

French open-end investment fund (SICAV)

NORDEN SRI

ANNUAL REPORT

at March 31st, 2021

**Management company: Lazard Frères Gestion SAS
Custodian: Lazard Frères Banque
Statutory auditor: PriceWaterhouseCoopers Audit**

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1. CHARACTERISTICS OF THE UCI

- **LEGAL FORM**

French open-end investment company (Société d'Investissement à Capital Variable - SICAV)

- **CLASSIFICATION**

International equities.

- **ALLOCATION OF DISTRIBUTABLE INCOME**

Distributable income consists of:

1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account. Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors' fees and all income generated by the securities that make up the UCI's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.

2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be accumulated and/or distributed and/or retained independently of each other, in whole or in part.

- **INVESTMENT OBJECTIVE**

The fund's investment objective is to achieve, by applying Socially Responsible Investment (SRI) type management, a performance net of management fees over the recommended investment period of 5 years that exceeds that of the following benchmark: MSCI Nordic Countries. The benchmark index is expressed in euros. Net dividends or coupons are reinvested.

- **BENCHMARK**

MSCI Nordic Countries

The MSCI Nordic Countries index represents the equity market performance of the Nordic countries (Sweden, Denmark, Norway and Finland).

The data are available on: www.msci.com

Bloomberg code: M7ND Index

- **INVESTMENT STRATEGY**

1. Strategies used

A company's rate of return on invested capital above the cost of capital reflects its economic performance. This performance is reflected in the stock market performance over the long term. Accordingly, the strategy applied within the SICAV is based on the following:

- A best-in-universe approach that consists in favouring the issuers with the best non-financial ratings, irrespective of their business sector;
- Identifying companies with the best economic performance profiles;
- Verifying that performance through financial analysis and examination of underlying strategies;
- Stock-picking from among such companies according to the market's undervaluation of that performance at a given time;
- Building a portfolio concentrated on around 35-60 large and mid-sized Nordic companies, without sector constraints and with good liquidity.

The focus on achieving the optimum ratio between the company's economic performance and valuation may result in wide divergences between the SICAV's performance and its sector and/or country mix and those of the underlying asset class, i.e. large and mid-caps from the four Scandinavian countries.

Analysis and selection

ESG (environmental, social and governance) analysis is based on a proprietary model shared by the teams in charge of financial management in the form of an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agencies, external service providers, etc.), annual reports and reports on the social responsibility (CSR) of each company and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG rating based on a quantitative and qualitative approach. It takes into account the companies' main negative impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production) and the risks likely to affect their own sustainability, or Sustainability Risks (regulatory and physical risks, reputational risk through, among other factors, monitoring of controversies).

Each E, S and G pillar is rated from 1 to 5 (5 being the best rating) based on at least ten relevant key indicators per dimension (energy intensity, staff turnover rate, board independence rate, etc.). The company's overall ESG rating summarises the scores for each pillar according to the following weighting: 30% for Environment and Social and 40% for Governance.

ESG ratings are directly built into the financial valuation model via the beta used to set the weighted average cost of capital (WACC). According to Lazard Frères Gestion's proprietary methodology, the beta factors are weighted as follows:

- Cyclicity of the company's business (30%);
- Compliance with ESG criteria (20%) quantified by the internal ESG rating;
- Financial leverage (20%);
- Product mix (10%);
- Geographical mix (10%);
- Operating leverage (10%).

A scoring system, built into Lazard Frères Gestion's proprietary model, has been developed by the analysts-fund managers to structure companies' qualitative and financial analysis. This scoring system results in an overall rating for each company, about a quarter of which is determined by ESG criteria.

This rating is used as a portfolio selection and construction tool:

- It provides a summary of the financial and non-financial analysis carried out by the analysts/fund managers;
- It has a direct impact on the determination of the maximum weight allocated to a stock.

Norden SRI thus integrates ESG criteria in two different ways within its analysis and selection process: via the beta and via the scoring system.

SRI management

The SICAV is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. The inclusion of ESG criteria influences the analysis of companies held in the portfolio, stock picking and weighting.

In order to meet the SRI label's management criteria, the analysts-managers ensure that an exclusion rate of 20% or more of the lowest-rated securities in the fund's investment universe is maintained. The risk control department ensures compliance with this criterion on a monthly basis.

For the sake of integrity and objectivity, the scores used to apply this exclusion rate are provided by our ESG partner.

Our partner's ESG rating method is based on a model with 17 years of historical experience, 330 indicators grouped into 38 criteria in 6 areas. These 38 criteria are weighted from 0 to 3 depending on their materiality (relevance) for the sector.

Our ESG partner's ESG analysis is broken down into 6 areas:

1. Human Resources: 7 criteria

Promotion of social dialogue / Promotion of employee profit-sharing / Promotion of individual career choices and employability / Controlled management of restructuring / Quality of remuneration systems / Improvement of health and safety conditions / Respect and organisation of working hours

2. Environment: 11 criteria

Definition of the environmental and eco-design strategy / Consideration of pollution risks (soil, accidents) / Offer of green products and services / Prevention of risks of damage to biodiversity / Control of impacts on water / Control of energy consumption and reduction of polluting emissions / Control of impacts on air / Control and improvement of waste management / Control of local pollution levels / Control of impacts related to distribution-transport / Control of impacts related to the use and disposal of the product or service.

3. Customer/supplier relationships: 9 criteria

Product safety / Customer information / Contract guidance / Sustainable cooperation with suppliers / Integration of environmental factors in the supply chain / Integration of social factors in the supply chain / Prevention of corruption / Prevention of anti-competitive practices / Transparency and integrity of strategies and influencing practices

4. Human rights: 4 criteria

Respect for fundamental rights and prevention of violations of these rights / Respect for the freedom to join trade unions and the right to collective bargaining / Non-discrimination and promotion of equal opportunities / Elimination of prohibited forms of work

5. Community involvement: 3 criteria

Commitments in favour of the economic and social development of the area in which the company operates / Consideration of the societal impact of the products and services developed by the company / Contributions by the company to causes of general interest

6. Governance: 4 criteria

Balance of powers and efficiency of the board of directors / Audit of control mechanisms / Shareholders' rights / Remuneration of executives

An issuer's ESG rating is based on an absolute rating scale of 0 to 100, with 100 being the highest score. Lazard Frères Gestion calculates the scores used to apply the exclusion rate by weighing each E, S and G pillar equally. The scores for each pillar are recalculated by weighing the scores of our ESG partner for the corresponding areas.

In accordance with the principles of the label, at least 90% of the companies in which the SICAV invests must be covered by non-financial analysis.

Our ESG partner covers approximately 130 stocks in the fund's investment universe (listed Nordic companies with a market capitalisation of more than €250 million), which includes a total of approximately 300 stocks. Given the constraints imposed by the label in terms of exclusion rates (see above) and the coverage of companies by ESG analysis, 90% of the fund must therefore be composed of 80% of the stocks with the best ratings by our ESG partner, while the remaining 10% may be invested in companies not covered by our ESG partner.

If a company held in the portfolio were to drop into the 20% lowest-rated stocks, it would have to be removed from the portfolio within three months.

In order to assess the ESG performance of each issuer with regard to ESG criteria, the following impact indicators are reported at least once a year:

- Environmental performance:
 - Carbon intensity of the portfolio, expressed in CO2 equivalent tonnes per million euros of revenue (Trucost)
- Social performance:
 - Percentage of companies subject to critical or severe human resources controversies (ESG Partner)
- Human rights performance:
 - Percentage of companies subject to critical or severe human rights controversies (ESG Partner)
- Governance performance:
 - Average percentage of independent directors (Proxinvest/ECGS, company reports)

In accordance with the principles of the SRI label, the SICAV must obtain a better result than its benchmark index on at least two of these indicators. In order to take into account the progress required and the progress achieved in terms of availability of non-financial data, one of these indicators should have a minimum coverage rate of 90% and the other a minimum coverage rate of 70%.

2. Assets excluding equity derivatives:

Shares issued by companies of all capitalisation sizes listed or established in one of the four Nordic countries (Sweden, Norway, Denmark and Finland) for a minimum of 75% of the net assets.

Debt securities and money market instruments:

- Bonds issued by companies across all market capitalisations from the four Nordic countries (Sweden, Norway, Denmark and Finland) to a maximum of 10%.
- Debt securities and money-market instruments to a maximum of 10%, mainly French and Scandinavian treasury bills and BTAN medium-term treasury notes.

UCIs:

- French money-market and short-term money-market UCITS, and French or foreign UCITS or AIFs that meet the four criteria of Article R.21413 of the French Monetary and Financial Code (Code monétaire et financier), up to a maximum of 10% of the net assets.
- Investment solely in UCIs that invest no more than 10% of their assets in other UCIs.

These UCIs may be managed by the management company.

3. Derivatives

• Types of markets:

- ☒ regulated
- ☒ organised
- ☒ OTC

• The manager intends to seek exposure to:

- ☒ shares
- ☐ interest rates
- ☒ foreign exchange
- ☐ credit
- ☐ other

- **Transaction types – all transactions must be limited to achieving the investment objective:**

- ☒ hedging
- ☒ exposure
- ☒ arbitrage
- ☒ other

• **Types of instruments used:**

- ☒ futures:
 - ☒ equity and equity index
 - ☐ interest rate
 - ☒ currency: hedging foreign exchange risk
 - ☐ other
- ☒ options:
 - ☒ equity and equity index
 - ☐ interest rate
 - ☐ currency
- ☒ swaps:
 - ☒ equity swaps
 - ☐ interest rate swaps
 - ☒ currency swaps
 - ☐ performance swaps
- ☒ currency forwards: hedging of currency risk
- ☐ credit derivatives
- ☐ other

• **Derivatives strategy to achieve the investment objective:**

- ☒ partial or general portfolio hedging
- ☐ creating synthetic exposure to assets and risks
- ☐ increasing exposure to the market
- ☐ maximum permitted and sought
- ☐ other strategy

4. Securities with embedded derivatives

The acquisition of these securities is not part of the SICAV's management strategy. Nevertheless, the manager may invest in any securities with embedded derivatives permitted under the management company's business plan, notably warrants, certificates or rights acquired following transactions involving the portfolio securities.

5. Deposits:

Up to 10% of the SICAV's assets may be held in deposits, for management purposes.

6. Cash borrowings:

The SICAV may borrow cash within the limit of 10% of its assets to meet specific cash requirements related to its operating needs.

7. Temporary purchases and sales of securities:

None.

8. Information on financial guarantees:

In connection with over-the-counter derivative transactions, and in accordance with Position paper 201306 issued by the French financial markets regulator (Autorité des Marchés Financiers – AMF), the UCI may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high quality corporate issuers), or cash. Any cash collateral received is reinvested in accordance with the applicable rules. All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility. Discounts may be

applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

- **RISK PROFILE**

Notice

Your money will be mainly invested in financial instruments selected by the management company. These instruments will be exposed to market trends and fluctuations.

Risk of capital loss

The UCI provides no capital guarantee or protection. Accordingly, the investor may not get back the full amount of the initial investment on redemption.

Risk associated with discretionary management

Discretionary management is based on anticipating market trends. The UCI's performance is dependent both on the selection of securities and UCIs picked by the manager and the manager's asset allocation. There is therefore a risk that the manager will not select the best performing securities and that the asset allocation may not be optimal.

Equity risk

Share price fluctuations may have a negative impact on the UCI's net asset value. The UCI's net asset value may decrease during periods in which the equity markets are falling.

Market capitalisation risk

The volume of small- and mid-cap stocks traded on the stock market is lower than that of large caps, which means they can be more significantly impacted by market movements than large caps. The UCI's net asset value may decline quickly and sharply.

Liquidity risk

The risk that a financial market cannot absorb transaction volumes due to trading volumes being too low or pressure on the markets. Such a situation may impact the pricing or timing when the UCI liquidates, initiates or modifies positions and thus cause a decline in the UCI's net asset value.

Foreign exchange risk

The UCI may invest in securities and other UCIs that in turn are authorised to acquire instruments denominated in currencies other than the fund's base currency. The value of these instruments may fall if the exchange rates vary, which may lead to a decrease in the UCI's net asset value. Where units (or shares) denominated in a currency other than the fund's base currency have been hedged, the foreign exchange risk is residual as a result of systematic hedging, potentially leading to a performance gap between the different units (or shares).

Counterparty risk:

The risk linked to the use of forward financial instruments traded over the counter. A transaction of this type with one or more counterparties potentially exposes the UCI to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease in the UCI's net asset value.

Interest rate risk

The risk of a decline in debt instruments as a result of changes in interest rates. This risk is measured by the level of sensitivity. For instance, bond prices tend to move in the opposite direction to interest rates. The net asset value may decline during periods when there is an increase (positive sensitivity) or decrease (negative sensitivity) in interest rates.

Sustainability risk

The risk that an environmental, social or governance event or situation will occur that could have a material adverse effect, actual or potential, on the value of an investment.

- **GUARANTEE OR PROTECTION**

None.

- **ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE**

Any subscriber, particularly institutional investors seeking equity risk exposure.

Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this UCI.

Information on US investors:

The UCI is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

FATCA:

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the UCI invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

As a foreign financial institution, the UCI undertakes to comply with the FATCA and to take all appropriate measures pursuant to the aforementioned intergovernmental agreement.

The amount that it is reasonable to invest in this UCI depends on each investor's personal circumstances.

To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious investment.

This UCI may not be suitable for investors planning to withdraw their investment within five years.

2. CHANGES AFFECTING THE UCI

The Board of Directors of the **NORDEN** SICAV (ISIN code: FR0000299356), on July 7th, 2020 decided to implement the SRI label for the SICAV so that the notion of SRI appears in its name. As a result of the above, it was decided to change the SICAV's name: NORDEN SRI instead of NORDEN.

➤ **Effective date: 26/10/2020**

As part of the financial management delegation granted by the **NORDEN SRI** SICAV (ISIN code: FR0000299356), Lazard Frères Gestion SAS has decided to change the SICAV's investment policy as follows:

- *Removal of the maximum 20% limit on investment in small caps.*

➤ **Effective date: 07/01/2021**

As part of the financial management delegation granted by the **NORDEN SRI** SICAV (ISIN code: FR0000299356), Lazard Frères Gestion SAS has decided to make the following changes:

- 1) Editorial change to the investment policy as part of the ESG/SFDR update.
- 2) Addition of sustainability risk.

➤ **Effective date: 08/03/2021**

Corporate governance (CSR) section

I. List of appointments

Directors' names	Number of offices held	List of offices and functions
François-Marc Durand <i>Chairman of Lazard Frères Gestion SAS</i>	4	Chairman and Chief Executive Officer of the Norden SRI SICAV Member of the Boards of Directors of the SICAVs: Lazard Small Caps Euro Lazard Funds (<i>SICAV with sub-funds</i>) Lazard Alpha Allocation
Monica Nescaut <i>Managing Director of Lazard Frères Gestion SAS</i>	5	<ul style="list-style-type: none">▪ Member of the Boards of Directors of the SICAVs:<ul style="list-style-type: none">○ Norden SRI○ Lazard Small Caps Euro○ Lazard Funds (<i>SICAV with sub-funds</i>)○ Lazard Equity SRI○ Lazard Convertible Global

II. Agreements covered by Article L.225-37-4 para.2 of the French Commercial Code (Code de commerce)

The SICAV was not informed of the conclusion of any agreements covered by Article L.225-37-4 para.2 of the French Commercial Code during the financial year ended March 31st, 2021.

III. Summary table of currently-valid delegations of powers granted by the shareholders' meeting, as stipulated in Article L225-37-4 para.3 of the French Commercial Code

No delegation of authority pursuant to Article L225-37-4 paragraph 3 of the French Commercial Code was granted or was ongoing during the financial year ended March 31st, 2021.

IV. Method of operation of the general management

The Board of Directors has opted not to separate the functions of Chairman of the Board of Directors and Chief Executive Officer.

**Directors' fees proposed to the members of the Board of Directors by the NORDEN
SRI SICAV for the financial year ending March 31st, 2021**

Members of the Board of Directors	Directors' fees paid by the SICAV
François-Marc Durand Chairman of Lazard Frères Gestion SAS	0
OCIRP Represented by Yann Rannou	€. 1.800
IRP AUTO Prévoyance Santé Represented by Agnès Canarelli	€. 1.800
Valorey Finance Represented by Henry Masdevall	€ 1 800
Monica Nescaut Managing Director of Lazard Frères Gestion SAS	0
Lazard Frères Gestion SAS Represented by Mr Jean-Jacques de Gournay Managing Director of Lazard Frères Gestion SAS	0
IRC Alliance Professionnelle Retraite ARRCO Represented by Frédéric Alexan	€. 1.800
Covea Finance represented by Ghilaine Bailly	€. 1.800

3. MANAGEMENT REPORT

PERFORMANCE

The UCI's performance over the period was as follows: 50,54%.

Performances vary over time and past performance is no guarantee of the UCI's future results.

The benchmark's performance over the period was: 51,50%.

ECONOMIC ENVIRONMENT

Economy

One year after the onset of the health crisis, the Covid-19 epidemic is still present. Global growth has bounced back from a historic fall last spring, but the pace of recovery varies across countries and sectors, depending on the disruption caused by health restrictions and the extent of the stimulus measures. The recovery is more advanced in the United States than in Europe, while it has taken a "V" shape in China. The impact of the restrictions is felt mainly on consumption and services. Business investment held up relatively better than expected and manufacturing sector activity bounced back sharply.

The exceptional support measures taken by public authorities and central banks have made it possible to preserve the ability of economies to rebound, at the cost of increasing fiscal deficits and a sharp increase in the money supply. Vaccination campaigns have begun around the world at varying speeds, with the expectation that activity will pick up strongly during 2021, once the epidemic is under control and health restrictions are lifted. In the short term, the main risk is that vaccines will be ineffective against the new Covid-19 strains. In the medium term, inflation remains the key issue.

In the United States, GDP fell by -2,4% year-on-year in Q4 2020. The unemployment rate rose from 4,4% to 6,7% with a peak of 14,8% in April 2020. Year-on-year inflation rose from +1,5% to +2,6% in headline terms and fell from +2,1% to +1,6% excluding food and energy. The Fed has kept its key interest rate in the 0%-0,25% range. In September 2020, Jerome Powell said that the Fed would tolerate inflation in excess of 2% to compensate for periods of lower inflation. Democratic candidate Joe Biden won the November 2020 presidential election. Democrats retained their majority in the House of Representatives and took control of the Senate. The US Congress adopted two massive fiscal stimulus packages during the period under review: a first package of \$900 billion in December 2020 and a second package of \$1 900 billion in March 2021.

In the Eurozone, GDP declined by -4,9% year-on-year in Q4 2020. By country, it fell by -3,7% in Germany, -4,9% in France, -6,6% in Italy and -8,9% in Spain. The unemployment rate rose from 7,1% to 8,3% with a peak of 8,7% in April 2020. Year-on-year inflation rose from +0,7% to +1,3% in headline terms and fell from +1,0% to +0,9% excluding food and energy. The ECB has left the deposit rate unchanged at -0,50%. The amount of the pandemic emergency purchase programme was increased by €600bn in June and by €500bn in December 2020, bringing the total envelope to €1 850bn. In March 2021, the ECB announced that it would significantly increase the pace at which it is investing this amount. In July 2020, EU countries reached an agreement on a European recovery plan of €750 billion, equivalent to 5,4% of GDP.

In China, GDP grew by +6,5% year-on-year in Q4 2020. The unemployment rate fell from 5,9% to 5,5%. Year-on-year inflation slowed from +4,3% to +0,4% in headline terms, due to a slowdown in food prices, and from +1,2% to +0,3% excluding food and energy. The Chinese central bank cut its key interest rate by 20 basis points to 2,95%. In March 2021, the government presented its economic priorities for the next twelve months and the five-year plan for the period 2021-2025. The government has announced that it is aiming for GDP growth "above 6%". The fiscal deficit is expected to fall from 3,7% to 3,2% of

GDP. Monetary policy should remain "prudent, appropriate and flexible". The 2021-2025 five-year plan calls for continued structural reforms and makes innovation a top priority.

Markets

After plummeting in the first quarter of 2020, equity markets bounced back strongly in the second quarter of 2020, thanks to the lifting of restrictive measures, a resumption of global activity and the strengthening of monetary and fiscal support measures. At the end of June 2020, equity markets had recovered much of their previous losses.

With hopes of further support measures and progress on vaccines, the catch-up continued at the beginning of the third quarter of 2020. It was interrupted by a correction in September 2020, driven by a sharp decline in US technology shares and concerns about further lockdowns in Europe.

Equity markets ended the year with stellar performance in the fourth quarter of 2020, thanks to good news on vaccines, approval of a new fiscal stimulus package in the United States and the Brexit deal taking precedence over the reintroduction of lockdown measures in Europe.

The equity market rally continued in the first quarter of 2021, benefiting stocks most exposed to a rebound in activity as fiscal stimulus in the United States is increased and vaccination becomes more prevalent. The expected strong economic recovery fuelled fears of an inflationary surge, but central banks maintained their accommodative stance.

All things considered, equity markets posted record gains, with the low basis of comparison automatically leading to very large year-on-year gains. The MSCI World All Country index in dollars gained +52,2%, the S&P 500 in dollars gained +53,7%, the Eurostoxx in euros gained +42,5%, the Topix in yen gained +39,3% and the MSCI emerging country index in dollars gained +55,1%.

The improvement in the growth and inflation outlook led to significant pressure on US interest rates, with the 10-year Treasury yield rising from 0,91% to 1,74%, after an all-time low of 0,51% on August 4th, 2020. Pressure was much more moderate in Europe as the German 10-year yield rose from -0,47% to -0,29%.

Peripheral countries' spreads against Germany tightened significantly, notably for Italy (-103 basis points), Greece (-99 basis points), Spain (-52 basis points) and Portugal (-82 basis points).

European corporate issuers' credit spreads also tightened and are close to the lows of recent years. According to the ICE Bank of America indices, they fell from 227 basis points to 90 basis points year-on-year for high-quality issuers and from 754 basis points to 314 basis points for high-yield issuers.

On the foreign exchange market, the euro appreciated by +6,3% against the dollar, by +9,5% against the yen and by +4,4% against the Swiss franc. However, it depreciated by +5,7% against the pound sterling. Emerging currencies appreciated on average by +5,2% against the dollar, according to the JPMorgan index.

In terms of commodities, the price of a barrel of Brent crude oil almost tripled, rising from \$21 to \$62, with a low point of \$17 on April 21st, 2020.

MANAGEMENT POLICY

Norden SRI delivered a performance of 50,54% over full-year 2020 against 51,50% for its benchmark index, the MSCI Nordic (in €) with net dividends reinvested, i.e. an underperformance of 96bp.

After the collapse in March, the second quarter of 2020 was one of the best quarters in a decade for almost all stock markets. The financial markets took off, seemingly ignoring the still troubled general environment and a worrying global economic situation. This rise was mainly fuelled by the liquidity poured in by the central banks, the numerous fiscal stimulus packages provided by governments and the gradual lifting of restrictive measures. All this restored confidence and a modicum of visibility to investors anticipating a V-shaped economic recovery. But this rebound was not enough to cancel out the sharp fall recorded in March. Against this backdrop, Norden SRI ended the second quarter of 2020

with a gain of 17,88% versus 16,62% for the MSCI Nordic (in €) net dividends reinvested, i.e. an outperformance of 126bp. The consumer products and services, manufacturing and construction sectors made positive contributions.

The portfolio benefited from the performances of *Valmet (Industrial machinery and equipment, Finland; +34,5%)*, *Thule (Consumer goods, Sweden; +42,3%)*, *Rockwool (Rock wool insulation solutions, Denmark; +50,1%)* and the underweighting of *Novo Nordisk (Pharmaceuticals, Denmark; +5,1%)*. However, the fund's underweighting of the telecommunication sector and our lack of exposure to energy, financial services and utilities weighed on its relative performance. Specifically, the absence of *Genmab (Biotechnological and medical research, Denmark; +61,5%)*, *Nokia (Fixed and mobile networks, Finland; +35,5%)*, and *DSV Panalpina (Air freight and logistics, Denmark; +31,2%)* had a negative relative impact.

In the third quarter of 2020, the global economy continued its slow recovery, although the situation remains worrying. Equity markets reflected an uncertain economy. After rising markedly for most of the quarter, they posted losses in September as they were hit by the resurgence of the Covid-19 pandemic, the economic downturn and rising geopolitical risks. Central banks continued to shore up the economy by keeping interest rates low while promising not to raise them for a long time. As for Brexit, the United Kingdom and the European Union were still struggling to agree on a trade agreement. Against this backdrop, Norden SRI ended the third quarter of 2020 up 10,25% compared with an increase of 9,11% for the MSCI Nordic (in €) net dividends reinvested. The portfolio benefited mainly from its stock picks in healthcare, telecommunication and construction. More generally, it benefited mainly from the rises of *Elekta (Radiotherapy machines, Sweden; +31,2%)*, *Kesko (Retail, Finland; +46,6%)*, *Konecranes (Lifting and handling equipment, Finland; +36,1%)*, *Rockwool (Rock wool insulation solutions, Denmark; +36,1%)* and the absence of *Nokia (Fixed and mobile networks, Finland; -13,9%)*. Industrials, energy, financial services and technology were the main sectors that contributed negatively to relative performance. More specifically, the fund was hurt by the poor performance of *Valmet (Industrial machinery and equipment, Finland; -9,0%)*, which was not represented in the index, and *Vestas Wind Systems (Wind, Denmark)* which was bought at the end of the quarter and whose contribution to the portfolio's performance was significantly lower than that of the index (+11,9% over the holding period versus +52,7% in the index). In addition, Norden SRI suffered from the absence of *DSV Panalpina (Air freight and logistics, Denmark; +28,2%)*, *Neste (Refining and distribution of petroleum products, Finland; +29,2%)* and *Kinnevik (Investment company, Sweden; +51,5%)*.

The last quarter of 2020 saw the major stock market indices return to pre-crisis levels. During October, in response to the second wave of the pandemic, new restrictive measures had to be implemented almost everywhere in Europe, even to the point of a virtually total lockdown, as was the case in France and some other countries. November was the month of all records, both in terms of absolute index performance but also of sector rebounds, particularly the banking sector. The spark that ignited the fire was the announcement of Phase 3 results for Pfizer's and Moderna's Covid-19 vaccines, leading to a sector and thematic rotation of considerable magnitude. The markets also welcomed Joe Biden's victory in the US presidential election. In December, equity markets rested somewhat on their laurels, although they closed the year at or near their all-time highs. The sector rotation in favour of the market's cyclical/value segment partly continued, but came to a halt from mid-December due to market jitters before the Brexit deadline and the transfer of power in the United States. Against this backdrop, Norden SRI ended the fourth quarter of 2020 on an increase of 5,97% compared with an increase of 9,16% for the MSCI Nordic (in €) net dividends reinvested. The portfolio mainly suffered from a negative allocation effect in the energy and commodities sectors and from its lack of exposure to the utilities and travel and leisure sectors. More specifically, Norden SRI was held back by the absence of *Orsted (Energy production and supply, Denmark; +42,1%)*, *Neste (Refining and distribution of petroleum products, Finland; +33,1%)*, *Evolution Gaming (Casino games, Sweden; +46,2%)* and by the decline of *AstraZeneca (Pharmaceuticals, Sweden/UK; -12,1%)* which was not represented in the index. Conversely, Norden SRI benefited from a stock-picking effect in industry and technology and an allocation effect in automotive and retail. In terms of stocks, the portfolio benefited from the absence of *Nokia (Fixed and mobile networks, Finland; -5,9%)*, *DSV Panalpina (Air freight and logistics, Denmark; -1,6%)*, the good performances of *Autoliv (Automotive equipment, Sweden; +20,7%)* and *Otello*

(Advertising and marketing, Denmark; +77,2%), as well as the underweighting of *Novo Nordisk* (Pharmaceuticals, Denmark; -2,8%) and *Kone* (Lifts, Finland; -5,4% over the holding period versus -11,5% for the index over the quarter).

Despite a still challenging health environment in the first quarter of 2021, with the resumption of restrictive measures, lockdowns in some European and Asian countries, and outbreaks in South America and India, equity markets continued to be boosted by the prospect for economic recovery offered by the intensification of vaccination campaigns and the announcement of large-scale fiscal stimulus packages. They even surpassed their pre-crisis levels just one year after the start of the pandemic. Soaring commodity and energy prices and good economic data fuelled the rise in bond yields in the United States and, to a lesser extent, in Europe. Fears of a steepening yield curve and rising inflation slowed the markets' rise without destabilising them.

As a result, this pressure on long-term interest rates triggered a sector rotation that began in November 2020, to the detriment of growth stocks and to the benefit of more cyclical and value stocks. Against this backdrop, Norden SRI ended the first quarter of 2021 on an increase of 9,31% compared with an increase of 9,07% for the MSCI Nordic (in €) net dividends reinvested. The portfolio benefited from its underweighting in energy, its lack of exposure to utilities and its allocation to healthcare and consumer products and services. The SICAV's slight outperformance during the quarter was partly attributable to strong gains by *Valmet* (Industrial equipment, Finland; +36,8%), *Epiroc* (Vehicles and heavy machinery, Sweden; +28,8%) and the absence of *Orsted* (Energy production and supply, Denmark; -16,6%), *Neste* (Refining and distribution of petroleum products, Finland; -22,8%) and *Genmab* (Biotechnological and medical research, Denmark; -15,2%). Norden SRI was mainly affected by a negative allocation effect in banks and a negative stock-picking effect in technology. It was also hurt by its lack of exposure to financial services and travel and leisure. More specifically, it was the absence of *Evolution Gaming* (Casino games, Sweden; +51,5%) and *Atlas Copco* (A share) (Industrial machines and equipment, Sweden; +24,2%) as well as the poor performances of *Simcorp* (Software for asset management, Denmark; -12,4%), and *Huhtamaki* (Paper packaging, Finland; -8,8%), both absent from the index, that had a negative impact.

Throughout the financial year, the Norden SRI SICAV remained 5,0% invested in the *Norden Small fund* (+80,04%) and 0,5% in the *Norden Family fund* (+51,05%).

The SICAV obtained the SRI label on September 28th, 2020. At the end of this labelling process, it was decided to change its name to Norden SRI.

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
AMUNDI CASH CORPORATE IC	168 319 306,33	161 352 922,82
GN GREAT NORDIC	37 808 618,48	37 241 910,54
NOVO NORDISK AS	37 186 633,90	21 476 836,13
VESTAS WIND SYSTEMS	31 543 335,34	20 176 543,24
ELEKTA AB	20 394 478,15	23 519 937,41
LAZARD EURO MONEY MARKET "B"	21 451 555,66	21 438 424,77
HENNES AND MAURITZ B	17 600 432,85	21 904 314,22

VALMET CORP	19 208 055,01	18 175 987,02
SWEDISH MATCH	7 705 350,16	29 529 123,20
ERICSSON(LM) B	16 677 779,58	15 285 093,90

4. REGULATORY INFORMATION

- **TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND THE REUSE OF FINANCIAL INSTRUMENTS - SFTR - IN THE ACCOUNTING CURRENCY OF THE UCI (€)**

The UCI carried out no transactions during the year in the context of the SFTR.

- **PROCEDURE FOR SELECTING AND ASSESSING INTERMEDIARIES AND COUNTERPARTIES**

The brokers used by the management company are selected on the basis of various evaluation criteria, covering research, quality of order execution and processing and the range of services offered. The management company's "Broker Committee" validates any updates to the list of authorised brokers. Each investment division (fixed income and equities) reports to the Broker Committee at least twice a year on the evaluation of the services provided by the various brokers and the breakdown of the volume of transactions handled. The information can be consulted on the management company's website: www.lazardfreresgestion.fr

- **BROKERAGE FEES**

Information about brokerage fees is available on the website: www.lazardfreresgestion.fr.

- **EXERCISING VOTING RIGHTS**

The scope and procedures for Lazard Frères Gestion SAS' exercise of the voting rights attached to the securities held in the UCIs managed by it are set out in the guidelines it has drawn up on its voting policy. This document can be consulted on the management company's website: www.lazardfreresgestion.fr.

- **DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA**

Lazard Frères Gestion firmly believes that the integration of environmental, social and governance (ESG) criteria in the management of assets provides an additional guarantee in terms of a durable economic performance.

In fact, the long-term performance of investments is not limited solely to adherence to the financial strategy, but must also take the company's interactions with its social, economic and financial environment into account.

The incorporation of ESG criteria therefore is a natural component of our investment process.

Our overall approach can be summarised as follows:

- ✓ Rigorous financial analysis of the company covering the quality of assets, financial soundness, projected cash flows and their reinvestment by the company, the strength of economic profits, profit durability, and quality of management.
- ✓ This durability is strengthened by incorporating extra-financial criteria:
 - Social criteria: through the development of human capital.
 - Environmental criteria: through the prevention of all environmental risks.
 - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

The intensity and methods by which we incorporate ESG criteria may vary depending on the asset class and investment process involved, but the common objective is to ensure better apprehension of ESG risks that are likely to have a strong impact on the value of a company or sovereign asset.

Information on ESG criteria is available on the website: www.lazardfreresgestion.fr.

- **CARBON LAW**

REPORTING OBLIGATIONS UNDER ARTICLE 173

General procedure for incorporating ESG criteria

Lazard Frères Gestion aims to offer its clients conviction-based management with a long-term investment perspective. Our investment process is characterised by active management based on stock-picking that aims to optimise the risk/return ratio, particularly by taking into account environmental, social and governance (ESG) parameters.

We have always attached paramount importance to governance as the cornerstone of a credible financial and non-financial strategy. Above all, we invest in companies that we want to support over the long term, with clear development models, effective control bodies and quality management with which we establish a strong relationship of trust over the course of our meetings.

Lazard Frères Gestion is convinced that companies that have integrated ESG issues into their strategy offer an additional guarantee of long-term performance. They are better able to take their stakeholders into account, which is essential for companies' value creation and long-term competitiveness. We traditionally consider five stakeholders:



Environnement	Environment
Entreprise	Company
Collaborateurs	Employees
Organismes publics et parapublics	Public and para-public bodies
Fournisseurs	Suppliers
Clients	Customers
Actionnaires / Créanciers	Shareholders / Creditors

It was with the aim of assessing the degree of integration of ESG challenges by companies and respect for stakeholders that extra-financial analysis naturally enriched our financial analysis.

ESG analysis takes into account the parameters that we believe are essential to the company's solidity, stability and financial sustainability. It enables us to identify major ESG issues, detect potentially damaging risks for the company and its investors, but also future opportunities.

It is therefore important to select companies that integrate the following non-financial issues into their development model:

E

ENVIRONMENTAL ISSUES

Any company wishing to ensure its economic sustainability must protect the natural capital by constantly seeking to limit and/or optimise the environmental and climate impacts of its activities, products and services.

A company's environmental analysis consists of an analysis of its activities, products and services likely to have a significant impact (positive or negative) on the environment.

S

SOCIAL ISSUES

"Human capital" is one of the two driving forces of a company, along with financial capital. Valuing, caring for and developing this human capital throughout the value chain must be part of a company's strategy.

Monitoring and analysing multiple indicators makes it possible to understand the company's social policy and to identify potential risks.

G

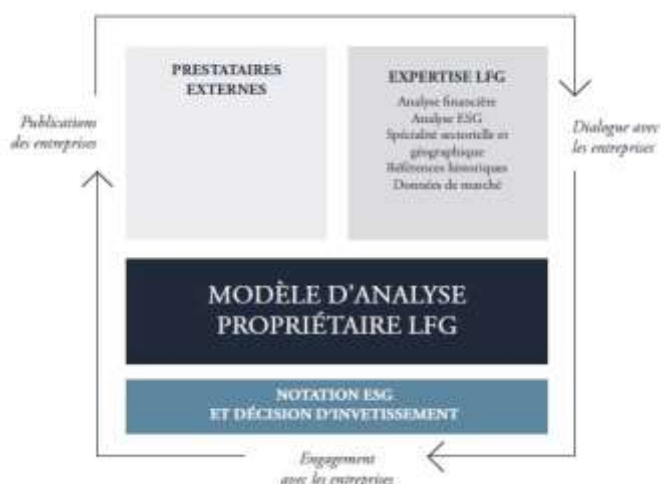
GOVERNANCE ISSUES

Satisfactory governance guarantees transparency and a balance of power, with a right to input by the shareholders. Lazard Frères Gestion believes that best practices in terms of corporate governance are a risk control factor that favour the creation of value and contribute to a broad alignment of the interests of all stakeholders.

Governance is analysed using numerous quantitative and qualitative indicators to objectively assess its architecture and quality.

ESG criteria incorporated by the NORDEN SRI SICAV

An internal ESG analysis process has been developed and implemented by Lazard Frères Gestion's analyst-manager teams in the form of an internal ESG grid. Analysis construction requires an in-depth, informed, forward-looking and, if necessary, critical study. ESG analyses are carried out directly by our analysts-managers in accordance with our desire to reject a "silo" ESG approach. The result of a rigorous methodology, our ESG analysis process summarises the information relating to each company in an internal grid shared by all analysts-managers. The Equity and Fixed income teams therefore have a common analysis to support the implementation of integration processes adapted to the different asset classes.



<i>Publications des entreprises</i>	<i>Company earnings releases</i>
PRESTATAIRES EXTERNES	EXTERNAL PROVIDERS
EXPERTISE LFG <i>Analyse financière</i> <i>Analyse ESG</i> <i>Spécialité sectorielle et géographique</i> <i>Références historiques</i> <i>Données de marché</i>	LFG EXPERTISE <i>Financial analysis</i> <i>ESG analysis</i> <i>Sector and geographic specialty</i> <i>Historical references</i> <i>Market data</i>
<i>Dialogue avec les entreprises</i>	<i>Dialogue with companies</i>
MODÈLE D'ANALYSE PROPRIÉTAIRE LFG	LFG PROPRIETARY ANALYSIS MODEL
NOTATION ESG ET DÉCISION D'INVESTISSEMENT	ESG RATING AND INVESTMENT DECISION
<i>Engagement avec les entreprises</i>	<i>Engagement with companies</i>

The ESG grid centralises the quantitative and qualitative information that we consider most relevant in terms of environmental, social and governance issues and allows for a summary follow-up of each company/issuer.

The overall ESG rating is between 1 and 5 (with 5 being the highest rating).

This ESG rating applied to all of our equity fund management has a direct impact on the valuation we build for each company.

In addition, our investment process is characterised by active SRI management based on stock picking. Its objective is to select companies with the best non-financial ratings, which are profitable, growing and have the best possible valuation. The highly competitive investment universe consists mainly of exporting companies that benefit from global growth, but also companies exposed to domestic markets, mainly in the telecommunication and financial sectors.



	INVESTMENT UNIVERSE Companies from the Nordic area, all sectors, about 300 stocks			
ESG #1	SRI FILTER - EXCLUSION Exclusion of 20% of the lowest rated companies from the universe of Nordic companies monitored by Vigeo			SELECTION
ESG #2	LEAD FINANCE	SCORING 22 criteria	QUALITY RISKS	
ESG #3	EVA Value creation dynamics - EVA			MANAGEMENT
	VALUATION Financial valuation (DCF, Multiples)			
	NORDEN SRI PORTFOLIO			
	BALANCE Analysis of exogenous factors			

In order to meet the SRI label management criteria, the management team excludes 20% of the stocks with the lowest ratings by our partner Vigéo-Eiris.

Vigéo's rating method is based on a model with 17 years of history, 330 indicators grouped into 38 criteria in 6 areas: human resources, environment, customer-supplier relations, human rights, social commitment and governance. These 38 criteria are weighted from 0 to 3 depending on their materiality (relevance) for the sector. Lazard Frères Gestion uses the ratings of the 38 criteria to obtain the final ESG rating. The weight of each E, S and G pillar in the final score is equally weighted. An issuer's ESG rating is based on an absolute rating scale of 0 to 100, with 100 being the highest score.

In accordance with the principles of the label, at least 90% of the companies in which the SICAV invests must be covered by non-financial analysis. Vigéo Eiris covers approximately 130 stocks in the fund's investment universe (listed Nordic companies with a market capitalisation of more than €250 million), which includes a total of approximately 300 stocks. Given the constraints imposed by the label in terms of exclusion rates and the coverage of companies by ESG analysis, 90% of the fund must therefore be composed of 80% of the stocks with the best ratings by Vigéo, while the remaining 10% may be invested in companies not covered by Vigéo.

Company scoring is performed as part of our company analysis process, which is essential in stock selection. This process is based on three pillars: profitability, growth and valuation. The scoring system

enables us to structure our financial and non-financial analysis of companies. Our scoring system consists of 22 criteria ranging from 1 to 5 grouped into 4 categories:

- Leadership (3 criteria): 20% of the rating. Analysis of management, shareholder base, board of directors and governance.
- Quality (4 criteria): 25% of the rating. Analysis of employee satisfaction data, company uniqueness (market share, technology, patents, brands, etc.), communication and impact on the environment and society.
- Finance (7 criteria): 27% of the rating. Notes from our proprietary financial analysis, assessing the balance sheet, profitability, growth, cash flow generation, etc.
- Risks (8 criteria): 28% of the rating. Analysis of the main risks surrounding the company (political/regulatory, currencies, raw materials, customers, etc.).



<i>Management meetings</i>	<i>Financial and non-financial reporting</i>	<i>Detailed financial analysis</i>	<i>Accounting validation</i>
Board & governance Shareholders Management	20% 3 criteria	25% 4 criteria	Uniqueness Employees/social Environmental & social impact Communication
	LEAD	QUALITY	
	RISKS	FINANCE	
Regulation and political risk Competition & technological disruption Industrial risk Customer dependency IT infrastructure Exposure to the economic cycle	28% 8 criteria	27% 7 criteria	Balance sheet / debt ROCE Recurrence of earnings Growth profile Quality of earnings releases Accounting Cash flow generation

Currency exposure			
Dependence on supply			
Consideration of ESG criteria The calculations produced have not been independently verified and are provided for information purposes only.			

We also recognise the importance of intra-sector comparisons and a clear understanding of the operating, geographic and regulatory environment in which companies operate. Accordingly, we pay particular attention to the materiality of ESG risks and opportunities in our non-financial analysis. We take into account various sector and country criteria as well as company-specific characteristics in order to conduct a comprehensive analysis of each company's ESG performance. The materiality table allows the portfolio managers/analysts to better assess the materiality of issues and to understand how sustainability factors can have an impact on issuers' financial performance. It also serves as the basis for Lazard Frères Gestion's commitment to working with companies to combat climate change.

	Critères liés au capital naturel										Critères liés au capital humain										Critères de gouvernance									
Facteur essentiel	État de conservation	Utilisation des terres	Utilisation de l'eau	Qualité de l'air	Qualité de l'eau	Qualité du sol	Qualité de l'air	Qualité de l'eau	Qualité du sol	Qualité de l'air	Qualité de l'eau	Qualité du sol	Qualité de l'air	Qualité de l'eau	Qualité du sol	Qualité de l'air	Qualité de l'eau	Qualité du sol	Qualité de l'air	Qualité de l'eau	Qualité du sol	Qualité de l'air	Qualité de l'eau	Qualité du sol	Qualité de l'air	Qualité de l'eau	Qualité du sol	Qualité de l'air	Qualité de l'eau	Qualité du sol
Environnement																														
Pollution atmosphérique																														
Protection de la biodiversité et exploitation animale																														
Emissions atmosphériques et changement climatique																														
Émissions de gaz à effet de serre																														
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Critical factor	Consumer goods	Metals, mining and commodities	Building materials	Banks	Insurance	Energy	Agri-food	Retail	Health	Industry	Chemicals	Media	Tourism	Airlines	Telecommunications	Technology (Hardware)	Software, IT and business services	Cars	Property	Utilities
ENVIRONMENT																				
Accidental pollution																				
Protection of biodiversity and animal testing																				
Air emissions and climate change																				
Responsible packaging																				
Water and waste management																				
Responsible sourcing of raw materials																				
Energy management																				
Green products and SRI																				
Product use and end of life																				
Impact of transportation																				
HUMAN RESOURCES																				
Reorganisations																				
Employee health and safety																				
Social dialogue																				
Career management																				
Diversity and inclusion																				
HUMAN RIGHTS																				
Fundamental rights																				
Labour law																				
Non-discrimination																				
SOCIAL COMMITMENT																				
Access to energy																				
Societal impact of products																				
Social and economic development																				
Tax transparency																				
Financial inclusion																				
Access to basic services																				
BUSINESS PRACTICES																				
Product safety																				
Relations with suppliers																				
Societal and environmental standards in the supply chain																				
Data privacy and security																				
Customer information and responsible relationships																				
Corruption and money laundering																				
Responsible lobbying																				
Anti-competitive practices																				
GOVERNANCE																				
Boards of Directors																				
Internal controls and risk management																				
Audit independence																				
Executive compensation																				
Shareholders' rights																				

- Environmental criteria

Objective: promoting companies that adopt environmentally-friendly behaviours, control their polluting emissions, participate in the sustainable management of natural resources and implement innovations in energy and environmental matters.

ENVIRONMENT PILLAR

Area	Objectives	Criteria
Environmental policy	<ul style="list-style-type: none"> - Development of an environmental management strategy and system - Integration of environmental factors adapted to sector issues 	<ul style="list-style-type: none"> - Definition and formulation of guidelines, priorities, appropriate means and precise quantified objectives - Industry regulation integration
Control of environmental impacts	<ul style="list-style-type: none"> - Responsible water and waste management - Controlling risks associated with climate change - Preservation of biodiversity 	<ul style="list-style-type: none"> - Optimising water use, limiting environmental discharges - Limiting GHG emissions and anticipating the physical consequences of climate change - Measurement of impact of activities on biodiversity and reduction of exploitation of sensitive areas, ecosystems, plants and organisms
Environmental impact of the product or service	<ul style="list-style-type: none"> - Environmental innovation - Ecodesign of products or services 	<ul style="list-style-type: none"> - Development of technological innovations and energy efficiency solutions - Reduction of the impact related to the manufacture, use and disposal of products or services, development of the circular economy

- Social criteria

Objective: promoting companies that favour the development of human capital by guaranteeing satisfactory working conditions through an appropriate human resources policy, fair pay, the development of employees' skills, the promotion of diversity and gender equality, and good management of the social aspect in the event of restructuring. Also promoting companies that foster responsible customer relations in the financial services industry, leading to interactions that benefit all stakeholders.

SOCIAL PILLAR

Area	Objectives	Criteria
Respect for human rights	<ul style="list-style-type: none"> - Prevention of situations or acts of complicity in human rights violations - Respect for the right to safety and security of persons - Privacy and data protection 	<ul style="list-style-type: none"> - Respect for fundamental human rights, elimination of prohibited forms of labour, in particular child labour and forced or compulsory labour - Protection of employees from potential threats, especially in high-risk regions - Compliance with personal data protection regulations
Human resources management	<ul style="list-style-type: none"> - Constructive social dialogue - Training and career management conducive to human development - Promotion of diversity - Health, safety and well-being at work 	<ul style="list-style-type: none"> - Respect for and promotion of freedom of association and the right to collective bargaining - Employment strategy: training plan, sector transition, internal development policy and restructuring management - Principle of equal opportunity and treatment of persons - Prevention of workplace accidents and occupational diseases and continuous improvement of health and safety conditions at work
Value chain management	<ul style="list-style-type: none"> - Responsible supply chain management - Product quality, safety and traceability 	<ul style="list-style-type: none"> - Elimination of prohibited forms of labour at suppliers and subcontractors and sustainable cooperation with suppliers - Protection and respect for customer/consumer rights: prevention of anti-competitive practices, security, contractual protection and customer information

- Analysis of governance

Objective: promoting good governance practices, in particular the prevention of conflicts of interest, fair treatment of shareholders, audits and internal controls.

GOVERNANCE PILLAR

Area	Objectives	Criteria
Board of Directors or Supervisory Board	<ul style="list-style-type: none"> - Independence of the Board - Competence and diversity of the Board - Limitation on combining mandates 	<ul style="list-style-type: none"> - Board of Directors capable of monitoring and advising executive management to ensure a balance of power: <ul style="list-style-type: none"> ▪ Separation of the positions of Chairman and Chief Executive Officer ▪ Diversity and complementarity of expertise ▪ Significant proportion of independent members allowing for objective and impartial control over management
Quality of management	<ul style="list-style-type: none"> - Quality of strategy - Business ethics - Effectiveness of audit and control mechanisms 	<ul style="list-style-type: none"> - Formulation and implementation of a strategy consistent with the external environment and internal resources - Prevention of all forms of corruption, from private actors to public officials - Internal control system capable of identifying and assessing the company's risks while ensuring confidence in the independence and objectivity of the external auditors
Quality of financial and extra-financial communication	<ul style="list-style-type: none"> - Confidence in forecasts and transparency - Accessibility of management 	<ul style="list-style-type: none"> - History of profit warnings - Disclosure of quantitative data and qualitative explanations giving a true and fair view of the company's current situation and its prospects on financial and non-financial issues
Executive compensation	<ul style="list-style-type: none"> - Clear formulation of executive compensation - Transparency of compensation - Consistency with results obtained 	<ul style="list-style-type: none"> - Compensation policy describes its principles, mechanisms and details the various components - Integration of ESG objectives into compensation - Compensation in line with strategy, linked to the company's performance and the trend in the value of the company's share over the long term

Content, frequency and means of informing clients about ESG criteria

Investors are informed of the fund's SRI management by the following means:

- *The website on which the following are available:*

- *The funds' transparency code*
- *ESG policy documents*
- *Monthly fund reports*
- *"Impact Indicator Reporting" documents (quarterly)*
- *Carbon footprint and energy transition reporting (quarterly)*
- *The annual report*
- *Social networks*

Information used to analyse ESG criteria

In managing the Norden SRI fund, Lazard Frères Gestion draws on several sources of information when assessing ESG criteria for each company:

- Public sources: CSR reports, company annual reports, NGOs, press
- Direct communication with the companies
- External research: non-financial rating agencies (Vigeo-Eiris, MSCI), brokers, carbon data providers (Trucost)

ESG analysis methodology and results and their integration into the investment policy of the Norden SRI SICAV

- ESG analysis methods

In 2019, an internal ESG analysis process was developed by Lazard Frères Gestion's equity analysis team in the form of an internal ESG grid. This table centralises the quantitative and qualitative information that we consider the most relevant in terms of environmental, social and governance matters and allows for a synthetic follow-up of each issuer.

Based on the various data provided by our ESG partners (Vigeo Eiris, Gaïa Rating, Trucost, Carbon Delta), Bloomberg, the CSR reports of each company, the Vigeo controversy monitoring tool and direct exchanges with companies, the sector analysts responsible for monitoring each stock draw up an internal ESG rating based on a quantitative and qualitative approach.

Each pillar is rated out of 5 based on around fifteen key indicators per dimension and the company's overall ESG rating summarises the E, S and G scores according to the following weighting: 30% for Environment and Social and 40% for Governance. This last element has always been an essential criterion in our analysis. We believe that, in the long term, good corporate governance ensures the protection of the interests of minority shareholders, but also of all the other stakeholders in the company. It is also a prerequisite for a credible environmental and social policy and is therefore a decisive criterion in securities selection.

The proprietary ESG analysis grids are updated annually. However, qualitative criteria may be reassessed or corrections on quantitative data may be incorporated as necessary.

The manner in which issuers take physical risks and transition risks into account in their development model is analysed according to the following methodology: - Assessment of physical risks

An assessment of the level of control of these risks by the issuers, and an examination of:

- Whether companies have identified and quantified the physical climate risks to which they may be exposed
- Measures taken to prevent, adapt and mitigate these risks
- Indicators reflecting the results of these efforts to anticipate and mitigate the consequences that the physical impacts of climate change could have on their activities
 - Impacts on company assets (damage, destruction of buildings or production equipment, early retirement of existing assets, etc.)
 - Supply chain impacts (reduced availability/increased costs of raw materials, components or equipment, etc.)
 - Cost impacts (insurance costs, investment costs, operating costs, etc.)

- Impacts on the company's ability to carry out its activities and operations (reduction or disruption of production capacity, impacts on the management and planning of the workforce, etc.)

- Assessment of transition risks

Three transition risks are identified:

- The risk associated with changes in energy prices

The commitments of issuers to reduce their energy consumption and associated emissions are measured, or how companies change their energy mix.

- The risk associated with advances in technology

These risks correspond to companies' exposure to obsolescence risks due to lack of technological innovation, and substitution of existing products and services by others with lower emissions.

This is followed by the efforts made by companies to develop and market products and services with a reduced climate impact, and their implications in R&D activities for ecological products and services.

- Risk associated with regulatory changes

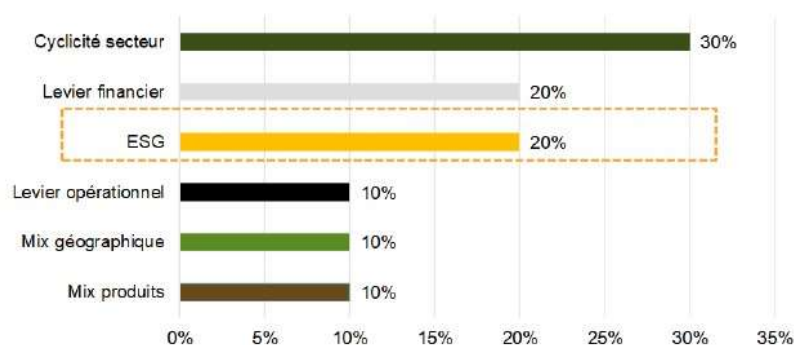
This entails measuring how companies anticipate regulatory changes:

- Carbon footprint/carbon price: a measurement of the carbon footprint makes it possible to assess the sectors and companies that emit the most greenhouse gases and are therefore the most exposed to climate regulations
- Stranded asset/impairment risk: identification of issuers whose revenues derive from fossil energies and those with fossil fuel reserves to identify those most exposed to the risk of depreciation of their assets
- Compliance with 2-degree scenario targets: a measure of the level of commitment of issuers to the energy transition of their economic model. Assessment of commitments made and efficiency of the measures taken to reduce their GHG emissions, change their energy mix and reduce their energy consumption

- How ESG criteria are taken into account in the investment decision-making process

1 - Selection rules

We then use our measures of the company's profitability and growth to determine its fair value. The preferred valuation methods are multiple analysis (e.g. Enterprise Value/Operating Income) and discounting of cash flows. In the latter method, cash flows are discounted using the WACC, the average cost of capital, by calculating the beta using a proprietary Lazard Frères Gestion methodology. This cost is the weighted average of the cost of equity and the cost of debt. The cost of equity depends on the company's profile, in particular its specific risks. This specific risk includes, inter alia, the cyclicity of the company's activity, the geographical mix, and the internal ESG rating. When these criteria are insufficiently measured by the company, this creates a risk. In our model, this risk reduces the company's financial valuation.



Sector cyclicity	30%
Financial leverage	20%
ESG	20%
Operational leverage	10%
Geographical mix	10%
Product mix	10%

The ESG rating thus accounts for 20% of the Beta calculation and has a direct impact on the valuation of each company. The ESG rating is based on a proprietary model shared by the teams in charge of financial management in the form of an ESG analysis grid. (For more information on our ESG rating methodology, please refer to our answer to the question "SRI methodology and consideration of ESG issues").

We also take into account traditional multiples such as price earnings ratios as well as measures based on more stable data over time: returns and Enterprise Value/Revenue ratios, etc.

This fair value, refined by a multi-criteria approach (comparables, recent transactions) is then compared to the market price. We take into account the stock market context (news, momentum, consensus).

Through our focus on developing our own accounting validation, financial diagnosis and valuation tools, we ensure that economic performance is not overvalued by the market and we can also detect undervalued companies.

This process of analysis and monitoring of selected stocks is carried out on an ongoing basis.

This approach requires us to work internally, which results in thorough knowledge of the companies in which we invest.

In particular, we seek to avoid investing in companies whose profitability is inflated by an artificial or short-term regulatory situation.

Each stock is submitted by its analyst to the team for approval before being retained in the portfolio.

2 - Exclusion rules

a. Standard exclusions

Lazard Frères Gestion complies with regulations in accordance with the Ottawa and Oslo treaties. For example, we exclude from all our investments any company involved in the manufacture or trade of anti-personnel mines (APM), cluster bombs (CBM), chemical and biological weapons.

To ensure this monitoring, we have established a partnership with the ISS-Ethix agency. Based on the information provided by our partner ISS-Ethix, an internal list of exclusions is established and monitored by our Risk department.

In addition to complying with the regulations in force in France (Law no. 2010-819 of 20 July 2010 on the elimination of cluster munitions and Law no. 2343-2 of 2 July 8 on the elimination of anti-personnel mines), we can also apply tailor-made exclusion policies (sectors on tobacco, arms, alcohol, etc.), when our clients ask us to do so in our dedicated funds.

b. Sector exclusions

Disengagement from coal

In 2020, Lazard Frères Gestion defined a strategy to exclude thermal coal, which applies to all portfolios under management. It aims to combat climate change and reduce human pollution while taking into account the financial, regulatory, physical and reputational risks associated with carbon assets in the context of the energy transition.

Lazard Frères Gestion therefore excludes any investment in companies where:

- More than 30% of revenue comes from thermal coal-related activities,
- More than 30% of the energy mix (per MW h generated) is based on coal,
- Annual thermal coal production exceeds 20 MT per year,
- Installed coal-fired capacity exceeds 10 GW,
- The projects involve the development of thermal coal mines or coal-fired power plants.

Tobacco

The tobacco industry in particular is subject to numerous ESG controversies regarding child labour in tobacco farming, transparency on product composition and deforestation. In response to these major

ESG issues, Lazard Frères Gestion excludes from its investment universe companies whose core business is the production of tobacco or tobacco related products¹.

3 – Controversy management process

Lazard Frères Gestion continuously monitors controversies affecting companies in its universe using various sources and external data. Since January 2020, this monitoring has been enriched by the analysis of ESG controversies carried out by Vigeo Eiris. This analysis makes it possible to understand any event that could impact the company's reputation, legal and economic security and financial value. It is an important component of the company's ESG risk analysis and is included in Lazard Frères Gestion's proprietary ESG analysis grid. Information from the media and brokers also constantly alerts analysts-managers about possible controversies that could affect companies in their investment universe.

Controversies deemed relevant and particularly severe by the analyst-manager are analysed in depth. If deemed necessary, the analyst manager will revise the issuer's E, S or G rating based on his/her analysis of the controversy. He/she therefore directly integrates the effects of the controversy on the internal ESG valuation of the company's shares.

In addition, by assessing each controversy according to its severity, frequency and the company's responsiveness, Vigeo Eiris informs the analysts-managers about the issuers' ability to manage controversies. The data provided are used as a decision-making tool and an alert database. Companies affected by severe, frequent controversies that do not provide appropriate responses are placed on a warning list. They receive particular attention from analysts/managers and are prime targets for carrying out engagement initiatives.

4 – Issuer assessment process based on shareholder dialogue/exercise of voting rights

Voting at shareholders' meetings

The stocks in the NORDEN SRI SICAV are not within our voting scope, but we strive to exercise our voting rights on a broader scale, notably including Nordic stocks.

Ultimately, we voted at 43% of the general meetings of the companies held in the portfolio (20 out of 47 general meetings voted) and 80% of them included at least one dissenting vote (16 out of the 20 general meetings voted).

Our first dissenting vote was on the discharge of directors. We express our concerns about corporate governance by not giving discharge to the directors, or by expressing our total disagreement with the company's new strategy.

The second dissenting vote concerned the appointment of directors. These are resolutions concerning the appointment of directors who are not free of interests when the board of directors was considered to be insufficiently independent. We were also able to vote against directors who held an excessive number of offices, resulting in significant absenteeism.

Implementation of an engagement strategy relating to issuers

ESG criteria are monitored by holding regular meetings with the companies' management. Lazard Frères Gestion only invests in companies with whose management it has established a strong relationship of trust, and therefore holds regular meetings with or pays regular onsite visits to all of these companies. These exchanges provide an opportunity to identify and share best practices, particularly with regard to governance, human rights, social, societal and environmental issues.

We encourage companies to take these issues into account by formulating concrete areas for improvement. In this way, we encourage them to adopt best practices and to be more transparent about the resources put in place and the results obtained.

¹ Exclusion of tobacco: the exclusion policy does not concern companies indirectly involved in the tobacco industry via secondary products and/or services (e.g. packaging suppliers, airlines, airport sales services), as their activity is not exclusively focused on tobacco.

In addition, the Equities team discusses with issuers about their ESG rating provided by our ESG rating providers. Priority is given to 'low' ESG ratings in bond portfolios.

Lazard Frères Gestion publishes a report covering the various initiatives undertaken and their outcome. This document is available at the following address: http://www.lazardfreresgestion.fr/FR/Notre-approche-ESG-ISRActionnariat_116.html

In addition, the ESG specialist carries out a complete monthly ESG analysis of the funds and a summary comment is also sent to the fund manager. This comment serves as a basis for engagement actions.

Details of the integration of ESG criteria within the different asset classes are available in our ESG policy, which can be accessed via the following link: http://www.lazardfreresgestion.fr/FR/Lazard-freres-gestion_79.html.

- Monitoring of ESG indicators
- Carbon footprint

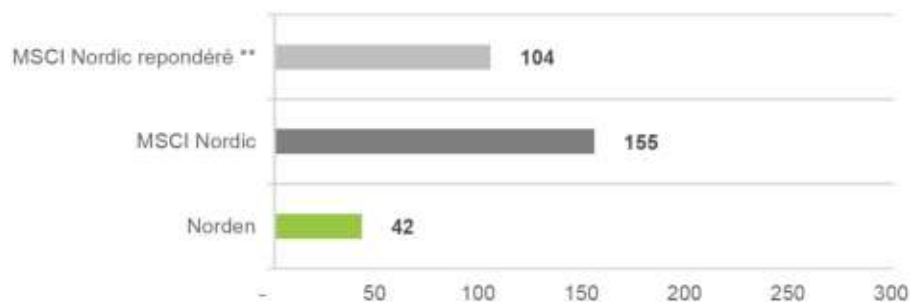
In the context of Article 173 of the law of August 17th, 2015, LAZARD Frères Gestion made a decision to report the carbon footprint of the NORDEN SRI SICAV.

- To obtain the data needed to calculate the carbon footprint, we decided to establish a partnership with TRUCOST in 2016.
- LAZARD Frères Gestion use the carbon intensity indicator, which is expressed in CO2 equivalent tonnes per million euros of income.
- The carbon footprint assessment takes into account scope 1 and 2 greenhouse gas (GHG) emissions.
 - Scope 1: All direct emissions linked to the use of fossil fuels to manufacture a product.
 - Scope 2: Direct emissions linked to the production of energy (electricity, etc.) that is consumed by the company.
- Measurement is solely conducted on securities that are directly owned.
- Listed companies on which we have no carbon data are weighted proportionally based on the weight of other companies in the same sector, in order to maintain the initial sector weightings.
- The weight of each stock in the portfolio is re-based to obtain a total weighting equal to 100%.
- The method used to calculate the portfolio's carbon intensity is the weighted average GHG emissions divided by the income of each position. This gives us the following formula:

$$\text{Carbon intensity of a portfolio} = \Sigma[(\text{Emissions (scope 1 + 2) / Revenue) of each stock} \times \text{weight of each stock}]$$

- A company's CO2 emission levels are highly dependent on its area of activity. Some sectors are structurally higher "emitters" than others.
- Lazard Frères Gestion's fundamental stock picking approach entails sector exposure gaps between the funds and their benchmark indices.
- To make up for these sector biases, we defined a method that involves neutralising these gaps by re-weighting the sectors of the benchmark index so that they correspond to those of the portfolio. The weight of each stock is maintained within each sector of the benchmark index.

Emissions in millions of euros of income (tonnes of CO2 eq./€m of income)



Re-weighted MSCI Nordic **	104
MSCI Nordic	155
Norden	42

Date: 31/03/2021

Fund coverage ratio: 100 %

Index coverage ratio: 99,7%

➤ Energy transition contribution indicator

We apply an energy transition score to measure the company's level of engagement in the energy transition of their business model.

Each issuer in the portfolio is assessed based on the efficiency of the measures taken to reduce their GHG emissions, change their energy mix and reduce their energy consumption.

Our partner Vigeo Eiris is responsible for applying this score.

For this, specific climate change criteria are analysed as are the main energy transition objectives of the companies and the relevant sectors. The score hinges on the efforts made by the companies to reduce their carbon footprint and contribute to the international target to prevent global warming from rising above 2°C.

The portfolio's contribution to the energy transition is measured as follows:

$$\text{Energy Transition Score of a portfolio} = \sum [\text{Energy Transition Score of each stock} \times \text{weight of each stock}]$$

based on the rating scale set out below:

Energy Transition Strategy Scale

Categories	Low	Underway	Convincing	Advanced
Score	0-29	30-49	50-59	60-100

Score de Transition Énergétique

NORDEN	Amorcé	42
MSCI Nordic	Amorcé	43

Energy Transition Score		
NORDEN	Underway	42
MSCI Nordic	Underway	43

Information for investors relating to Article C. assur. R 533-16-0 §I

- The most significant medium- and long-term risks associated with investments made under the contract: these are the E, S and G risks relating to the fund to be taken into account

The manner in which issuers take physical risks and transition risks into account in their development model is analysed according to the following methodology: - Assessment of physical risks

An assessment of the level of control of these risks by the issuers, and an examination of:

- Whether companies have identified and quantified the physical climate risks to which they may be exposed
- Measures taken to prevent, adapt and mitigate these risks
- Indicators reflecting the results of these efforts to anticipate and mitigate the consequences that the physical impacts of climate change could have on their activities
 - Impacts on company assets (damage, destruction of buildings or production equipment, early retirement of existing assets, etc.)
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Three transition risks are identified:

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- Risk associated with regulatory changes

This entails measuring how companies anticipate regulatory changes:

- Carbon footprint/carbon price: a measurement of the carbon footprint makes it possible to assess the sectors and companies that emit the most greenhouse gases and are therefore the most exposed to climate regulations
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- Compliance with 2-degree scenario targets: a measure of the level of commitment of issuers to the energy transition of their economic model. Assessment of commitments made and efficiency of the measures taken to reduce their GHG emissions, change their energy mix and reduce their energy consumption
- How ESG criteria are taken into account in the investment decision-making process
- The composition, turnover and turnover costs of the portfolio managed under the contract: 82,01%
- Where applicable, the use of voting advisors as part of the engagement policy:

ESG criteria are monitored by holding regular meetings with the companies' management. Lazard Frères Gestion only invests in companies with whose management it has established a strong relationship of trust, and therefore holds regular meetings with or pays regular onsite visits to all of these companies. These exchanges provide an opportunity to identify and share best practices, particularly with regard to governance, human rights, social, societal and environmental issues.

We encourage companies to take these issues into account by formulating concrete areas for improvement. In this way, we encourage them to adopt best practices and to be more transparent about the resources put in place and the results obtained.

In addition, the Equities team discusses with issuers about their ESG rating provided by our ESG rating providers. Priority is given to 'low' ESG ratings in bond portfolios.

Lazard Frères Gestion publishes a report covering the various initiatives undertaken and their outcome. This document is available at the following address: http://www.lazardfreresgestion.fr/FR/Notre-approche-ESG-ISRActionnariat_116.html

In addition, the ESG specialist carries out a complete monthly ESG analysis of the funds and a summary comment is also sent to the fund manager. This comment serves as a basis for engagement actions.

Details of the integration of ESG criteria within the different asset classes are available in our ESG policy, which can be accessed via the following link: http://www.lazardfreresgestion.fr/FR/Lazard-freres-gestion_79.html.

- The portfolio management company's usual practices for securities lending: N/A
- An assessment of the medium- and long-term performance of the companies held under the contract, including non-financial performance, and, where appropriate, the methods of such assessment: To be added and customised according to the fund's securities

➤ *Carbon footprint*

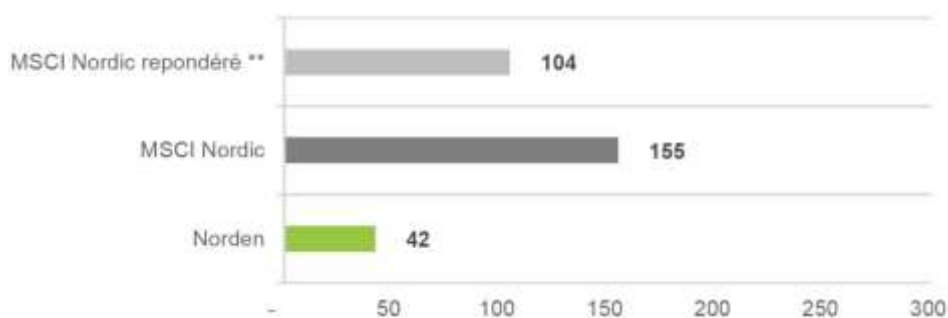
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 - Scope 1: All direct emissions linked to the use of fossil fuels to manufacture a product.
 - Scope 2: Direct emissions linked to the production of energy (electricity, etc.) that is consumed by the company.
- Measurement is solely conducted on securities that are directly owned.
- Listed companies on which we have no carbon data are weighted proportionally based on the weight of other companies in the same sector, in order to maintain the initial sector weightings.
- The weight of each stock in the portfolio is re-based to obtain a total weighting equal to 100%.
- The method used to calculate the portfolio's carbon intensity is the weighted average GHG emissions divided by the income of each position. This gives us the following formula:

Carbon intensity of a portfolio = $\Sigma[(\text{Emissions (scope 1 + 2)} / \text{Revenue}) \text{ of each stock} \times \text{weight of each stock}]$

- A company's CO2 emission levels are highly dependent on its area of activity. Some sectors are structurally higher "emitters" than others.
- Lazard Frères Gestion's fundamental stock picking approach entails sector exposure gaps between the funds and their benchmark indices.
- To make up for these sector biases, we defined a method that involves neutralising these gaps by re-weighting the sectors of the benchmark index so that they correspond to those of the portfolio. The weight of each stock is maintained within each sector of the benchmark index.

Emissions in millions of euros of income (tonnes of CO2 eq./€m of income)



Re-weighted MSCI Nordic **	104
MSCI Nordic	155
Norden	42

Date: 31/03/2021

Fund coverage ratio: 100 %

Index coverage ratio: 99,7%

➤ Contribution to energy transition indicator

We apply an energy transition score to measure the company's level of engagement in the energy transition of their business model.

Each issuer in the portfolio is assessed based on the efficiency of the measures taken to reduce their GHG emissions, change their energy mix and reduce their energy consumption.

Our partner Vigeo Eiris is responsible for applying this score.

For this, specific climate change criteria are analysed as are the main energy transition objectives of the companies and the relevant sectors. The score hinges on the efforts made by the companies to reduce their carbon footprint and contribute to the international target to prevent global warming from rising above 2°C.

The portfolio's contribution to the energy transition is measured as follows:

Energy Transition score of a portfolio
 $= \sum [\text{Energy Transition score of each security} \times \text{weight of each security}]$

based on the rating scale set out below:

Energy Transition Strategy Scale

Categories	Low	Underway	Convincing	Advanced
Score	0-29	30-49	50-59	60-100

Score de Transition Énergétique

NORDEN	Amorcé	42
MSCI Nordic	Amorcé	43

Energy Transition Score		
NORDEN	Underway	42
MSCI Nordic	Underway	43

- The occurrence of conflicts of interest when implementing the shareholder engagement policy and, where applicable, the way in which they were handled:

There were no conflicts of interest during the period.

- **USE OF FINANCIAL INSTRUMENTS MANAGED BY THE MANAGEMENT COMPANY OR AN AFFILIATED COMPANY**

The table of financial instruments managed by the management company or an affiliated company can be found in the notes to the UCI's annual financial statements.

- **METHOD USED TO CALCULATE GLOBAL RISK**

The Fund uses the commitment method to calculate its global risk on financial contracts.

- **PEA employee savings fund**

Pursuant to the provisions of Article 91, quater L Appendix 2 of the French General Tax Code, a minimum of 2 of the SICAV is permanently invested in the securities and rights mentioned in a, b and c of 1° of I of Article L. 221-31 of the French Monetary and Financial Code.

Proportion actually invested during the financial year: 88,33%.

- **TAX CLAWBACKS**

European Union countries may apply different taxation methods for dividends paid by companies to domestic entities and foreign entities. Foreign entities that receive dividends are frequently subject to withholding tax, causing a difference in tax treatment that is in breach of the free circulation of capital, and therefore contrary to European Union law.

Since there are several decisions by the European Union Court of Justice and the Council of State in favour of foreign residents, the management company shall request reimbursement of withholding tax paid on dividends received by foreign companies for funds domiciled in France, when the prospects for repayment of the withholding tax are deemed favourable to the funds concerned. As these are complaints procedures with the relevant tax authorities, the time involved and the final outcome of these procedures are uncertain.

- **REMUNERATION**

The fixed and variable remuneration paid during the financial year ended on December 31st, 2020 by the management company to its personnel, in proportion to their investment in the management of the AIFs, excluding the management of the UCITS and discretionary mandates, can be obtained on request by post from the UCI legal department of Lazard Frères Gestion, and are included in the company's annual report. The total variable remuneration is set by the Lazard Group based on different criteria, including the Lazard Group's financial performance over the past year, taking its earnings into account. The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components. All risks are incorporated into the calculation of the variable remuneration. It is then individualised and determined partly based on the performance of each identified member of staff.

**Population at 31/12/2020: fixed-term and permanent contracts of LFG and LFG Belgique
(therefore excluding interns and apprentices and excluding LFG Courtage)**

Headcount at 31/12/2020 LFG - LFG Belgique	Fixed annual remuneration 2020 in €	Variable remuneration for 2020 (cash paid in 2021 and deferred compensation allocated in 2021) in €
179	16 522 853	22 155 596

“Identified employees”

Category	Number of employees	2020 aggregate fixed and variable remuneration (annual salaries and cash and deferred bonuses)
Senior management	3	4 310 982
Other	51	21 362 196
Total	54	25 673 178

Note: the amounts are stated excluding charges

• **OTHER INFORMATION**

The UCI's full prospectus and the most recent annual and interim reports will be sent out within one week of request in writing by unitholders to:

LAZARD FRERES GESTION SAS
25, Rue de Courcelles – 75008 Paris, France

www.lazardfreresgestion.fr

- **EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVE FINANCIAL INSTRUMENTS (ESMA) IN EUROS**

a) Exposure through efficient portfolio management techniques and derivative financial instruments

- **Exposure through efficient management techniques:**
 - Securities lending:
 - Securities borrowing:
 - Repurchase agreements:
 - Reverse repurchase agreements:
- **Underlying exposure through derivative financial instruments:**
 - Currency forwards:
 - Futures:
 - Options:
 - Swaps:

b) Identity of the counterparty or counterparties for efficient portfolio management techniques and derivative financial instruments

Efficient portfolio management techniques	Derivative financial instruments (*)

(*) Excluding listed derivatives

c) Financial guarantees received by the UCITS to reduce counterparty risk

Instrument type	Amount in the currency of the portfolio
Efficient portfolio management techniques <ul style="list-style-type: none"> . Term deposits . Equities . Bonds . UCITS . Cash (*) Total 	
Derivative financial instruments <ul style="list-style-type: none"> . Term deposits . Equities . Bonds . UCITS . Cash Total 	

(*) The Cash account also includes liquidity from reverse repurchase agreements.

d) Operating income and expenses related to efficient management techniques

Operating income and expenses	Amount in the currency of the portfolio
<ul style="list-style-type: none"> . Income (*) . Other income Total income . Direct operating expenses . Indirect operating expenses . Other expenses Total expenses 	

(*) Income on securities lending and repurchase agreements

5. CERTIFICATION BY THE STATUTORY AUDITOR



**STATUTORY AUDITOR'S REPORT
ON THE ANNUAL FINANCIAL STATEMENTS
Financial year ended March 31st, 2021**

NORDEN SRI

UCITS ORGANISED AS A FRENCH OPEN-END INVESTMENT COMPANY (*SOCIÉTÉ
D'INVESTISSEMENT À CAPITAL VARIABLE*)

Governed by the French Monetary and Financial Code (*Code monétaire et financier*)

Management company

LAZARD FRERES GESTION SAS

25, Rue de Courcelles

75008 Paris, France

To the shareholders,

Opinion

In accordance with the terms of our appointment by the general meeting, we conducted our audit of the accompanying annual financial statements of the NORDEN SRI UCITS, as a French open-end investment fund, for the financial year ended March 31st, 2021.

We certify that the annual financial statements give a true and fair view of the results of the operations for the financial year under review and of the financial position and assets and liabilities of the UCITS at the end of said financial year, in accordance with the accounting rules and principles generally accepted in France.

Basis of our opinion

Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that our audit has provided us with sufficient relevant information on which to base our opinion. Our responsibilities under these standards are set out in the section entitled "*Statutory auditor's responsibilities concerning the audit of the financial statements*" in this report.

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and the code of ethics for statutory auditors, for the period from April 1st, 2020 to the date of issue of our report.

*PricewaterhouseCoopers Audit, 63, Rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France
T: +33 (0) 156 5758 59, F: +33 (0) 156 5758 60, www.pwc.fr*

Accounting firm registered with the Order of Chartered Accountants of the Paris Ile-de-France region. Member firm of the regional institute of statutory auditors of Versailles (Compagnie régionale de Versailles). French simplified joint stock company (Société par Actions Simplifiée) with capital of €2 510 460. Registered office: 63, Rue de Villiers 92200 Neuilly-sur-Seine, France. Nanterre Trade and Companies Register: 672 006 483 VAT No. FR 76 672 006 483. Siret 672 006 483 00362. APE code 6920 Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseilles, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg and Toulouse.

Basis of our opinions

The global crisis linked to the COVID-19 pandemic creates special conditions for the preparation and audit of the financial statements for this financial year. Indeed, this crisis and the exceptional measures taken in the context of a health emergency have multiple consequences for Undertakings for Collective Investment, their investments and the valuation of the corresponding assets and liabilities. Some of these measures, such as travel restrictions and remote working, have also had an impact on the operational management of Undertakings for Collective Investment and on audit implementation methods.

It is in this complex and changing context that, pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the fact that the assessments that, in our professional judgement, were the most significant for the audit of the annual financial statements for the year concerned the appropriateness of the accounting principles applied, the reasonableness of the significant estimates used and the overall presentation of the financial statements.

The assessments we have made are part of our audit of the annual financial statements as a whole and the opinion expressed above. We express no opinion on the elements of the annual financial statements taken in isolation.

Specific verifications

We have also performed, in accordance with applicable professional standards in France, the specific verifications required by the laws and regulations.

Information provided in the management report, other financial reports and the annual financial statements addressed to the shareholders

We have no matters to report regarding the true and fair presentation of the information provided in the management report and in the other documents sent to shareholders on the company's financial position and annual financial statements.

Corporate governance report

We certify that the information required under Article L.225-37-4 of the French Commercial Code is provided in the report on corporate governance.

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Responsibilities of the management and persons charged with governance of the annual financial statements

It is the management's role to draw up annual financial statements that give a fair and true picture in accordance with French accounting rules and principles and to implement the necessary internal control to be able to provide reasonable assurance that they are free from material misstatement, whether due to fraud or error.

As part of the preparation of the annual financial statements, the management is responsible for assessing the SICAV's capacity to continue operating as a going concern, to present in its financial statements, where necessary, information concerning business continuity, and to apply the accounting conventions of a going concern, unless it is planned to liquidate the SICAV or terminate its activity.

The annual financial statements have been approved by the management.

Statutory auditor's responsibilities concerning the audit of the annual financial statements

Audit purpose and process

Our role is to prepare a report on the annual financial statements and to obtain reasonable assurance that the annual financial statements as a whole are free of material misstatements. Reasonable assurance means a high but not absolute level of assurance that an audit performed in accordance with professional standards is free of material misstatement. Anomalies may stem from fraud or errors and are considered material when it can reasonably be expected that, taken individually or together, they could influence the economic decisions of users of the financial statements.

As stipulated in Article L.823-10-1 of the French Commercial Code, our audit assignment does not consist in guaranteeing the viability or quality of the management of the SICAV.

In the context of an audit performed in accordance with professional standards applicable in France, the statutory auditor must exercise its judgement throughout the course of the audit. Moreover:

- it identifies and assess the risks that the annual financial statements may contain material misstatements, whether from fraud or error, defines and implements audit procedures to resolve these risks, and collects all elements deemed necessary and appropriate in order to give its opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than that resulting from an error because fraud may involve collusion, falsification, deliberate omissions, false statements or by-passing of internal controls;

- it takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the efficiency of the internal control;
- it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, and the related information provided in the annual financial statements;
- It assesses the appropriateness of the management's application of the accounting policy for a going concern and, based on the information collected, whether there is any significant uncertainty linked to events or circumstances that is likely to call into question the SICAV's capacity to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor observes the existence of a material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall attach reservations to its certification or shall refuse to certify the accounts;
- it assesses the overall presentation of the annual financial statements and whether they provide a true picture of the underlying operations and events.

Neuilly-sur-Seine, date of electronic signature

<p>Document authenticated by electronic signature The statutory auditor PricewaterhouseCoopers Audit Frédéric Sellam</p>

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NORDEN SRI

**STATUTORY AUDITOR'S SPECIAL REPORT
ON REGULATED AGREEMENTS**

**Shareholders' meeting to approve the financial statements for the financial year ended
March 31st, 2021**

NORDEN SRI

UCITS ORGANISED AS A FRENCH OPEN-END INVESTMENT COMPANY (*SOCIÉTÉ
D'INVESTISSEMENT À CAPITAL VARIABLE*)

Governed by the French Monetary and Financial Code (*Code monétaire et financier*)

Management company

LAZARD FRERES BANQUE

25, Rue de Courcelles

75008 Paris, France

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby present to you our report on related party agreements.

We are required to report to you, based on the information with which we have been provided, on the main characteristics and terms, as well as details of the related benefits for the SICAV, of any agreements disclosed to us or that we may have identified during our audit, without being required to comment on their relevance or substance, or to identify any other agreements. It is your responsibility, pursuant to the terms of Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the benefits of entering into these agreements, prior to approving them.

We are also required, where applicable, to report to you as provided for in Article R.225-31 of the French Commercial Code on the performance over the past year of any agreements already approved by the shareholders' meeting.

We have performed those checks that we considered necessary in accordance with the professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this operation.

AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement authorised during the past financial year to be submitted to the approval of the shareholders' meeting pursuant to Article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement already approved by the shareholders' meeting that remained effective during the past financial year.

Neuilly-sur-Seine, date of electronic signature

Document authenticated by electronic signature

The statutory auditor
PricewaterhouseCoopers Audit
Frédéric Sellam

6. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31/03/2021 in EUR

ASSETS

	31/03/2021	31/03/2020
NET NON-CURRENT ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	612,205,022.44	429,546,844.17
Equities and similar securities	559,500,306.65	405,496,241.07
Traded on a regulated or equivalent market	559,500,306.65	405,496,241.07
Not traded on a regulated or equivalent market		
Bonds and similar securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Debt securities		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	52 704 715,79	24 050 603,10
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	52,704,715.79	24,050,603.10
Other funds aimed at non-professionals and their equivalent in other EU Member States		
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities		
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities		
Other non-European entities		
Temporary securities transactions		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
Other financial instruments		
RECEIVABLES	6 680 201,29	6 471 069,24
Currency forward exchange transactions		
Other	6 680 201,29	6 471 069,24
FINANCIAL ACCOUNTS		929 812,76
Cash and cash equivalents		929 812,76
TOTAL ASSETS	618 885 223,73	436 947 726,17

LIABILITIES AND SHAREHOLDERS' EQUITY

	31/03/2021	31/03/2020
SHAREHOLDERS' EQUITY		
Share capital	574 368 884,30	455 937 371,01
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)		
Net capital gains and losses for the year (a, b)	38 950 608,83	-28 441 412,45
Net income for the year (a,b)	1 084 293,00	7 286 395,75
TOTAL SHAREHOLDERS' EQUITY*	614 403 786,13	434 782 354,31
<i>* Sum representing the net assets</i>		
FINANCIAL INSTRUMENTS		
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
LIABILITIES	3 491 255,92	2 165 371,86
Currency forward exchange transactions		
Other	3 491 255,92	2 165 371,86
FINANCIAL ACCOUNTS	990 181,68	
Bank overdrafts	990 181,68	
Borrowings		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	618 885 223,73	436 947 726,17

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS AT 31/03/2021 *in* EUR

	31/03/2021	31/03/2020
HEDGING TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

INCOME STATEMENT AT 31/03/2021 in euros

	31/03/2021	31/03/2020
Income from financial transactions		
Income from deposits and financial accounts		
Income from equities and similar securities	11 428 165,74	22 635 309,85
Income from bonds and similar securities		
Income from debt securities		
Income from temporary purchases and sales of securities		
Income from forward financial instruments Other financial income		
TOTAL (1)	11 428 165,74	22 635 309,85
Expenses related to financial transactions		
Expenses related to temporary purchases and sales of securities		
Expenses related to forward financial instruments		
Expenses related to financial liabilities		
Other financial charges		
TOTAL (2)		
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)	11 428 165,74	22 635 309,85
Other income (3)		
Management fees and depreciation and amortisation (4)	10 386 968,79	12 331 501,03
Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)	1 041 196,95	10 303 808,82
Income adjustment for the financial year (5)	43 096,05	-3 017 413,07
Interim dividends paid on net income for the financial year (6)		
Net income (1 - 2 + 3 - 4 + 5 - 6)	1 084 293,00	7 286 395,75

1. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with regulation 2014-01, as amended, of the French accounting standards body (*Autorité des Normes Comptables* - ANC).

The general accounting principles apply:

- true and fair view, comparability, business continuity,
- regularity, sincerity,
- prudence,
- consistency of accounting methods from one financial year to the next.

Income from fixed-income securities is recorded on the basis of accrued interest.

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro. The financial year comprises 12 months.

Information on the impact of the COVID-19 crisis

The financial statements were approved by the Board of Directors on the basis of available information in the context of the evolving Covid-19 crisis.

Asset valuation rules

Financial instruments and securities traded on a regulated market are valued at their market price.

○ **Shares and similar securities** are valued on the basis of the last known price on their main market. If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

○ **Fixed-income securities:**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN) derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

○ **Bonds and similar instruments** are valued on the basis of the average of the closing prices gathered from several contributors.

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price under the responsibility of the Fund's management company.

These estimates and their supporting documentation will be provided to the statutory auditor during audits.

However, the following instruments are valued using the following specific methods:

○ **Negotiable debt securities:**

- **Negotiable debt securities with a residual maturity of more than three months:**

Negotiable debt securities traded in large volumes are valued at market price.

In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer's intrinsic features.

Benchmark rate	
Negotiable debt securities in euros	Negotiable debt securities in other currencies
Euribor, OIS and Btf swaps - 3 - 6 - 9 - 12 months Btan - 18 months, 2 - 3 - 4 - 5 years	Official key rates in the relevant countries

- Negotiable debt securities with a residual maturity of three months or less:

Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method.

However, this method would not be applied if any of these securities were particularly sensitive to market movements.

○ **UCIs:**

Units or shares of UCIs are valued at the last known net asset value.

Units or shares of UCIs for which net asset values are published monthly may be valued on the basis of interim net asset values calculated from estimated prices.

○ **Temporary purchases and sales of securities:**

Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (overnight EONIA, one- or two-week interbank rates, one- to 12-month EURIBOR) corresponding to the term of the contract.

Securities sold under repurchase agreements continue to be valued at their market price. Liabilities on securities sold under repurchase agreements are calculated using the same method as that used for securities purchased under repurchase agreements.

○ **Futures and options:**

Futures and options are valued on the basis of intraday trading prices the timing of which is based on that of the valuation of the underlying assets.

Positions taken on the futures or options markets and over the counter are valued at their market price or at the value of the equivalent underlying asset.

➤ **Financial instruments and securities not traded on a regulated market** All of the UCI's financial instruments are traded on regulated markets.

➤ **Valuation methods for off-balance sheet commitments**

Off-balance sheet transactions are valued at the commitment value.

The commitment value for futures contracts is equal to the price (in the SICAV's currency) multiplied by the number of contracts multiplied by the face value.

The commitment value for options is equal to the price of the underlying security (in the SICAV's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security. The commitment value for swaps is equal to the face value of the contract (in the SICAV's currency).

Management fees

Management fees are calculated on each valuation day.

The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) using the following formula:

$$\text{Gross assets} \\ \times \text{operating and management fees rate}$$

$$\frac{\text{x no. of days between the calculated NAV and the previous NAV}}{365 \text{ (or 366 in a leap year)}}$$

This amount is then recorded in the SICAV's income statement and paid in full to the management company.

The SICAV pays the operating fees, which include:

- . financial management;
- . administration and accounting;
- . custody services; . other operating costs;
- . statutory auditors' fees;
- . legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

The fees break down as follows, as set out in the regulations:

<i>Expenses charged to the SICAV</i>	<i>Basis</i>	<i>Rate</i>
Financial management fees	Net assets	Maximum 1,980% incl. taxes
Administrative fees external to the management company	Net assets	Maximum 0,02% incl. taxes
Turnover commission (incl. tax) (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	<p>French equities Up to €100 000: 1,20% From €100 001 to €200 000: 0,78% From €200 001 to €300 000: 0,60% Over €300 000: 0,42%</p> <p>Equities Eurozone France Up to €100 000: 0,72% From €100 001 to €200 000: 0,47% From €200 001 to €300 000: 0,36% Over €300 000: 0,25%</p> <p>Foreign equities excluding Eurozone, foreign exchange Up to €100 000: 0,90% From €100 001 to €200 000: 0,61% From €200 001 to €300 000: 0,47% Over €300 000: 0,32%</p> <p>Instruments on futures markets and other transactions From €0 to €450 per contract</p>
Performance fee	Net assets	None

The fund paid exceptional charges amounting to €28 609,20 on debt collection in relation to withholding tax on dividends received from foreign companies.

The method used to calculate retrocession amounts is set out in the sales and marketing agreements.

- If the amount is significant, a provision is recognised in account 617.

- The final amount is recognised upon settlement of invoices after reversal of any provisions.

Allocation of distributable income

Definition of distributable income:

Distributable income consists of:

Net income:

Net income for the financial year is equal to the amount of interest, arrears, bonuses and prizes, dividends, directors' fees and all other income generated by the securities that make up the portfolio, plus income generated by temporary cash holdings, minus the amount of management fees and borrowing costs.

Retained earnings are added, plus or minus the balance of the revenue adjustment account.

Capital gains and losses:

Realised capital gains, net of expenses, less realised capital losses, net of expenses, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

Allocation of distributable income:

<i>Share(s)</i>	<i>Allocation of net income</i>	<i>Allocation of net realised capital gains or losses</i>
NORDEN SRI shares:	Accumulation	Accumulation

2. CHANGE IN NET ASSETS as at 31/03/2021 *in euros*

	31/03/2021	31/03/2020
NET ASSETS AT START OF YEAR	434 782 354,31	787 743 545,57
Subscriptions (including subscription fees retained by the Fund)	75 765 416,43	72 818 181,61
Redemptions (net of redemption fees retained by the Fund)	-109 706 442,81	-348 856 220,56
Realised capital gains on deposits and financial instruments	74 334 906,78	63 550 044,75
Realised capital losses on deposits and financial instruments	-27 817 890,42	-73 664 567,67
Realised capital gains on forward financial instruments		
Realised capital losses on forward financial instruments		
Transaction charges	-5 803 958,48	-7 031 178,54
Exchange rate differences	20 087 064,34	-23 546 761,22
Changes in valuation difference of deposits and financial instruments	151 721 139,03	-46 534 498,45
<i>Valuation difference for financial year N</i>	<i>91 384 671,28</i>	<i>-60 336 467,75</i>
<i>Valuation difference for financial year N-1</i>	<i>60 336 467,75</i>	<i>13 801 969,30</i>
Changes in valuation difference of forward financial instruments		
<i>Valuation difference for financial year N</i>		
<i>Valuation difference for financial year N-1</i>		
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year		
Net profit/loss for the financial year prior to income adjustment		
Interim dividend(s) paid on net capital gains/losses during the financial year		
Interim dividend(s) paid on net income during the financial year		
Other items	1 041 196,95	10 303 808,82
NET ASSETS AT END OF YEAR	614 403 786,13	434 782 354,31

3. ADDITIONAL INFORMATION (*)

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount:	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
TOTAL BONDS AND SIMILAR SECURITIES		
DEBT SECURITIES		
TOTAL DEBT SECURITIES		
LIABILITIES AND SHAREHOLDERS' EQUITY		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS		
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

3.2. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY INTEREST RATE TYPE

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
ASSETS								
Deposits								
Bonds and similar securities								
Debt securities								
Temporary securities transactions								
Financial accounts								
LIABILITIES AND SHAREHOLDERS' EQUITY								
Temporary securities transactions							990 181,68	0,16
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

3.3. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY

	< 3 months	%]3 months - 1 year]	%]1 - 3 years]	%]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and similar securities										
Debt securities										
Temporary securities transactions										
Financial accounts										
LIABILITIES AND SHAREHOLDERS' EQUITY										
Temporary securities transactions	990 181,68	0,16								
Financial accounts										
OFF-BALANCE SHEET										
Hedging transactions										
Other transactions										

(*) Forward interest rate positions are presented according to the maturity of the underlying.

3.4. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY (EXCLUDING EUR)

	Currency 1 SEK		Currency 2 DKK		Currency 3 NOK		Currency N OTHER(S)	
	Amount:	%	Amount:	%	Amount:	%	Amount:	%
ASSETS								
Deposits								
Equities and similar securities	265 769 646,39	43,26	120 981 263,24	19,69	55 099 000,77	8,97	31 399 786,25	5,11
Bonds and similar securities								
Debt securities								
UCIs								
Temporary securities transactions								
Receivables	1 588 981,63	0,26	473 409,25	0,08	320 849,22	0,05	321 547,71	0,05
Financial accounts								
LIABILITIES AND SHAREHOLDERS' EQUITY								
Sales of financial instruments								
Temporary securities transactions								
Liabilities								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	31/03/2021
RECEIVABLES		
	Deferred settlement sale	2 265 107,41
	Subscription receivables	766 419,11
	Retrocession of management fees	165 206,96
	Coupons and dividends in cash	3 483 467,81
TOTAL RECEIVABLES		6 680 201,29
LIABILITIES		
	Deferred settlement purchase	2 224 591,51
	Redemptions payable	159 765,67
	Fixed management fees	1 106 898,74
TOTAL LIABILITIES		3 491 255,92
TOTAL LIABILITIES AND RECEIVABLES		3 188 945,37

3.6. SHAREHOLDERS' EQUITY

3.6.1. Number of securities issued or redeemed

	In equity	In amounts
Shares subscribed during the financial year	350 363,427	75 765 416,43
Shares redeemed during the financial year	-513 359,287	-109 706 442,81
Net balance of subscriptions/redemptions	-162 995,860	-33 941 026,38
Number of shares outstanding at the end of the financial year	2 496 205,305	

3.6.2. Subscription and/or redemption fees

	In amounts
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

3.7. MANAGEMENT FEES

	31/03/2021
Guarantee fees	
Fixed management fees	10 851 896,18
Percentage of fixed management fees	2,00
Variable management fees	
Retrocessions of management fees	464 927,39

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the UCI:

None.

3.8.2. Other commitments received and/or given:

None.

3.9. OTHER INFORMATION

3.9.1. Present value of financial instruments held temporarily

	31/03/2021
Securities held under repurchase agreements Borrowed securities	

3.9.2. Present value of financial instruments representing security deposits

	31/03/2021
Financial instruments given as security and retained under their original classification Financial instruments received as security and not recorded on the balance sheet	

3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN code	Name	31/03/2021
Equities			
Bonds			
Negotiable debt securities			
UCIs			38 088 060,00
	FR0013344892	NORDEN FAMILY IC	3 451 560,00
	FR0011474980	NORDEN SMALL	34 636 500,00
Forward financial instruments			
Total group securities			38 088 060,00

3.10. TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME

Table of allocation of distributable income pertaining to net income

	31/03/2021	31/03/2020
Remaining amounts to be allocated		
Retained earnings		
Net income	1 084 293,00	7 286 395,75
Total	1 084 293,00	7 286 395,75

	31/03/2021	31/03/2020
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	1 084 293,00	7 286 395,75
Total	1 084 293,00	7 286 395,75

Table of allocation of distributable amounts pertaining to net capital gains and losses

	31/03/2021	31/03/2020
Remaining amounts to be allocated		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	38 950 608,83	-28 441 412,45
Interim dividends paid on net capital gains/losses for the financial year		
Total	38 950 608,83	-28 441 412,45

	31/03/2021	31/03/2020
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	38 950 608,83	-28 441 412,45
Total	38 950 608,83	-28 441 412,45

3.11. TABLE OF THE ENTITY'S INCOME AND OTHER SIGNIFICANT ITEMS OVER THE PAST FIVE FINANCIAL YEARS

	29/03/2018	29/03/2019	31/03/2020	31/03/2021
Net assets in euros	1 021 465 312,27	787 743 545,57	434 782 354,31	614 403 786,13
Number of units	5 215 988,002	4 076 121,675	2 659 201,165	2 496 205,305
Net asset value per unit	195,83	193,25	163,50	246,13
Accumulation per unit pertaining to net capital gains/losses	15,22	-2,12	-10,69	15,60
Accumulation per unit pertaining to income	0,34	2,05	2,74	0,43

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Equities and similar securities				
Equities and similar securities traded on a regulated or similar market				
DENMARK				
CARLSBERG AS.B	DKK	88 000	11 531 789,30	1,87
CHR.HANSEN HOLDING	DKK	126 000	9 765 222,36	1,59
COLOPLAST B	DKK	109 000	13 978 849,71	2,28
GN GREAT NORDIC	DKK	275 000	18 465 830,78	3,01
NOVO NORDISK AS	DKK	686 000	39 639 450,07	6,45
SIMCORP A/S	DKK	108 000	11 406 635,52	1,85
VESTAS WIND SYSTEMS	DKK	92 500	16 193 485,50	2,64
TOTAL DENMARK			120 981 263,24	19,69
FEROE, ISLANDS				
BAKKAFROST	NOK	237 000	16 004 335,80	2,60
TOTAL FEROE ISLANDS			16 004 335,80	2,60
FINLAND				
HUHTAMAKI OY	EUR	296 000	11 413 760,00	1,86
KONE OY B NEW	EUR	115 000	8 010 900,00	1,30
SAMPO OYJ A	EUR	479 000	18 427 130,00	3,00
TIETOEVRY CORPORATION	EUR	435 000	11 492 700,00	1,87
VALMET CORP	EUR	915 000	28 374 150,00	4,62
WAERTSILAE CORPORATION	EUR	955 000	8 531 970,00	1,39
TOTAL FINLAND			86 250 610,00	14,04
NORWAY				
DNB ASA	NOK	347 000	6 294 784,58	1,02
GJENSID FORSIKR	NOK	580 000	11 596 820,41	1,89
OTELLO CORP ASA	NOK	1 300 000	3 952 057,01	0,64
TELENOR	NOK	1 150 000	17 251 002,97	2,81
TOTAL NORWAY			39 094 664,97	6,36
UNITED KINGDOM				
ASTRAZENECA PLC	GBP	161 500	13 739 396,61	2,24
TOTAL UNITED KINGDOM			13 739 396,61	2,24
SWEDEN				
ALFA LAVAL	SEK	444 000	11 442 126,07	1,87
ASSA ABLOY AB	SEK	262 000	6 419 406,01	1,04
ATLAS COPCO AB-B SHS	SEK	356 000	15 794 421,26	2,57
AUTOLIV SWED.DEPOSIT.RECEIPTS	SEK	148 500	11 692 422,58	1,90
AXFOOD AB	SEK	617 000	12 575 796,18	2,05
ELEKTA AB	SEK	1 500 000	16 582 473,09	2,70
EPIROC AB-B	SEK	920 000	16 340 288,45	2,66
ERICSSON(LM) B	SEK	2 230 000	25 153 281,11	4,10
ESSITY	SEK	713 000	19 202 645,39	3,13
HENNES AND MAURITZ B	SEK	802 000	15 403 128,58	2,50
HEXPOL AB	SEK	1 750 000	16 843 595,19	2,74
HUSQVARNA AB CL B	SEK	755 000	9 271 444,96	1,51

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
SAAB AB	SEK	250 000	5 832 540,21	0,95
SECURITAS AB B	SEK	845 000	12 249 066,55	2,00
SKANDINAVISKA ENSKILDA BANKEN	SEK	890 000	9 248 163,60	1,50
SVENSKA HANDELSBANKEN AB	SEK	1 230 000	11 389 589,28	1,85
SWEDBANK AB	SEK	400 000	6 009 224,69	0,98
TELE2 AB	SEK	945 000	10 866 681,31	1,77
THULE GROUP AB	SEK	295 000	10 919 686,65	1,77
VOLVO AB-B-	SEK	1 045 000	22 533 665,23	3,67
TOTAL SWEDEN			265 769 646,39	43,26
SWITZERLAND				
ABB LTD	CHF	684 000	17 660 389,64	2,87
TOTAL SWITZERLAND			17 660 389,64	2,87
TOTAL Equities and similar securities traded on a regulated or similar market			559 500 306,65	91,06
TOTAL Equities and similar securities			559 500 306,65	91,06
Undertakings for collective investment				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
AMUNDI CASH CORPORATE IC	EUR	63	14 616 655,79	2,38
NORDEN FAMILY IC	EUR	28 000	3 451 560,00	0,56
NORDEN SMALL	EUR	129 000	34 636 500,00	5,64
TOTAL FRANCE			52 704 715,79	8,58
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			52 704 715,79	8,58
TOTAL Undertakings for collective investment			52 704 715,79	8,58
Receivables			6 680 201,29	1,09
Liabilities			-3 491 255,92	-0,57
Financial accounts			-990 181,68	-0,16
Net assets			614 403 786,13	100,00

NORDEN SRI	EUR	2 496 205,305	246,13
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TEXT OF RESOLUTIONS

NORDEN SRI

French open-end investment company (Société d'Investissement à Capital Variable)

Registered office: 121, boulevard Haussmann - 75008 Paris

Paris Trade and Companies Register no. 399 380 997

RESOLUTION ON THE ALLOCATION OF DISTRIBUTABLE INCOME PROPOSED TO THE GENERAL MEETING

FINANCIAL YEAR ENDED 31 March 2021

Second resolution

The Shareholders' Meeting approves the distributable income for the financial year, which amounts to:

€1 084 293,00	distributable amount pertaining to net income
€38 950 608,83	distributable amount pertaining to net capital gains and losses

and allocates these amounts to the share capital pursuant to Article 28 of the articles of association

No dividends will therefore be paid for this financial year.

Reminder: the distributable income for the past three financial years has been accumulated.