

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Norden Small

Legal entity identifier: 9695009JG2Q6BUYHP767

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the companies in which the financial product invests follow good governance practices.

The **UE taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It made sustainable investments with an environmental objective: %

☒ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 70,33% of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective and carried out in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective carried out in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made sustainable investments with a social objective: %

☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

In implementing its investment strategy, security analysis, and ESG integration process described below, the portfolio promotes the following environmental characteristics:

Environmental policy:

- Integration by companies of environmental factors appropriate to the sector, geographic location and any other relevant material factor
- Development of an environmental management strategy and system
- Development of a climate strategy

Controlling environmental impacts:

- Limiting and adapting to global warming
- Responsible water and waste management
- Preservation of biodiversity

Managing the environmental impact of products and services:

- Ecodesign of products and services
- Environmental innovation

as well as the following social characteristics:

Respect for human rights:

- Prevention of situations of human rights violations
- Respect for the right to safety and security of persons
- Privacy and data protection

Human resources management:

- Constructive social dialogue
- Training and career management conducive to human development
- Promoting diversity
- Health, safety and well-being at work

Value chain management:

- Responsible supply chain management
- Product quality, safety and traceability

This product does not use a specific index to determine its alignment with the environmental and social characteristics it promotes.

● How did the sustainability indicators perform?

The achievement of the environmental and social characteristics promoted by this product is measured by sustainability indicators: These indicators are described below.

In terms of valuation in the internal analysis model:

The ESG analysis of directly held securities is based on a proprietary model that relies on an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agencies, external service providers, etc.), the annual reports of the companies and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG score.

This score is based on both a quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative approach (solidity of environmental policy, employment strategy, competence of directors, etc.).

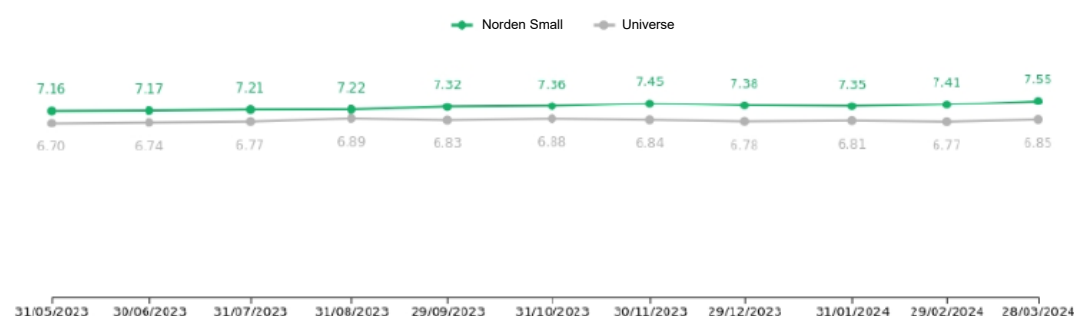
Each E, S and G pillar is rated from 1 to 5 based on a minimum of five relevant key indicators per dimension.

These internal ESG ratings are built into the valuation models through the Beta used to define the weighted average cost of capital for equity management and to the issuer selection process and the determination of issuers' weight in the portfolio for bond management.

In terms of controlling the elements of the investment strategy with an external data provider:

In addition, to confirm the robustness of the internal model, the analysts-managers in charge of management compare the portfolio's average ESG rating to that of its reference ESG universe.

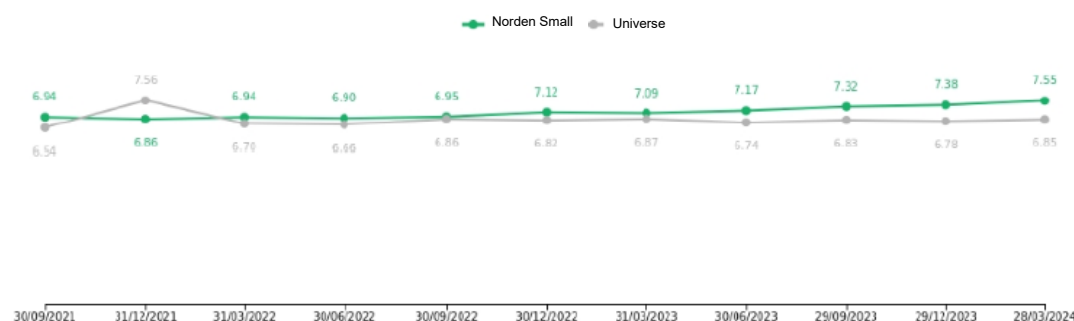
Evolution of the ESG score



The portfolio's ESG reference universe is:

The MSCI Nordic equity universe, whose market capitalisation is between one hundred million and three billion euros

● ...and compared to previous periods?



● **What were the objectives of the sustainable investments that the financial product was designed to achieve, and how did the sustainable investments made contribute to them?**

The definition of sustainable investment within the meaning of SFDR is based on the selection of indicators that show a substantial contribution to one or more environmental or social objectives, it being understood that these investments must not cause significant harm to any of these objectives and that the companies in which the investments are made apply good governance practices.

The environmental indicators used are as follows:

- Carbon footprint (PAI 2)
- Carbon intensity (PAI 3)
- Implied temperature rise (ITR)
- Number of “low-carbon” patents held

The social indicators used are as follows:

- % of women in executive management
- Number of hours of training for employees
- Benefits coverage
- Diversity policies by management

Substantial contribution is measured by applying thresholds per indicator. Other criteria may be used for some small cap companies depending on the available data.

The table below presents the rules (targets) set for each indicator as well as the result obtained over the past period. The result is the average share of the portfolio invested in companies meeting these criteria, calculated on a quarterly basis. The average share is calculated according to the average positions observed over the past period, coupled with the non-financial data at the end of the period.

	Rule	Average share of the portfolio
Carbon footprint in M	Included in the lowest 20% of the sector	0,02%
GHG intensity	Included in the lowest 20% of the sector	0,02%
Renewable energy consumption	Included in the bottom 20% of the reference universe	5,70%
Energy intensity	Included in the bottom 20% of the reference universe	-
Proportion of used waste reused, recycled or recovered	Included in the bottom 20% of the reference universe	1,97%
Share of activities with quality certification (e.g. ISO 14001)	See sustainable investment presentation www.lazardfreresgestion.fr	7,92%
% of women in executive management	≤ 25%	0,04%
Number of hours of training for employees	Included in the top 20% of the reference universe	-
Rate of absenteeism due to illness and workplace accidents	Included in the bottom 20% of the reference universe	-
Pay gap by employee gender	Included in the bottom 20% of the reference universe	-
Commitment to the promotion of social dialogue	See sustainable investment presentation www.lazardfreresgestion.fr	9,89%
Level of involvement in the UN Global Compact	See sustainable investment presentation www.lazardfreresgestion.fr	9,89%

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **How did the sustainable investments that the financial product made in particular not cause significant harm to any environmental or social sustainable investment objective?**

The absence of significant harm is assessed on the basis of all the PAI indicators listed in Table 1 of Annex I the Regulatory Technical Standards of the SFDR Regulation. In the event of insufficient coverage of the investment universe for certain indicators, substitution criteria may exceptionally be used. Using alternative criteria is subject to the independent control of the Risks and Compliance department. Alternative indicators are also presented on the Lazard Frères Gestion website under the heading "Sustainable investment methodology": www.lazardfreresgestion.fr/FR/ESG-ISR/Notre-approche_147.htm I#section05."

How have the indicators for adverse impacts on sustainability factors been taken into account?

Indicators of the principal adverse sustainability impacts (PAI) are considered at two levels:

- firstly, they are integrated into the internal analysis of each security monitored, carried out by our analyst-managers in the internal ESG analysis grids.
- in addition, they are used to assess the share of sustainable investments.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Compliance with minimum labour and human rights safeguards (OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights) and the eight fundamental conventions of the International Labour Organization is a key indicator for verifying that companies in which investments are made apply good governance practices.

We therefore check whether the company applies a labour rights due diligence policy in accordance with the eight fundamental conventions of the International Labour Organization (PAI 10) as part of our DNSH process. We also ensure that the investments made apply good governance practices, by monitoring a governance rating from a data provider and the internal rating on the Governance pillar.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The proprietary model for ESG analysis of portfolio companies takes into account all indicators related to companies' principal adverse impacts (PAI) in terms of sustainability.

These indicators are integrated into the internal grids used to establish a security's ESG rating, which is taken into account in the valuation models through the Beta used to define the weighted average cost of capital for equity management and in the process of selecting issuers and determining their portfolio weight for bond management.

In addition, as stated above, all of the PAI indicators listed in Table 1 of Annex I of the Regulatory Technical Standards of the SFDR are taken into account in the definition of sustainable investment.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: From 01/04/2023 to 31/03/2024

	Largest investments	Sector	Percentage of assets	Country
1	BRAVIDA HOLDING AB	CONSTRUCTION	4,08%	SWEDEN
2	VALMET OYJ	MANUFACTURING	3,87%	FINLAND
3	VAISALA OY	UNKNOWN SECTOR	3,74%	FINLAND
4	COOR SERVICE MANAGEMENT HOLDING AB	ADMINISTRATIVE AND SUPPORT SERVICES ACTIVITIES	3,62%	SWEDEN
5	BIOGAIA AB-B SHS	MANUFACTURING	3,49%	SWEDEN
6	ROYAL UNIBREW AS	MANUFACTURING	3,46%	DENMARK
7	SPBK 1 SR-BANK	FINANCIAL AND INSURANCE ACTIVITIES	3,43%	NORWAY
8	KONECRANESSHS	MANUFACTURING	3,43%	FINLAND
9	BAKKAFROST	AGRICULTURE, FORESTRY AND FISHING	3,38%	FAROE ISLANDS
10	NOLATO AB-B SHS	MANUFACTURING	3,38%	SWEDEN
11	MIPS AB	MANUFACTURING	3,34%	SWEDEN
12	NORDIC SEMICONDUCTOR ASA	MANUFACTURING	3,26%	NORWAY
13	ALK-ABELLO A/S	MANUFACTURING	3,25%	DENMARK
14	ALIMAK GROUP AB	MANUFACTURING	3,22%	SWEDEN
15	KONGSBERG GRUPPEN	MANUFACTURING	3,15%	NORWAY

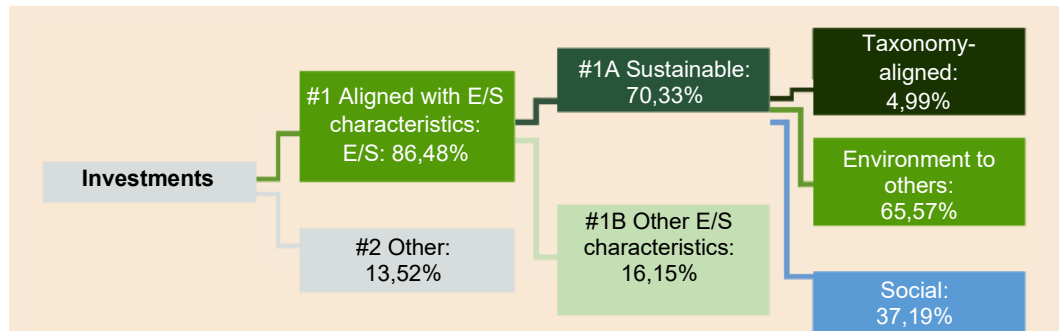


What was the proportion of sustainability-related investment?

Asset allocation

describes the share of investments in specific assets.

What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

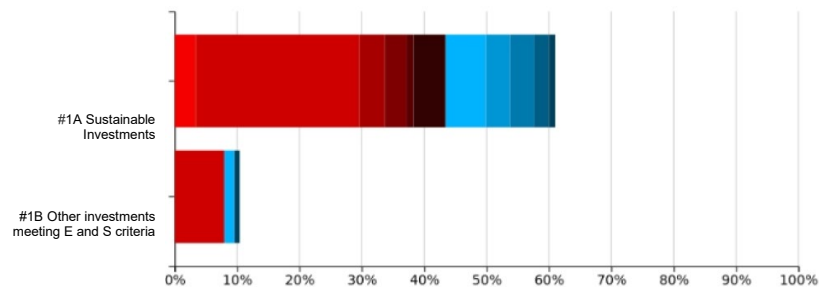
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

An investment is considered sustainable if it complies with at least one of the rules set out above. A company can therefore be considered as environmentally and socially sustainable.

In which economic sectors were the investments made?



	#1A Sustainable Investments	#1B Other investments meeting E and S criteria
■ AGRICULTURE, FORESTRY AND FISHING	3,38%	
■ MANUFACTURING	26,22%	7,97%
■ CONSTRUCTION	4,08%	
■ WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	3,5%	
■ TRANSPORTATION AND STORAGE	1,14%	
■ INFORMATION AND COMMUNICATION	5,13%	
■ FINANCIAL AND INSURANCE ACTIVITIES	6,43%	1,62%
■ REAL ESTATE ACTIVITIES	3,87%	
■ PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	3,88%	

■ HUMAN HEALTH AND SOCIAL ACTION	2,38%	
■ UCI	1,02%	0,85%

Exposure to the fossil fuel sector averaged 0,14% over the period.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

● **Did the financial product invest in fossil gas and/or nuclear energy activities aligned with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

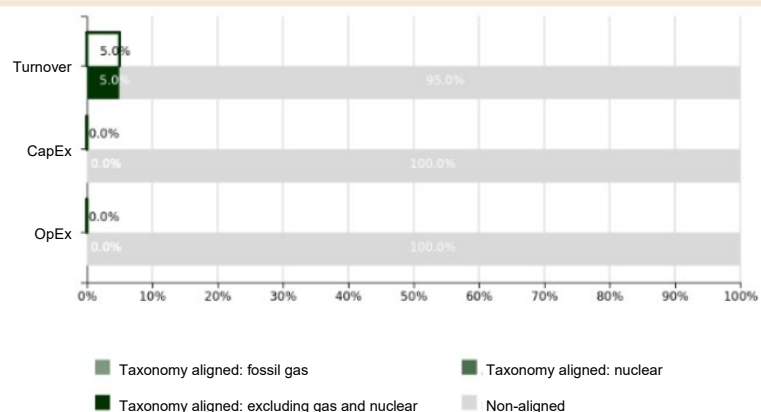
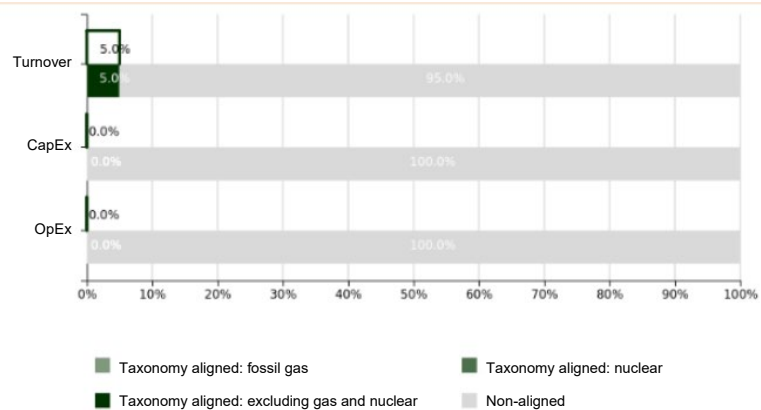
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of the companies in which the financial product invests;

- **capital expenditure** (CapEx) showing the green investments made by the companies in which the financial product invests, e.g. for a transition to a green economy;

- **operational expenditure** (OpEx) reflecting green operational activities of the companies in which the financial product invests.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.

The calculation of investment percentages aligned with the EU Taxonomy is based on estimated data.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?**

At the date of production of this document, Lazard Frères Gestion does not have the data needed to identify the share of transitional or enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy is 65,57%.

It corresponds to all activities not aligned with the Taxonomy but respecting the environmental objectives of sustainable investment mentioned above.



What was the share of socially sustainable investments?

The share of socially sustainable investments is 37,19%.

It corresponds to all activities not aligned with the Taxonomy but respecting the social objectives of sustainable investment mentioned above.



What investments were included under “other”, and were they subject to minimum environmental or social safeguards?

The "other" category consists mainly of money market UCIs and cash. Over the past period, the "other" segment represented on average 13,52%.



What actions have been taken to achieve the environmental and/or social characteristics during the reference period?

The binding elements of the investment strategy used to select the investments to attain the environmental and social objectives promoted by this product are, for directly held securities in the portfolio:

- The non-financial analysis rate

The rate of non-financial analysis of the product's investments in cash securities is, according to the product's investment categories, higher than:

- 90% for equities issued by large capitalisation companies with their headquarters in "developed" countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries:

- 75% for equities issued by large capitalisation companies with their headquarters in "emerging" countries, equities issued by small and mid caps, debt securities and money market instruments with a high yield credit rating and sovereign debt issued by "emerging" countries.

Over the past period, the non-financial analysis rate was 86,48% on average.

These rates are expressed as a percentage of total assets.

- The portfolio's average ESG rating

The analyst-managers ensure that the weighted average ESG rating of the portfolio is higher than the average of the benchmark universe by using the MSCI ESG Manager non-financial rating repository

The portfolio's reference ESG universe is:

The MSCI Nordic equity universe, with market capitalisations of between €100 million and €3 billion

In addition, the management company makes exclusions prior to investments:

- Normative exclusions related to controversial weapons (cluster munitions, anti-personnel mines, biological and chemical weapons) and violations of the UN Global Compact.

- Sector exclusions (tobacco and thermal coal).

- Geographical exclusions (tax havens on the FATF list).

How did this financial product perform compared with the reference benchmark?

Not applicable

- **How does the reference benchmark differ from a broad market index?**

Not applicable

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable

- **How did this financial product perform compared with the reference benchmark?**

Not applicable

- **How did this financial product perform compared with the broad market index?**

Not applicable



Benchmark indices
are indices used to measure whether the financial product has the environmental or social characteristics it promotes.