

What's Past is Prologue: Jefferies' Commitment to Sustainability



Jefferies

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From our CEO and President

Words have meaning. For years, “long-termism” has been our mantra and the focus of our Board of Directors. Long-termism is the driving force behind our collective strategic management of Jefferies. Together, we have dedicated a half-century of our lives to Jefferies and there is nothing more important to us than Jefferies’ next full century. Although we call it long-termism, we realize that our lexicon needs updating. At base, it’s sustainability.

All that we do, and all that our Board directs us to do, is geared toward sustaining the long-term health of Jefferies and the long-term benefit of our shareholders, our clients, our employees, the communities and cities in which we live and work, and society in general. Instrumental to this sustainability is the Jefferies culture that is supported and propelled by our most valuable assets – our nearly 4000 employee-partners whose deeply imbued sense of caring, service and accountability is reflected both in Jefferies’ path to success and in the myriad positive ways we strive to make the world a better place. For us and them, sustainability is not a strategy, it is the driving impetus behind our culture and the very essence of who we are.

And that is why we are so pleased to share with you this inaugural edition of what we have done and are doing to support our goal of sustainability. In the pages that follow, you will get a view into how we and our Board of Directors strive to stand behind and execute upon our commitment not only to Jefferies but also to all of you. Indeed, our Board has underscored its commitment recently by creating a special committee of the Board that is focused solely on environmental, social and governance (ESG) issues. This newly formed ESG Oversight Committee, however, is merely the next step in the Board’s ESG-related efforts. Historically, our Board’s Nominating and Corporate Governance Committee has, among other things, been responsible for imbuing throughout Jefferies our commitment to corporate social responsibility (CSR). As stated in our long-standing [CSR Principles](#):

“[W]e recognize the impact we have on the world and believe in making a positive difference in the communities in which we live and work. Corporate social responsibility is the commitment of business to contribute to sustainable economic development – working with employees,

their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development. For Jefferies Financial Group to prosper, grow and generate sustainable value for our shareholders, we strive to discharge our corporate social responsibilities from a global perspective and throughout every aspect of our operations.”

Driven by that policy, we adhere to the following principles in everything we do: act with integrity; consider the environment; respect people; and improve our communities. By definition, sustainability is a never-ending task. What’s past is prologue. Our sustainability efforts to date are the stepping stones to what we will achieve in the future. And this inaugural edition will be followed annually by more initiatives, more successes and more plans to fulfill our sustainability commitment.

Thank you for taking the time to take a look at this, and we look forward to hearing from you about how we can do better.

Rich Handler
CEO

Brian Friedman
President

We started drafting this document in what seems like a different era; that is, prior to the advent of the global pandemic and historic market disruption.

We at Jefferies have been through many crises. COVID-19, though, has presented us with the most challenging set of circumstances we have ever faced. Most tragically, we lost one of our own. Peg Broadbent, who was the CFO of Jefferies Group LLC, lost his life to the wretched coronavirus. Peg joined us when we were less than half the size we are now and was instrumental in helping Jefferies build the team and infrastructure that made us what we are today. But Peg was much more than a savvy CFO and great leader. He was also a trusted colleague and friend to all of us, and he is sorely missed.

We were also faced with other members of our team suffering from the effects of the virus (all are on the road to recovery), with the herculean task of moving from a highly centralized firm with a handful of densely populated global offices to having thousands of home offices that helped us insure that we were keeping our valued employee-partners safe from the virus, and with economic and market conditions that were, in a word, staggering.

As a testament, though, to our sustainability, Jefferies faced and overcame these unimaginable challenges in part because of a support team that underscores Peg's leadership – especially our incredible tech team that made this move to home offices seem easy – and in part because of the deeply imbued Jefferies culture that thrives in each of our employee-partners. Our team turned on a dime and, as they have time and time again in every crisis, overcame the challenges and continued to forge ahead to support each other through the crisis, to rush to the aid of our clients who were facing these same huge challenges, and all the while continuing to protect their families and to aid the communities they call home.

We could not be any more proud of them.

Supporting Our Interns and Communities During the Pandemic

From the longest-tenured employee-partner in the firm to the young women and men who are joining us while still in college, our goal is to support each of them and to cultivate in them the Jefferies culture of caring, service and accountability. To that end, despite the fact that our 2020 summer interns might only be here for five weeks instead of ten, we will be paying them for the entire ten-week period but, as outlined below in an excerpt of our message to the interns, expecting them to engage in the service of others during the time they are not onsite:

*“An important Jefferies value is giving back to the community. As part of your Jefferies summer experience, we are asking each of you to take advantage of your unexpected (paid) availability by identifying ways in which you can safely volunteer your time to help those in need. Prior to the formal programming of your internship on June 29th, we would like each of you to send us a paragraph about what you did to give back to your community during the COVID-19 epidemic and what you learned from it. Your paragraph of how you contributed will be shared with Jefferies Leadership. We want to understand what is in your hearts and would like you to contribute to the culture of Jefferies by supporting those in need. For those who need help identifying volunteer opportunities, we will send you an additional communication with ideas for remote volunteering in the coming weeks. **To be clear, we do not want anyone to feel compelled to volunteer anywhere that might put their safety at risk.** This is not a competition, but merely an opportunity to do good things during your paid free time. Volunteering can be virtual, there can be fundraisers or any other creative manner that helps your community and society.”*

Jefferies – Who We Are

Jefferies Financial Group (“Jefferies”)

70
employees

Global headquarters
in
New York

Financial Services (“Jefferies Group”)

Provides the following:
M&A and Advisory Capabilities
Equity Capital Markets
Debt Capital Markets
Municipal Investment Banking
Global Equities Sales and Trading
Global Fixed Income Sales and Trading
Commercial Mortgage Financing
Asset Management
Wealth Management

3,815 employees,
including **891**
in Europe and
407 in Asia

\$43 billion
in total assets

Merchant Banking

A portfolio of businesses and investments
with the potential for value appreciation,
including among others:

Vitesse
Linkem
HomeFed
Idaho Timber
Foursight

2,143 employees

We are an evolving company

that, over the past couple of years, has transitioned from the combination of Merchant Banking (the legacy Leucadia National Corporation) and Investment Banking (Jefferies Group) to a more sharply focused, pure financial services company concentrated in Jefferies Group. Jefferies Group includes:

- Global investment banking and capital markets businesses
- Jefferies Finance, our commercial finance joint venture with Mass Mutual
- Berkadia, our commercial mortgage joint venture with Berkshire Hathaway
- Our Leucadia Asset Management businesses

To be sure, we still have Merchant Banking investments and will continue to take advantage of opportunities in that space, but our divestitures over the past few years have reduced the size and significance of the Merchant Banking efforts.

OFFICES IN 34 CITIES WORLDWIDE:

The Americas

- **New York**
Global Headquarters
- Ambler
- Atlanta
- Boston
- Carlsbad
- Charlotte
- Chicago
- Dallas
- Houston
- Jersey City
- Los Angeles
- Meridian
- Miami
- Nashville
- Orlando
- Salt Lake City
- San Francisco
- Stamford
- Toronto
- Washington, DC

Europe & The Middle East

- **London**
European Headquarters
- Amsterdam
- Frankfurt
- Milan
- Paris
- Rome
- Stockholm
- Zurich

Asia

- **Hong Kong**
Asian Headquarters
- Beijing
- Mumbai
- Singapore
- Sydney
- Tokyo





Commitment to Sustainability

SUSTAINABLE DEVELOPMENT GOALS

What's past is indeed prologue. Jefferies is where it is today because of our commitment to our employees, our shareholders, our clients and the communities in which we work and live. This commitment is part of who we are. Historically, with the exception of episodic mentions of what we do (either intentionally or because a media outlet reports about it) we have not shared the myriad ways in which we honor our commitment. Our shareholders, however, have made it pretty plain to us that they want to know what we do and how we honor our commitment, and so this report.

The most recent thing to report about our commitment is that our Board, which has always overseen CSR as part of the [Nominating and Corporate Governance Committee](#), has created a new Committee – the ESG Oversight Committee – to help drive further not only the level of our commitment to sustainability but also the tangible execution on that commitment. We will talk more about that later.

Alignment with the United Nations Sustainable Development Goals

We are aligning our activities with the United Nation's Sustainable Development Goals (SDGs). The goals were established in 2015 by world leaders to end poverty, protect the planet, and seek to ensure prosperity for all. As a result of our review, we have determined that our current activities most closely align with the goals set forth below. The following two pages are case studies focusing on SDGs 3 and 11, but sewn throughout this document are myriad examples of how we support the SDGs.





CASE STUDY: SUPPORTING SDG 3

Joining Government Efforts to Develop US-Based, High Speed Emergency Drug Packaging Solutions

As part of the US Department of Health and Human Services launch of RAPID, a public-private partnership to create a US-based, high-speed, high-volume emergency drug packaging solution using low-cost prefilled syringes to deliver the medicinal therapeutics and vaccines needed to combat COVID-19, Jefferies seeded ApiJect Systems America (a public-benefit corporation) with \$10 million and undertook an initiative to help raise up to \$1 billion in private capital.



This new consortium called RAPID – Rapid Aseptic Packaging of Injectable Drugs – is intended to establish critically needed surge capacity “to fill and finish, on a rapid basis, hundreds of millions of prefilled syringes to respond quickly and efficiently to widespread health emergencies, such as the novel coronavirus outbreak.” ([HHS Public Announcement](#), March 18, 2020)

As the first private-sector entity to join this vital public health initiative, Jefferies will support the initiative by providing access to the firm’s vast client network, experienced management team, global financial resources and an immediate initial seed capital commitment of at least \$10 million to jumpstart the RAPID network as quickly as possible.

RAPID will build a domestic surge capacity network of up to eight packaging facilities using Blow-Fill-Seal (BFS) technology. FDA-approved BFS technology is currently used to package billions of doses annually for medicines used to treat respiratory conditions, rotavirus oral vaccines and more. RAPID will combine this well-established technology with an innovative interlocking needle hub to achieve population-scale volumes of prefilled syringes.

As our CEO and President stated: “All of us at Jefferies are deeply concerned about, and personally impacted by, the COVID-19 pandemic. We are ready to put the firm’s capital to work in smart solutions, such as RAPID, that are critically needed to help America and the world win the battle against this pandemic. We have always supported new and innovative approaches and we believe RAPID is the right public-private partnership as we face this crisis in both the short term and long term.”



CASE STUDY: SUPPORTING SDG 11

Expertise and Investment in Affordable and Sustainable Housing Communities

As a national leader in the multifamily/commercial mortgage loan and real estate brokerage industries, Berkadia's committed to investing meaningful resources aimed at promoting positive social changes both within the company and more broadly throughout the communities where we live. Berkadia believes that healthy, self-sustaining communities arise when every individual has the essentials to live, the opportunities to learn, and the chance to serve.

Berkadia has responded to the call for more affordable and sustainable housing in the U.S. by establishing multi-dimensional, specialty practice areas to help promote affordable and "green" multifamily housing development across the country. In 2019, Berkadia deployed its deep expertise and knowledge in these areas to originate approximately \$2.9 billion in Green Advantage® loans for Freddie Mac® and approximately \$2.1 billion in Green Mortgage Loan products for Fannie Mae®. In a more targeted approach that combined Berkadia's affordable housing expertise with its desire to support U.S. military veterans, Berkadia helped arrange beneficially favorable financing for Veterans Village, a Las Vegas-based nonprofit committed to providing comprehensive housing and support services to U.S. military veterans.

Additionally, Berkadia offers corporate philanthropy programs, such as its Matching Gift Program and the Gift of Time Program, that enable employees to dedicate time and resources to support charitable initiatives. Through these efforts, Berkadia has donated approximately a quarter of a million dollars, as well as thousands of pounds of food, diapers and other supplies to numerous organizations based on emergent local needs. Berkadia employees have also been able to volunteer considerable amounts of time in support of a variety of organizations including food pantries, domestic violence shelters, the Special Olympics, animal rescue groups and Habitat for Humanity, just to name a few.

Berkadia is proud of its strong corporate culture of volunteerism and social responsibility which underscores each employee's role in responding to the critical needs within their communities.



Our Employees



It will come as no surprise that, as we were preparing this report, we took a peek at a number of sustainability reports to gather ideas. What came as a surprise to us was the fact that virtually everywhere we looked we saw employees buried deep in the back of such sustainability reports. Also a surprise was the moniker “Human Capital.”

We suppose that Human Capital is accurate, but when we look at the people who come into the building with us every day, and work shoulder to shoulder with us for years and decades, that phrase doesn’t come to mind. Instead, we think of words like partners, colleagues, and friends. Without our amazing people, our commitment to sustainability would fail miserably. These folks are the engine that propels Jefferies and allows us to not only run a successful business that returns capital to our shareholders but also to sustain each other, our clients, our communities and the environment.

Without them, we have nothing, so – as the next few pages will show – we and they team up to do things for each other to keep each of these wonderful folks coming in the door every day to a place that both compensates them for the great work they do and creates an environment in which they can also achieve some level of non-monetary fulfillment from our corporate resources.

Perhaps the most important thing we do to sustain Jefferies and our employee-partners is to create a culture that stands on the foundation of integrity and honesty and that strives to establish an environment in which all feel welcome regardless of gender, ethnicity or sexual orientation.

Culture

Culture has many definitions, so perhaps it is best introduced through one small example of how we integrate our work with our care for our people and the environment. Jefferies was the IPO book runner for YETI, which sells premium coolers, apparel and outdoor gear. Recognizing our employees growing concern about plastic pollution, we provided YETI bottles to connect them with the work that we do, thank them for their hard work, and remind them how we can be part of helping preserve and protect our environment.

The foundation of Jefferies’ culture is our approach to employee engagement, diversity, equity and inclusion, which is summed up in our CSR Principle: Respect People. Jefferies has implemented policies and measures focused on non-discrimination, sexual harassment prevention, health and safety, training and education, and employee resource groups.



Equal Opportunity Employer, Policy of Non-Discrimination and an Open-Door Policy

Jefferies is an equal opportunity workplace committed to providing an environment free of discrimination or harassment for all regardless of race, religion, ancestry, color, gender, pregnancy, age, physical or mental disability, medical condition, national origin, marital status, sexual orientation, gender identity or expression, covered-veteran or military status, genetic information, or any other factor. Our recruitment team is mandated to have a diverse candidate slate for each role and tracks each role/candidate to check compliance with this mandate.

Jefferies has 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.

Sexual Harassment Prevention

One of Jefferies' top priorities is to create a culture and environment in which each and every employee is treated with respect, free from any form of discrimination or harassment. The company has zero tolerance for inappropriate behavior. As part of the company's ongoing effort to maintain that culture, and consistent with a recent change in the laws in New York, all Jefferies employees globally were required to perform a mandatory, computer-based Sexual Harassment Prevention Training in 2019.

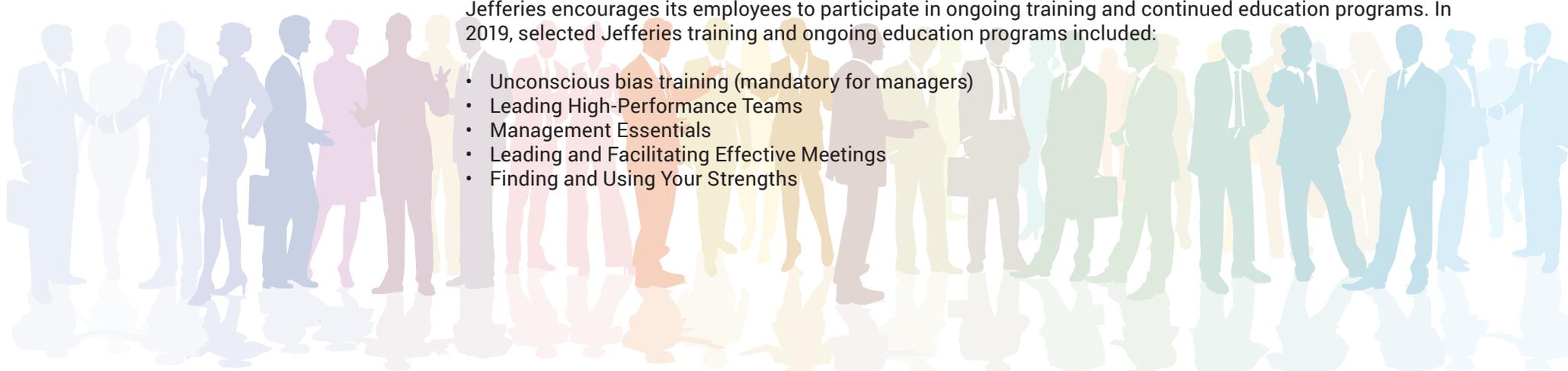
Health and Safety

Jefferies is committed to providing a safe and healthy work environment for employees and visitors. Jefferies complies with relevant occupational health and safety laws with the goal of minimizing exposure to health or safety risks.

Training and Education

Jefferies encourages its employees to participate in ongoing training and continued education programs. In 2019, selected Jefferies training and ongoing education programs included:

- Unconscious bias training (mandatory for managers)
- Leading High-Performance Teams
- Management Essentials
- Leading and Facilitating Effective Meetings
- Finding and Using Your Strengths





Diversity and Inclusion

Diversity fosters creativity, innovation and thought leadership through the infusion of new ideas and perspectives – and that is why over the past few years our Board of Directors has underscored our commitment to diversity by appointing diverse candidates to fill the seats of one-third of our independent directors. We have also made a commitment to building a culture that provides opportunities for all employees regardless of our differences. As a result, we are able to pool our collective insights and intelligence to provide fresh and innovative thinking for our clients. Solid internal partnerships with employee resource groups allows Jefferies to tap into a wealth of diverse talent and ensure continued growth and success. Employee resource groups include:

jWIN

The Jefferies Women’s Initiative Network (jWIN) is an employee-led affinity group that provides resources and networking opportunities to improve the experience, development and connectivity of women at Jefferies, increase women’s presence at all levels of the firm, and foster the advancement of women. Our New York City and London offices host the annual Inspiring Women for Finance Symposium for undergraduate women interested in learning more about the finance industry. It is an opportunity for Jefferies to inspire women to work in finance and source a talented pool of female candidates early in the process for our internship programs.

J-NOBLE

The Jefferies Network of Black and Latino Employees (J-NOBLE) was established in 2018 with the mandate to help foster an inclusive, diverse working environment with a focus on equitable treatment and an enhanced workplace for both Black and Latino women and men. J-NOBLE is focused on the following four pillars: Recruiting, Retention, and Career Development; Networking; Mentoring; and Community Outreach. J-NOBLE launched its inaugural Next Generation Diversity Symposium in 2019 in an effort to invite the next generation of diverse financial professionals to spend an immersive day at Jefferies’ headquarters in New York City.

JEMS

In London, Jefferies Ethnic Minority Society (JEMS) was established in 2019 to promote ethnic diversity initiatives in Jefferies EMEA. These initiatives include recruiting and developing under-represented ethnic minority talent. JEMS 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 that reflects our clients and society at large.

jMosaic+

jMosaic+, Jefferies’ LGBTQ+ network, was established in 2019. jMosaic+ is focused on supporting and connecting the Jefferies LGBTQ+ community and its allies; increasing the recruitment, support and advancement of LGBTQ+ employees and clients; and facilitating open dialogue, communication, education and policies that foster a collaborative and inclusive work environment. Long before the formation of jMosaic+, we were supporting our LGTBQ+ community, including when we boycotted Brunei-owned hotels after Brunei instituted the death penalty for homosexuality. As our CEO stated at the time, “Jefferies supports human rights for all people regardless of race, religion, color or sexual preference.”

Taking Care of Each Other

“Fundamental to our commitment to sustainability as it comes to our employee-partners are the many ways in which we try to help each of them stay well.”

Employee Assistance Plan

Employee-partners have access to our Employee Assistance Program (EAP) offered through Cigna—a confidential resource available to help with life’s everyday issues. The Employee Assistance Program provides access to confidential counseling for difficulties such as: marital conflicts; legal problems; drug or alcohol abuse; depression or stress; and other personal problems.

NYU Medical Partnership

For our New York-based employee-partners, Jefferies partners with NYU’s Preston R. Tisch Center for Men’s Health and the Joan H. Tisch Center for Women’s Health to provide access to state-of-the-art facilities that address the health needs of men and women. By utilizing the doctors at these Centers and elsewhere in the NYU system, one has access to the well-regarded resources of the entire NYU medical complex.

Wellness Discounts on Medical Insurance

We incent our employee-partners get to get an annual preventive care exam/physical by giving them reduced healthcare premiums once they submit their exam results.

Smoking Cessation Aids

Jefferies’ US Medical Plan covers Chantix, Nicotrol Spray, Nicotrol Cartridges and Zyban under the pharmacy benefit.

Wellness Lectures

- Cardiovascular Risk with an emphasis on nutrition
- Life Strategies to Prevent Heart Disease
- Weight Management - Stay Healthy Doing It
- Effects of Cholesterol – the Good, the Bad, and the Ugly
- StressLess in the Workplace

On-Site Flu Shots

For our locations with more than 30 staff members, we provide flu vaccines free of charge to our employees and their family members.

Maternity/Paternity

Jefferies offers generous parental leave benefits, including paid time off, lactation rooms, back-up child-care and incentives for expectant mothers to participate in Cigna’s Healthy Pregnancies Program.



Helping Our Employee Partners and Our Communities



Jefferies Family Scholarship

Fostering growth and opportunity through education

The Jefferies Family Scholarship assists and supports the children of Jefferies Group employees in the pursuit of their academic goals. These awards are intended to recognize outstanding achievement, both academic and non-academic, and address financial need and individual excellence.

Children of Jefferies employees attending or planning to attend the last two years of private high schools, or public and private colleges and universities for undergraduate and graduate studies are eligible to apply for this award. Over the past 35 years, we have supported approximately 1,190 scholarships totaling over \$10 million.

Regardless of financial need or academic performance, we encourage all eligible students to apply. While our recipients express immediate gratitude for being selected to receive a scholarship, it is in the subsequent years that they appreciate how this program changes lives, and continue to speak of how the scholarship positively impacted their educational experience.

“Upon receiving this scholarship, I felt as if one of my worries for the future had been lifted, and I could focus solely on putting effort into my studies. More personally relevant than the monetary value of holding such a scholarship is the pride that comes from earning it. I feel as if the scholarship itself is proof of what I have struggled for, and serves as a reminder of what I can accomplish in the future. Thank you again for giving me this scholarship.”

— Kenneth Sandoval, Jefferies Family Scholarship Recipient



Recipients of Jefferies Family Scholarship attended the following schools in 2019:

- Syracuse University
- Copper Union
- New England Conservatory of Music
- Johnson & Wales University
- Szent István University
- University of Cambridge
- University of Leeds
- Suny College of Environmental Science and Forestry
- Massachusetts Institute of Technology
- Bloomfield College
- University of Texas – Austin
- New Jersey City University

Town Hall Awards

Each year at Jefferies LLC, we reward some of our top employee-partners who have excelled both in our businesses and in our support staff with special recognition (represented by an award crafted by Tiffany's) and with each award we donate \$5,000 to the charity of their choice. This year those donations went to:

LEUKEMIA &
LYMPHOMA SOCIETY

CHICAGO
CHILDREN'S MUSEUM

ALZHEIMER'S DISEASE
AND RELATED DISORDERS
ASSOCIATION

SCLERODERMA
FOUNDATION, INC.

SALK INSTITUTE FOR
BIOLOGICAL STUDIES

BRITISH RED CROSS

NEW YORK
COMMON PANTRY

FRESH YOUTH
INITIATIVES, INC.

UNIVERSITY OF CHICAGO
BOOTH SCHOOL OF BUSINESS

UNIVERSITY COLLEGE LONDON
HOSPITALS CHARITY
(UCLH CHARITY)

ST JUDE CHILDREN'S
RESEARCH HOSPITAL

APEX FOR YOUTH

NEIGHBORS TOGETHER CORP.

UNIVERSITY OF VIRGINIA

ONE2ONE

NEW YORK LEGAL
ASSISTANCE GROUP

MOUNT SINAI
HEALTH SYSTEM

THE EMMA, ALYSON
AND KATE HANCE
FAMILY FOUNDATION

CANCER RESEARCH UK

THE GOOD DOG FOUNDATION

NEW YORK SKI
EDUCATIONAL FOUNDATION

KAREN LEUNG
FOUNDATION LIMITED

THE CLIMATE
REALITY PROJECT

WOMANKIND
WORLDWIDE, INC.

INTERNATIONAL CENTER
FOR JOURNALISTS



BEST FRIEND
ANIMAL SOCIETY

A BETTER CHANCE
FOR WESTPORT

NANTUCKET
CONSERVATION FOUNDATION

NEWTON FOOD PANTRY

UNIVERSITY OF VIRGINIA
LAW SCHOOL FOUNDATION

USHER 1F
COLLABORATIVE, INC.

COVENANT HOUSE

JEFFERIES FAMILY
SCHOLARSHIP

NATIONAL GEOGRAPHIC
SOCIETY

HICKORY LEVEL
HOUND RESCUE

WOLF
CONSERVATION CENTER

SAT NAM FOUNDATION

JAPAN SOCIETY

CENTER FOR FETAL DIAGNOSIS
AND TREATMENT
CHILDREN'S HOSPITAL OF
PHILADELPHIA

FOOD BANK FOR
NEW YORK CITY

ST JUDE
CHILDREN'S HOSPITAL

HOUSTON
CHILDREN'S CHARITY

EXPERIENCE CAMPS

CENTRAL PARK
CONSERVANCY

TEAM FOR KIDS

PARKINSON'S FOUNDATION

WESTFIELD STATE UNIVERSITY
FOUNDATION, INC.

AUDITORY ORAL SCHOOL
OF NEW YORK

THE STRATTON FONDATION

AMERICAN FOUNDATION FOR
SUICIDE PREVENTION



Where We Live and Work

At Jefferies, we recognize the impact we have on the world and, as such, we believe in making a positive difference in the communities in which we live and work. Corporate social responsibility, or CSR, is our commitment to contribute to sustainable economic development by working with employees, their families, local communities and society at large to improve quality of life in ways that are both good for business and development. For Jefferies to prosper, grow and generate sustainable value for our shareholders, we engage CSR from a global perspective and in every aspect of our operations through our CSR Principles.

Doing the Right Thing

Jefferies' [Code of Business Practice](#) applies to Jefferies and all of its subsidiaries, and the company's employees, officers and directors. The company embraces the importance of conducting its business in full compliance with all applicable laws and regulations. Each employee and officer is required to annually certify in writing receipt and review. The Code outlines a process for reporting violations and covers the following topics:

1. *Compliance with Laws, Rules and Regulations*
2. *Conflicts of Interest (Related Person Transaction Policy)*
3. *Insider Trading (Insider Trading and Anti-Tipping Policy)*
4. *Corporate Opportunities*
5. *Independent Auditors*
6. *Fair Dealing*
7. *Equal Employment Opportunity and Diversity*
8. *Discrimination and Harassment*
9. *Record-Keeping and Public Disclosure*
10. *Confidentiality*
11. *Communication of Company Information; Regulation FD (Fair Disclosure)*
12. *Protection and Proper Use of Company Assets*
13. *Anti-Bribery, Anti-Corruption and Payments to Government Personnel*
14. *Political Contribution Compliance*
15. *Reporting any Illegal or Unethical Behavior*
16. *Compliance Procedures*
17. *Sanctions for Violations*
18. *Review; Amendments; Waivers*
19. *Conflict with Subsidiary Company Code of Business Practice*



Our first and maybe most important step in taking care of where we work and live is adhering scrupulously to our Code of Business Practice:

“Jefferies depends for its success upon a high level of public and investor confidence. That confidence can be maintained only if each of the Company’s employees observes the highest standards of ethical behavior in the performance of his or her duties. The Company is justifiably proud of its performance and the ability of its employees to maintain high standards of behavior in the conduct of the Company’s business.”

We take our ethical obligations very seriously, which we believe is reflected in our record. There is, of course, the occasional matter that arises, but by and large our adherence to our ethical obligations has resulted in few to no regulatory issues and virtually no material litigation matters. We are far from perfect, but in an industry that has been plagued with scandal after scandal and centimillion to multibillion fines and civil and criminal settlements, our record speaks volume with respect to what it means to be ethical.

Doing the right thing, though, is only one of the ways that we take care of the places we work and live.

Our Ethical Obligations

Whistle Blower Policy

Jefferies has a [Whistle Blower Policy](#) in place that includes procedures for receiving and investigating complaints as well as the protection of whistleblowers. Jefferies’ Board established and adopted the policy, delegating to the Audit Committee the responsibilities created by these procedures.

Political Contributions

Our Political Contribution Compliance Policy 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 services providers. Employees covered by the policy receive annual training.



**\$4,000,000
AUD for Australia
Wildfires Relief
Efforts in
January 2020**

Giving Back

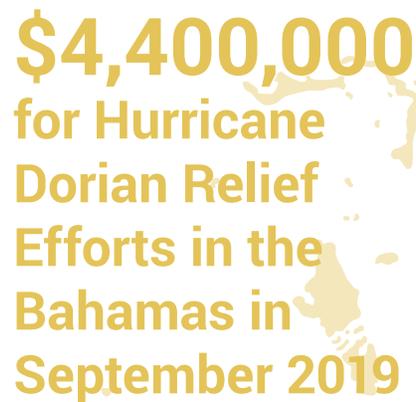
Through our corporate philanthropy and support of volunteerism, Jefferies and its subsidiaries fulfill the company's CSR Principle, "Improve Communities," to make a positive difference in the communities in which we live and work. Initiatives of Jefferies and its subsidiaries include a matching charitable gift program, a scholarship fund and paid time off for volunteering. Our firm, our employee-partners and our clients commonly band together to address crises and disasters facing the places we work and live. Over the years, we have led global efforts among our employee-partners and clients to donate tens of millions of dollars to provide such relief. On a more regional level, we also strive to help the neighborhoods around us.

Disaster Relief:

- 9/11 TERRORIST ATTACKS
- AUSTRALIAN FIRES
- EARTHQUAKE IN HAITI
- EARTHQUAKE IN JAPAN
- HURRICANE DORIAN RECOVERY
- HURRICANE HARVEY
- HURRICANE KATRINA
- HURRICANE SANDY
- TSUNAMI IN ASIA
- TYPHOON HAIYAN

Community Organizations:

- AMERICAN CANCER SOCIETY
- BROOKLYN BRIDGE CONSERVATORY
- GEORGE JACKSON ACADEMY
- HABITAT FOR HUMANITY
- LEUKEMIA FOUNDATION
- MD ANDERSON CANCER CENTER
- NYU HOSPITAL
- RED CROSS
- SAY YES TO EDUCATION
- SBP
- STRIVE INTERNATIONAL
- STUDENT SPONSOR HC
- THE SUCCESS ACADEMIES CHARTER SCHOOLS NETWORK
- YOUTH INC.



**\$4,400,000
for Hurricane
Dorian Relief
Efforts in the
Bahamas in
September 2019**

Stakeholder Engagement

Jefferies regularly engages and communicates with its key stakeholders, including shareholders, employees, regulatory bodies, clients, investors and counterparties, governments, non-governmental organizations (NGOs), local communities and trade associations.

Members of our Board engage with a large majority of our shareholders – usually in the 70% or higher range. As we have said in prior years, we find that engagement process to be a most meaningful exercise from which Jefferies benefits greatly.

Jefferies takes great pleasure in hosting not only its Annual Shareholders Meeting every spring but also its Investor Days every fall, during which our investors get the opportunity to hear from our CEO, President, and various business heads about Jefferies and its operations. Our CEO and President are also in frequent contact with shareholders throughout the year on a one-on-one basis.

Jefferies and its subsidiaries actively engage with CSR and ESG related industry organizations and fulfill the company's CSR Principle, "Consider the Environment." Beyond this first Jefferies ESG report, Jefferies annually responds to CDP (formerly the Carbon Disclosure Project), the RobecoSAM/DJSI Corporate Sustainability Assessment and Sustainalytics.

Jefferies also engages with external stakeholders. As part of its commitment to diversity, equity and inclusion, the company has established partnerships with student organizations such as:

- *Urban Leadership Fellows Program (ULF)*: In partnership with ULF, Jefferies Municipal Securities welcomes high school seniors as summer interns annually.
- *The Dormitory Authority of the State of the New York Public Finance Diversity Fellowship Program (DASNY)*: Jefferies applies to DASNY's lottery program annually to sponsor a college student for a six-month fellowship term.
- *Student Sponsor Partners*: This program pairs low-income New York City high school students with a sponsor, who provides financial support, and Jefferies employee mentors.
- *Sponsors for Educational Opportunity (SEO)*: Jefferies' London office works with this charitable organization that seeks to improve academic and career opportunities for students from minority and low-income backgrounds.

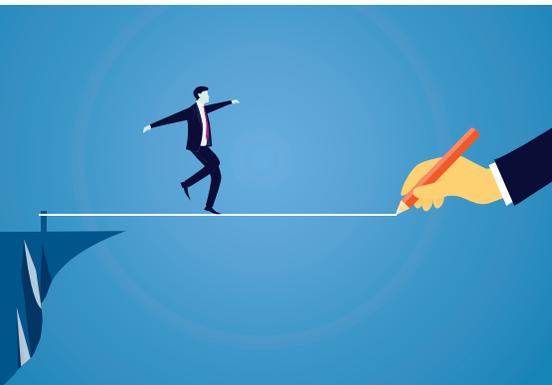
Our Commitment to Governance Standards

As we have outlined in our annual [proxy statement](#), we strive to achieve best practices on our corporate governance. As noted there, not only have we made meaningful strides in increasing the diversity of our Board but also we have initiated a series of initiatives over the past few years that include among others an Independent Lead Director, stock ownership guidelines, proxy access, increased shareholder engagement, compensation claw-back policies and hedging prohibitions.

And as it pertains to sustainability, this year our Board underscored its commitment to all matters relating to environmental, social and governance issues. Historically, our Board's oversight of these matters was effected through the Nominating and Corporate Governance Committee, which had responsibility for all governance matters and for our CSR Principles and how it should drive Jefferies' behavior. Now, ESG will be under the purview of our new ESG Oversight Committee, supported by Jefferies employee-partners and a global network of subject-matter experts throughout Investment Banking and Merchant Banking. Currently, each division and underlying corporate entities are responsible for their own CSR and ESG strategies and approaches consistent with Jefferies' overarching principles and policy.

To help inform our decision-making regarding the content to include in our first sustainability report, and to drive our strategy, we performed a benchmarking analysis to help us understand what other firms in our sector were reporting. We relied upon the Sustainability Accounting Standards Board (SASB) to help us understand the areas that may be of most relevance – particularly to our US investors – and we referred broadly to the Global Reporting Initiative (GRI) to help us identify anything that SASB may have missed. We drew upon the subject matter expertise of our colleagues throughout the Jefferies Financial Group companies to collect and organize the content relative to the areas we identified in our benchmarking.

While our direct environmental footprint is small relative to more carbon-intensive industries, we are investigating ways to minimize our greenhouse gas emissions, primarily from our facilities and travel, as we view this as a responsibility for all businesses regardless of sector. Jefferies is committed to calculating the carbon footprint from its office and data center operations and evaluating a potential commitment to carbon-neutrality from its operations.



Sustaining Jefferies Through Controlling Risks

Risk is an inherent part of our business. 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.

Our risk management processes encompass the active involvement of executive and senior management, supported by many departments with underlying policies and procedures. Within Investment Banking, the Global Chief Risk Officer (CRO) has primary responsibility for overseeing the development and implementation of the RMF, while senior members of the Risk Management Department own the implementation of its supporting policies and procedures.

The RMF is approved by the Risk Management Committee, which meets weekly and is comprised of our CEO, Chairman, Chairman of the Executive Committee, Chief Financial Officer, Global Treasurer and the Global CRO. Our Global CRO and Global Treasurer meet with the Board of Directors not less than quarterly to present our risk profile and to respond to questions.

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 approaches
- *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

Information Technology, Cyber Security and Data Privacy

Jefferies' Risk and Liquidity Oversight Committee monitors major risk exposures, including investment risk, capital risk, funding risk, liquidity risk, cybersecurity risk, new product and business risk, legal and regulatory risk, environmental risk and reputational risk.

Information Technology (IT) Risk is defined as any risk of financial loss, disruption or damage to the firm from some sort of failure of our IT systems. Our approach to IT Risk management is through a combination of leading industry frameworks such as ISO, NIST and COBIT. Policies and approaches have been established based on these frameworks to maintain the security, confidentiality and integrity of the firm's information assets. We employ a combination of regular vulnerability scans, penetration testing, monthly reports of key risk indicators and annual reviews.

Jefferies is committed to customer privacy and data security. Jefferies has robust governance processes in-place to oversee these business processes and continually looks for ways to protect the privacy of our customers and strengthen our approach to cybersecurity. Data privacy controls are required when personal data on individuals is collected, processed and retained. As a data controller, Investment Banking is accountable for complying with data privacy laws and principles, which include requirements to minimize the amount of personal data captured and prevent this personal data from being accidentally or intentionally disclosed.

The European Privacy Risk Control Framework (PRCF) outlines the framework for privacy risk management. Privacy risk is a subset of the Operational Risk Management Framework (ORMF) which supports this document to specify the procedures and standards under which privacy risk is identified, measured and managed.



Our Merchant Banking Portfolio

Our Managing Directors within Merchant Banking are responsible for identifying and assessing potential investments and maintaining ongoing vigilance with investments made. Our Managing Directors will either consult with Jefferies' CEO and President on potential investments, or with the full Board if the investment is over a certain dollar threshold, prior to taking a position. This process includes an assessment of traditional governance factors, and any potentially material environmental or social factors that may contribute to the long-term financial viability of the company or investment we are considering. We rely on the management teams to operate the businesses, including any ESG or CSR related matters, although they may adopt Jefferies policies. However, we do get involved in partnering with them on strategy and capital related activities.

The following case studies illustrate CSR and ESG highlights at our larger Merchant Banking companies: Vitesse, Linkem, HomeFed, Idaho Timber and Foursight



Industry:	Oil & Gas
Locations:	CO, MT, ND & WY
JEF Investment:	2014



Oil and gas production with an eye on environmental stewardship and social responsibility

Vitesse is a financial partner to operators in the oil and gas production and development business. As such, the company is not directly involved in the production, development, operations, or transportation of oil and gas and must implicitly rely on its operating partners to directly perform all field operations.

While Vitesse does not directly operate oil and gas properties, the company evaluates and assesses the environmental stewardship, social responsibility, hiring practices and community awareness of each of its operating partners as part of an overall evaluation of where to invest capital. Six major operators manage approximately 65% of the wells in which Vitesse has a financial interest. All six of these companies have executive leadership responsible for Health, Safety and Environmental matters, with three of the largest publicly reporting their sustainability plans annually.

We respect our employee partners and support a team of people who are employed without regard to age, race, color, religion, sex, gender preference or national origin. The health and wellness of its people is one of Vitesse's highest priorities and is supported by regular visits to the offices by a certified physical therapist, a registered dietitian nutritionist and a massage therapist, all of whom work with our employees to develop healthy habits in addition to providing therapy. Additionally, Vitesse provides healthy lunches four days a week and premium health insurance coverage while incentivizing preventative care.

Vitesse values the environment and environmental sustainability. In addition to the sustainability work performed by operating partners, Vitesse is constantly looking for every opportunity to be a good partner for the community and planet. Existing programs include incentives for carpooling, recycling, reduction and reuse of resources, and carbon-free replacement of paper documentation, among others.



Industry:	Telecommunications
Locations:	Italy
JEF Investment:	2011



Catching up left-behind regions in a developed country

Linkem is the largest fixed wireless broadband provider in Europe and the fifth-largest broadband provider in Italy. The company has a business model well suited to economic development: it deploys low-cost wireless broadband networks across Italy, bringing inexpensive high-speed connectivity to regions that have suffered years of underinvestment in infrastructure. In 2014, Linkem was awarded grants from Invitalia, a government-sponsored development organization, to deploy its networks in southern regions where internet access was largely only available via aging copper phone lines. Those regions had income per head 44% below the national average and unemployment rates nearly twice the national average. Linkem invested equity capital alongside the grant funding to cover nearly five million households, over 70% of the population, and offers download speeds of over 30 Mbps, which will increase to up to 1 Gbps with the transition to 5G. This connectivity facilitates education, tourism, business formation and expansion, and inter-regional and international commerce.

Linkem is also deeply committed to building Italy's human capital. The company's human resources strategy has four key pillars: building its workforce in deprived regions with high rates of unemployment; hiring and training young professionals in the early stages of their careers; giving employees the stability of permanent contracts rather than the temporary contracts which have become prevalent in the Italian market; and providing employees with leading training and support programs. Headquartered in Rome, Linkem has built several of its principal facilities and employs 69% of its total workforce in Puglia, where the unemployment rate has been more than 60% higher than the national average over the past decade. 40% of the company's workforce is under the age of 34, a demographic whose unemployment rate is more than 80% above the national average; in Puglia specifically, the proportion of young people not in education or employment is over 30%. Linkem provides not only a first step on the career ladder, but also opportunities for advancement and transition across career paths within the company. In contrast to the increasing trend of hiring on temporary contracts – over 40% of 15-34 year old employees in Southern Italy are temporary hires – Linkem provides stable, long-term employment, with over 99% of employees on permanent contracts. The company offers employees a leading package of benefits, including training and continuing professional development. Special benefits for new parents and adoptive parents include bonuses, extra paid leave and access to the "Maternity as a Master's" program, a platform for both mothers and fathers to accelerate their careers following maternity and paternity leave by translating parenting skills into management skills. Linkem is a committed equal-opportunity employer.



Industry:	Real Estate
Locations:	CA, FL, NY, SC, VA
JEF Investment:	1995



Community development with a commitment to environmental responsibility

HomeFed is a real estate development company that specializes in creating large-scale master planned communities. This provides the company with a unique opportunity to develop sustainable communities that provide needed housing while instituting best practices to protect sensitive plant and animal species, create public transit, and reduce carbon emissions for tens of thousands of people that live in those communities.

There are two projects in particular that illustrate HomeFed’s commitment to sustainable development. The first project, Fanita Ranch, is a 2,600 acre property in Santee, CA that is being entitled for 3,000 homes. This is a sustainable development with over 75% of the land set aside as permanent open space and 35 miles of trail to encourage outdoor lifestyles and activities. The community footprint thoughtfully avoids sensitive habitats and provides for wildlife corridors. The development plan includes a restoration and enhancement program that will increase rare plant and endangered animal populations including the Quino Checkerspot and Hermes Butterflies, San Diego Fairy Shrimp and the Spadefoot Toad. The development will achieve net zero electrical usage with mandated solar power and extensive use of recycled water. Furthermore, the Fanita Ranch development is designed as a healthy community which will include a professionally managed farm providing fresh fruit and vegetables for the community.

The second project that demonstrates HomeFed’s commitment to ESG initiatives in action is located in Chula Vista, CA where HomeFed owns over 4,400 acres. The approved development plan calls for over 13,000 homes including nearly 1,300 affordable homes for those earning less than 80% of median area income. The planning of this project has taken more than a decade and includes over 2,800 acres of open space for habitat, compact development footprints and bus rapid transit with a dedicated lane. The property encompasses over four miles of the Otay River, which had been sand mined for decades and left without remediation prior to HomeFed’s ownership. In partnership with the City of Chula Vista, HomeFed embarked on a substantial effort to restore the river to its natural course, removing invasive plants and revegetating with native plants to invite the return of native wildlife.

By building sustainable, walkable communities, with cutting edge concepts, HomeFed can make a meaningful impact on the well-being of those that live in and around the community while minimizing the environmental impact of necessary housing for the growing population.



IDAHO TIMBER

Industry:	Forest Products
Locations:	ID, NM, TX, AR, LA, NC, FL
JEF Investment:	2005



Commitment to a vital environment in harmony with sustainable forest products manufacture

Idaho Timber is a forest products manufacturer focused on value-added products. Idaho Timber has earned Sustainable Forestry Initiative certification for select facilities and provides on-site accountability to ensure harvesting complies with all laws, regulations and best environmental management practices. In production, Idaho Timber extends sustainability through remanufacturing lower grade lumber to create higher-value products with increased life spans that sequester carbon longer. In addition, Idaho Timber strives to recover all fiber possible, putting it to highest and best use. Wood waste in the form of chips and sawdust are used in paper manufacture and for biomass energy production. In order to improve efficiency, the company recently upgraded several plants with new, energy-efficient lighting which has reduced energy consumption, replacement frequency and the attendant materials waste. In addition, optimizing older equipment by installing variable frequency drives has further reduced electricity consumption.

The company is likewise invested in the betterment of its people. A new safety training program implemented in 2017 has reduced the average number of injury claims by 29% and the average loss ratio by 79%. The company also encourages a culture of safety through a competition conducted between all operating divisions for the title of #1 Safety Division, which is awarded annually with fanfare, an award plaque, #1 Safety Division jackets for all employees and a barbecue with senior management. Employees are further protected in the workplace by Idaho Timber's robust policies on equal employment opportunity, non-harassment and non-violence, and the company's Open Door Policy ensures any concern can be aired for prompt and fair resolution without reprisal. Idaho Timber offers Basic Life Skills training to help provide disadvantaged employees with tools for success in life, and routinely awards employees' children college scholarships through the Steven A. Broadhead Memorial Scholarship Program.

Idaho Timber serves its local communities through meaningful investment in educational sponsorships, building material donations, housing assistance and volunteer time. Funds and educational opportunities are provided for teachers and students to learn about the forest products industry. Building materials are donated to various charities to facilitate their service to the needy, and Habitat for Humanity is supported both financially and through paid employee service time.

The company serves the larger community through thoughtful, proactive interaction with the environment, and good stewardship of resources in the manufacture of value-added forest products.



Industry:	Finance
Locations:	Salt Lake City, UT
JEF Investment:	2012



Affordable financing to provide customers with flexible transportation

Foursight Capital is a specialty auto finance company that focuses on providing non-prime customers with affordable financing options for their car purchases. Working closely with dealerships across the country, Foursight is dedicated to being a positive influence for our dealer partners, employees, and the community at large. Foursight works to accomplish this through being environmentally responsible, building a supportive and empowering corporate culture, and promoting community involvement.

Recent projects that illustrate Foursight’s commitment to environmental sustainability have helped reduce our impact on the environment. We have reduced waste through continuing to transition away from paper, for example the new online employee onboard process. Most plastics have been removed from the company including straws, cups, and bottles. With air quality issues being more prevalent in the Salt Lake City metropolitan area every day, we provide a monthly stipend to encourage employee use of public transportation to lower vehicle emissions.

Nurturing a corporate culture focused on the employee has been a corporate mandate since inception. Thanks to an overwhelmingly positive employee response to our efforts, our work has been validated by winning awards for top places to work and best companies to work for four years in a row. We start by providing robust benefits and employee centric policies including flexible work hours, work from home options, casual work attire, quarterly employee events, free breakfast or lunch weekly, paid maternity leave, and generous time off to just name a few. More importantly, Foursight is dedicated to fostering a family atmosphere by building an open, diverse, meaningful, and empowering environment that shows appreciation for employees’ every day efforts while encouraging everyone to maintain a healthy work/life balance.

Community outreach is also built into the DNA of the company. Each year, every employee is awarded two paid community service days so employees are able to contribute back to society where they see the most value. As a whole, we have spent over 260 hours coordinating, facilitating, and actively contributing to community projects in 2019 alone. Through this initiative we have worked with local homeless shelters, soup kitchens, The Department of Child and Family Services, Support our Local Pets Utah, Best Friends Animal Sanctuary, The Humane Society, Primary Children’s Hospital and elsewhere. We have organized company-wide annual events supporting the Utah Food Bank, American Red Cross, and several local Title 1 elementary schools as well.

Through environmental responsibility, fostering a robust and enriching corporate culture, and active community involvement Foursight continues to strive to make a positive impact on the lives of everyone we deal with.



Appendix



Sustainability Accounting Standards Board (SASB) Index

According to the SASB Industry Level Materiality Map, the following categories are “the most likely material issues for companies” in the asset management industry, and they served as a broad guide for our report content.

Employee Engagement, Diversity & Inclusion	p 12-21
Product Design & Lifecycle Management	p 10-11, 31-36
Selling Practices & Product Labeling	p 22
Business Ethics	p 23
Systemic Risk Management	p 28-29

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