae's new Sponsor-Dedicated Workforce (SDW) Housing program, which offers better pricing and more flexible underwriting to encourage the construction and preservation of affordable housing units. Berkadia also partnered with Fannie Mae Multifamily and Freddie Mac Multifamily to strengthen the financial health and credit-building of renters through their newly launched Positive Rent Payment Programs.

### Operating Responsibly

Compliance and ethics are embedded in Berkadia's culture. The company operates Audit, Risk, Compliance, and Information Security programs where adherence to internal controls, laws, regulations, and code of conduct are upheld to the highest standards. The company's Information Security program expanded in 2023 by adding a Data Privacy program designed to safeguard sensitive information and minimize data security risks.

Berkadia was recognized in the top 200 most cyber secure companies in 2023 by Forbes Magazine.

**76%**

of Berkadia's loan origination volume was mission-driven business in 2023.

**Ranked #1**

**Ranked #1** GSE and HUD Affordable Housing lender in 2023.





HomeFed is a real estate development company that specializes in creating large-scale master-planned communities.

HomeFed’s platform provides the company with a unique opportunity to develop sustainable mixed-income communities that provide much-needed housing in select areas across the U.S. HomeFed’s master plans include affordable housing components that institute best practices to protect sensitive plant and animal species, create public transit, and reduce carbon emissions for tens of thousands of people who live in those communities.

### Building Community Experience

In addition to the affordable housing and sustainable development components within HomeFed communities, we have focused our efforts on serving the residents of our master-planned communities as well as organizations within the regions where we develop. We launched our WayWell program within our newest communities, which allows residents to experience community in a new way. Designed to be inclusive, WayWell brings neighbors together in ways that interest them: food and drink, travel and exploration, art and culture, nature and recreation, mind and body, and philanthropy. The program includes activities, events, classes, and causes that bring people together to further their well-being and sense of community – such as yoga in the park, bike parades, crafts for kids, outdoor concerts and movies, food trucks, culinary experiences, planting classes, and so much more. It is a lifestyle program designed to bring friends and family together each day.

### Giving Back to Our Communities

Our employees dedicate an extensive amount of time to serving various community organizations by assisting with fundraising efforts, serving on their board and/or advisory committees to understand their needs and how they serve the community, and providing our insight as to the needs of our communities.

In addition to service to each homeowners association within our communities, some of the entities we serve are the Southwestern College Foundation, South Bay Community Services, South County YMCA, Otay Valley Regional Park Citizens’ Advisory Committee, San Diego Regional Economic Development Corporation, Chula Vista Boy Scouts, Building Industry Association (BIA) Cares, and Feeding San Diego. During the holiday season, our employees worked together with our community residents and South Bay Community Services to provide gifts to 23 children of families in need within our communities.

HomeFed is also an annual sponsor of the Eastlake Educational Foundation (EEF). With the goal of bringing communities and education together, EEF has invested nearly \$3 million in support of technology and STEAM education – directly impacting over 5,400 students and staff at local schools. Every year, HomeFed also partners with Cruise of a Cause – an annual fundraising event for the Emilio Nares Foundation, which provides support to underserved children with cancer. The foundation has safely transported 5,000 children from low-income families to treatment facilities in Southern California and has distributed over 20,000 hospital-approved snack bags to young patients receiving cancer treatments at local hospitals.

As we grow our master-planned communities and bring much-needed housing to residents within the regions where we do business, we are continuing our efforts to expand the workforce housing program to other municipalities across multiple states and will continue to dedicate our time to serving those communities we develop.



**Sustainable mixed-income communities** that provide much-needed housing.



SECTION 9

# Appendix

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# Jefferies

# Sustainability Accounting Standards Board (SASB)

The following tables incorporate the SASB Standards, now part of the IFRS Foundation, related to Investment Banking & Brokerage (FN-IB) and Asset Management & Custody Activities (FN-AC) industries. They include the relevant topic metric(s) where available and/or references to sections within this report where specific topics are discussed.

## SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS: Investment Banking & Brokerage (FN-IB)

Topic	Accounting Metric	SASB Code	Report Reference
<b>Employee Diversity &amp; Inclusion</b>	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-IB-330a.1	<a href="#">Our Team</a> Further information available on our <a href="#">Jefferies Diversity Website</a> .
	<b>Incorporation of Environmental, Social, and Governance Factors in Investment Banking &amp; Brokerage Activities</b>	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	FN-IB-410a.1
(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	FN-IB-410a.2		
Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	FN-IB-410a.3		
<b>Business Ethics</b>	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-IB-510a.1	<a href="#">Responsible Business Practices</a>
	Description of whistle blower policies and procedures	FN-IB-510a.2	
<b>Professional Integrity</b>	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-IB-510b.1	<a href="#">Responsible Business Practices</a>
	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	FN-IB-510b.2	
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	FN-IB-510b.3	
	Description of approach to ensuring professional integrity, including duty of care	FN-IB-510b.4	
<b>Systemic Risk Management</b>	Global Systemically Important Bank (G-SIB) score, by category	FN-IB-550a.1	Not applicable, Jefferies is not categorized as a G-SIB. <a href="#">Responsible Business Practices</a>
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-IB-550a.2	
<b>Employee Incentives &amp; Risk Taking</b>	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	FN-IB-550b.1	<a href="#">Responsible Business Practices</a>
	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	FN-IB-550b.2	
	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	FN-IB-550b.3	

## SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS: Asset Management & Custody Activities (FN-AC)

Topic	Accounting Metric	SASB Code	Report Reference
<b>Transparent Information &amp; Fair Advice for Customers</b>	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	<a href="#">Responsible Business Practices</a>
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	FN-AC-270a.2	
	Description of approach to informing customers about products and services	FN-AC-270a.3	
<b>Employee Diversity &amp; Inclusion</b>	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	<a href="#">Our Team</a> Further information available on our <a href="#">Jefferies Diversity Website</a>
<b>Incorporation of Environmental, Social, and Governance Factors in Investment Management &amp; Advisory</b>	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening	FN-AC-410a.1	<a href="#">Sustainable Finance</a>
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	FN-AC-410a.2	
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	
<b>Financed Emissions</b>	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-AC-410b.1	<a href="#">Sustainable Finance</a>
	Total amount of assets under management (AUM) included in the financed emissions disclosure	FN-AC-410b.2	
	Percentage of total assets under management (AUM) included in the financed emissions calculation	FN-AC-410b.3	
	Description of the methodology used to calculate financed emissions	FN-AC-410b.4	
<b>Business Ethics</b>	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	<a href="#">Responsible Business Practices</a>
	Description of whistleblower policies and procedures	FN-AC-510a.2	




# Task Force on Climate-Related Financial Disclosures (TCFD)

TCFD Pillar	TCFD Disclosure Recommendation	Report Reference	More Discussion
<b>Governance</b>	a. Describe the board’s oversight of climate-related risks & opportunities	<a href="#">Board ESG/DEI Oversight</a>	<a href="#">Governance of Sustainability</a>
	b. Describe management’s role in assessing & managing climate-related risks & opportunities.	<a href="#">ESG Working Group</a>	
<b>Strategy</b>	a. Describe the climate-related risks & opportunities the organization has identified over the short, medium, & long term.	<a href="#">Understanding our risks and opportunities</a>	<a href="#">Building Climate Resilience</a>
	b. Describe the impact of climate related risks & opportunities on businesses, strategy, & financial planning.	<a href="#">Climate considerations within our business, strategy, and financial planning</a>	
	c. Describe the resilience of the strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<a href="#">Understanding our risks and opportunities</a>	
<b>Risk Management</b>	a. Describe the organization’s processes for identifying & assessing climate-related risks.	<a href="#">Case Study: Jefferies International Limited’s (JIL) and Jefferies GMBH (JEG) Climate Risk Management Approach</a>	<a href="#">Risk Management</a>
	b. Describe the organization’s processes for managing climate related risks.	<a href="#">Building Climate Resilience</a>	
	c. Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.	<a href="#">Risk Management</a>	
<b>Metrics &amp; Targets</b>	a. Disclose the metrics used by the organization to assess climate related risks & opportunities in line with its strategy and risk management process.	<a href="#">Metrics</a>	<a href="#">Managing GHG Emissions and Operational Impacts</a>
	b. Disclose Scope 1, Scope 2 & if appropriate, Scope 3 greenhouse gas (GHG) emissions & the related risks.	<a href="#">Metrics</a>	
	c. Describe the targets used by the organization to manage climate related risks & opportunities & performance against targets.	<a href="#">Managing Our GHG Footprint</a>	

Jefferies International Limited will be publishing a TCFD-based UK statutory climate-related disclosure in the Strategic Report in early 2024. The disclosure will be posted [on this site](#).

# U.N. Sustainable Development Goals (SDGs)

The U.N. Sustainable Development Goals (SDGs) are a collaborative, global effort to achieve a better and more sustainable future for all. Represented by 17 Global Goals and 169 targets, the SDGs address challenges of poverty, inequality, climate change, environmental degradation, peace, and justice. We identified the 10 key areas where our business has the greatest influence and impact.

Goal	Alignment to Jefferies	Report Section	Goal	Alignment to Jefferies	Report Section
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p>At Jefferies, we are committed to advancing universal health coverage by providing our employee-partners competitive health benefits and an innovative wellness program to support their physical and mental health. [Targets 3.7, 3.8]</p> <p>Providing our team with a safe and secure working environment is paramount, and we aim to maximize safety and minimize exposure to health risks. [Target 3.9]</p>	<a href="#">Our Team</a>	 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>We have constructed a global Sustainability and Transition Strategy Team that takes a top-down as well as a bottom-up approach to our ESG research initiatives. [Target 9.5]</p> <p>Our global investment banking activities provide increased access to financial services for energy industry players investing in renewable energy sources and sustainable technologies, such as carbon capture and storage. [Targets 9.3, 9.c]</p>	<a href="#">Sustainable Finance</a>
 <p><b>4</b> QUALITY EDUCATION</p>	<p>Through our Jefferies Family Scholarship, we are proud to open the door to tertiary education, helping young people gain employable skills. [Targets 4.3, 4.4, 4.5]</p>	<a href="#">Giving Back</a>	 <p><b>10</b> REDUCED INEQUALITIES</p>	<p>Our commitment to sustainable finance is aligned to the goal of reducing inequalities. We adhere to and champion for financial market monitoring and regulations. [Target 10.5]</p>	<a href="#">Responsible Business Practices</a>
 <p><b>5</b> GENDER EQUALITY</p>	<p>Through our Diversity Council and inclusive recruiting programs, we have made strides to increase the share of female employee-partners. Globally, our hires have become more diverse over time, with female representation increasing by 15% between 2018 and 2023. [Targets 5.5, 5.b]</p>	<a href="#">Our Team</a>	 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>We are providing clients with finance solutions to advance environmental and social initiatives including affordable housing, renewable energy, and the decarbonization of various industries. We strive to increase the number of green bonds, social bonds, and sustainability-linked bonds. [Target 11.1]</p>	<a href="#">Sustainable Finance</a>
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p>We supported deals and transactions that aligned to both an increase in the share of energy from renewable sources and in improving the global rate of energy efficiency. And our year-over-year carbon abating transactions nearly doubled in 2023. [Targets 7.2, 7.3]</p>	<a href="#">Sustainable Finance</a>	 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>As a leader in the financial sector, Jefferies has influence in funding and bringing awareness to issues of sustainability. For example, Jefferies advised and was Sole Lead Placement Agent for multiple waste-to-energy companies in 2023. [Target 12.4]</p>	<a href="#">Sustainable Finance</a>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p>Our recruitment strategy aims to attract a diverse slate of candidates and our training and development program empowers our team to be successful. [Target 8.5]</p> <p>We are committed to operating a business that uses new technologies responsibly through continuous cyber awareness training to 100% of our employee-partners and contractors. [Targets 8.2, 8.4]</p>	<a href="#">Our Team</a>  <a href="#">Responsible Business Practices</a>	 <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Jefferies is committed to a code of responsible and ethical business practices, which include a firm stance against bribery, money laundering, and corruption. [Target 16.5]</p> <p>We aim to make Jefferies a transparent institution, committed to inclusive, participatory decision-making in every facet of our business: our recruitment practices, the makeup of our board, our commitment to Employee Resource Groups, and other initiatives. [Targets 16.6, 16.7]</p>	<a href="#">Responsible Business Practices</a>  <a href="#">Our Team</a>



# About This Report

Our Sustainability Report has been prepared in accordance with the accounting standards published by the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD). We have also identified the U.N. Sustainable Development Goals (SDGs) that we believe best align with our business activities and key priority areas. All are included within this report.

Please note that our fiscal year runs from December 1 through November 30. Unless otherwise noted, data provided throughout this report covers our fiscal year 2023 (FY23), reflecting data for the period from December 1, 2022, through November 30, 2023.

Employee-partner headcount is as of November 30, 2023, and excludes employees of our Stratos, OpNet, HomeFed, Foursight Capital, and M Science subsidiaries. This Sustainability Report primarily addresses the activities of the main broker-dealer operating entities of Jefferies Financial Group Inc. Additionally, this report addresses activities of certain subsidiaries and investees, which have their own sustainability programs as presented on pages 49-51. This report excludes Vitesse Energy, Inc., due to its spin-off to Jefferies' shareholders in January 2023.

Our global employee-partners are featured in the photographs used throughout this report.

# Disclaimer

Certain statements contained herein may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and/or the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, regarding Jefferies Financial Group Inc. and its subsidiaries. Forward-looking statements are not historical facts or statements of current conditions. These forward-looking statements are usually preceded by the words "should," "expect," "believe," "intend," "may," "will," "would," "could," or similar expressions. Forward-looking statements may contain, without limitation, statements relating to expectations regarding revenues, earnings, operations, and other results, and may include statements of future goals, performance, plans, and objectives. Forward-looking statements may also include statements pertaining to our strategies for future development of our businesses and products. Forward-looking statements represent only our current belief regarding future events, many of which by their nature are inherently uncertain. It is possible that the actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements. Information regarding important factors, including Risk Factors that could cause actual results to differ, perhaps materially, from those in our forward-looking statements is contained in reports we file with the SEC. Accordingly, you read and interpret any forward-looking statements together with reports we file with the SEC. We assume no obligations to update or revise any such forward-looking statements to reflect subsequent circumstances, except as required by applicable law.

Many of the goals, targets, commitments, impacts, policies, and programs described in this report are aspirational, and as such, no guarantees or promises are made that these will be met or successfully executed. Jefferies' membership or support for certain ESG-related organizations or initiatives such as those described in this report may change or be withdrawn from time to time if Jefferies determines it is the company's interest to do so. In addition, the policy statements discussed in this report are statements of general policy and procedures that apply to Jefferies' businesses. It is possible that specific circumstances in our global operations may differ from those described.

Our approach to inclusion of disclosures in this report is different from disclosures included in mandatory regulatory reporting in various jurisdictions around the world.

A number of risks and uncertainties that could cause actual results to differ materially from the results reflected in these forward-looking statements are identified under "Risk Factors" in Item 1A of our Annual Report on Form 10-K and subsequently filed reports. These statements are based on assumptions that may not come true and are subject to significant risks and uncertainties.

Although we believe that the assumptions underlying our forward-looking statements are reasonable as of today's date, any of these assumptions, and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. Given the significant uncertainties inherent in the forward-looking statements included in this report, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved. This report and the forward-looking statements contained herein speak only as of the date made and we will not update this report or these forward-looking statements unless the securities laws require us to do so. With regard to these risks, uncertainties, and assumptions, the forward-looking events discussed in this document may not occur, and we caution you against unduly relying on these forward-looking statements.

This report includes certain non-financial data and information which is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. Diversity-related data included in this report is based on information provided to Jefferies by our colleagues.

Calculations and statistics included in this report may be dependent on the use of estimates and assumptions based on historical levels and projections and are therefore subject to change.

This report has not been externally assured or verified by an independent third party.

The inclusion of information or the absence of information in this report should not be construed to represent our belief regarding the materiality or financial impact of that information. For a discussion of information that is material to Jefferies, please see our filings with the SEC, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

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