

LAZARD

LAZARD & CO., SERVICES LIMITED

Notes to the financial statements **for the year ended 31 December 2022**

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making and their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

As directors of Lazard & Co., Services Limited we are actively engaged in the running of the business and have a long term strategy in place in order to meet our objectives.

In doing so several factors are considered:

- The long term implications of any new initiatives;
- The need to foster the Company's business relationships with its clients, suppliers and others;
- The impact of the Company's operations on the community and the environment;
- The Company maintaining a reputation for high standards of business conduct;
- The interests of the Company's employees; and
- The need to act fairly as between members of the Company

The board regularly reviews its principal stakeholders to ensure the very highest levels of engagement. The stakeholder voice is brought into the boardroom through direct engagement with the stakeholders themselves as well as through information provided from the management team.

We identify the following as key stakeholders;

Our employees

We believe that our people are our most important asset. The talent, integrity and engagement of all our employees has shaped our success to date, and they are instrumental in our ability to achieve sustainable growth. We strive to create a culture that fosters excellence, collaboration, innovation, empowerment, inclusion, and engagement. This culture is key in both maintaining the Company's reputation for high standards of business conduct, and the need to act fairly as between members of the Company.

Our human capital efforts are overseen by the board, with a focus on cultivating a workplace environment that attracts a diversity of perspectives and exceptional talent.

We continue to invest in the well-being of our employees by offering benefits intended to meet the varied and evolving needs of our diverse workforce. This is addressed through the Work to Wellness program, an initiative that educates, motivates, and empowers employees to maintain a healthy and full life in and out of the workplace. We offer a wide range of resources including the Family Network Initiative to support employees and their families' emotional and financial well-being. We have also made investments in technology that enable remote and hybrid working options.

We strive to cultivate a workforce comprised of people with different backgrounds and experiences, which we believe creates an environment of cognitive diversity that promotes new ideas and innovations. A variety of affinity groups have been set up under IDEA (Inclusion, Diversity, Equity and Allyship) which connect our employees with individuals across the wider firm including the employee networks listed below:

Lazard Proud: The Company aims to connect LGBTQ + colleagues and allies in a meaningful way through relevant events and networking opportunities. Lazard Proud provides all Lazard employees with an avenue through which to increase awareness of, educate about, and engage with one another on relevant issues that affect the LGBTQ + community.

Lazard Plus: This is an employee-led group focused on enhancing, leveraging and developing Lazard's diverse culture. Lazard Plus aims to promote awareness and create a more inclusive work environment. This will be achieved through relevant education, events and other initiatives that support the recruitment, networking, retention and progression of employees from diverse ethnicities, cultural heritage, and nationalities.

Lazard Women's Leadership Network (LWLN): This is comprised of an employee-led group that serves as a resource for women looking to grow professionally and personally through development programs, career advancement and European networking opportunities. LWLN provides a forum for women to share professional experiences and best practices with both female and male colleagues across the organization.

Lazard Family Network: The Family Network is an employee-led affinity group focused on fostering a modern family-friendly workplace where everyone can more easily fulfil their commitments to both their life at home, and at work. The Family Network aims to promote awareness and help create the flexible and inclusive working environment that best enables all Lazard employees, regardless of their family circumstances, to manage their work and family life effectively.

The board continues to enhance its methods of engagement with its employees primarily through employment engagement surveys, regular meetings, Town Hall events, the intranet, presentations, and electronic communications sent regularly throughout the year which aim to cover the following:

- providing employees systematically with information on matters of concern to them as employees
- consulting employees on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests; and
- achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the Company.

The Board resolved to approve the Remuneration Policy following the introduction of the Investment Firm Prudential Regime ("IFPR") which came into effect on 1 January 2022. The long-term implications for the interests of our employees as well as other stakeholders were taken into account in this decision.

Our clients

As a service provider to Lazard & Co., Limited and other Lazard Ltd subsidiaries the Company ensures regular forms of communication are maintained through meetings and electronic information. The Company ensures all services are being delivered at a high standard and are easily adaptable to the requirements of the client.

The Company's results are published and available to view by all interested parties on the Companies House website and available to request from the registered address stated on the Company information page.

The wider community

The Company continues to proactively think of ways it can increase environmental awareness and implement sustainable business practices ensuring Lazard is a more environmentally friendly place to work. Some of the initiatives implemented include:

- Increased usage of video conferences instead of client and employee travel.
- A benefits scheme for ultra-low emission vehicles.
- Use of sustainable products when possible including reducing single-use plastic including water bottles and coffee cups.
- Identifying opportunities to avoid printing and where printing is necessary to use environmentally friendly ink and paper products for printers and copy centres.
- Use of renewable energy with 100% renewable electricity used.

Lazard Green is another initiative set up which is an employee-led interest group that is committed to performing eco-friendly efforts in the workplace and communities around the globe. The group is committed to making the London office socially and environmentally sustainable through building awareness, engaging in relevant issues through volunteering, and developing solutions to reduce our collective footprint.

The board continues to promote community engagement through a number of actions and initiatives including the Lazard Empowers initiative. This program supports UK students from lower socio-economic backgrounds by inspiring these students when it comes to thinking about their future careers, preparing them to have the skills to support their future career success and empowering them to fulfil their professional potential and aspirations. To deliver its mission, Lazard Empowers will deepen its partnership with non-profit SEO London by sponsoring its social mobility focused programme that works with secondary school students aged 15-18 years from lower socio-economic backgrounds.

Suppliers

It is the Company's intention to agree appropriate terms of payment with suppliers and to abide by those terms based on the timely submission of valid invoices. In the absence of agreed terms, the Company's policy is to pay within 30 days from receipt of a valid invoice.

Regulators and tax authorities

The Company insists on the highest standard of professionalism and integrity from employees who are expected to refrain from any conduct or behaviours that could be perceived unfavourably. This extends to dealing honestly and openly with regulators and tax authorities and in compliance with all the relevant laws and regulations in place.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.