

LAZARD

LAZARD & CO., 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., Limited we are actively engaged in the running of the business. As per the business review, we continue to look at opportunities to grow the business, while ensuring we 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.

All employees are employed by our service company Lazard & Co., Services Limited ("LSL"). The board of LSL 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

We focus on solving our clients' most complex issues, providing advice to key decision makers, senior management, boards of directors and business owners, as well as governments and governmental agencies, in transactions that typically are of significant strategic and financial importance to them.

We continue to build our Financial Advisory business by fostering long-term, senior level relationships with existing and new clients as their independent advisor on strategic transactions and other matters. We seek to build and sustain long-term relationships with our clients rather than focusing simply on individual transactions, a practice that we believe enhances our access to senior management of major corporations and institutions around the world.

The wider community

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 on the Company information page.

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.