

Environmental, Social and Governance Report for 2023



Classroom in a schoolhouse in Vilnius, Lithuania, developed by BaltCap Infrastructure Fund.
Photo by Norbert Tukaj

BaltCap



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**RESPONSIBLE
BUSINESS INDEX
GOLD LEVEL 2023**

Portfolio impact in 2023 in brief

Our total impact and contribution to society lie in generating and distributing financial value (revenue, taxes, salaries, and payments to suppliers and providers of capital), providing employment and development opportunities, mitigating our environmental footprint, investing in innovation and knowledge creation, contributing to various societal initiatives, and many more activities by our portfolio companies.



Total all-time investments

120+ platform investments

Overall portfolio impact in 2023¹



€1 674 million

revenue of portfolio companies

(2022: €1 121 million)

(2021: €944 million)

(2020: €842 million)

(Entry: €514 million)



€163 million

In EBITDA

(2022: €114 million)

(2021: €102 million)

(2020: €101 million)

(Entry: €58 million)



14 397

Employees

(2022: 11 320)

(2021: 10 531)

(2020: 9 853)

(Entry: 7 254)

¹ Aggregate figures of companies in BaltCap managed funds BPEF I, BPEF II, BPEF III, LSMEF, BLVCF, BGF, BInF I, BInF II, including those exited before the end of 2023. For exited companies latest available data before exit is used. These values represent the estimated annual impact on the region's economy by companies where BaltCap has been involved as an active owner.

Current portfolio development in 2023²



€103.3 million

invested in capital expenditure and R&D



276

new job positions created



90 760³

tons of CO₂ emissions avoided across the portfolio



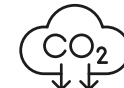
€70 million

paid in taxes



53 592

hours of training provided for employees in total



76%

portfolio companies with CO₂ reduction initiatives



€391 739

financial support to the local community and societal initiatives



19%

females on management boards



45%

Portfolio companies with dedicated ESG person

² Aggregate figures of companies in BaltCap managed funds BPEF I, BPEF II, BPEF III, LSMEF, BGF, BInF I.

³ Based on BaltCap Infrastructure Fund I. Principle of evaluation – taking into account change of fuel balance (Base scenario – production of energy in capacity fired by biomass (renewable energy sources (RES)). Counterfactual scenario – production of energy fired by natural gas in existing gas CHPs (fossil fuel)).

Message from the Managing Partners

Dear readers,

We are pleased to present BaltCap's annual Environmental, Social, and Governance (ESG) report for 2023, our 13th consecutive ESG report.

We are proud of the many successes achieved in 2023 in the central sustainability topics BaltCap has committed itself to. It is rewarding to see that numerous portfolio-level ESG initiatives from last year also received recognition from clients and industry peers, further confirming our companies provide sustainable services and products that make a positive impact.

Strong contribution to the economic resilience of the Baltic region

In 2023 BaltCap portfolio companies provided jobs to more than 6000 people, and created close to 300 new jobs, making a significant contribution to local economies. Employee relations and work-life balance were in focus across our portfolio, with innovative measures tested and implemented to offer valuable jobs, create fulfilling work environments, and enhance employee well-being. In recognition for many years of work, the third largest employer in BaltCap's portfolio, HansaMatrix, received "Family-Friendly Workplace" status by the Latvian Society Integration Foundation, setting an inspiring example for others.

With the aim of increasing the resilience of our core investment region, BaltCap portfolio companies invested more than 100 mln euros in R&D, and in developing social and energy infrastructure. A prominent share of these investments helped to establish modern educational complexes and contemporary care facilities providing high quality education and community services, as well as care services for the aging population. These investments will also contribute to increasing the energy independence of the Baltic region through developing renewable energy infrastructure.

Paving the way for biodiversity action, steady progress in tackling carbon footprint

Backed by Nefco, BaltCap successfully completed a biodiversity program in 2023 and started integrating biodiversity into operations, and appointed a companywide biodiversity champion to lead the initiative. We believe biodiversity and nature are as critical as climate change in terms of sustainable investing, and plan to raise awareness of this topic across our stakeholders.

Steady progress continued in BaltCap's climate action efforts. The main positive impact comes from BaltCap's infrastructure fund portfolio, which in 2023 generated ca 385,000 MWh of renewable energy, and helped to avoid over 90,000 tons of CO₂eq. Additionally, BaltCap's buyout and growth funds further decreased their CO₂ intensity when compared to 2022.

It is encouraging that the share of BaltCap portfolio companies with specific initiatives aiming at decreasing their energy consumption and CO₂ footprint has steadily increased, reaching 76% in 2023. We are particularly pleased that BaltCap-backed Gemma and its new purpose-built Vievis home received a BREEAM certificate level of "Excellent". This is the first international science-based sustainability certificate in the Baltics granted to a retirement facility.

Attracting talent to the private equity industry

Over the last years BaltCap has put a lot of effort into attracting underrepresented groups to the private equity (PE) sector and managerial positions. Unfortunately, the share of women on company boards in BaltCap's portfolio remains modest—with the level of female representation at 19% in 2023. During the year we continued with several educational activities to attract female talent to the PE industry and introduce the sector to students of the leading Baltic universities.

New initiatives were also launched with industry organisations such as Finance Estonia and the Responsible Business Forum of Estonia to further pay attention to underrepresented groups in the financial sector. In addition, BaltCap women joined Level 20, a global NGO aimed at improving gender diversity in the European PE industry to better connect with the community and learn from the experience of others.

Revising the governance track

While our overall ESG track was successful in 2023, it was overshadowed by a very serious governance incident discovered by BaltCap's financial team in our Infrastructure Fund I (Fund). The investigation initiated by BaltCap⁴ revealed that large-scale embezzlement of 40.4 million euros was carried out by a former manager of the Fund in the Fund's portfolio companies, including subsidiaries, in Lithuania and Poland. No irregular activities were detected in the Fund itself, and no evidence has been found indicating any collusion with other BaltCap team members.

To safeguard against similar risks in future, BaltCap has introduced additional control measures on the portfolio level, and further strengthened

risk management and financial controls. This also means revising existing and introducing new policies and procedures across the organisation. Revising our governance track goes hand in hand with implementing the new obligations related to receiving a full alternative investment fund manager (AIFM) licence from the Estonian Financial Supervision and Resolution Authority in August 2023.

Since the discovery of the incident, we have been in open communication with our investors and main stakeholders, and we have also informed the general public about the main results of the special investigations. As of today our part of the investigation is complete, and the rest is being carried out by the relevant public authorities.

BaltCap and investors of the Fund are actively working on a solution to recover all amounts transferred without authorisation and in breach of the Fund's rules.

We of course deeply regret the damage this incident has caused to the trust we have built over the years, as well as the negative impact it might have on our main stakeholders and the larger PE ecosystem. BaltCap is fully committed to rebuilding this trust and solving the situation in a responsible manner.



Peeter Saks



Martin Kõdar



Dagnis Dreimanis



Simonas Gustainis

⁴ Information is based on AS BaltCap's best current knowledge, and the results of already completed special investigations. Since November 2023 the incident has been handled by the relevant public authorities.

About BaltCap

BaltCap is the largest private equity firm in the Baltics with presence in the Nordic countries as well as in Poland. In over a quarter of a century, we've evolved to become the region's only multi-strategy manager covering buyout, growth, venture, and infrastructure investments. We serve institutional investors from around the world, and we are attracted to companies that seek to evolve and develop, those with the potential to benefit society.

>3x MM

From all buyout exits since 2018

120

Platform investments

4

Mutually exclusive strategies

6

Local offices

€900M

Raised since inception

70

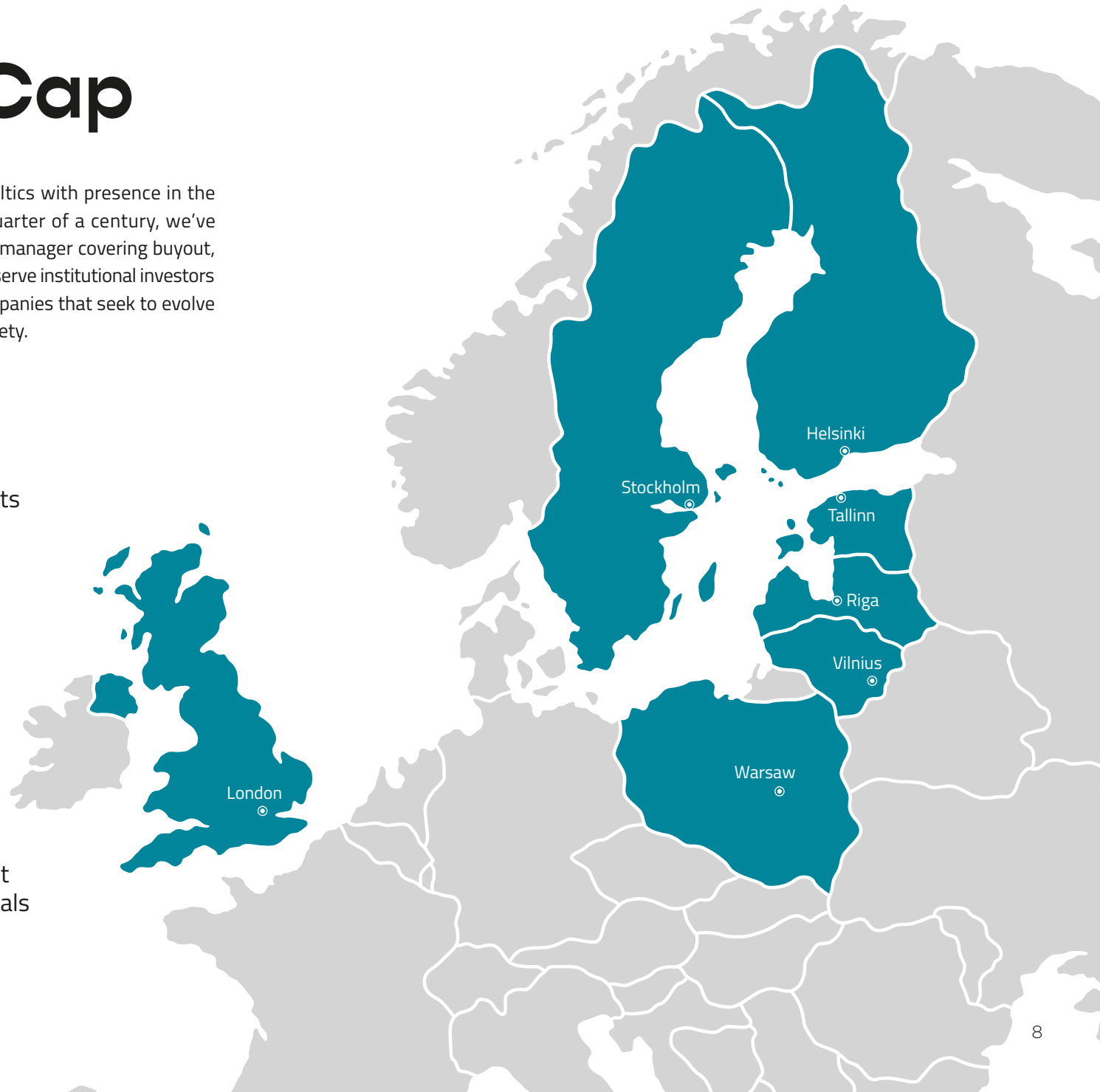
Exits

25+ years

Track record

30+

Investment professionals



Our raison d'être

We are patriots. We're loyal to the Baltic Sea region, home to our founders and our employees. We put our money where our mouth is: we aim to build local companies into international business champions. We seek sustainable opportunities that benefit both society and our investors.

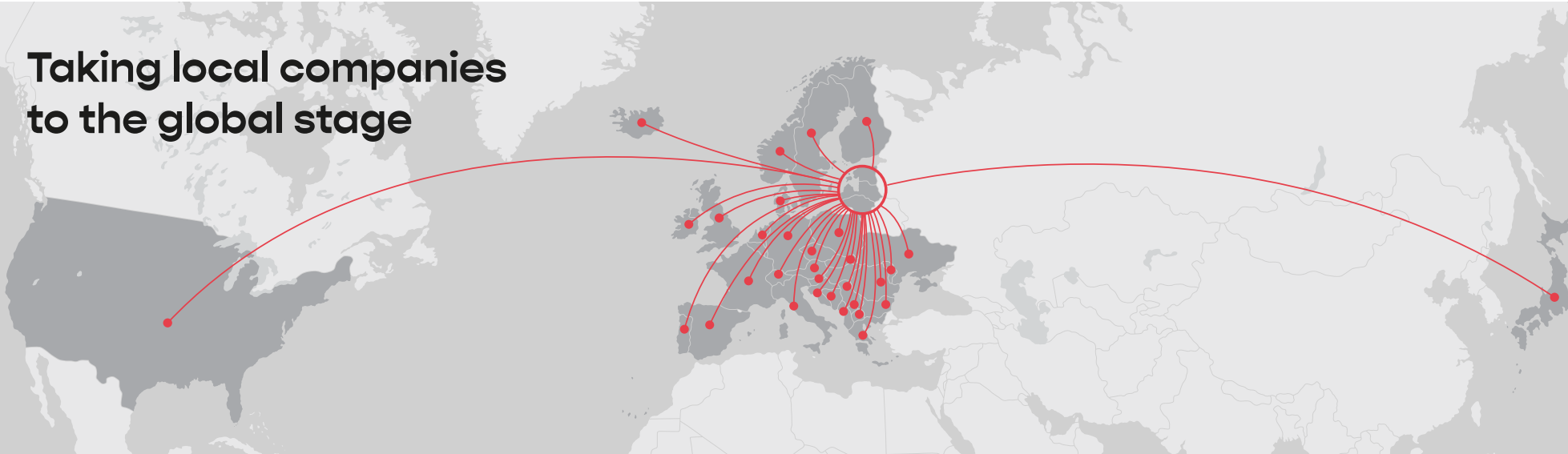
Building networks, building society

Over the past 25 years, we've built a network of thousands of investors, financial experts, company owners, and managers. We have a proven track record of growth and return, and we have lived up to our potential. It's why we've earned the trust of leading institutional investors. Our region is a breeding ground for great ideas and companies. This is thanks to our world-class STEM educational systems and the unbridled energy of people for whom the domestic market is never enough. No wonder our region boasts the world's highest concentration of unicorns.

Beyond the Baltics

BaltCap is international. Our first partners came from Finland, bringing competence, professionalism, and grit they call *sisu*. Our first investors were Nordic, bringing a culture of transparency and mutual respect. Our managing partners from the three Baltic states have parlayed our region's dynamism into a company culture that celebrates a can-do attitude, passionate determination, and hard work. Our team is embedded in the diverse societies of the Baltic Rim and beyond. We are proud to work in our seven native languages across country offices in Helsinki, Tallinn, Riga, Vilnius, Stockholm, and Warsaw. Nordic Ninja, our joint venture with Japanese partners, connects us further to the Nordics and Asia. Currently, our portfolio companies have headquarters in seven European markets.

Taking local companies to the global stage



BaltCap Sustainability approach

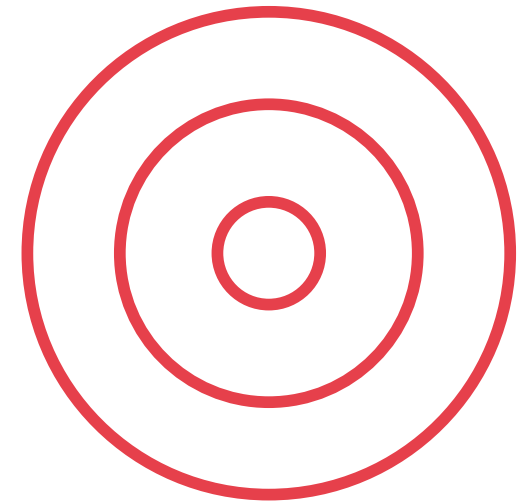
Being the largest private equity fund manager in the Baltics with a presence in the Nordics and Poland gives us a unique position to impact the growth and strategic development of numerous powerful companies in our region and beyond. This also gives us an opportunity to make a difference in a sustainability context.

Our goal is to create long-term value for our investors, the companies and properties in which we invest, and the communities where we live and work.

We seek to make a positive impact with each investment and are committed to building sustainable businesses. We can only achieve

this goal by combining excellent financial performance with creating a positive impact on our employees, communities, and the environment.

Our sustainable investment approach builds on BaltCap's core values, our environmental, social and governance (ESG) investment standards, and our commitment to international and global frameworks embracing sustainability - the United Nations Principles for Responsible Investment (UNPRI), Sustainable Development Goals (SDGs) and Invest Europe Professional standards, as explained in further detail in [BaltCap Sustainability Framework](#).

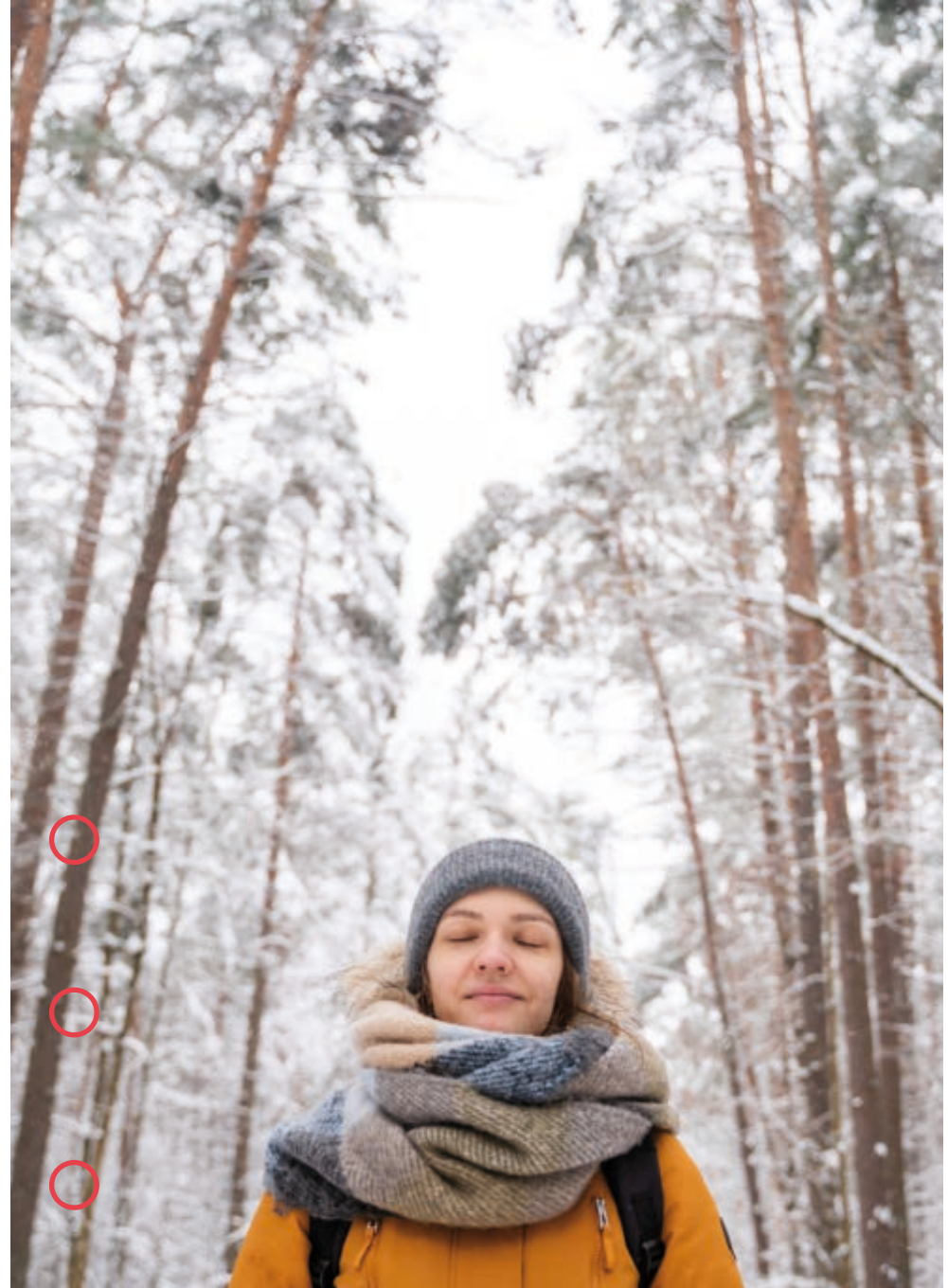
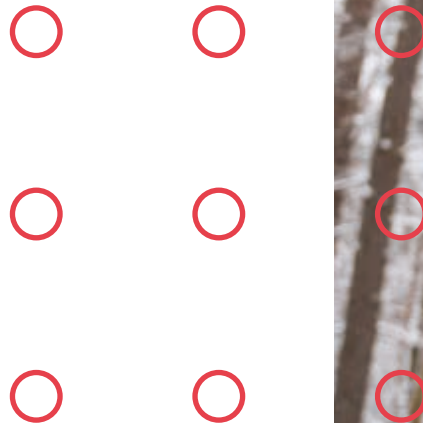


Commitment to responsible investment

At BaltCap, ESG issues are an integral part of the investment process. ESG criteria are integrated from sourcing and deal screening to the due diligence process and investment decision making in both majority and minority investments.

Investing in better life

We are committed to building sustainable businesses. ESG factors are fully integrated into the operations of BaltCap and our portfolio companies. We have a 13-year track record of reporting our ESG performance, and we aim to continuously improve our results.



Integrating ESG in BaltCap investment process

Sourcing

- Exclusion list
- Negative screening

BaltCap does not invest in certain industries and businesses that cause environmental or social harm (e.g. gambling, weaponry).

BaltCap avoids investing in companies and businesses whose products and services cause negative environmental and social impact with no opportunity to mitigate the negative impacts.

Entry

- ESG due diligence

BaltCap assesses the attractiveness of investment opportunities through ESG due diligence and ESG materiality analyses.

In this stage both sustainability related risks and value creation opportunities are documented.

Based on the analysis initial ESG action plan for investment is developed and proposed as part of the 100-day plan.

Ownership and value-creation

- ESG governance mechanism
- ESG action plan and disclosure routine

BaltCap is committed to improving the portfolio companies' practices, ESG performance and disclosure routines during its ownership period.

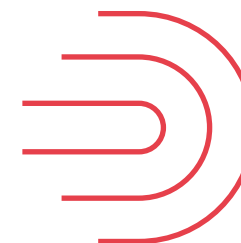
During the holding period we actively engage the company's management and key stakeholders to build an appropriate and value-creating ESG action plan and ESG monitoring reporting practices.

Divestment

- ESG report and plan for further development

For BaltCap it is important that our companies can continue their sustainability track after the exit.

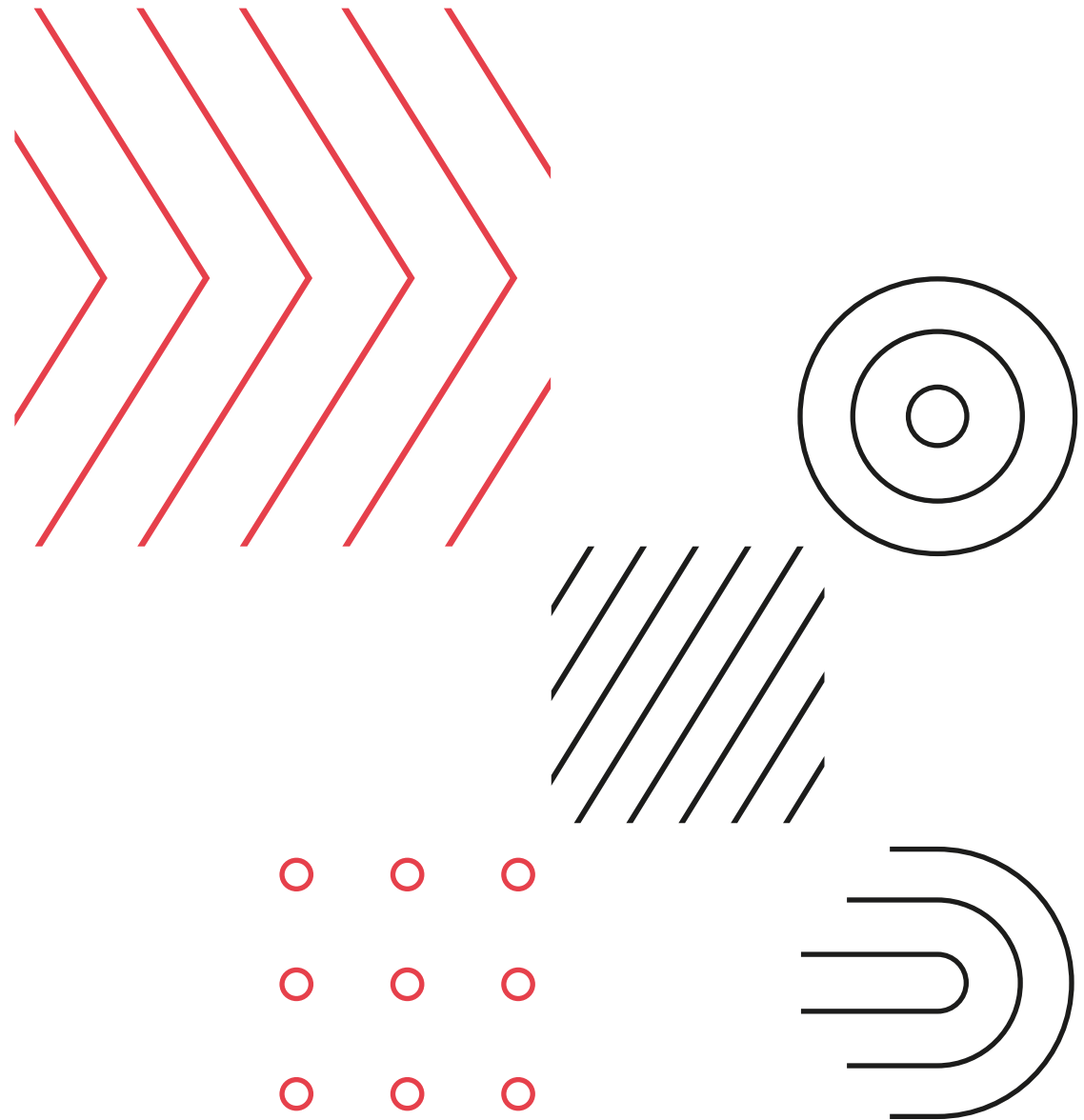
Transparent communication to prospective owners about the ESG status of the company, improvements completed during our ownership and areas for further development are part of an exit process.



BaltCap ESG investment standards

BaltCap ESG standards are the main environmental, social and governance topics that we consider in our investments both in the early stage of screening and sourcing and when promoting sustainable business solutions and practices in our portfolio companies. Prior to each investment we conduct comprehensive ESG assessment of target companies and investments, with a particular focus on material ESG aspects.

BaltCap is also committed to provide its portfolio companies the tools they need to achieve sustainability-focused goals most relevant to each company.



BaltCap ESG investment standards

Environmental considerations

BaltCap recognizes that businesses have a crucial role in decreasing the overall negative impact from human activity on the environment. We aim for all our investments to contribute to providing solutions to environmental problems, irrespective of the size of their own environmental footprint. We aim to ensure that all our investments duly address the most urgent global issues of climate warming, depletion of natural resources and biodiversity loss.

The main environmental topics considered in our investments (not limited to):

- Greenhouse gas emissions and climate impact;
- General energy efficiency;
- Circular business practices;
- Waste and water management;
- Air and water pollution;
- Biodiversity and land use, risks of deforestation;
- Breaches of international standards and conventions on the environment.

We support our portfolio companies to strive beyond compliance with environmental regulations, for example by:

- Supporting CO₂ footprint calculation and setting 1.5°C aligned carbon reduction targets and timeframes for each portfolio company;
- Promoting value creation activities contributing to energy efficiency, circularity and decarbonization;
- Promoting the launch of innovative products and services aimed at decreasing the general environmental footprint;
- Limiting the use of non-renewable and scarce natural resources and avoiding adverse impacts on biological diversity.

Social considerations

At BaltCap we believe in smart economic growth that can be achieved through meaningful jobs, equitable and fulfilling working environments, innovation and open dialogue with diverse stakeholder groups, including the public sector. Therefore, we are committed to creating smart jobs and nurturing fruitful relations with employees, consumers, and communities at large.

The main social topics considered in our investments (not limited to):

- Creation of new jobs;
- Employee engagement and satisfaction;
- Occupational health and safety;
- Diversity, equity and inclusion in the workplace (DE&I);
- Product/service safety and transparency;
- Data security and privacy;
- Stakeholder engagement practices;
- Breaches of international standards and conventions on human and employee rights as well as national health, safety and worker protection regulations.

We support our portfolio companies to strive beyond compliance with social regulations, for example by:

- Supporting the creation of fulfilling working environment with clear career paths and development opportunities;
- Promoting equal opportunities in employment practices and procedures;
- Promoting positive engagement of key stakeholders.

Governance

BaltCap strives to increase the value of portfolio companies through improved governance structures and management practices. We believe diverse and transparent governing bodies that integrate the sustainability agenda in companies' overall strategic plan are key aspects of developing accountable businesses.

The main governance topics considered in our investments (not limited to):

- Set-up and transparency of governance structure;
- Business ethics, mechanisms for refraining from bribery and corruption;
- Compliance with applicable laws and regulations;
- Responsibility for auditing and transparent tax planning;
- Diversity of governing bodies and management teams;
- Integration of ESG topics to general management practices;
- Breaches of international standards and conventions concerning good governance practices.

We are committed to sustainable governance and strive beyond compliance, for example by:

- Enforcing sound management structures and transparent remuneration practices linked to environmental and social factors in line with the companies' own objectives;
- Promoting women's participation in leadership positions and raising awareness on gender pay gap;
- Supporting portfolio companies with integrating material ESG topics to company development and action plans.

BaltCap as an active participant in industry organizations

BaltCap is an active member of numerous international, European, and local industry organizations that promote responsible investment and develop the private equity industry. Working together helps us to develop the investment community, promote responsible business behavior, and guide it towards more sustainable growth.



As a signatory of the **United Nations Principles for Responsible Investment (UNPRI)**, an investor initiative in partnership with the UNEP Finance Initiative and the UN Global Compact, BaltCap follows the policies and practices of responsible investment and has incorporated ESG considerations into its daily operations. BaltCap also compiles and carries out an annual self-assessment regarding its environmental, social, and governance procedures as well as its performance based on the UN PRI Initiative. The results are published by UN PRI in their Report on Progress.



Invest Europe is the association representing Europe's private equity, venture capital, and infrastructure sectors, as well as their investors. As an active member of **Invest Europe**, BaltCap also abides by Invest Europe's professional

standards and other guidance including ESG matters.

The BaltCap team is actively engaged in Invest Europe work. Martin Kõdar, Managing Partner of BaltCap, is a member of the MidMarket Council and Professional Standards, which drives best practices for the entire private equity industry across Europe. Infrastructure Fund Partner Sarunas Stepukonis is a member of Infrastructure Roundtable.



Responsible Business Forum in Estonia

The Responsible Business Forum Estonia is a non-profit organization focused on fostering CSR and corporate sustainability in the Estonian business sector. It serves as a platform for competence-building and communication. BaltCap was among the founding members of the forum and has been a member since. Riin Savi, Head of Communications and Culture at BaltCap, is a Board Member since 2021.

BaltCap actively contributes to local market development by being a founding member of the Estonian, Latvian, and Lithuanian Private Equity and Venture Capital Associations.



The Estonian Private Equity and Venture Capital Association is the representative body of private equity and venture capital industry players and related support services providers in Estonia. Since its founding in 2009, its main focus has been on strengthening and developing the local ecosystem and international relations and providing industry knowledge, research, and training to its members, associate members, and other key stakeholders.

Kristjan Kalda, Partner at BaltCap, is a founding member and Board Member since 2021.



The Latvian Private Equity and Venture Capital Association was founded in 2003 to represent the interests of the industry to state institutions and legislators, organize and ensure cooperation with international and foreign Venture Capital associations, promote the exchange of knowledge and experience of the members of the association, and inform entrepreneurs and the public about the possibilities of receiving venture capital financing.

Sandijs Abolins-Abols, Partner at BaltCap, is a Board Member since 2017.



The Lithuanian Private Equity and Venture Capital Association monitors and helps to improve the regulatory and business environment which is necessary for healthy functioning of the private capital market in Lithuania. The association also serves as a central platform for representation and promotion of the Lithuanian private equity and venture capital market to institutional investors, policymakers, and the general public on a local and global level.

Marius Miskins, Investment Director at BaltCap, is a Board Member since 2021.



Each year, BaltCap completes the questionnaire from the Responsible Business Forum in Estonia. The results of the self-assessment are evaluated, ranked, and published by the Responsible Business Forum in the annual national index. For several years already, BaltCap has been awarded with a gold-level Quality Label (the highest level) in the Estonian Responsible Business Index.

BaltCap ESG milestones and initiatives in 2023



BaltCap receives full alternative investment fund manager's licence

In August 2023 BaltCap was granted a full alternative investment fund manager (AIFM) licence by the Estonian Financial Supervision and Resolution Authority (EFSA). The licence allows BaltCap to further internationalise its services, and engage new professional investors across Europe. BaltCap is the first dedicated PE house in Estonia to receive a full AIFM licence.

The AIFM licence signifies BaltCap's transition from operating solely under the light supervision regime available for managers of small alternative funds (AUM under EUR 500 million), to operating as a fully-regulated and EFSA-supervised fund manager. The AIFM licence is part of the EU's regulatory framework designed to harmonise the oversight and operation of alternative investment fund managers in the EU. This enables BaltCap to take advantage of the AIFM passport regime and provide its services, as well as market its funds cross-border throughout the European Union (EU).



BaltCap Climate Commitment

Over the last three years BaltCap's Climate Commitment has been central among our environmental initiatives. In 2023, we continued to implement current reduction plans and further identify steps to tackle emissions in BaltCap's operations and throughout our portfolio.

BaltCap's main positive environmental impact comes from our infrastructure funds dedicated to investments with positive environmental and social impact. In 2023 its portfolio helped to avoid ca 90 760 t CO₂ eq of emissions.

Also, BaltCap buyout and growth fund portfolio companies continued efforts to decrease their Scope 1&2 CO₂ footprint. Notably, Krekenavos Agrofirma, one of the largest emitters in our portfolio, decreased its Scope 1&2 CO₂ footprint by 25% compared to 2022. More detailed information on the dynamics in each portfolio company is provided in the company profiles below.

BaltCap company CO₂ footprint in 2023

At fund manager level BaltCap is making steady progress towards its goal of becoming a carbon-neutral company in Scope 1&2 emissions by 2025. This means we will further reduce the internal emissions to the extent possible and compensate for the residual emissions with internationally recognized and certified carbon credits.

When comparing the results of 2022 and 2023, the carbon footprint of BaltCap remained more or less the same totaling 145 tons of CO₂-equivalents. Still, some impacts increased while others decreased: Scope 1 emissions related to the fuel use of company cars increased by 12%, Scope 2 emissions remained the same and Scope 3 emissions decreased by 8%, mostly due to decrease in business flights related emissions.

		t CO ₂ -eq (2021)	t CO ₂ -eq (2022)	t CO ₂ -eq (2023)	Annual change
Scope 1	Fuel use in company vehicles	25	52	58	12%
Scope 2	Purchased electricity & heating	16	1	1	0%
Scope 3	Business travel, employee commuting, purchased & capital goods and other	76	93	86	-8%
		117	146	144,7	-1%

Table 1 Breakdown of BaltCap carbon footprint 2021-2023



Backed by Nefco, BaltCap kicks off with integrating biodiversity into operations, and appointing a biodiversity champion

Through its wind park investment Zvirgzdaiciu energija, the BaltCap Infrastructure Fund participated in Nefco's Biodiversity Pilot Programme. Addressing the unprecedented loss of biodiversity and nature, the programme's main aim was to test and develop suitable biodiversity solutions in collaboration with companies, and set an example for nature-positive impact strategies among financial institutions.

During the pilot, BaltCap and other project partners participated in various workshops, peer-to-peer knowledge-sharing sessions, and expert-guided discussions. During the journey, Nefco facilitated the companies with professional advising and backing from AFRY, an international engineering, design and advisory company driving sustainability. Through the diverse engagements, biodiversity initiatives for each participating organisation were developed.

Here is a short overview of the main steps and learning points from the lens of BaltCap:

Integrating calculations on biodiversity impact.

We will improve our internal investment processes by adding the calculations of biodiversity impact

Find out more about the programme: <https://e-publications.nefco.int/nefco-biodiversity-pilot-programme-2022-2024/>

to the investment process at the early stage of the Environmental Impact assessment.

Setting specific biodiversity KPIs allowing impact assessment and benchmarking. We set forth specific KPIs for wind projects to assess the biodiversity impact. As a practical step, we carry out preliminary assessments of our new wind park investments.

Specific mitigation/avoidance plan for future wind farm projects.

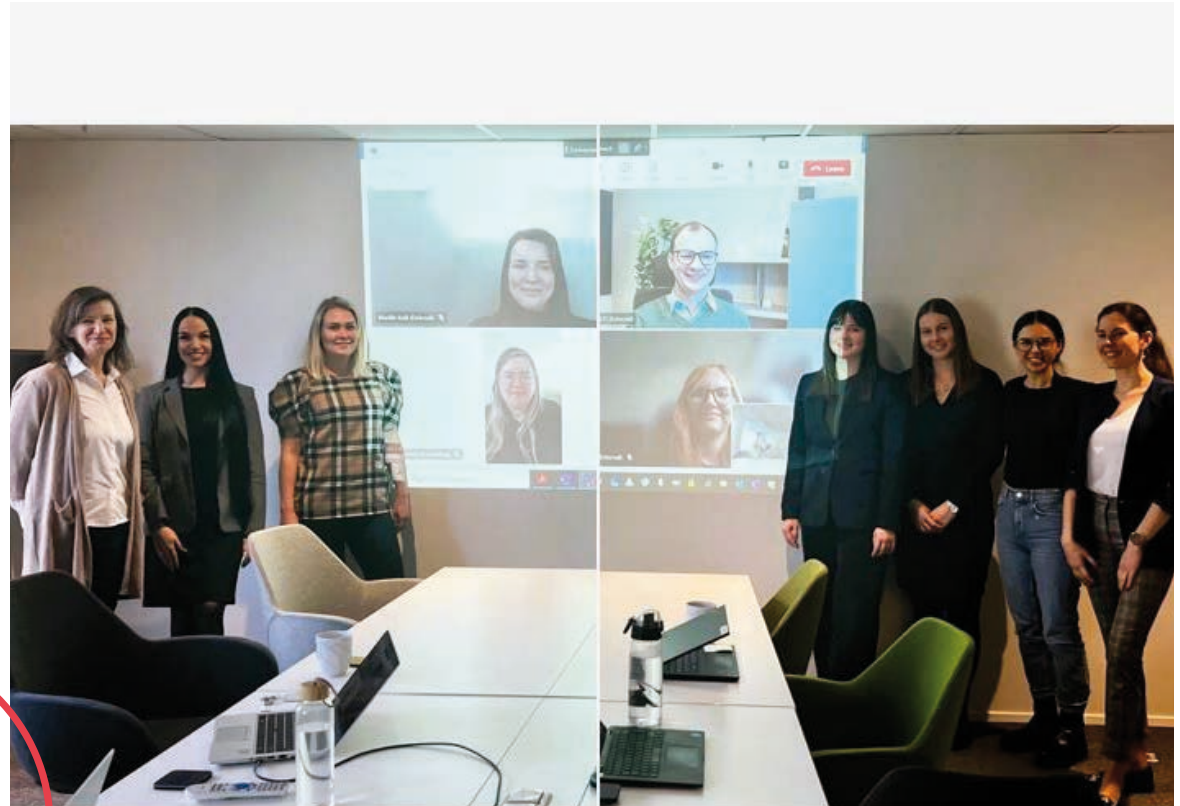
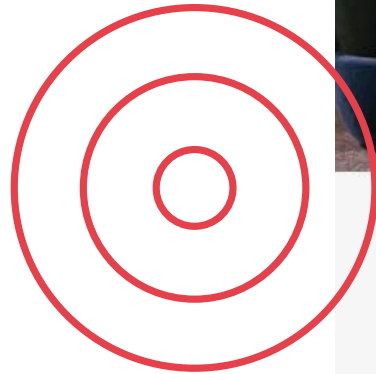
Assigning a biodiversity champion. To better keep the biodiversity topic in the spotlight and integrate the new project-specific initiatives into our procedures, Marek-Andres Kauts, Investment Director at BaltCap Infrastructure Fund, was appointed as a biodiversity champion who leads the initiative.

We are thankful to Nefco for launching the programme, AFRY for advising and backing, and other Nefco Pilot Programme participant companies for insightful sessions and sharing their experience.



BaltCap leads VEF working group on sustainability reporting

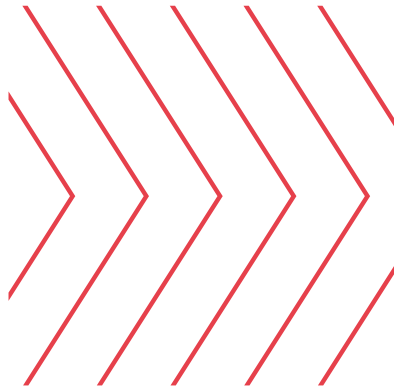
In 2023 the Responsible Business Forum Estonia (VEF) introduced working groups to better contribute to the local #ESG landscape and engage its member organisations. In total five working groups were launched. BaltCap team member Riin Savi, also serving as a board member of VEF, is leading the working group that aims to clarify and simplify sustainability reporting to Estonian businesses and improve the dialogue between the private and public sectors.



Responsible Business Forum Estonia
Sustainability reporting working group

BaltCap team members lecture at a special PE & VC course for the 3rd year in a row

Created in cooperation with the Tallinn University of Technology, Estonian Business School, and the EstVCA, the course introduces the role of PE/VC funds in company growth and in the wider ecosystem. BaltCap is proud to be on board with Martin Kõdar and Kristjan Kalda as lecturers for the third consecutive year.



BaltCap backs outstanding students of SSE Riga

In cooperation with the Alumni Association of the Stockholm School of Economics in Riga, BaltCap granted a scholarship for outstanding academic performance to two exceptional students – Robijs Lūkass Mālnieks, and Miks Saard – both of whom are in their second year at the Stockholm School of Economics in Riga. This year, a total of 49 students of SSE Riga were honoured with scholarships in recognition of their academic excellence and outstanding extracurricular contributions. Representing BaltCap at the event, SSE Riga alumnus Juris Parups had the privilege of handing over the certificates.



BaltCap joins Finance Estonia in inspirational evening for 100+ female students

More than 110 female students from the Tallinn University of Technology participated in the inspiration evening organised by Finance Estonia and TalTech to inspire female students in their career choices, and to talk about career opportunities and challenges in the financial sector.

Riin Savi, Head of Organisational Development & Culture at BaltCap, joined Marina Kotkas (COBALT), Gerli Kivisoo (Ellex Raidla), Valeria Kiisk (Redgate Capital), Jonna Pechter (Bigbank), Age Petter (Swedbank Investeerimisfondid), Kadri Kiisel (LHV), and Ege Metsandi (Krediidiregister) in a panel discussion to share their experience and learnings from their career stories in the financial sector.

BaltCap women join Level 20

BaltCap team members Eneken Napa, Darja Bolshakova, and Riin Savi joined Level 20, a global NGO uniting 5500 women in the PE industry. Backed by 119 PE firms, Level 20 aims to improve gender diversity through mentoring and development, networking and events, outreach and advocacy, and research. The overall goal of Level 20 is for 20% of senior positions in the European PE industry to be held by women.



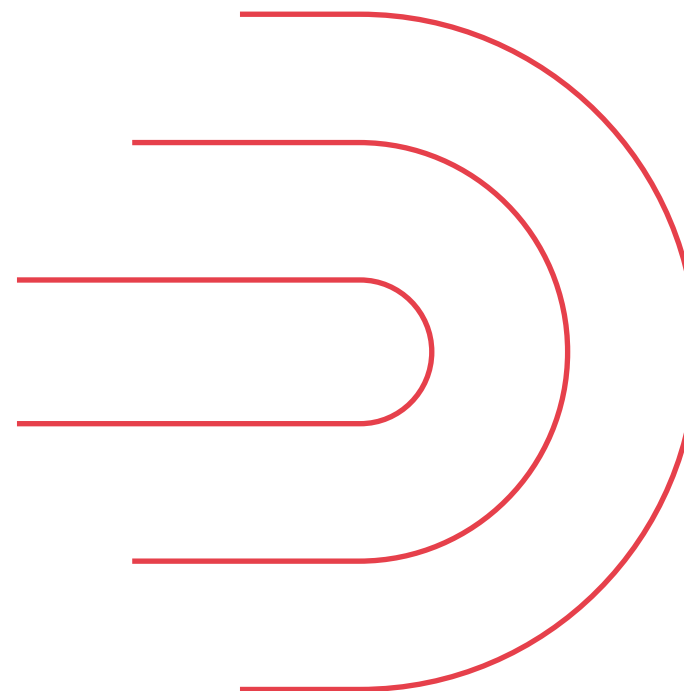
Portfolio overview – main ESG developments in 2023



Buyout portfolio

The next section portrays the main ESG developments in BaltCap buyout portfolio in 2023 (including selected companies of the BaltCap Private Equity Fund III). For each company the main business metrics, material ESG topics and list of most relevant ESG initiatives are brought out.

Material ESG topics depend on the industry and business model of the company as each sector is faced with different risks and opportunities related to sustainability. In addition, the needs and expectations of stakeholders determine the priority of the most relevant ESG initiatives in 2023 and plans for the next years are brought out.





Krekenavos Agrofirma

1 068 employees (FTE)

190 MEUR revenue

Medium/High

ESG risk classification

ESG focus areas



Environment:

- Waste and water management
- GHG emissions
- Energy Efficiency



Social:

- Food safety
- Employee health & safety
- Employee wellbeing



Governance:

- ESG stewardship

About the company

Krekenavos Agrofirma is one of the leading food sector companies in Lithuania and operates the largest and most modern meat processing plant in the Baltics.

Facts:

400+ different products

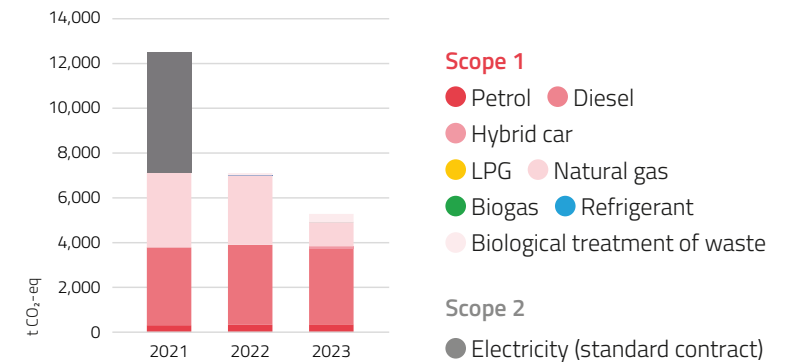
Exports to **27** countries across the world

Main ESG developments in 2023:

In 2023 Krekenavos reached significant environment-related milestones after years of purposeful development of its on-site solar plant and biowaste treatment plant:

- Further expansion of the on-site solar plant doubled the generation of renewable electricity on-site: in 2023 19% of total electricity consumed came from the on-site solar plant.
- In 2023 the biowaste treatment plant became fully operational, as a result:
 - energy recovery from waste increased from 8% to 56% and the use of fossil fuel for heating (natural gas) reduced sharply.
 - 37 tons of CO₂ emissions have been avoided due to decreased transportation.
- Eight new electric vehicles and charging stations were added to the fleet. The vehicles will be charged using green electricity generated by the company's own solar power plant.

Krekenavos Agrofirma CO₂ Footprint



The Premises of Krekenavos Agrofirma in Kėdainiai, Lithuania



Piletilevi Group

176 employees (FTE)

15 MEUR revenue

Low ESG risk classification

ESG focus areas

Governance:

- Corporate Governance

Social:

- Data security
- Data privacy
- Employee relations

Environment:

- Energy and water usage
- GHG emissions

About the company

The Piletilevi Group is one of the largest ticket sales operators in Central Europe, operating in Estonia, Latvia, Lithuania, Romania, the Czech Republic, Slovakia, and Poland. The Piletilevi Group's main line of business is ticket sales through digital platforms and a network of over 700 physical sales points. In 2023, over 5 million tickets to more than 32 000 events were intermediated. In addition, the Piletilevi Group offers marketing and consultation services.

Facts:

16 M tickets issued annually

€ 210 M value of tickets

Main ESG initiatives undertaken in 2023 and plans for 2024:

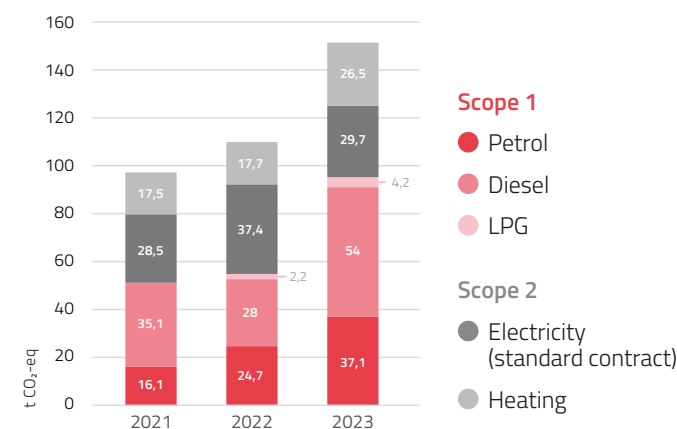
In 2023 the focus was on employee topics as Piletilevi's team grew significantly through mergers. The main goals achieved:

- establishing and integrating a health and safety policy;
- developing individual employee training plans;
- regular employee satisfaction surveys (three times a year) carried out;
- revising the employee benefit package.

Plans for 2024:

- carry on with and integrate the employee satisfaction survey in company management;
- carry out the set employee training plans;
- set a focus on value-based management, and integrate company values across the growing organisation;
- further develop the group-wide ESG framework in the growing organisation.

Piletilevi Group CO₂ Footprint



The total carbon footprint of the Piletilevi Group increased from 110 tCO₂-eq in 2022 to 152 tCO₂-eq in 2023 due to mergers, which caused an increase in the consumption of mobile fuel and purchased electricity and heating.



The core team of Piletilevi Group in 2023

Ridango

208 employees (FTE)

22 MEUR revenue

Low ESG risk classification

ESG focus areas

Social:

- Work-life balance
- Talent attraction and retention
- Data protection principles

Governance:

- Compliance and business ethics
- ESG leadership

Environment:

- E-waste management
- Service CO₂ intensity
- Operational energy efficiency

About the company

Ridango is an established solution provider for public transport with a focus on ticketing, payments, and real-time passenger information systems. Ridango is one of the most proven account-based ticketing and contactless bank card acceptance providers for public transport globally. The company operates in 27 countries. Its scalable state-of-the-art technology is designed to serve transport systems of any size, large or small.

Facts:

- **1 billion** annual validations
- **120+** customers on five continents
- **27** countries served worldwide

Main ESG initiatives undertaken in 2023 and further plans:

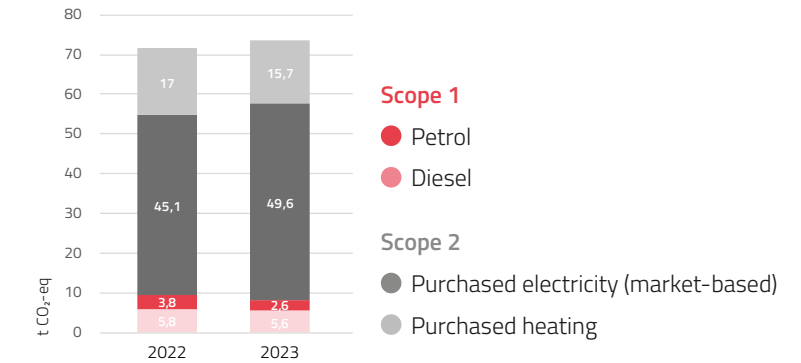
In 2023 the main focus was on employee relations & wellbeing, and building a cohesive team as Ridango was onboarding numerous new employees after a merger. Decreasing their CO₂ footprint across the whole group and integrating sustainability in product development were also among the top priorities.

Focus for 2024:

- further enhance work-life balance by introducing more flexible hours, remote work options;
- regular training sessions for employees at all levels on ethical decision-making and compliance, particularly focusing on real-life scenarios relevant to our industry;
- continue with seminars, workshops, and personal consultations on financial planning, investments, and retirement to support employees' financial health;
- set up cross-departmental teams to innovate on ESG issues;
- develop a line of products that are environmentally friendly, including decreasing the number of plastic cards;

- further increase the use of renewable energy sources in operations by investing in energy efficiency upgrades;
- engage in and sponsor local and global biodiversity projects, such as car-free day campaigns.

Ridango CO₂ Footprint



Ridango offers intelligent transport solutions worldwide

Rahva Raamat

185 employees (FTE)

23 MEUR revenue

Low ESG risk classification

ESG focus areas



Environment:

- Energy usage
- Carbon footprint
- Waste management



Social:

- Employee relations
- Occupational health and safety
- Data privacy and security
- Intellectual property and media integrity



Governance:

- Corporate Governance
- Business Ethics

About the company

Rahva Raamat is the largest integrated book retailer, publisher, and distributor in Estonia, with a large online bookstore and 13 stores in eight cities, three of which are concept stores with cafés. Rahva Raamat also supplies 250 retail stores across Estonia, including market leaders such as Coop, Rimi, Prisma, Maxima, and Selver.

Facts:

12 stores

250 retail chains

4,500 books sold daily

Main ESG initiatives in 2023:

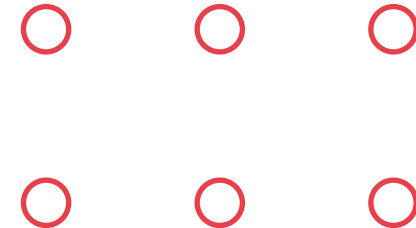
- in 2023 a dedicated person was assigned to lead the company-wide ESG initiatives;
- a new comprehensive set of internal policies including security statements, an anti-bribery statement, and privacy statements has been worked out and will be implemented in Q2 2024;
- a new sustainable packaging solution was introduced in the e-store—reusable packaging material is being used now and bubble wrap is not used anymore.

Main focus for 2024:

- further implement the new internal policies through internal training;
- increase the awareness of the employees on sustainability/ESG and its role in company management through internal training courses and special series in the company newsletter.



Book presentation in Rahva Raamat store





IGLU

198 employees (FTE)

13 MEUR revenue

High ESG risk classification

ESG focus areas



Environment:

- GHG Emissions
- Air quality
- Energy management
- Waste and hazardous materials management
- Water and wastewater management



Social:

- Fair and inclusive workplace
- Employee health and safety
- Product quality and safety
- Community relations



Governance:

- ESG leadership
- Data security & privacy
- Critical incident risk management
- Product design and lifecycle management
- Supply chain management

About the company

IGLU Holdings is a Latvia-based manufacturer and exporter of IGLU-branded kids' soft play blocks with main markets in Western Europe, Scandinavia, and the US. IGLU products are made from recycled polyethylene, making them lightweight and durable, helping children develop general motor skills via open-ended play. The company is also a regional leader in polyethylene products for the packaging and construction sectors.

Facts:

90% of sales exported to 40+ countries

Main ESG initiatives undertaken in 2023 and further plans:

In 2023 the company carried out its ESG materiality mapping, and assigned a dedicated ESG person, who underwent a special ESG manager course and will lead the sustainability initiatives in the company.

Main action points for 2024:

- Finalise a detailed ESG action plan, with KPIs;
- Carry out a comprehensive stakeholder survey and analysis;
- Carry out the first Scope 1 and Scope 2 emissions calculations;
- Launch the "0 work accidents" program;
- Supplier analysis, ESG compliance audit;
- Product life cycle assessment.



Kristīne Simonova, the dedicated ESG person of IGLU, receiving the certificate „Responsible Business Ambassador” from CSR Latvia



HansaMatrix

421 employees (FTE)

41 MEUR revenue

Medium ESG risk classification

ESG focus areas



Environment:

- GHG emissions and energy management
- Waste and hazardous materials management
- Water and wastewater management



Social:

- Employee relations and welfare
- Employee health and safety
- Materials sourcing and efficiency
- Product design and lifecycle management



Governance:

- Business ethics
- Workplace diversity and inclusion
- Transparent governance

About the company

HansaMatrix is one of the leading manufacturers of electronic systems and components in Northern Europe in the transportation, telecommunications, energy management systems, IoT, medicine, and defence technology sectors. HansaMatrix has more than 20 years of experience in the industrialisation of electronic products and systems and the provision of full-cycle manufacturing services.

Main ESG initiatives undertaken in 2023 and further plans:

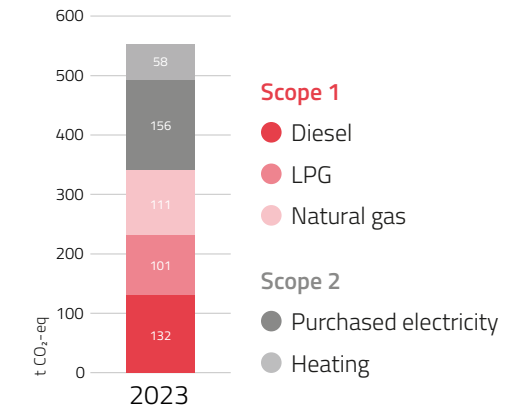
HansaMatrix continues its reduction of energy use and emissions and has set targets to further improve the working environment for its employees. In addition, preparing for the new EU sustainability reporting is a focus in 2024:

- decrease energy consumption (kWh/Wh) by 3% per year;
- decrease CO₂ emissions (CO₂ intensity/Wh) by 3% per year;
- decrease the employee turnover rate (lower than 15%) by 2027;
- implement ISO 45001 (health and safety management standard) by 2026;
- integrate EU CSRD reporting to current reporting practices by 2025.

In 2023 HansaMatrix received the “Family-Friendly Workplace” status awarded by the Latvian Society Integration Foundation for promoting the development of an employee-friendly and empathetic workplace culture in Latvia.

HansaMatrix has established a “whistleblower protection system” that provides its employees with a safe and confidential way to report unethical conduct or violations through multiple channels. Additionally, protection for all whistleblowers is secured to prevent any retaliatory or adverse actions against them.

HansaMatrix CO₂ Footprint



HansaMatrix received the “Family-Friendly Workplace” status by the Latvian Society Integration Foundation

Hansab

Hansab

332 employees (FTE)

45 MEUR revenue

Low ESG risk classification

ESG focus areas

Environment:

- Environmental management
- Cleantech opportunities

Social:

- Human capital management
- Diversity, equity, inclusion
- Data privacy and security

Governance:

- Business ethics
- Managing systemic risks from technology disruptions
- Corporate governance

About the company

The Hansab Group is a leading provider of innovative automation and digitalization solutions and services in the Baltics. The company develops and provides security and service automation solutions to B2B customers in the logistics, finance, public, retail, and other sectors. Hansab operates in Estonia, Latvia, Lithuania, and Finland.

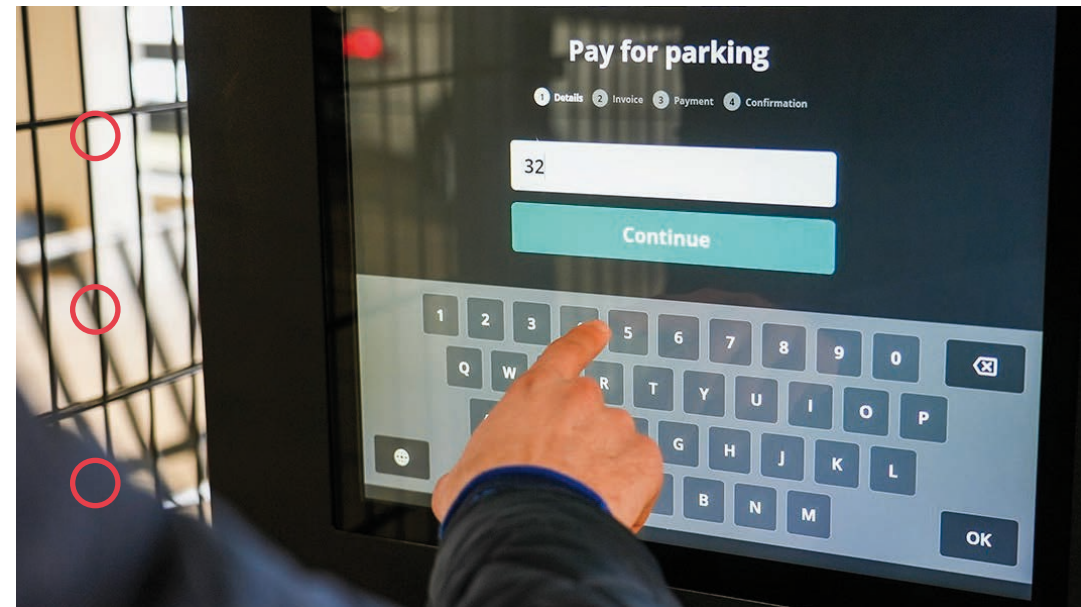
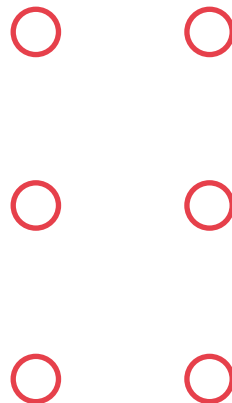
Facts:

100+ B2B clients

18 offices & service points across the Baltics and Finland

Main ESG initiatives in 2023 and plans for 2024:

- In 2023 ESG materiality mapping was carried out and a dedicated person was assigned to lead the company-wide ESG initiatives;
- Several initiatives to reduce energy consumption and waste in operations and supply chains we implemented:
 - Solar panels on the HQ roof were installed;
 - The company's environmental management system is certified—ISO 14001.
- In 2024 a company-wide sustainability strategy with specific goals, targets, responsibilities and procedures that address prioritised ESG topics will be developed. Also, loading docks for electric cars will be established to motivate employees to use electric vehicles.



Paid parking solution by Hansab



Delamode

1 642 employees (FTE)

420 MEUR revenue

Medium/high
ESG risk classification

ESG focus areas



Environment:

- GHG emissions
- Air quality



Social:

- Labour practices
- Employee health and safety



Governance:

- Supply chain management
- Critical incident risk management

About the company

The Delamode Group is a global logistics and freight-forwarding solutions provider with key markets in the UK and Europe, with specific expertise in the CEE countries. Delamode operates through three segments: Freight Forwarding, Logistics & Warehousing, and Transport Support Services. The company offers freight-forwarding and transport solutions by road, ocean, and air, stock management, short-term and long-term warehousing, and on-site packing services.

Facts:

20 000+ customers

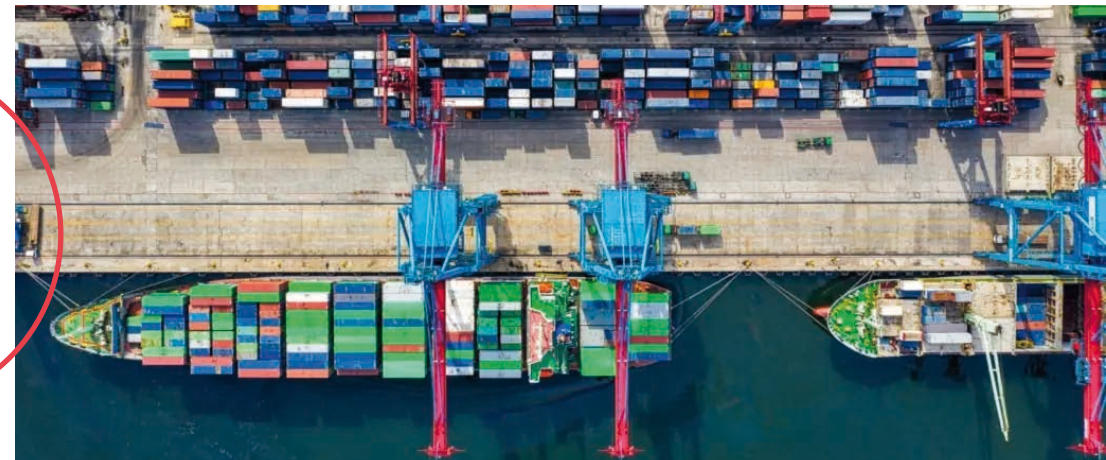
812 537 m² UK & EU warehousing

39 country offices and sites

Main ESG initiatives in 2023:

In 2023 the Delamode Group continued its committed to limit the impact of its operations on the environment and carbon emissions, and performed the following:

- continuing with a carbon reduction program using efficiency processes and technological advancement, e.g. decreasing transportation distances through improved logistical efficiencies, backloading strategies, and by prioritising the most eco-friendly transportation options and equipment;
- championing the use of renewable energy sources and electric cars. The company policy foresees that all new company vehicles must be electric;
- minimising waste and promoting recycling at company sites;
- promoting environmental awareness;
- liaising with suppliers, customers and contractors to improve management throughout the supply chain;
- employee wellbeing initiatives, with a focus on health & safety;
- engagement with the local community to raise funds for Investors In People (IIP), Delamode's nominated charity partner.



Delamode provides quality container shipping management solutions



Adoro

104 employees (FTE)

2 MEUR revenue

Medium ESG risk classification

ESG focus areas



Environment:

- Energy management and GHG emissions
- Waste and water management
- Operational energy efficiency: invest in energy-efficient solutions



Social:

- Qualified, engaged and motivated employees
- Safe and high quality service
- Satisfied and cared for clients



Governance:

- Responsible and transparent governance on the group level
- High quality and secure management of client data
- ESG leadership

About the company

Adoro is a leading private retirement home operator in Latvia. The Adoro chain includes two retirement homes with 285 beds, while two more homes (with 350 beds) are in the development stage. Adoro offers high quality care services in Latvia to seniors and other client groups, such as post-treatment rehabilitation and dementia patients.

Facts:

285 beds

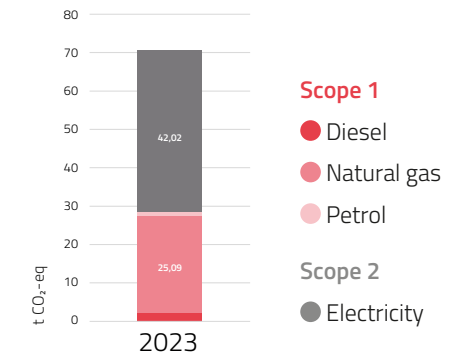
2 homes

Main ESG initiatives undertaken in 2023 and further plans:

In 2023 Adoro carried out an ESG materiality analysis and set forth the action plan for 2024, with the main initiatives being:

- reduce energy consumption and greenhouse gas emissions – first Scope 1 and Scope 2 measurement of GHG emissions carried out for 2023;
- manage and reducing waste generation;
- reduce water usage;
- enhance workforce well-being and reduce turnover;
- revise service standards to develop safe and high-quality service;
- further ensuring the Client-Centric Feedback and Improvement Initiative;
- develop and communicate group-level policies/principles for ethical governance and conduct.

Adoro 2023 CO₂ Footprint



Adoro's retirement home in Riga, Latvia

Growth portfolio

The next section portrays the main ESG developments in BaltCap growth portfolio in 2023 (including selected companies of the BaltCap Growth Fund). For each company the main business metrics, material ESG topics and list of most relevant ESG initiatives are brought out.

Material ESG topics depend on the industry and business model of the company as each sector is faced with different risks and opportunities related to sustainability. In addition, the needs and expectations of stakeholders determine the priority of the most important ESG topics and help companies to focus on key questions.



TRADEHOUSE

PRETTY CURIOUS

Tradehouse

177 employees (FTE)

23 MEUR revenue

Low ESG risk classification

ESG focus areas

Environment:

- Climate and CO₂ emissions
- Renewable energy
- Packaging

Social:

- Sustainable products
- Motivated workforce
- Data protection

Governance:

- ESG structure and culture

About the company

Tradehouse is the largest importer and distributor of professional beauty products in Estonia. The company supplies professional hair care products, cosmetics, accessories, and equipment to hair salons and beauty professionals. The company operates six retail stores in Estonia and Latvia, a showroom in Finland, and a busy e-shop.

Facts:

800 brands

100 000 products

10 000 e-shop orders per month

Key ESG activities in 2023 and forward

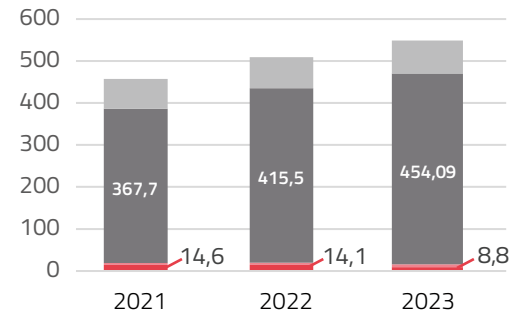
In 2023 Tradehouse continued reducing its environmental impact, and building a meaningful and fulfilling working environment:

- decreasing e-waste—partnering with GreenDice, a company that rents, reuses, and recycles company computers;
- optimising in-company shipment transportation;
- decreasing packaging and the share of film-based materials in packaging;
- introducing the employee life cycle model to better manage employee development;
- promoting recycling by introducing collection boxes in all shops – 250 kg of empty plastic packages were returned by clients, which will be turned into reusable products with Neural;

In 2024 two distinct ESG goals have been set:

- further decreasing the use of film-based materials in packaging by 50%;
- Applying for a Green Office Certificate from the Estonian Association for Environmental Management.

The total carbon footprint in 2023 increased by 8% compared to 2022. This was mainly due to business expansion—opening a new physical store in Latvia.



Scope 1 ● Petrol ● Diesel

Scope 2 ● Electricity (standard contract) ● Heating



Collection box in Tradehouse for returning empty plastic packages



Verkter

27 employees (FTE)

12 MEUR revenue

Low ESG risk classification

ESG focus areas



Environment:

- Packaging
- GHG emissions (scope 3)



Social:

- Client satisfaction
- Occupational health and safety



Governance:

- Private data security
- Service standards
- Innovation

About the company

Verkter is an e-commerce group selling a wide range of professional work tools and accessories in Europe. The company sells high-quality products manufactured by well-known brands such as Makita, Bosch, Dewalt, Metabo, Milwaukee, Festool, Femi, Kärcher, Tormek, and Stiga.

Facts:

- **60,000 +** items on sale
- warehouse stock of over **5,000** tools
- online shops in **10** languages

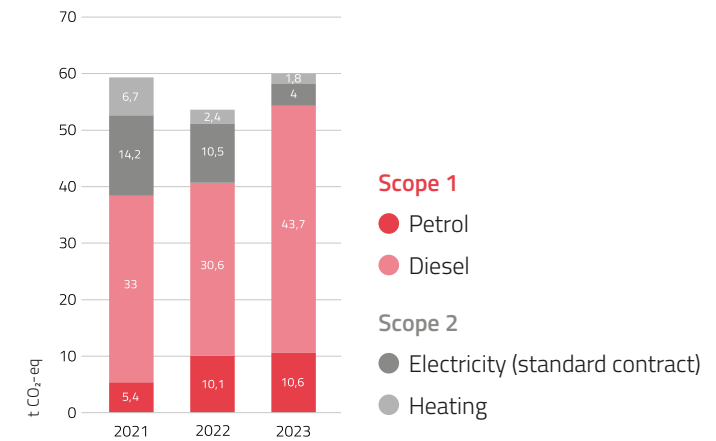
Main ESG initiatives undertaken in 2022 and further plans:

In 2023 inclusive and meaningful workplace and client wellbeing were the focus:

- developing new DEI initiatives;
- co-creating novel new team-building methods through increasing the knowledge on products offered;
- further improving customer satisfaction by systematic use of the Trustpilot platform.

In 2024 environmental issues are in the spotlight: waste management and adapting to the new regulation of waste sorting; further decreasing the use of packaging materials; paying increasing attention to Continuous Improvement (CI) processes.

Verkter CO₂ footprint



The Premises of Verkter in Kaunas, Lithuania



Gemma

167 employees (FTE)

5 MEUR revenue

Medium ESG risk classification

ESG focus areas



Environment:

- Responsible consumption
- Water stewardship
- Waste management



Social:

- Client satisfaction
- Ethics and dignity
- Employee welfare



Governance:

- Service quality
- Increased availability of services
- Data security

About the company

Gemma is a modern private nursery hospital and rehabilitation service provider. At Gemma, service provision builds on modern care standards employed by experienced medical staff, top-notch rehabilitation, and therapy combined with an individual and trust-based approach to the patient, as well as cozy premises that are adapted to facilitate effective care practices.

Facts:

2 homes

305 beds

150+ are care specialists

Key ESG activities in 2023 and onward:

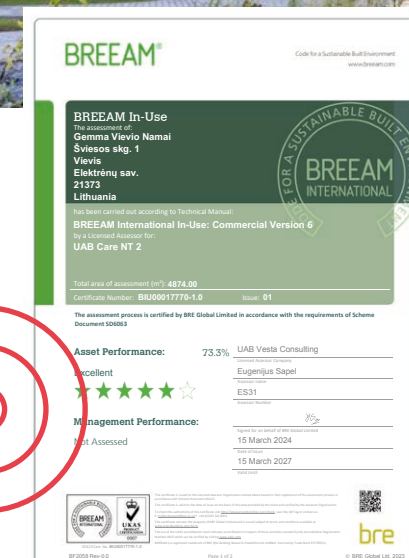
- building first modern and built-to-suit elderly care facility in Lithuania and first in Baltics that received BREAAAM certification for sustainable development;
- Investing into HIS (hospital information system) that provides real traceability of medical services and outcomes to staff and clients reducing risk of misbehavior;
- Solar panels installed on Gemma Antakalnis.

2024:

- launching internal training tool to facilitate higher frequency of trainings;
- involving local community of Vievis in Vievis home social activities.

Gemma first in the Baltics to receive the BREEAM certificate

BaltCap-backed Gemma's purpose-built Vievis care facility for the elderly has received a BREEAM certificate level of "Excellent". This is the first certificate in the Baltics granted to a retirement facility. BREEAM is an international science-based sustainability assessment standard for real estate assets. Its categories evaluate energy and water use, health and well-being, pollution, transport, materials, waste, ecology and management processes.



Gemma's retirement home in Vievis, Lithuania

Pihlakodu

228 employees (FTE)

24 MEUR revenue

Medium ESG risk classification

ESG focus areas



Environment:

- Invest in energy-efficient solutions
- Decrease waste production
- Switch to renewable energy where possible



Social:

- Further improve the level of service quality
- Invest in a stable and qualified workforce
- Focus on employee wellbeing and engagement



Governance:

- Secure alignment with data protection guidelines
- Increase financial system transparency

About the company

Pihlakodu is a leading retirement home operator in Estonia. The Pihlakodu chain includes four retirement homes—with 530 beds in Tallinn and the surrounding areas, and Tapa. In addition to the care service, Pihlakodu offers a wide range of services from inpatient nursing care to home care services. Its staff of 630 are guided by the needs of clients, and strives for individualised high-quality services.

Facts:

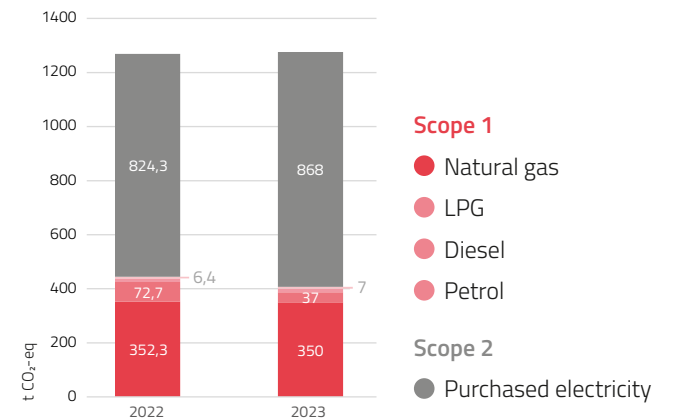
530 beds

4 homes

Key ESG activities in 2023:

- To decrease the waste produced, the volume of reusable aids (e.g. bibs and underpads) was increased, and new waste sorters installed across the premises.
- For more systematic water management, water metres were replaced with modern gadgets.
- To increase the energy-efficiency of Pihlakodu's Tapa facility, all its windows were replaced.
- To protect against the misuse of customer data, internal data protection terms were reviewed and revised, and cybersecurity courses were carried out for the management.
- A new project was launched in 2024 – developing maintenance activity software in collaboration with IT specialists.

Pihlakodu CO₂ footprint



Pihlakodu's retirement home in Viimsi, Estonia



Weekend

267 employees (FTE)

36 MEUR revenue

Low ESG risk classification

The main focus areas



Environment:

- Packaging and waste
- Service CO₂ footprint
- Renewable energy solutions



Social:

- Product & Service quality
- Supply chain management
- Data security & privacy
- Occupational health and safety



Governance:

- ESG leadership
- ESG stewardship

About the company

Weekend is a leading omnichannel footwear and apparel business in the Baltics with an 'online first' mindset. It currently operates 21 large-format physical stores in Estonia and Latvia, and has a rapidly growing online channel across the Baltics. Customers have awarded Weekend the best e-shop title in Estonia and Latvia for several years.

Facts:

20,000+ products

21 stores in the Baltics

1 smart shop

Main ESG initiatives undertaken in 2023 and further plans:

- **Decreasing packaging waste through reuse of packages in e-store:** the overall use of new packaging materials decreased by ca 30% as clients are increasingly using the possibility to choose used packages for delivery from the e-store, thereby contributing to a decrease in overall packaging materials.
- **Decreasing service CO₂ footprint** – in 2023 a new CO₂ neutral service provider, DPD, was added – this allows more clients to choose carbon neutral delivery.
- **Increasing the offer of sustainable products** – in 2023 a new filtering option was introduced in the e-store, allowing all products with a sustainability label to be found.
- **Continuous focus on employee wellbeing** – cooperation with a leading Estonian personnel consultancy will kick off in 2024 to further focus on employee satisfaction and systematic team development.

- **Weekend elected best e-shop in Estonia**

As a manifest to its continuous product and service development and client focus, Weekend's e-shop received "The Best e-Store in the Clothing and Footwear Category" and "Best e-Store in Estonia" title in a contest for e-stores by the Estonian E-Commerce Association. The selection criteria included customer service, pace and quality of delivery, price level, user friendliness, and design of the e-shop, and the other winner was selected based on user votes.



The founders of Weekend, Merilin and Taavi Laeks, receiving the award for the best e-store in Estonia

Infrastructure portfolio

BaltCap Infrastructure funds finance projects that create positive environmental and social impact with a focus on renewable energy generation, energy demand reduction, and social infrastructure investments.

In October 2023 BaltCap's financial team discovered a serious misconduct in Infrastructure Fund I (BInF I). The investigation initiated by BaltCap revealed an embezzlement of 40.4 million euros by a former manager of the Fund in the Fund's portfolio companies, including subsidiaries, in Lithuania and Poland⁵. Additional control measures were introduced on portfolio level immediately after the discovery of the misconduct to make sure that a similar incident could not happen again.

Despite the incident, BInF I remains profitable (i.e. Fund's value surpasses the amounts invested) and most of its portfolio companies continue to operate according to plan. BaltCap and BInF I investors are actively working on a solution to recover the embezzled amounts. The next section portrays the main developments in BaltCap's infrastructure portfolio in 2023.

⁵ The above description of events is based on AS BaltCap's best current knowledge, and the results of already completed special investigations. Since November 2023 the incident has been handled by the relevant public authorities.



Viru Elektrivõrgud to usher in the green transition in the Ida-Virumaa region

The newest investment in the BaltCap Infrastructure funds' portfolio is Viru Elektrivõrgud, the second largest regulated electricity distribution system operator (DSO) in Estonia. In addition to being an electricity DSO, the company is engaged in solar, electricity storage, electric vehicle charging, electricity sales, and grid O&M businesses. Its network operations in northeastern Estonia cover the towns of Narva, Narva-Jõesuu, and Sillamäe, as well as surrounding areas with ca 71,000 inhabitants and heavy industry. The annual electricity distribution volume of the company in 2022 was ca 250,000 MWh. The grid consists of 946 km of power lines and 374 substations at low, medium and high voltages.

An important goal of the investment is to increase the resilience of the region through further developing the grid in Ida-Virumaa, and securing flexible and affordable electricity distribution services for industry and retail clients.

Viru DSO aims to usher in the green transition in the Ida-Virumaa region, where oil shale interests have historically been dominant.



Viru Elektrivõrgud provides electricity network services via a transmission network



Environmental impact

Facilitate the green transition in the Ida-Viru region through:

- Establishing public EV charging networks
- Offering prosumer solar and storage solutions
- Energy efficiency solutions for houses and apartment buildings



Social impact

- Launching community products and educational programs for the green transition
- Contributing to the resilience of the region through further developing the critical infrastructure service of electricity distribution

IZIM upgrading public infrastructure in Poland

IZIM is a portfolio company aimed at raising the standard of living in Polish cities by upgrading public infrastructure. In 2023 the company completed three important projects.

I Modernisation of street lighting infrastructure in Kobylnica and Miedźno

Two street lighting projects in the Polish municipalities of Kobylnica and Miedźno were mostly completed in 2023. Both projects are being carried out as public–private partnerships (PPP) of IZIM and the respective municipalities. In total 1499 LED lamps were installed across 50 km of roads. The projects have a positive impact on the safety and quality of life of local residents, who can now better commute at night as well as use the roads for recreational activities. In addition, the LED lamps will increase energy efficiency and hence have a positive effect on the energy consumption levels and related costs of the municipalities.



Environmental impact 2023:

- Increased energy efficiency—1499 modern LED lamps installed along more than 50 km of roads
- CO₂ avoided in 2023: 355 tCO₂-eq



Social impact:

- Increased quality of public infrastructure resulting in an overall higher level of safety in the area, and an increased quality of life for residents



Before and after: upgrading the sports facilities in Luban

II Sports infrastructure modernisation completed in Luban

In 2023 the PPP project of IZIM and the Polish municipality of Luban was successfully completed, as the sports complex of MOSiR was officially opened after renovation. With this modernisation, the functionality of the sports facility and swimming pool were expanded, and the energy class of the buildings was increased, leading to a decrease in energy consumption and related costs. [VIDEO](#)



Environmental impact 2023:

- Increased energy efficiency—extensive energy renovation of 3000 m² existing building, and reduced GHG emissions



Social impact:

- Increased capacity of social infrastructure, and increased accessibility and quality of social infrastructure

PV Power establishing solar farms in Latvia

PV Power is a joint venture of BaltCap, Solar Core Plus, and the energy group AJ Power, established in 2023 with the aim of developing solar energy production in Latvia, and focused primarily on delivering electricity for consumption of large industrial companies. 5 PV projects totalling 21.2 MW of installed capacity have been built and commissioned.

In 2023 the first solar project was commissioned in the Latvian region of Kurzeme, located in the city of Brocēni. The total capacity of the solar park is 6.5 MW, which will generate more than 6000 MWh of green electricity per year. The electricity generated by the solar power plant is used by SCHWENK Latvia, a leading building materials producer on a 20-year PPA basis.

The remaining four solar parks in Latvia, with a total capacity of 14.7 MW, were constructed and started operations in spring 2024—Jelgava (3 MW), Dobele (2.5 MW), Aizkraukle (3.8 MW), and Ilūkste (5.4 MW).



PV Power Solar parks in Jelgava, Dobele, Aizkraukle and Ilūkste, Latvia



Environmental impact 2023

- Renewable energy production: 1.379 MWh solar energy (4 months)
- CO₂ avoided: 640 tCO₂-eq (4 months)



Social impact

- Increased energy independency of the region

Forest Investment increasing biomass energy capacity in Lithuania

The 48 MW heat-only boiler (developed by Forest Investment) has been producing heat for the Vilnius district heating system since 2019. Heat is produced only from biomass, and therefore the boiler significantly contributes to climate change mitigation by replacing fossil fuel use for heating and hot water, and by reducing GHG emissions.

In 2023 the construction of a new biomass combined heat and power plant (CHP) in Alytus, Lithuania was completed. The new power plant has a 2.5 MW electric turbine and a 12 MW heat boiler with flue gas condensing economisers. The first heat tests were completed and the first MWh of electricity and heat was produced in late 2023.



The premises of 48 MW boiler house in Gariūnai, Lithuania



Environmental impact 2023

- Renewable energy production 270.335 MWh
- CO₂ avoided: 62.500 tCO₂-eq



Social impact

- Increased energy independency of the region and a decrease of existing heat energy prices for consumers in Vilnius

Anaerobic Holding transitioning to biomethane production

Anaerobic Holding owns a portfolio of biogas plants with a total combined installed cogeneration capacity of 4.9 MW, and raw material supply companies in Latvia. Biogas plants produce electricity and heat from renewable sources of energy and thereby contribute to reduced GHG emissions as well as environment-friendly use of organic waste. The investment has a positive environmental impact through the mitigation of CO₂ emissions by generating electricity from biogas rather than fossil fuels.

Transitioning from biogas to biomethane production

In 2023 Anaerobic Holding started the transition from biogas to biomethane production to ensure a more sustainable supply to customers, and completed the construction of the first biomethane station in Iecava, including the connection to the gas grid. The modernised stations in Iecava, Eleja and Daugavpils will produce annually ca 60 GWh of biomethane, which is equal to two years' worth of the current consumption of natural gas in the Latvian transport sector. Biomethane will be produced entirely from organic waste.

PV capacity development

In 2023 three PV projects were initiated to secure inexpensive electricity for the in-house consumption of the biomethane plants. Total installed capacity of 3.7 MW will be commissioned in the first half of 2024.



The premises of Anaerobic Holding in Daugavpils, Latvia



Environmental impact 2023

- Renewable energy production 57.946 MWh
- CO₂ avoided: 13.397 tCO₂-eq



Social impact

- Increased energy independency of the region

33 MW wind park in Lithuania to complete testing mode

This wind park, located in Žvirgždaičiai, Šakiai district in Lithuania, consists of six 5.5 MW capacity and 121-m hub height turbines. In April 2023, the turbines started operating in trial mode. The plant is scheduled to complete grid tests and be commissioned in 2024.



Wind turbines in Žvirgždaičiai wind park



Environmental impact 2023

- Renewable energy production: 55.259 MWh
- CO₂ avoided: 13.373 tCO₂-eq

Opening a modern school complex in Lithuania

The modern school complex in Vilnius, Lithuania, operated by the British School of Vilnius, was successfully completed in 2023. The school was commissioned in September, the grand opening took place in November.

The school is located in the Vilnius City Innovation Industrial Park on a 12,000 m² lot. The 4-storey, 4000 m² building has A++ energy class and facilitates large, modern, and bright classrooms. In addition the complex includes science laboratories, art classes, a dedicated music room, a gym, a swimming pool, and outside sports infrastructure with a football pitch and basketball court. The location in the Vilnius City Innovation Industrial Park ensures access to educational services for the growing community. The modern educational facility significantly impacts pupils' creativity and achievements, as well as the well-being of the entire community. The new school accommodates up to 400 children both from kindergarten and school, and employs up to 50 teachers and administrative staff.



The facade and class rooms of British School of Vilnius



Environmental impact

- Energy efficiency—A++ energy class building



Social impact

- Increased capacity of education infrastructure—400 new study places; increased quality of social infrastructure—a modern study environment; and the increased well-being of the community



BaltCap