



NEW YORK, NEW YORK

Jefferies 60

BUILDING ON OUR SUSTAINABILITY STRATEGY

May 2022

Jefferies



LONDON, UNITED KINGDOM

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Section 1

Introduction

HONG KONG, SAR

Jefferies

May 2022

Letter from Our CEO and President

Our first draft of this letter stated in bold “the best is yet to come.” We had just achieved new financial records in 2021 and, by any objective measure – net revenues, net income, return on tangible equity, or other metrics – our team produced the kind of results that just a couple of years ago seemed like long-term dreams. And we did so in the Jefferies way. We worked shoulder to shoulder, looking out for our clients, protecting each other’s backs, bringing each other along, holding ourselves to the highest ethical standards, and delivering the entire firm every day. We could not have been more proud of our team and their achievements.

But as we were drafting this year’s proxy statement and preparing for our annual meeting, Russia invaded Ukraine. Such an event put our 2021 successes in a different light. Families were dying, whole towns were being obliterated, and the stability of the world as we know it, including the financial world, was shaken and is still under meaningful duress.

As we contemplated that invasion and the hell it has rained upon Ukraine, we and our team did what we always do: We tried to help. Within two weeks of the invasion, we marshalled Jefferies, our clients and our amazing employee-partners to raise over \$14 million to provide immediate humanitarian relief. And, as we said in our April Insights message:

“We know for sure that because of all that we did there are five new bullet proof vans each transporting more than 25 children a day from bunkers under destroyed cities to safety in Poland. Once in Poland, collectively we are responsible for renting large warehouses and making sure they are stocked with desperately needed supplies for the refugees. We also know that some of these children and adult refugees made it to the border because we funded brave doctors to train local aid workers in real time emergency triage skills. We are not patting each other on our backs and know many have done far more.”

“We also know the real heroes are the ones in the trenches executing the plans to use our money to save lives. However, individually and collectively, each one of us is a very small part of making things better and that makes the feeling of helplessness just a little less unbearable.”

And in considering what our Jefferies team did and what the rest of the world did, it struck us that, at base, the global relief efforts – not the first and certainly not the last time the world would band together against tyranny – are a core value of what we all now call ESG. It is the collective effort to drive social change and responsibility (in this case, against tyranny) and to help the global community. That, in turn, made us even prouder that our Jefferies team was part of the effort.

It also helped us to keep things in perspective both with respect to 2021’s successes and how we use Jefferies’ success to benefit the world in which we work and live.

While producing record results, we and our team never lost sight of the importance of the impact we have on the environment, how what we do should have a beneficial impact on the rest of our team and the communities in which we work, and how important it is to adhere to core governance policies that have been constructed to advance and protect all of Jefferies. Likewise, we all continued to strive to achieve a diverse team that reflects the society in which we live and work, policies and processes that are fair for each individual, and a workplace in which each of us feels a deep sense of belonging.

The pages that follow outline in some level of detail the advances we have made, but we wanted to highlight a few here that are particularly meaningful to us.

• In order to help Jefferies set industry-leading ESG standards and to help our clients in this dynamic area, we were fortunate to have Aniket Shah join our team in early 2021 as Jefferies’ Global Head of Environmental, Social and Governance and Sustainability Strategy. Aniket is recognized as a leading expert in the ESG field and in the short time he has been here has helped us immeasurably.

- Led by our global Jefferies ESG Working Group (regularly attended by Barry Alperin, who chairs the Jefferies Financial Group Board of Director’s ESG, Diversity, Equity and Inclusion Committee (ESG/DEI Committee)) and delivered by Aniket, we are launching Jefferies-wide ESG and sustainability training.
- Our ESG Working Group continues to work closely with our third-party advisors not only to maintain our in-depth analysis of our Scope 1 and Scope 2 emissions but also to expand our analysis, which is already in progress, to track Scope 3 emissions. And, adhering to our commitment to zero-net energy across our businesses, we have purchased carbon offsets and Renewable Energy Certificates.
- Jefferies became one of the first investors in Beyond Net Zero, a new climate venture from General Atlantic focused on investing in high-growth companies that are developing innovative climate solutions.
- Our Board of Directors, as a result of our ordinary course of board refreshment, increased its diversity to the point that 42% of all Directors (56% of our independent Directors) are diverse.
- We successfully completed Jefferies-wide mandatory Unconscious Bias Training to help eradicate bias that might exist in hiring practices, career growth, and team dynamics (which, at their request, was also conducted with our Board of Directors).
- We have made very plain that all hires must be based on a diverse slate of candidates to help us achieve our diversity goals.

These are just a small sampling of our ESG and DEI initiatives. This report contains many more.

Letter from Our CEO and President (continued)

So, actually, much has been done and we are still struggling with hellishly tumultuous times, but the best is, indeed, yet to come. We are not smart enough to say what will happen in Ukraine, but one does not have to be a genius to see that Russia's invasion is uniting what had become fairly polarized nations and changing both the dialogue and temperance of the West. We think that is a very good thing.

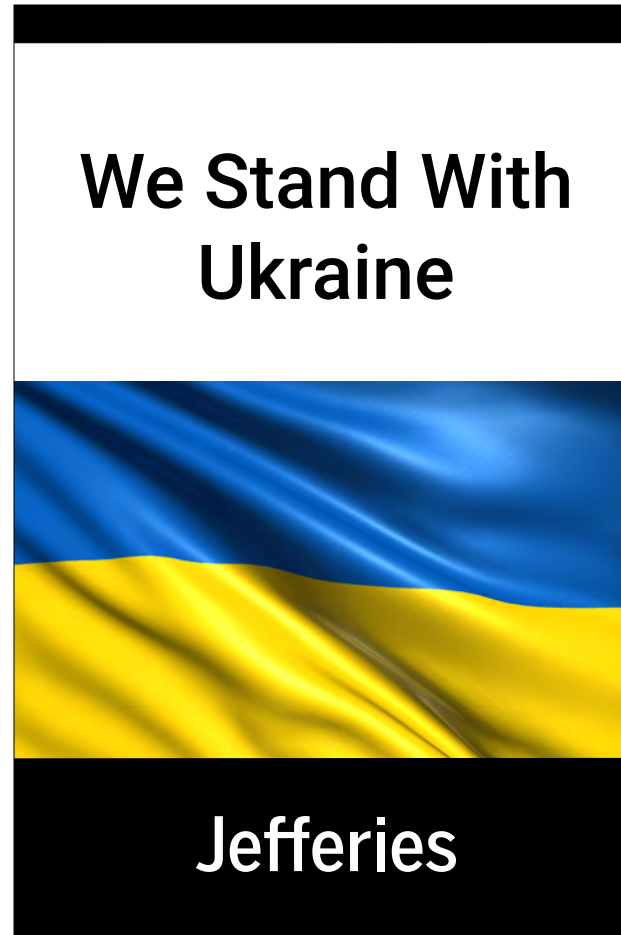
And as for our part of the world, Jefferies, we see our 2020 and 2021 financial results as the beginning of our next era. And we see our progress on ESG and DEI initiatives as the strong foundation for the future of more and better efforts that will aid Jefferies, our stakeholders, our employee-partners, our clients, and the communities in which we live and operate. We look forward to many more reports such as this to update all of you on our progress.

Before we sign off, a closing note on COVID-19. We have intentionally not stressed in this letter the current phase of the pandemic. Later on in this report we outline the current state of our response. Suffice it to say here that we are hopeful Omicron is a sign of the transformation of the pandemic toward its endemic phase. And to stress the theme we have been delivering at every possible opportunity: Get vaccinated. Get boosted. And please be careful.

Joining you in prayers for Ukraine and a return to sanity and peace,

Richard B. Handler
Chief Executive Officer

Brian P. Friedman
President



Jefferies Mission and Purpose

As 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, Capital Markets, and Alternative Asset Management and build value for clients and stakeholders by leveraging our diverse team and our culture of resilience and innovation.

Letter from the ESG/DEI Committee of the Jefferies Board

Let us start where Rich and Brian finished, with an expression of dismay at Russia's invasion of Ukraine and with our thoughts and prayers going to the families suffering as the result of Russia's atrocities.

It would be easy to get distracted to the point of paralysis by the current toxic cocktail of war, a global pandemic and the current financial stress, but our job is to move forward and, as it pertains to the topic at hand, ESG, to let you know what we are doing.

In our ESG letter for last year, we stated:

"It was not that long ago that this Board was made up of only white men. We are proud that 30% of our Board is now diverse, but we know that is only a start. We are committed to increasing this statistic in the near future as we refresh our Board following two recent retirements."

This year, we are very pleased to report that we have delivered on our promise to build upon our commitment to further Board diversity. As we write this note, 42% of our Board, and 56% of the independent directors on our Board, are diverse.

Board Diversity



Diverse Lead Independent Director

6 New Directors Over Past 5 Years

We on the ESG/DEI Committee are also pleased with the progress that we and Jefferies have made this year. As we have mentioned before, to address its commitment to environmental, social and governance issues, Jefferies established a global ESG Working Group (Working Group). Through the work of our Chair, Barry Alperin, who joins in the Working Group meetings, we get a real-time view on all that is happening at Jefferies to drive ESG and DEI initiatives.

The Working Group's accomplishments speak for themselves (and are addressed in detail later in this report), but the one thing that has most favorably impressed us is their level of commitment, action, and results. Among the Working Group's accomplishments is achieving 100% carbon neutrality for our operations by purchasing carbon offsets and Renewable Energy Certificates (RECs) equivalent to our calculated Scope 1 and Scope 2 emissions based on available data. Its members come from across the firm and across the globe and, with the help of the third-party advisor that they have retained, educate all of Jefferies regarding the imperative reasons to take ESG into account as Jefferies conducts its business, and enhance Jefferies' policies and procedures to be ESG smart and effective. This included 2021 and early 2022 policies relating to supplier risk governance, anti-trafficking and other human rights issues, and sustainable investment.

Equally impressive has been the great work coming out of the Jefferies Human Resources team's Diversity and Inclusion initiatives led by Cary Friedman and Natalie Razdolsky who, with the strong support of the Jefferies leadership team and the scores of volunteers who drive firmwide initiatives, have made great strides in Jefferies' hiring practices aimed at achieving a diverse workforce, training employee-partners about how to avoid their unconscious biases when hiring (indeed, at our request,

the Boards of Jefferies Financial Group, Jefferies Group and Jefferies International Limited have participated in these sessions), increasing the breadth and scope of the Employee Resource Groups, and providing myriad health (physical and mental), safety, and well-being resources to the global Jefferies team.

While this level of commitment and drive helps the ESG/DEI Committee fulfill its oversight responsibilities, we have made plain to management that more work needs to be done. We are confident, though, that our management is up to the task. We often discuss among ourselves – and with management – that the reason we are confident that we will reach the goals we have set for Jefferies on the ESG/DEI front is that, as this management team has transformed Jefferies and driven Jefferies' financial results to all-time highs, so too will it deliver on these ESG/DEI goals.

We hope you find this report enlightening. And, as we said last year, if there are ways that you think we can do this better, please let us know.

ESG/DEI COMMITTEE OF THE BOARD

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

Our ESG strategy is aligned with the Sustainability Accounting Standards Board (SASB) framework and topics that matter most to our stakeholders.

SASB Topic	Section-Investment Banking & Brokerage (FN-IB) / Asset Management & Custody Activities (FN-AC)
Employee Diversity & Inclusion	Human Capital Further information available on our Jefferies Diversity Website .
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	Sustainable Finance
Professional Integrity	Responsible Business Practices
Employee Incentives & Risk Taking	For information on supervision, control, and validation of traders' pricing of Level 3 assets and liabilities, see Fair Value Disclosures, in our consolidated financial statements included in our Annual Report on Form 10-K .
Systemic Risk Management	Responsible Business Practices
Transparent Information & Fair Advice for Customers	Responsible Business Practices
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Sustainable Finance
Business Ethics	Responsible Business Practices

About Jefferies

Who We Are

Jefferies begins our 60th year of business, and while a lot has changed, much is the same. We still compete first and foremost based upon our ability to deliver distinct insights that help our clients achieve their most important goals.



4,589

Worldwide Employees¹



2,969

Americas

- **New York** Global Headquarters

- Atlanta
- Boston
- Chicago
- Dallas
- Houston
- Jersey City
- Los Angeles
- Nashville
- Orlando
- Richmond
- Salt Lake City
- San Francisco
- Stamford
- Toronto
- Washington, D.C.



1,091

Europe

- **London** European Headquarters

- Amsterdam
- Frankfurt
- Madrid
- Milan
- Paris
- Rome
- Stockholm
- Zurich



529

Asia Pacific

- **Hong Kong, SRA** Asian Headquarters

- Beijing
- Mumbai
- Singapore
- Sydney
- Tokyo



Ranked #1 in Market Share

Jefferies ranks **#1** in market share in 2021 for secondary market trading of Investment Companies.

Ranked #1 for Investment Company Equity

Jefferies ranks **#1** for Investment Company Equity Issuance with **22%** Market Share.

\$4.4 billion

Record Investment Banking net revenues, which is an **84%** increase over the prior year

Largest Mid and Small-Cap research breadth globally, ranking **1st** in stocks covered and **5th** overall across all market caps

\$7.1 billion

Record combined net revenues for Investment Banking and Capital Markets and Asset Management, a **37%** increase from the prior year

We rank **8th** globally and **7th** in the U.S. across all Investment Banking products

¹ This Report primarily addresses our parent and its main operating company, Jefferies Group, with Berkadia, Foursight and our Merchant Banking companies – all of which have their own ESG and DEI policies – addressed on pages 38-41.

2021 ESG Highlights

Environmental

Carbon Neutrality

We are committed to net-zero energy across our businesses and achieved 100% carbon neutrality for our operations by purchasing carbon offsets and RECs equivalent to our calculated Scope 1 and Scope 2 emissions based on available data.



Scope 3 Emissions

Scope 3 calculations have been completed for two Scope 3 categories for the 2018-2020 calendar years. We will completing similar Scope 3 calculations for the 2021 calendar year during 2022.

98%

of electricity covered by purchased Renewable Energy Certificates

Social

Our People

308

employee-partners participated in the **ERG Mentoring Program**

100%

of employee-partners completed **Unconscious Bias Training**



Giving Back

\$16 Million

Donated over \$16 million in 2021 to nearly 400 charities, organizations, and nonprofits



Governance



Adoption of **Supplier Code of Conduct**, strengthening our supplier risk governance



ESG Training

Launching firmwide ESG training, on global issues and Jefferies business model

42%

Board diversity effective March 2022

Our Response to COVID

The best thing we can say about our COVID-19 response is that you are not reading about it on page 1 of this report. The past two years have been a learning experience for us, and from that learning we have developed a strong and effective COVID-19 response that has become part of our normal work flow and that includes:

- Most importantly, remaining nimble and adaptive in whatever the virus throws at us. This approach resulted in, among many other things, our first-mover return to an almost exclusive work-from-home environment in early December when it was obvious that Omicron was about to run rampant. We are pleased to report that we are now back in the office.
- Making plain to our employee-partners that, if they wanted to work from the office, they would have to be fully vaccinated and, as of January 31, boosted. We take genuine comfort knowing that approximately 96% of our global team is vaccinated.

- Transforming our work approach to a hybrid model that both permits the crucial in-person interaction that is needed for the collaboration and generation of ideas that will drive our business, as well as taking into account the work-from-home opportunities and needs that have become part of the new normal.
- Developing a notification and contact-tracing plan that has resulted in virtually no intra-office transmissions of the virus.
- On-site provision of vaccines and boosters, as well as the facilitation of vaccines and boosters outside the office.
- On-site PCR and antigen testing as needed, the provision of at-home PCR tests as needed, and the provision of testing kits to nearly all our 4,500+ employee-partners.
- And a network of resources that has, at times, literally saved lives.

All that said, we look forward to the day that COVID-19 becomes part of our history.



Hybrid Model

Our transformed work approach permits both crucial in-person interactions as well as work-from-home opportunities that are now part of the new normal.



96%

Approximately 96% of our global team is vaccinated

Covid Resources

- On-Site Vaccination and Booster Clinics for Employee-Partners and Their Families
 - Arrangement of and Payment for PCR and Antigen Testing
- At-home Antigen Test Supplies Distributed to Employee-Partners
- Firmwide COVID Update Communications to Employee-Partners and Board
 - Wellness Webinars

Provided to nearly all our 4,500+ employee-partners

Section 2

Governance of Sustainability

FRANKFURT, GERMANY

Jefferies

May 2022

Our Sustainability Strategy

Jefferies' resilient culture of community and partnership among diverse people and ideas helps build value

for clients, stakeholders, and the societies in which we operate. We view our corporate social responsibility in our commitment to contribute to sustainable economic development — working with employee-partners, their families, the local community, and society at large to improve the quality of life, in ways that are both good for business and development.

Our Approach to ESG

Our Board of Directors (Board) and Executive Team recognize the importance that solid governance, environmental stewardship, and social responsibility across our global operations play in building our sustainability foundation. We consider both how to leverage ESG for long-term financial value creation, and the impacts that we have

on the environment and society. We are pleased to share our 2022 ESG Report that outlines our current sustainability initiatives, practices, and objectives in the areas that are fundamental to our business:

THE BUILDING BLOCKS OF OUR SUSTAINABILITY STRATEGY

Environmental Stewardship	Human Capital	Giving Back	Responsible Business Practices	Sustainable Finance
We continue advancing our environmental stewardship to reduce our carbon footprint and promote eco-friendly practices across our global operations.	As a people-driven business, our greatest contribution to the world is built upon our team of outstanding, talented individuals who live the Jefferies values.	We strive to make a positive difference to the communities where we live and work by giving back through financial donations, leadership support, and volunteer efforts.	We are committed to sound corporate governance and ethical practices, building long-term value for our shareholders and trust with stakeholders.	Our ESG strategies help contribute to solutions that are essential parts of building a sustainable future and driving value to our employees, shareholders, and communities worldwide.

BUILDING ON OUR SUSTAINABILITY FOUNDATION

We believe that building our sustainability strategy and initiatives goes hand in hand with business intelligence and efficiency, and with our “do good” culture. The foundational elements of our sustainability program have been uncovered, monitored, improved, and enhanced to help guide Jefferies business operations in all areas related to the integration of ESG practices into our long-term business strategy, as shown below.

While this has been a journey, we recognize that when we talk about sustainability, there isn't a finish line but rather a continuous building to design, expand, and strengthen our ESG strategy. We are highly confident that our dedicated, thoughtful approach toward building on our sustainability foundation will lead to continued ESG success and long-term value creation for our employee-partners, shareholders, communities, and other key stakeholders.



Sustainability Oversight

Both our Board and executive team recognize that strong governance and oversight of the ESG issues that matter most to our business and stakeholders are foundational to our sustainable value creation and positive impacts to society.

BOARD OF DIRECTORS

Our Board, as a whole and through its standing committees, works closely with our executive management team to oversee our ESG initiatives and sustainable business practices. Our Board is committed to ensuring proper governance and management accountability of the policies and processes in our operations to effectively manage ESG matters relevant to our business over time.



ESG/DEI Committee Chair

Personally participates in and helps drive the regularly scheduled operating-level global **ESG Working Group meetings**.

ESG/DEI BOARD COMMITTEE

The ESG Committee was appointed by the Board in 2019 to oversee ESG matters arising from our business and ensure that management is properly taking all such matters into account while managing our business operations. The Committee then expanded its oversight responsibilities in 2020 to include Diversity, Equity and Inclusion in order to broaden its diversity in the workforce and its efforts to help address social issues outside Jefferies. The ESG/DEI Committee places special emphasis on how we are broadening workforce diversity and helping to address social issues in our local communities.

The ESG/DEI Committee has conducted a formal ESG assessment, substantially enhanced our ESG disclosures, and established ESG roles and responsibilities. The ESG/DEI Committee demonstrates our continuing commitment to sustainable economic development, recognizes the impact our businesses have on the world, and places directly at our Board level the leadership oversight of our internal efforts to drive diversity at Jefferies and our external efforts both to foster diversity in the communities in which we operate and to support the quest for justice that is deserved by all.

Key Responsibilities

- ✓ **Establish ESG policies and procedures** and maintain formal ESG assessments to adhere to best practices
- ✓ Oversee corporate culture and **evaluate efforts to increase workforce diversity** and promote an inclusive environment
- ✓ **Increase ESG** reporting and disclosures
- ✓ **Evaluate and mitigate our impact** on environmental and social issues
- ✓ Evaluate management's efforts to **react and respond to social issues** affecting Jefferies and the communities in which we operate

ESG WORKING GROUP

Our ESG Working Group is comprised of leaders representing a broad cross section of our business. This cross-functional group meets regularly to discuss the sustainability issues most critical to our business and stakeholders and recommend steps to advance our sustainability objectives. The ESG Working Group develops and drives the implementation of ESG initiatives to advance sustainability strategies across our business operations and reports its progress periodically to the ESG/DEI Committee.

Sustainable Investment Statement

Adopted in May 2022, describing how Jefferies approaches sustainable investing and finance.

Firmwide ESG training program led by global ESG Working Group

and delivered by the Managing Director and Global Head of ESG and Sustainable Finance Strategy at Jefferies Group LLC. All employee-partners are educated on ESG matters and learn how Jefferies is advancing several sustainability initiatives such as enhancing DEI among our team, decreasing our environmental footprint, supporting the communities in which we work and live, and advancing sustainability finance initiatives through our business model.

Stakeholder Engagement

We are committed to ongoing and extensive engagement with stakeholders that are key to our business success, as well as those that may be affected by our business activities. This approach helps to inform our Board and Executive Team of ESG topics critical to our stakeholders, shape the development and execution of our sustainability efforts, and drive long-term shareholder value creation. The table below summarizes some of the ways we actively engage with these key stakeholders:

Stakeholder Group	Engagement Approach	ESG Topics of Discussion
Clients	<ul style="list-style-type: none"> Individual client meetings and information conferences Client communication through platform and regular client outreach Sustainability Matters Summits and ESG Forums Shared community development and support 	<ul style="list-style-type: none"> Integration of ESG into investment decision-making Assessment of sustainability matters and financial implications of critical areas such as global human rights, global health and safety during COVID-19, climate change, and supply chain management
Employee-Partners	<ul style="list-style-type: none"> Firmwide townhall meetings and Q&A sessions with executive management team Annual engagement surveys and review of results and feedback Virtual meetings and regular employee communication through email and intranet Formal reporting mechanism to raise issues such as fraud, harassment, and safety concerns 	<ul style="list-style-type: none"> Diversity and equal opportunity Health and safety, COVID-19, and remote/hybrid work arrangements Benefits and compensation Wellness and mental health support Training, professional development, and career advancement Internships and recruitment
Shareholders	<ul style="list-style-type: none"> One-on-one meetings to review business and ESG topics Annual Investor Meetings Interactions at industry associations and sell-side conferences Conversations with Investor Relations team Shared community development and support 	<ul style="list-style-type: none"> Firm's strategy and long-term financial sustainability Sustainability reporting, goals, and executive compensation ESG initiatives and objectives, such as climate change, workforce diversity, and corporate governance Sustainable investment strategy
Suppliers	<ul style="list-style-type: none"> Meetings, emails, calls, conferences, and site visits Assessment and questionnaires on business continuity, anti-money laundering and compliance, credit risk, information security, privacy, carbon emissions, diversity, and human rights 	<ul style="list-style-type: none"> Supplier Code of Conduct Business continuity and supply chain management Sustainability initiatives, COVID-19 protocols, workforce diversity, and eco-friendly business practices
Communities	<ul style="list-style-type: none"> Collaborations to advance shared priorities of social responsibility and community needs Interactions building community partnerships and volunteerism Philanthropic donations and investments Meetings in unison with our clients to maximize positive impact 	<ul style="list-style-type: none"> Community development and support in areas of racial injustices, access and affordability, healthcare, and wellness support Volunteerism and corporate donations

Employee Spotlight: ESG Research and Strategy

In April 2021, Jefferies welcomed Aniket Shah in the newly created role of Global Head of ESG Research. His role expanded to include Sustainable Finance Strategy at Jefferies Group LLC.

Aniket Shah, PhD

Managing Director and Global Head of ESG and Sustainable Finance Strategy at Jefferies Group LLC.



Aniket 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.

Prior to joining Jefferies, Aniket held senior roles in emerging market investing and financing sustainable development in both the public and private sectors, including at the UN Sustainable Development Solutions Network. Aniket serves on the Board of Directors of Amnesty International and the UN SDSN. He is an Assistant Adjunct Professor at Columbia University's School of International and Public Affairs. Aniket is a graduate of Yale College and the University of Oxford, where he completed his PhD on the financing of sustainable development.



Section 3

Environmental Stewardship

STOCKHOLM, SWEDEN

Jefferies

May 2022

ENVIRONMENTAL STEWARDSHIP

We are dedicated to measuring and reducing our environmental footprint throughout our business operations and have analyzed our energy use in an in-depth carbon assessment to set a baseline for carbon reporting moving forward. A carbon assessment is the quantification of our greenhouse gas (GHG) emissions, which helps us to understand our climate impact and ultimately to set goals to limit that impact. While we are just beginning, we take our responsibility for environmental stewardship seriously and aim to do our part in addressing global climate change challenges.

We realize that our effectiveness in executing upon our environmental objectives first begins with understanding our environmental impact and carbon footprint. Over the past year, we continued to advance our environmental commitment by engaging a third-party expert to complete an in-depth analysis of our Scope 1 and Scope 2 emissions across our global operations. During 2022, we intend to expand our analysis to evaluate tracking additional Scope 3 emissions categories. The expansion of our analysis will be guided in large measure by the March 21, 2022 SEC proposed Enhancement and Standardization of Climate-Related Disclosures and will likely

include among other things assurance of our greenhouse gas emissions data and reporting on additional Scope 3 emissions categories.

We are committed to net-zero energy across our businesses and achieved 100% carbon neutrality for our operations by purchasing carbon offsets and RECs equivalent to our calculated Scope 1 and Scope 2 emissions based on available data. Because energy use and office occupancy rates were lower in 2020 due to COVID-19 protocols, we used greenhouse gas estimates based on collected data for the 2018 and 2019 calendar years to inform our carbon offset and RECs purchases. We want to do our part to advance climate action and this commitment is a key next step in our ESG journey.



100%

We are committed to net-zero energy across our businesses and achieved 100% carbon neutrality for our operations by purchasing carbon offsets and RECs equivalent to our calculated Scope 1 and Scope 2 emissions based on available data.

We are dedicated to measuring and reducing our environmental footprint throughout

our business operations and have analyzed our energy use in an in-depth carbon assessment to set a baseline for carbon reporting moving forward.

Lowering Our Carbon Footprint

Worldwide Assessment

U.S. Offices:

- Atlanta, Georgia
- Boston, Massachusetts
- Charlotte, North Carolina
- Chicago, Illinois
- Houston, Texas
- Jersey City, New Jersey
- Los Angeles, California
- New York, New York
- San Francisco, California
- Summit, New Jersey
- Stamford, Connecticut

International Offices:

- Frankfurt, Germany
- Hong Kong, SAR
- London, United Kingdom
- Singapore
- Mumbai, India
- Sydney, Australia
- Tokyo, Japan

Data Centers:

- Secaucus, New Jersey
- London, United Kingdom
- Hong Kong, SAR
- Sydney, Australia
- Tokyo, Japan

Data from offices with fewer than ten employees, offices without available electricity information and data from Berkadia, Foursight, and our Jefferies' Merchant Banking portfolio were not included in our data calculation. Our environmental indicators are preliminary, unaudited, and subject to revision.



Managing Our Environmental Footprint

Aligned with our commitment to reducing our environmental impact, we collected available data from our offices, data centers, aviation and vehicle fleet to calculate our energy consumption and greenhouse gas (GHG) emissions. Office data collected included available electricity usage from our leased offices with ten or more employee-partners as well as data centers. We have also collected available fuel usage data from our aviation and vehicle fleet.

Because our office and data center needs can change year-to-year, our carbon footprint can also change. To the extent available, we collected data from the locations in the table for the 2020 calendar year.³

Our U.S. and international offices' and data centers' energy consumption are shown in the accompanying table. Only electricity consumption data is provided for the office locations. Due to limitations in data availability, usage estimates were applied to select locations.

Data center energy consumption is based on server electricity load data from our third-party data center providers, many of which purchase RECs/global equivalent products equal to our consumption (Data Center Provider Renewable Energy Purchased).

Carbon Assessment

ENERGY CONSUMPTION

Energy consumption for Jefferies' U.S. and international offices and data centers is shown in the table below. Only electricity consumption data is provided for the office locations. All office and data center electricity consumption has been offset by RECs/global equivalent products and/or carbon offsets by Jefferies or data center partners, shown in the table below.

Jefferies U.S. and International Offices & Data Centers ³	2020	2019	2018
U.S. Offices and Data Centers: Electricity Consumption	15,125 MWh	15,747 MWh	15,195 MWh
International Offices and Data Centers Electricity Consumption	4,383 MWh	5,361 MWh	5,266 MWh
Total Electricity Consumption	19,508 MWh	21,108 MWh	20,460 MWh
Total Renewable Energy Credits/Global Equivalent Products Purchased (excluding offsets)	19,206 MWh	3,003 MWh	1,186 MWh
Percent of Electricity Covered by Purchased Renewable Energy Credits/Global Equivalent Products Purchased (excluding offsets)	98%	14%	6%
Renewable Energy Certificates/Global Equivalent Products Purchased (including offsets) ²	100%	14%	6%

² Jefferies' third-party data center providers purchased RECs and Data Center Offsets/equivalent global products.

³ Data from offices with fewer than ten employees, offices without available electricity information, and data from Berkadia, Foursight and Jefferies' Merchant Banking portfolio were not included in our data calculation. Our environmental indicators are preliminary, unaudited, and subject to revision.

Carbon Assessment (continued)

GREENHOUSE GAS (GHG) EMISSIONS

Jefferies determined Scope 1 and 2 emissions based on the energy consumption information above, as well as additional data collected from Jefferies operations. Scope 1 emissions are direct emissions from sources such as on-site fuel consumption (heating) or mobile fuel (aviation and vehicle fleet). Scope 2 emissions are indirect emissions from purchased electricity usage in offices and data centers. Scope 3 are from all other indirect sources such as business travel and fuel- and energy-related activities not included in Scope 1 or Scope 2.

Jefferies' 2020 calendar year greenhouse gas emissions from our offices, data centers, aviation and vehicle fleet were calculated using the U.S. EPA's Simplified GHG Emissions Calculator Version 7 that uses the GHG Protocol's GHG calculation methodology. U.S. electricity emissions factors are updated using the EPA's eGRID GHG Emissions Factors (issued February 2021). We utilized applicable 2020 emission factors for our international offices and data centers. **Jefferies updated its 2019 Scope 2 emissions calculations from the metrics published in its 2021 ESG report below.** Certain emission data from 2021 is not yet available. Jefferies anticipates publishing its 2021 Scope 1, Scope 2 and certain categories of Scope 3 Emissions in its 2023 report.

Jefferies' Emissions Categories ⁷	Emissions in mtCO ₂ e			% Change 2019 to 2020
	2020	2019 Rev ⁴	2018	
Scope 1 Emissions (Mobile Sources)	1,186	3,078	3,321	-61%
Location-Based Scope 2 Emissions U.S.	3,955	4,431	4,218	-11%
Location-Based Scope 2 Emissions International	1,701	2,025	3,893	-16%
Total Location-Based Scope 2 Emissions	5,656	6,456	8,111	-12%
Market-Based Scope 2 Emissions U.S. ⁵	0	3,854	4,094	-100%
Market-Based Scope 2 Emissions International ⁵	180	1,565	3,275	-88%
Total Market-Based Scope 2 Emissions⁵	180	5,419	7,369	-97%
Total Scope 1 & Location-Based Scope 2 Emissions	6,842	9,534	11,432	-28%
Total Scope 1 & Market-Based Scope 2 Emissions	1,366	8,497	10,690	-84%
Purchased GHG Offsets	3,078	N/A	N/A	N/A
Net Emissions Scope 1 + Scope 2 (Market-Based) – Purchased Offsets⁶	0	8,497	10,690	-100%
Scope 3 – Category 3: Fuel- and Energy-Related Activities	1,721	2,182	2,171	-21%
Scope 3 – Category 6: Business Travel⁸	6,778	39,082	38,147	-83%



By purchasing carbon offsets, Jefferies was able to fund carbon-reduction initiatives associated with reforestation, wind farms, and landfill gas-capture programs.

⁴ 2019 emissions values were revised since the last publishing to include the updated U.K. emissions factors. No other revisions were made to 2019 calculations.

⁵ This calculation takes into account RECs.

⁶ Because energy use and office occupancy rates were lower in 2020 due to COVID-19 protocols, we used greenhouse gas estimates based on collected data for the 2018 and 2019 calendar years to inform our carbon offset and REC purchases.

⁷ Above emissions data covers all sites for which energy data was collected. Offices with fewer than ten employees, offices without available electricity usage information, and data from Berkadia, Foursight and Jefferies' Merchant Banking portfolio are not included. Our environmental indicators are preliminary, unaudited, and subject to revision.

⁸ Business Travel Emissions are down 83% versus 2019 due to the COVID global pandemic offset and REC purchases.



Section 4

Human Capital

SYDNEY, AUSTRALIA

Jefferies

May 2022

OUR GLOBAL TEAM

Our business results and momentum derive from the talent of our global team of over 4,500+ employee-partners. Our flat structure and entrepreneurial culture empower our employee-partners to find innovative new ways to serve our clients, protect our foundation, and improve our firm.

Our people make up the fabric of our firm and we feel honored

to work for a firm made up of diverse and creative teams, unafraid to push the limits of what is possible in the financial services industry.



Employee Health, Safety and Well-Being

Core to our principles is the tenet of respecting people and improving our communities. This means fostering an inclusive environment, maintaining safety and well-being in and out of the workplace, respecting the culture of the countries and regions in which we operate, and engaging in activities that support our communities.

This year has shown us more than ever the importance of employee well-being. Jefferies is committed to providing a safe and healthy work environment for employee-partners and has robust policies and procedures in place to put this commitment into practice. We comply with relevant occupational health and safety laws with the goal of minimizing exposure to health or safety risks. We offer competitive health benefits and additional services such as virtual classes, guest speaker series, and health incentives.

EMPLOYEE HEALTH BENEFITS

Employee-partners qualify for comprehensive healthcare benefits and have access to our Employee Assistance Program (EAP) – a confidential resource available to help with life’s everyday issues. The EAP provides access to confidential counseling for difficulties such as: marital conflicts, legal problems, drug or alcohol abuse, depression or stress, and childcare. Additional webinars were rolled out in 2021 to aid in the transition to working from home and for up-to-date COVID-19 precautions and measures.

Jefferies offers generous parental leave benefits, including paid time off, lactation rooms, backup childcare and incentives for expectant mothers to participate in a Healthy Pregnancy Program. In 2021, we doubled the amount previously allocated in the U.S. for infertility coverage and expanded testing, counseling, and treatment resources to help employee-partners with family planning.

Additionally, we launched a new program to support parents returning from leave by pairing them with employee-partner buddies who give advice on successful reintegration back into the office.

WELLNESS PROGRAMS

Support for the physical and mental health of our employee-partners is and will continue to remain our top priority. In addition to our EAP and benefits offerings, we provide additional wellness programming and resources to support all our employee-partners globally. Jefferies hosts monthly wellness webinars, which are led by mental health experts across the U.S., Europe, and Asia. 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, nutrition and healthy eating habits, supporting children during the pandemic, and more. These sessions are tailored to the audience based on the region in which they are being delivered.

We also offer all our employee-partners confidential, one-on-one wellness counseling with a third-party mental health firm. This service is available to any employee experiencing decreased well-being. To encourage good physical health practices, we have a robust lineup of fitness classes hosted both virtually and in-person. We host weekly Zoom fitness classes with well-known fitness studios and instructors and offer all employee-partners free access to the fitness app NEOU. Additionally, Jefferies has recently partnered with Equinox studios in New York and London to provide our employee-partners access to “Jefferies Only” classes.

Investing in Our Talent

TALENT RECRUITMENT

We are focused on broadening the pipeline from which we recruit and hire diverse talent through both campus and lateral hiring initiatives. 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 that come from a diverse range of backgrounds.

In 2021, we hired interns from over 100 colleges, universities, and business schools across the globe. For all roles, we recommend both a diverse slate of candidates to be considered for roles and a diverse panel of interviewers. Interviewing guides and resources are provided to hiring managers in an effort to support inclusive hiring.

In 2021, we launched two targeted recruitment programs aimed at diversifying the pipeline of our lateral hires. These include a Career Relaunch program, aimed at those who have taken a break from the workforce, and a Job Switch program, aimed at recruiting individuals who are interested in changing careers into Equity Research.

LEARNING AND DEVELOPMENT

We value continued education and development for all employee-partners. We equip our people at all stages in their careers with the tools necessary to become thoughtful and effective leaders, from entry-level new hires to business leaders. We offer comprehensive training programs addressing a wide assortment of technical and professional development courses across departments and geographies to support employee-partners in current roles and prepare them for future career opportunities.

For example, over the past year, our managers have learned effective leadership skills through newly launched programs on building trust, communicating effectively, and collaborating remotely to adapt through workforce transitions to a “new normal” hybrid setting. We also introduced a number of leadership sessions aimed at providing professional development and career advancement training to participants, including our inaugural Women in Leadership Series and various programs sponsored by our Jefferies Black & Latino Network (J-NOBLE) and Jefferies Ethnic Minority Society (JEMS).

We offer continuing education opportunities to our employee-partners through annual educational benefits to help them advance their technical, financial, and leadership skills. In 2021, we provided tuition reimbursements to support employee-partners costs of college classes and other educational courses.

EMPLOYEE ENGAGEMENT

An inaugural firmwide inclusion-focused Employee Engagement survey was launched in January 2021, enabling staff to provide feedback on an anonymous basis. Results of the survey were shared with the Board and the ESG/DEI Committee.

There were 100+ events and initiatives sponsored by the Employee Resource Groups (ERGs) and held virtually over the course of 2021. This included a series of Courageous Conversations, jWIN Senior Leader Roundtable discussions, and fireside chat discussions. An internal Diversity, Equity & Inclusion website was launched as a central source for all ERG events, Allyship Resources, and current news relating to DEI. *(For more information, please see page 21.)*

Employee Spotlight: Women in Thought Leadership

Effective Leadership is integral to Jefferies' success, and we are proud to spotlight Shannon Murphy for being recognized as an innovative leader and an inspiration to women in the financial services industry.

Shannon Murphy

Jefferies Managing Director,
Head of Strategic Content



Shannon Murphy was named as one of “50 Leading Women in Hedge Funds 2021” by The Hedge Fund Journal and Ernst & Young in recognition of innovative and leading investment and non-investment women globally.

As Managing Director and Head of Strategic Content for Prime Services at Jefferies, Shannon oversees thought leadership for the group’s hedge fund and asset management clients.

Shannon also manages the “Clients Are Asking” video series and our podcasts “Invisible Forces” and “Connecting the Dots,” many of which include ESG themes.

For more information, please see the article in [The Hedge Fund Journal](#).

Diversity, Equity and Inclusion

OUR DEI STRATEGY AND OVERSIGHT

Our commitment to Diversity, Equity and Inclusion (DEI) starts at the top. Our ESG/DEI Committee has oversight of DEI activities. Our Diversity Council, chaired by our CEO and sponsored by executive leadership, has a collaborative focus on recruitment, retention, development, and promotion of diverse individuals across the firm.

The foundation of our culture and our approach to DEI is summed up in our Corporate Social Responsibility Principle: Respect People. We embrace diversity and inclusion, which we believe fosters creativity, innovation, and thought leadership through the infusion of new ideas and perspectives. We have implemented a number of policies and measures focused on non-discrimination, sexual harassment prevention, health and safety, and training and education.

DIVERSITY COUNCIL

Our Diversity Council, sponsored by our executive leadership, carries out our DEI strategy and initiatives across our global operations. Our DEI commitment is further demonstrated by the appointment of our CEO and President as co-chairs. Our goal is to have our management teams represent the diversity of our Board and to have our teams at Jefferies feel proud of their organization that creates not just the platform for inclusion but also tangible results.

EMPLOYEE RESOURCE GROUPS

Jefferies appreciates the value that diversity and differing perspectives bring to our ability to better serve our clients. In an effort to foster an inclusive, diverse work environment, our Diversity Council supports eight Employee Resource Groups (ERGs)

globally, introducing J-Asia, JEFabilities and NextGen in 2021. Each ERG was founded on core pillars that strive to recruit, retain, and empower diverse employee-partners, as well as promote community outreach and engagement. *(For more information, please see page 22.)*

ERG Mentoring Program

Jefferies' ERG Mentoring Program is a cross-divisional, global initiative with the goal of providing mentorship and learning opportunities, and fostering long-term relationships amongst employee-partners. Some 308 employee-partners participated in the second annual program with 96% positive feedback.

INCLUSIVE RECRUITING PROGRAMS

We strive to recruit the best, most diverse talent. Held throughout the year, our symposiums are an opportunity for students, who may not have pursued a career in finance, to learn more about Jefferies early in the recruiting process for our internship programs. Our programs provide a broad assortment of financial services career development opportunities to diverse candidates, including but not limited to:

- Jefferies Career Relaunch Program**
- Inspiring Women for Finance Symposium**
- J-NOBLE Diversity Symposium**
- jVETS MBA Symposium**
- Inclusive Insights Equity Research Mentoring Program**

[Learn More](#) 

Employee Spotlight: Women Rising Stars

Congratulations to Ritika Langer and Nana Raphael, who have both been listed by Financial News as 2021 Rising Stars of Investment Banking.



Ritika Langer Managing Director, EMEA Industrials

Born in India, Ritika is valued by clients for her commercial acumen and direct style. Ritika has quickly climbed the ranks to become European Head of Jefferies' building products team within three years of joining Jefferies.

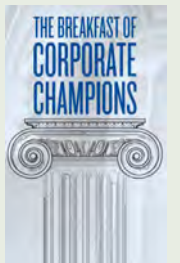


Nana Raphael Managing Director, EMEA M&A

Rising with the launch of our European Investment Banking over the past decade, Nana is now part of our M&A investment bankers winning roles on high-profile transactions.

Supporting Gender Parity On Corporate Boards

Jefferies was a proud sponsor of the 2021 "Breakfast of Corporate Champions" hosted by the Women's Forum of New York. The event saluted companies, from the S&P 500 and Fortune 1000, leading the way to gender balance on corporate boards by having achieved 35%, or more, female representation. For more information, please see [Women's Forum of New York](#).



Diversity, Equity and Inclusion (continued)

EMPLOYEE RESOURCE GROUPS

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

11-2021 Celebrates Diwali with global panel discussion on how the festival of lights is celebrated across regions



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

12-2021 Celebrates Int'l Day for Persons with Disabilities via virtual seat-based exercise class with Leonard Cheshire, Power 2 Inspire, and Oxford & Cambridge rugby players



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.

10-2021 Celebrates U.K. Black History Month with panel discussion on progress and future of diversity & inclusion



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

11-2021 Participates in Pink Friday global celebration as visible support for diversity



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.

2021 NextGen's Isolation Inspiration series connects and engages through a series of informational speakers



J-NOBLE, Jefferies Network of Black and Latino Employees fosters an inclusive, diverse, and equitable working environment with a focus on Black and Latino women and men at Jefferies.

02-2021 Honors Martin Luther King Jr. Day with interactive session on Youth Allyship Training



jVETS, Jefferies Veterans Network, works to recruit, develop, promote, and retain veterans at Jefferies strategically and collectively.

11-2021 Fireside chat with Art delaCruz, CEO of Team Rubicon, in recognition of Veterans Day



jWIN, Jefferies Women's Initiative Network, is a firmwide network that invests in the recruitment, retention and advancement of women at Jefferies.

2021 jWIN's Senior Leader Roundtable Series hosts female leaders across the firm for discussion of their career journeys and key insights learned throughout their tenure in the financial services industry



100 Over 100 ERG-sponsored programs and events held in 2021



44%

of employee-partners engaged in 2021 ERG D&I initiatives

Employee Spotlight: Diversity, Equity and Inclusion

Jefferies is proud to spotlight Cynthia Adams for her efforts in addressing the importance of mental health and DEI issues facing the world today.

Cynthia Bookhart Adams

Jefferies Managing Director, Legal & Compliance



Cynthia Adams was honored by the National Center for Law and Economic Justice (NCLEJ) with its Corporate Catalyst Award: in recognition of the widely shared message she wrote in May 2020 regarding George Floyd and Mental Health.

For the full letter, please visit [Ideas and Perspectives](#), "George Floyd & Mental Health" on our website.

"Join me in asking these questions: How did we get here, why are we still here after countless generations, and what can I do (or stop doing) in my own sphere of influence to be good but not silent against injustice? We desperately need your help. We cannot do this alone."



Section 5
Giving Back

CHICAGO, ILLINOIS

Jefferies

May 2022

Striving to Do Good Together

We focus our philanthropic giving and community engagement through real-time responses to issues affecting all of us globally. We partner with nonprofit organizations that align with our commitment to sustainability to promote diversity and inclusion and assist with relief efforts.

JEFFERIES PHILANTHROPY 2021

During our fiscal year 2021, we supported nearly 400 nonprofit organizations with our charitable donations.

Jefferies Charitable Donations 2021*

\$28,410,000

Doing Good Grants

\$1,379,299

Charitable Sponsorships

\$483,500

Jefferies Family Scholarship

\$240,000

Town Hall

\$119,346

Charitable Matching

\$76,175

Employee-Selected Charities

\$55,139

ERG, DEI Programs

\$25,000

Trust for the National Mall

\$10,679

Breast Cancer Awareness Day

\$30,799,138

Grand Total

DOING GOOD TRADING DAY

Each year, we partner with our clients, employees, and shareholders to leverage Jefferies' global platform of giving back to our communities where it is needed most. We host Jefferies "Doing Good" Global Trading Days to raise donations to support those in need, address social injustices, and improve environmental sustainability. We donate 100% of 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.

"Doing Good" February 26, 2021, supported organizations focused on diversity & inclusion, COVID-19 relief, Texas disaster relief, and sustaining and protecting our planet. Jefferies' clients, employees, and shareholders collectively donated \$8,300,000 to 129 charities.

Our August 24, 2021, day of "Doing Good" was an immediate response to urgent humanitarian needs in Afghanistan and Haiti, as well as a thank you to military veterans who worked hard to keep

the world safe. Guided by input from our clients and employee-partners, we identified 45 highly accredited charities doing remarkable work on the ground and distributed approximately \$6 million in cash among them. The hardworking people behind these causes used our funds to aid and protect refugees; provide services, education, and vocational training to those displaced by conflict in Afghanistan and the disaster in Haiti; lend support to Afghanistan women facing unprecedented hardships; provide education and healthcare to Haiti's children; and help our military veterans with needed services, including medical treatment, post-traumatic stress disorder (PTSD) counseling, benefits, employment, training, legal aid and more.

Yet again on March 2, 2022, Jefferies family stepped up to provide support for the brave people of Ukraine. The "Doing Good" Global Trading Day raised more than \$14 million which was quickly distributed to 20 charities providing on the ground humanitarian aid and support. We were grateful for the chance to do our small part to help the families, children, and communities of Ukraine.

We will continue to rally for extraordinary days of "Doing Good."

**DOING
GOOD**



**GLOBAL TRADING DAYS
TOTAL CHARITABLE DONATIONS 194**

Doing Good February 2021 **\$8,385,000**

Doing Good August 2021 **\$5,925,000**

Doing Good March 2022 **\$14,100,000**

* Includes Doing Good March 2022 donations

Town Hall Awards

Each year Jefferies rewards employee-partners who have excelled among our businesses and support staff with special recognition represented by a Tiffany's crafted award and a **\$5,000** donation to the charity of their choosing. Jefferies Town Hall 2021 award recipients sent donations totaling **\$240,000** to the following charitable organizations:



Arts & Culture **\$10,000**

- American Friends of The Victoria & Albert Museum, Inc.
- The Possibility Project



Conservation & Animal **\$30,000**

- A New Chance Animal Rescue, Inc.
- American Friends of Birdlife International
- Coral Reef Alliance
- Ocean Cleanup North Pacific Foundation
- The Nature Conservancy
- True North Pet Rescue Mission Inc.



Education **\$90,000**

- James Beard Foundation
- Jefferies Family Scholarship
- New Canaan Library
- Pratham USA



Health & Research **\$65,000**

- Cholangiocarcinoma Foundation
- Coeliac UK
- Damon Runyon Cancer Research Foundation
- Dana-Farber Cancer Institute, Inc.
- Eb Research Partnership, Inc.
- Epilepsy Foundation
- National Multiple Sclerosis Society
- St. Jude Children's Research Hospital
- Team Impact
- The Children's Cancer Fund



Humanitarian Aid **\$10,000**

- Action Against Hunger
- Save the Children



Underserved Communities **\$35,000**

- Community Resource Center (Hispanic Resource Center of Larchmont & Mamaroneck, Inc.)
- Elevate New York
- Hoboken Shelter
- Nomi Network
- Oakland Elizabeth House
- Sanctuary for Families
- Steer for Student Athletes
- STRIVE

Jefferies Family Scholarship



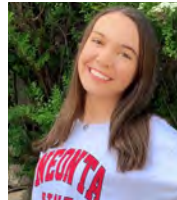
We can think of no better gift than that of an education so as part of our ongoing commitment to do good together, we are celebrating over 40 years of improving students' lives through the Jefferies Family Scholarship (JFS). Our JFS educational scholarships assist and support the children of Jefferies Group employee-partners 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. To date, 1,269 scholarships have been awarded totaling more than \$11 million, including \$483,500 in awards to 40 students in 2021.

The \$12,500 annual scholarship now includes an option to apply for renewal through graduation — a potential award total of \$50,000 — allowing students to matriculate through their current degree program. JFS strives to award the maximum number of scholarships each year. 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 our family-centric culture, and increasing the scholarship award reflects this spirit and Jefferies' commitment to building a culture that prioritizes educational opportunities for all.

Here are testimonials from two of our 1,269 recipients of a Jefferies Family Scholarship:



Amanda Byron
SUNY Oneonta
Majoring in Adolescent Education
Daughter of Peter Byron, Jersey City Office

Thank you for this amazing opportunity. I am extremely excited and grateful to be a recipient of the Jefferies Family Scholarship. I would like to thank the JFS Board of Directors, JFS Selection Committee, and all the generous donors. I recently completed my freshman year studying Adolescent Education with a concentration in Earth Science at SUNY Oneonta. My major combines my interests in Earth Science and working with kids. This summer I worked full-time at a local outdoor store. Between summer work and this scholarship, I hope to graduate with minimal debt and jumpstart my career in teaching the next generation!



Eric Lee
Doctoral Program in History with a focus on Premodern China
Cornell University
Son of Kevin Lee, New York Office

I feel very honored and fortunate to receive this year's Jefferies Family Scholarship. This generous support will allow me to focus on my career development, helping others at school, and being relieved from the financial stress of higher education. The scholarship offered me the necessary support in pursuing my MA at Columbia, a pivotal cornerstone that has allowed me to now pursue a Ph.D. at Cornell. It has been empowering many students like myself with an indispensable resource to advance our dreams and careers, and for all this, I am forever indebted to the Jefferies Family Scholarship program. I wish to take this opportunity to express my gratitude to the donors and all those who have contributed to the success of the Scholarship program as this would not have been possible without their support.

\$11 million Total awarded in scholarships



\$483,500 in awards to 40 students in 2021

1,269 Total scholarships awarded over 40 years.

- Biochemistry, UCLA
- Computer Science, Georgia Tech
- Economics & Business Mgmt, University of Southampton
- History, Cornell University, Grad School
- International Relations, London School of Economics and Political Science
- Law School, Georgetown University
- Mechanical Engineering, Indian Institute of Technology Bombay
- Medical School, Trinity College Dublin
- Medicine, The University of Hong Kong
- Psychology/Criminal Justice, Temple University
- Senior High School, Shibuya Kyouiku Gakuen Makuhari Toyko

Employee Volunteerism

2021 EMPLOYEE VOLUNTEERISM

Despite busy workdays, family, and pandemic restrictions, our employee-partners found time to engage in both internal and external volunteer opportunities and backed their words up with actions.

A few of the many 2021 employee volunteer activities are highlighted below:

jVETS Hosts FourBlock

jVETS joined forces with FourBlock to host both local and national veteran groups through teaching, mentorship, and skills-based support of veterans transitioning to post-military careers. This unique volunteer opportunity allowed participants to give back in a meaningful way to the military community, and an added benefit were the number of diverse candidates hired organically through the relationships built during classes.



God's Love We Deliver Run

The mission of God's Love We Deliver is to improve the health and well-being of anyone living with HIV/AIDS, cancer, and other serious illnesses by alleviating hunger and malnutrition. The Race to Deliver is one of the group's largest annual fundraisers and 2021 marked the 28th year of the race. Jefferies participants were welcomed back for an in-person run/walk in Central Park, New York.

jMosaic+ x NextGen Fitness Challenge

The jMosaic+ and NextGen employee resource groups hosted a virtual fitness challenge in support of New Alternatives and AKT, organizations dedicated to helping LGBTQ+ homeless youth in NYC and the U.K. respectively. The challenge was to run, bike, or walk 5.2 miles (10,400 steps) per day for one week in honor of the 52nd anniversary of the Stonewall Protests, a catalyst for the LGBTQ+ rights movement.



NextGen STEPtember

NextGen participated in STEPtember, a global health & wellness challenge dedicated to raising awareness and funds for the Cerebral Palsy Alliance Research Foundation. From September 1-30, 2021, all were challenged to take at least 10,000 steps per day. There were more than 40 activities that converted into steps, and participants were encouraged to ban together to share in a Jefferies inclusive virtual challenge!

J-NOBLE Partners with StreetWise

StreetWise Partners' goal is to increase employment opportunities for adults from overlooked and under-resourced communities within New York, Washington, D.C., and Detroit through leverage mentorship. J-NOBLE's partnership with StreetWise opened several virtual mentoring opportunities to U.S. employees, including speed networking, mock interview training, and long-term mentoring relationships.



Employee Spotlight: Giving Back

Special volunteer recognition goes to Daniel Winterfeldt for exemplifying Jefferies' core values through the many ways he gives back.

Daniel Winterfeldt

Jefferies Managing Director & General Counsel for EMEA and Asia



Daniel was awarded an MBE (Member of the Order of the British Empire) by Queen Elizabeth for "Services to Capital Markets, to Equality and to Diversity in the Legal Profession." The honor was presented by Princess Anne at a ceremony at Windsor Castle in November.

Daniel was also recognized last year as an Honorary Queen's Counsel by Queen Elizabeth for his extraordinary contributions to the legal profession of England and Wales outside of the courts, for his work in capital markets as well as his work in diversity, inclusion, and culture in the legal profession.

The awards reflect Daniel's work as the founder and chair of the InterLaw Diversity Forum, which strives to foster inclusion for all diverse, socially mobile, and underrepresented talent working in the U.K. legal sector; in addition to his legal work in capital markets, including advising the London Stock Exchange in designing and implementing a system to allow for the electronic trading and settlement of securities of U.S. issuers trading on the London Stock Exchange – ultimately making it easier for U.S. companies to IPO in London.

Section 6

Responsible Business Practices

PARIS, FRANCE

Jefferies

May 2022

Business Ethics and Compliance

We have long emphasized and adhered to a high standard of conduct, and it is important that all of our employee-partners and Board members maintain this standard and foster a culture of transparency and trust.

CODE OF CONDUCT

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

The Code also outlines a process for reporting violations and covers topics such as conflict of interest and insider trading. We have an open-door policy that encourages employee-partners, 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.

One of Jefferies' top priorities is to create a culture and environment in which each and every employee-partner is treated with respect, free from any form of discrimination or harassment. We have zero tolerance for inappropriate behavior. As part of the firm's ongoing effort to maintain that culture, all Jefferies employee-partners globally are required to attend a mandatory Sexual Harassment Prevention Training annually, and in 2021 all employee-partners undertook Unconscious Bias Training.

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.

GOVERNMENT AFFAIRS AND ADVOCACY

Jefferies Financial Group does not maintain a political action committee (PAC) 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 employees 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 services providers.



Data Security and Customer Privacy

As our lives become more and more reliant on technology, the need to protect Jefferies, our business partners, and our clients against sophisticated and modern cyber threats is as important as ever.

OVERSIGHT

Jefferies cybersecurity program is headed by our Chief Information Security Officer (CISO), who has overall responsibility for the strategic vision, design, development, implementation, and adherence to all necessary protocols related to cybersecurity.

The CISO meets with the Jefferies Board members on a biannual basis to provide updates on Jefferies' security posture. This includes providing details of cyber events in the news, significant incidents since the previous meeting, updates on the cybersecurity maturity program, and new initiatives in progress.

CERTIFICATIONS AND AUDITS

Jefferies leverages various cybersecurity-centric tools and abilities to help defend, protect, and respond to our clients' and employee-partners' digital needs. We manage our Information Technology (IT) governance and risk by using a combination of industry-leading frameworks such as International Organization for Standardization (ISO), National Institute of Standards and Technology (NIST), and Control Objectives for Information and Related Technologies (COBIT). Our policies and standards are established based on these frameworks to maintain the availability, confidentiality, and integrity of the firm's information assets. Key Risk Indicators (KRIs) are defined and overseen by a Governance Committee composed of senior executives across business and control divisions.

Data Security and Customer Privacy (continued)

The approach that Jefferies employs focuses on five layers of controls — protection, prevention, detection, response, and recovery. We invest in and utilize intelligence solutions and state-of-the-art technology to defend against internal and external cyber threats and break this down by a number of distinct areas including:

- Annual review of **cybersecurity related policies, standards, and procedures**
- Centralized administration of **user-access permissions**
- Dedicated **24/7 Security Operations Center (SOC)**
- **Cyber incident response program**
- Annual penetration testing and **regular vulnerability scans**
- **Endpoint security** such as anti-virus using industry-leading solutions
- **Monitoring firewall traffic** and access activity
- **Data Loss Preventions (DLP)** solutions with strict data classification
- **Physical security** to Jefferies' premises and data centers

In addition, through a combination of regular independent reviews such as annual cybersecurity assessments against the stated frameworks, annual network penetration testing and System and Organization Controls attestation, we make sure our internal controls are effective and not only meet but exceed the industry standards and best practices.

Jefferies is also a member of the Financial Services Information Sharing and Analysis Center and the Information Security Forum, two leading cyber threat and security standard information sharing groups, and the Securities Industry and Financial Markets Association (SIFMA) cybersecurity forums. It also participates in the U.S. Secret Service Cyber Fraud Task Force, the FBI's InfraGard National Members Alliance, and other security-focused groups.

VENDOR SECURITY 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. The assessments are overseen by the Vendor Risk Management Forum to ensure that our policy is being applied consistently and operating effectively. Over and above this, we then require critical vendors to complete a periodic assessment where we seek to understand if there have been any significant changes to how the vendor operates, which we may need to take into consideration.

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 also provide continuous training to 100% of our employee-partners and contractors and equip them with the best knowledge to protect our sensitive data and customer information. Throughout 2021, we regularly communicated with our employee-partners regarding trending threats, which included phishing- and COVID-19-related scams. We conduct regular phishing tests on employee-partners and offer detailed information on how they can protect themselves from cybersecurity threats on the Global Information Security website.

During the pandemic, more than 95% of Jefferies users have been working remotely. To maximize cyber safety, Jefferies commissioned an independent review of its remote working capability, which determined that it has a robust IT infrastructure able to provide adequate capacity and security to support the large influx of remote access activities. In addition, security protocols such as multi-factor authentication were rolled out to all our users to ensure day-to-day operations are conducted securely.

CUSTOMER PRIVACY

Jefferies is committed to protecting personal data of our customers, employee-partners, and other third parties engaging with the firm. Jefferies has robust governance processes in place to oversee our collection, processing, and retention of this 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, on an extended basis, globally.

Risk Management and Business Continuity

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.

RISK MANAGEMENT FRAMEWORK

We have established a hierarchy of Board and Executive Management Committees and Sub-Committees with the objective of ensuring an effective risk governance structure. The Board is ultimately responsible for the governance and oversight of risk management and ensuring adequate systems and controls are maintained to enable risks to be appropriately identified, measured, managed, and monitored. Our Global Chief Risk Officer (CRO) and Global Treasurer meet with the Boards' Risk and Liquidity Oversight Committee and not less than quarterly to present our risk profile and to respond to questions. Through the RMF, the Boards' 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 & Chairman, President, Jefferies Group Chief Financial Officer (CFO), Global Treasurer, Global CRO, and General Counsel, reviews the firm's risk profile, top/emerging risks, and limit utilizations, and is supported by the sub-committees and management forums in risk management functions and other corporate functions.

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 Management Department own the implementation of its supporting policies and procedures.

EMPLOYEE AWARENESS AND TRAINING

Employee-partners undergo mandatory training that covers different risks to the companies, including operational risk, which covers trading, technology, data protection and privacy, cybersecurity, market and regulatory compliance, fraud and theft, business disruption, clients and business practices, and people risk. Our Global Operational Risk Policy is communicated and shared with employee-partners during the training and outlines employee responsibility and how to watch for and report issues. Operational Risk Representatives (ORR) have been assigned to every business unit to ensure added accountability across the firm.

BUSINESS CONTINUITY MANAGEMENT

We have put in place business-continuity and technology plans that will enable us to conduct business not only from our disaster recovery sites but also from coordinated work-from-home locations that we believe will give us the ability to continue to serve our clients' needs. Those plans include both the technology to continue to trade and the technology that will permit us to continue to communicate seamlessly with each other, with our regulators, and with our partners and affiliates. We began to implement those plans in early February 2020, we have tested them with good success, and our testing gives us confidence that we are resilient and prepared for challenges to come.

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.

Supply Chain Management

Jefferies' suppliers primarily support our financial services business — supplying personnel, 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), professional services (such as external training, audit services, and advisory services in areas such as tax, law, regulation, and insurance), real estate, technology (the systems, software, and equipment to maintain our global technology infrastructure), and travel. Some of our suppliers are engaged on a global scale; others are local.

SUPPLIER RISK GOVERNANCE

In 2021, our supplier risk governance was enhanced by 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 included: ethics, labor, health, safety, and the environment.

Our Vendor Risk Management group is responsible for coordinating the firm's periodic supplier risk assessment program. The program 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 has now been broadened to also focus on ESG. This includes, amongst other matters, inquiries addressing carbon emissions, diversity, privacy, human rights, and modern slavery.

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 combatting 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 United Nations Universal Declaration of Human Rights (UDHR) and follows the framework set forth in the United Nations 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](#).

Supplier Assessment broadened in 2021 to now focus on ESG,

including carbon emissions, diversity, privacy, human rights, and modern slavery.

Vendor Management

Established a dedicated Third-Party Management Function to **ensure adequate** control and monitoring over our critical third-parties, including consideration of ESG risk.

In 2021, Jefferies adopted a Supplier Code of Conduct



Section 7

Sustainable Finance

TOKYO, JAPAN

Jefferies

May 2022

Our Approach to Sustainable Finance

Jefferies believes that systematically considering ESG issues leads to more

complete investment analysis and better-informed investment decisions, because how a company manages them may have financial and other consequences. ESG integration is natural for Jefferies given our long-term investor focus on value creation.

We believe long-term investors must look ahead to the risks that might impact the value of their investments, as well as identify 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 interests are aligned between fellow shareholders, management, and other stakeholders of a company.

Member of Sustainable Trading

Inclusive membership network driving positive change in ESG practices within financial markets trading.

[Learn More](#) ➔

Sustainable Finance Solutions and Services

JEFFERIES SUSTAINABLE INVESTMENT STATEMENT

In May 2022, we adopted a Sustainable Investment Statement (SIS) for clients, prospective clients, employees, and other stakeholders so that they may 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 legal entities, 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.

As part of our due diligence process, Jefferies assesses various factors that may include but are not limited to financial performance, industry trends, quality of management, reputational and other risks, as well as environmental, social, and governance factors. We make these assessments for our clients, as well as the investments that we make on our own behalf, because we believe this approach is consistent with fiduciary duty and robust investment management. 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 decisions based solely on ESG criteria nor do we market ourselves as an ESG investor.

ENVIRONMENTAL SUSTAINABILITY INVESTING

At Jefferies, we consider environmental sustainability a key driver to long-term financial success. We understand that there are increasing environmental risks that can negatively impact our stakeholders. We strive to identify and manage the risks most pertinent to our business so we can do our part to reduce our carbon footprint and act as respectful environmental stewards.

Climate change is currently one of the biggest threats to humanity and poses a significant challenge for the global economy. At Jefferies, we take these challenges and turn them into opportunities for new and growing businesses that benefit the environment. For large- and mid-cap companies, 37% of U.S. ESG funds beat the market in the last five years. In a Jefferies proprietary survey of over 2,100 individuals, we found that consumers prefer sustainability-focused companies and expect them to outperform. We are committed to helping our clients and stakeholders accelerate the transition to a low-carbon economy and are looking at our own business practices to set the right example.



Advancing Sustainable Investments

We are helping finance climate solutions by deploying capital for green energy and a more circular economy. We are increasing the number of green, sustainable, and SDG-linked bonds and continue investing in mission-driven companies that are making huge strides toward a more inclusive, sustainable world. Jefferies also acts as a financial advisor to ESG-oriented companies. Examples of our sustainable investment activity are highlighted below:



ESG-Focused Provider of Energy Transportation and Transformation Infrastructure

Friedrich Vorwerk

Jefferies acts as Joint Global Coordinator on the €414 million IPO of Friedrich Vorwerk on the Frankfurt stock exchange, a leading ESG-focused provider of energy transportation and transformation infrastructure for the gas, electricity, and hydrogen markets.

- Primary proceeds will be used to grow the company's hydrogen and electricity business that is expected to benefit from substantial investments in light of the clean energy transition.
- Jefferies delivered high quality and differentiated orders from long-only and ESG-focused funds that rarely participate in IPOs.



Prepayment Amounts Linked to Maintaining Sustainability Commitment

Vossloh AG

Jefferies acts as Joint Lead Bank and Joint Physical Bookrunner for the €150 million ESG-Linked Hybrid Notes Issuance of Vossloh AG, which marks the first Hybrid issuance in the German debt market with an ESG link.

- The ESG link demonstrates the clear commitment of the issuer to sustainability. It links the voluntary prepayment amount to a maintenance of the company's ESG ratings.
- Jefferies was able to generate incremental investor demand on the back of the ESG features — both in terms of larger ticket size as well as new investor pools.



Renewable Energy Portfolio with U.S. Footprint Totaling Nearly 1.7 Gigawatt

Constellation Renewables f/k/a ExGen Renewables IV

Jefferies acted as sole lead arranger on Constellation Renewables' \$750 million "Green" senior secured first-lien term loan B issuance.

- Constellation Renewables indirectly owns all or a material interest in 30 renewable generation projects in the U.S. with a total gross capacity of 1,668 megawatts.
- Jefferies achieved best-in-class execution for Constellation Renewables by securing a \$750 million Senior Secured Term Loan B that enjoyed a significantly oversubscribed order book, allowing for the spread to tighten significantly.
- The transaction represents the first broadly syndicated Term Loan B to receive a "Green Loan" designation.



Investing in Innovative Solutions That Focus on Meeting or Exceeding Net-Zero Emissions Targets at Scale

BeyondNetZero

General Atlantic, a leading global growth equity firm, announced in 2021, the formation of BeyondNetZero (GA BnZ), a new venture targeting growth equity investments related to climate change.

- The GA BnZ team will identify and scale innovative solutions that focus on meeting and exceeding net-zero emissions targets.
- The venture will leverage an extensive global network across the General Atlantic and GA BnZ teams to source, execute, and support investments in high-growth businesses that ultimately have the potential to combat climate change at scale.



Platform to Create Global Leader in Smart Mobility and Transportation

Bridgepoint

Jefferies acted as sole financial advisor to Bridgepoint on its acquisition of 60% of global software company PTV Group, and the start of a partnership with Porsche SE, which retains a significant 40% stake in the company.

- The landmark partnership between leading private equity firm Bridgepoint and global automotive champion Porsche SE intends to create a global leader in smart mobility and transportation.

Sustainable Finance Solutions and Services (continued)

OUR SUSTAINABILITY INITIATIVES WITHIN INVESTMENT BANKING AND CAPITAL MARKETS

Global Equity Research

We have constructed a global ESG equity research team that takes a top-down as well as a bottom-up approach to the research initiative. Through our Equity Sales and Trading, and Equity Research Initiative, we are incorporating ESG and DEI themes, content, and analyses into our research that we then distribute to our clients for them to use as part of their investment process. 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.

- Our **ESG engagement with corporate issuers on sustainability issues** is foundational to our 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.

Jefferies 2021 Summits

05-2021 Jefferies Renewable Energy Conference:

From The Mine to The Market

End-to-end look at renewables and the transition to low-carbon energy sources, such as wind and solar power generation; energy storage and distribution; and the renewable energy value chain.



09-2021 ESG Summit:

Net Zero & the Roads Less Traveled

Inaugural Net Zero Summit. Practical discussion with scientific and energy modeling leaders on vision for U.S. net-zero pathway, companies and investors on evolving strategies, and regulators on challenges to overcome.



10-2021 Sustainability Matters Summit:

Human Capital in Pharma and Biotech

Companies, investors, and academics evaluate how Biotech and Pharma industries attract, develop, and retain employees. Outline of 8 principles on how to be a "Human Capital" investor.



11-2021 Sustainability Matters Summit:

Net Zero India

Scientific and policy experts discuss what is required from policy, corporates, and the investment community to decarbonize the Indian economy and ensure a just transition.



LEUCADIA ASSET MANAGEMENT

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

Additionally, LAM is the advisor to a dedicated "green" strategy, the Solanas ESG Sustainability Strategy (Solanas), which is offered through a private fund vehicle, as well as via Undertakings for the Collective Investment in Transferable Securities (UCITS). Solanas is a long/short equity strategy, focused on alternative energy and sustainable resources; all of which investments satisfy the taxonomy-aligned environmental objectives. Solanas is also classified as a "green" fund pursuant to current Sustainable Finance Disclosure Regulation (SFDR) and will be reporting pursuant to applicable Technical Screening Standards and Regulatory Technical Standards. Further, it has a strategy-specific ESG policy, which outlines in detail its ESG screening criteria.

- **Our Top-Down Research** 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.
- **Our Bottom-Up Research** involves collaborating with sector analysts to identify material ESG issues at the subsector level and how these issues may have material financial impact on the companies we cover from an equity research perspective.



[Learn More](#) ➞



[Learn More](#) ➞



[Learn More](#) ➞

- We bring together companies and investors for **Corporate Sustainability Summits and Conferences** to discuss practical application of current ESG topics.

11-2021 Jefferies Summit:

Offshore Wind Contractors Summit

Fireside chat and Q&A discussion on the growing opportunity in the offshore wind construction value chain with leading voices in the industry.



12-2021 Jefferies Summit:

Virtual Alternative Protein & Related ESG Summit

Industry-leading ESG experts weigh in on "disruption" – where we are, where we will be, and how sustainability efforts will accelerate both supply-side incentive and demand-side adoption.





Section 8

ESG Highlights at Our Direct Investments

LOS ANGELES, CALIFORNIA

Jefferies

May 2022

ESG HIGHLIGHTS AT OUR DIRECT INVESTMENTS

Jefferies makes direct investments through our Jefferies Group and Merchant Banking divisions. Here are ESG highlights from a select sampling of our largest investments within these portfolios.

\$2.9 billion

Berkadia financing for affordable communities

BERKADIA[®]

In 2021, Berkadia launched Employee Resource Groups

26%

INCREASE YoY

Berkadia grew its HUD financing volume to \$3.8 billion, up 26% YoY

Jefferies Group

BERKADIA

Berkadia's Affordable Housing platform generated \$2.9 billion of financing for affordable communities throughout the U.S. This was an increase of 106% YoY. Nearly \$2.0 billion of these financings were financed through the Government Sponsored Enterprise's (GSEs) Affordable Housing programs. In addition to Affordable Housing programs, the GSEs seek to finance mission-driven sustainable work-force housing. This mission-driven business is defined by the Federal Housing Finance Authority (FHFA) based on a prescribed formula for determining the affordability of units based on median income levels for the location, as well as the rent and unit mix within the property. Berkadia's mission-driven multifamily housing business with both Freddie Mac and Fannie Mae were 66% of all volume through Q3 2021. Berkadia grew its HUD financing volume to \$3.8 billion, up 26% YoY, heavily utilizing a financing vehicle with a strict mission to provide safe and affordable housing for low-to moderate-income tenants. Berkadia has been a top lender with each of the GSEs and HUD since its inception in 2009. Additionally, Berkadia has been at the forefront of efforts with Fannie Mae to encourage and facilitate beneficial programmatic considerations for minority-owned multifamily housing providers seeking to borrow from the GSE.

With a steadfast commitment to corporate citizenship and social responsibility, Berkadia remains dedicated to promoting positive social changes both inside and outside of the company.

In 2020, Berkadia established a committee for Diversity, Equity, Inclusion and Belonging (DEIB) and began partnering with Ivy Planning Group, an expert in creation and operationalization of corporate DEIB strategies and cultural transformation. Through this partnership, Berkadia formed employee focus groups for underrepresented groups (ethnic, racial, gender, LGBTQ+) to collect feedback and

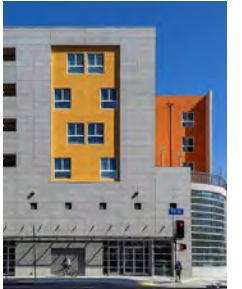
start open dialogues about employee experiences at Berkadia, and hosted executive thinking and learning sessions with their Management Committee.

In 2021, the company expanded this work to form Employee Resource Groups dedicated to connecting underrepresented demographics in the workforce (e.g., Women ERG and LGBTQ+ ERG) and also solidified their partnership with recruitment agencies, universities, and job boards focused on hiring from underrepresented groups.

The company also added new coverage to its 2021 medical plans to advance benefits coverage for Women's Health, LGBTQ+, and Family Planning, as well as offering care coverage that supports transgender employees and their dependents' unique healthcare needs.

In addition, they have also established partnerships with organizations that support students from underrepresented communities in the workforce to get exposure to Commercial Real Estate, thus advancing our commitment toward diversity.

In terms of charitable giving, Berkadia continued its tradition of supporting the nonprofit organizations that employees hold closely through corporate sponsorships, a matching gift program, and the GIVES program, which recognizes organizations that employees have volunteered 10+ hours to with a \$150 contribution.



Jefferies Group (continued)

FOURSIGHT CAPITAL

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

Nurturing a corporate culture focused on the employee has been a corporate mandate since inception. That focus has been validated by winning awards for top places to work and best companies to work for six years in a row. We foster a family atmosphere dedicated to diversity and empowerment while providing robust benefits and employee-centric policies including flexible work hours, work from home options, casual work attire, free meals regularly, quarterly emotional well-being seminars, a financial literacy program, paid maternity leave, and generous time off. More recently we added a peer-to-peer employee recognition program allowing employees to foster a culture of encouragement and gratitude. We have also partnered with the University of Utah

to continuously train management on their Professional Management Certificate program.

Foursight's commitment to environmental sustainability has helped reduce our impact on the environment. During 2021, **we reduced waste through the implementation of 100% digital car loan applications.**

To encourage community outreach each year every employee is awarded two paid community service days, so employee-partners are able to contribute back to society where they see the most value. We spent over 197 hours coordinating, facilitating, and actively contributing to community projects. Through this initiative we have worked with local organizations such as the American Red Cross, Primary Children's Hospital, Support our Local Pets Utah, Best Friends Animal Sanctuary, and the Utah Food Bank with over 1,200 lbs in donations this year.

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

Merchant Banking

HOMEFED

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 mixed-income communities that provide much-needed housing in select areas across the U.S. HomeFed's masterplans include affordable housing components that institute the 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.

Côta Vera is HomeFed's newest village in the 22,899-acre Otay Ranch, one of the largest and most successful master-planned communities in the U.S. The community is designed around a walkable, mixed-use Town Center anchored by a Central Square Park and planned with community-serving retail and gathering spaces. Residential units in Côta Vera include a broad collection of for-sale homes ranging from 1,300-3,600 square feet, as well as rental apartment homes. Construction is well underway with the first residents expected early 2022. The Côta Vera masterplan also includes affordable housing.

HomeFed's project, Encelia, is planned for 173 affordable rental units across three buildings. It is designed as a 100% affordable housing neighborhood for qualified area families making 50-60% of area median income (AMI), with 55 one-bedroom units, 72 two-bedroom units, and 46 three-bedroom units. The commercial space comprises 6,700 sq. ft. of general retail space and 2,900 sq. ft. of restaurant space.

Encelia is designed to provide a sense of community with amenities that are appropriate for families. Residential units are spacious and feature dishwashers, hard flooring in living, dining, and bathrooms, and solid surface countertops in bathrooms and kitchens. **Multiple community gathering spaces are offered to all the residents to encourage a sense of community and belonging:** the ground-floor community room will include a lounge area and tables to host tenant meetings and events, while the centrally located private outdoor courtyard and barbecue area will offer additional opportunities for social interaction. A synthetic turf play area and a tot lot will provide an opportunity for families to gather as children play.



100% digital car loan applications



Over **1,200 pounds** in Food Bank donations this year

197 hours coordinating, facilitating, and actively contributing to community projects.

2021 Top Places to Work.
Salt Lake Tribune



100% affordable housing neighborhood for qualified area families

Best practices to protect sensitive plant and animal species, create public transit, and **reduce carbon emissions.**

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



Merchant Banking (continued)

LINKEM

Linkem is the fifth-largest broadband provider and the largest fixed wireless broadband provider in Italy. The company operates proprietary broadband networks across Italy, which it is upgrading to 5G to offer ultra-high-speed fixed wireless and mobile connectivity, in a market where wireline infrastructure has suffered many years of underinvestment. Linkem's network serves as a key competitor to the traditional wireline network, providing the only independent last-mile connection to the majority of homes it passes.

Over the past two years, Linkem has been a critical provider of connectivity throughout its footprint, enabling the population to work from home, socialize, attend school, receive healthcare, and share crucial information, in addition to providing a much-needed source of entertainment during multiple lockdowns and rounds of emergency restrictions.

In late 2020, Linkem launched a pilot initiative to create work programs in prison facilities. The Italian prison population has high rates of psychiatric conditions including anxiety and stress-related disorders, and a suicide rate approximately 20 times that of the free population; suicide is prisoners' leading cause of death. Prisoners have few opportunities to earn money while incarcerated

and face a challenging job market when released. This contributes to recidivism: an estimated 80-90% of released prisoners reoffend.

Linkem created two production lines in the prisons of Lecce (male) and Rebibbia (female) to refurbish reclaimed customer equipment to be used for new customers. The company created a training and certification course, reconditioned facilities at the prison sites, and provided tools, uniforms, and computer equipment for the production lines. Out of over 100 applicants to date, the company has admitted 36 to the training course, and 24 have graduated and begun work on the refurbishing line, overseen by a non-prisoner Linkem employee. The prisoners clean, physically repair, recalibrate, test, and repackage the electronics, refurbishing 400 units per day. **The work offers prisoners structure and purpose during their workdays, the dignity of earning a wage, and experience, qualifications, and the opportunity to earn a recommendation from their manager upon their release from prison. One outstanding program participant was offered a full-time position with Linkem upon release and now oversees the program.** The initiative yields a small cost saving per unit vs. outsourcing work to a commercial refurbishing partner and helps reduce Linkem's reliance on international supply chains.

IDAHO TIMBER

Idaho Timber is a forest products manufacturer focused on value-added products and the safety of its employee-partners. **Idaho Timber has earned Sustainable Forestry Initiative certification for select facilities.** In production, Idaho Timber extends sustainability through remanufacturing lower-value lumber to create higher-value products while striving 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.

Idaho Timber also has a multitude of safety programs in place designed to protect the health and well-being of its employee-partners. In response to the COVID-19 pandemic, we immediately restricted all nonessential travel. The company also implemented policies and procedures consistent with pronouncements from the Center for Disease Control and local health districts to help protect our employee-partners

from the spread of the virus. In terms of normal work processes, a new safety training program implemented in 2017 has reduced the average number of injury claims by 17%. 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. Employee-partners are further protected in the workplace by Idaho Timber's robust policies on equal employment opportunity, non-harassment, and nonviolence.

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. Local communities are served 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.**



2020

Linkem launched a pilot initiative to **create work programs** in prison facilities.

Linkem created **two production lines** in the prisons to refurbish reclaimed customer equipment to be used for new customers.



IDAHO TIMBER

17% reduction in the average number of injury claims

Earned the **Sustainable Forestry Initiative certification** for select facilities.

Strong supporters of **Habitat for Humanity**



Merchant Banking (continued)

VITESSE

As a financial partner to oil and gas Operators, Vitesse 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.

Vitesse evaluates and assesses the environmental stewardship, social responsibility, hiring practices, and community awareness of each of our operating partners as part of our overall evaluation of where we will invest capital. Six major Operators manage more than half 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. During 2021, a significantly greater percentage of produced natural gas was captured through enhanced processing systems helping to reduce greenhouse gasses released into the atmosphere.

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



Evaluates the **environmental stewardship, social responsibility, and community awareness** at all of its facilities.

Constantly looking for opportunities to be a **good partner to our planet.**



A nighttime photograph of a cityscape. In the foreground, a river flows from the left towards the center. On the right side of the river, there is a circular fountain with a tall, illuminated water column. The background features several city buildings, some of which are brightly lit. The sky is a deep blue, suggesting dusk or dawn. The overall scene is a blend of natural and urban elements.

Section 9

Frameworks and Standards

CHARLOTTE, NORTH CAROLINA

Jefferies

May 2022

United Nations Sustainable Development Goals (SDGs)

The United Nations' 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 key areas where we have the greatest influence and impact through our business strategy, products and services.

<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>4 QUALITY EDUCATION</p> 	<p>5 GENDER EQUALITY</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>10 REDUCED INEQUALITIES</p> 	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>13 CLIMATE ACTION</p> 	<p>15 LIFE ON LAND</p> 
<p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Achieve gender equality and empower all women and girls</p>	<p>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p>	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p>	<p>Reduce inequality within and among countries</p>	<p>Make cities and human settlements inclusive, safe, resilient, and sustainable</p>	<p>Take urgent action to combat climate change and its impacts</p>	<p>Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
<p>REPORT SECTION Human Capital Giving Back</p>	<p>REPORT SECTION Human Capital Giving Back</p>	<p>REPORT SECTION Human Capital</p>	<p>REPORT SECTION Human Capital Giving Back</p>	<p>REPORT SECTION Sustainable Finance</p>	<p>REPORT SECTION Giving Back</p>	<p>REPORT SECTION Environmental Stewardship Sustainable Finance</p>	<p>REPORT SECTION Environmental Stewardship Sustainable Finance</p>	<p>REPORT SECTION Environmental Stewardship Sustainable Finance</p>

Appendix

ABOUT THIS REPORT

Our ESG Report has been prepared in accordance with the accounting standards published by the Sustainability Accounting Standards Board (SASB), on page 6 of this report. We have also identified the United Nations Sustainable Development Goals (SDGs) that we believe best align with our business activities and key priority areas. Both 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 2021 (FY21), reflecting data for the period from December 1, 2020, through November 30, 2021.

This report's data excludes Berkadia, Foursight and our Merchant Banking companies, who have their own ESG/DEI initiatives. For more information, please see: ESG Highlights at our Direct Investments: Berkadia, Foursight and Merchant Banking on pages 38-41 of this report.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This report contains certain "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current views and include statements about our future and statements that are not historical facts. These forward-looking statements are usually preceded by the words "should," "expect," "intend," "may," "will," "would," or similar expressions. Forward-looking statements may contain expectations regarding revenues, earnings, operations, and other results, and may include statements of future 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 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. You should read and interpret any forward-looking statement together with reports we file with the SEC. We undertake no obligation to update or revise any such forward-looking statement to reflect subsequent circumstances. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal the corresponding indicated performance levels.

ESG REPORT BACKUP DATA

Market Position Statistics presented within the ESG Report are referenced from several independent sources, as noted below:

Bloomberg:

- #1 in market share in 2021 for secondary market trading of Investment Companies
- #1 for Investment Company Equity Issuance with 22% Market Share

Starmine:

- Largest Mid and Small-Cap research breadth globally, ranking 1st in stocks covered and 5th overall across all market caps

Dealogic:

- 8th globally and 7th in the U.S. across all Investment Banking products

Salt Lake Tribune:

- Foursight Capital 2021 Top Places to Work

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