

# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) REPORT FOR 2024

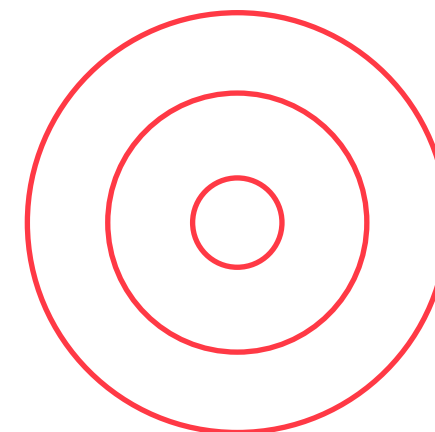


BaltCap



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# Portfolio impact in 2024 in brief

Our total impact and contribution to society consists of 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

100+ platform investments

## Overall portfolio impact in 2024<sup>1</sup>



€1,874 million

revenue of portfolio companies

(2023: €1,674 million)

(2022: €1,121 million)

(2021: €944 million)

(Entry: €514 million)



€176 million

In EBITDA

(2023: €163 million)

(2022: €114 million)

(2021: €102 million)

(Entry: €58 million)



14,584

Employees

(2023: 14,397)

(2022: 11,320)

(2021: 10,531)

(Entry: 7,254)

<sup>1</sup> Aggregate figures of companies in BaltCap-managed funds BPEF I, BPEF II, BPEF III, LSMEF, BLVCF, BGF (excluding Nord Security), BInF I, BInF II, including those exited before the end of 2023. For exited companies, the latest available data before exit are 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 2024<sup>2</sup>



€15.2 million

invested in R&D and capital expenditure



107

new jobs created



95,755<sup>3</sup>

tonnes of CO<sub>2</sub> emissions avoided  
across the portfolio



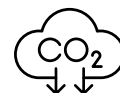
€78.5 million

paid in taxes



18,251

hours of training provided for  
employees in total



67%

portfolio companies with CO<sub>2</sub>  
reduction initiatives



€463,161

financial support to the local community  
and societal initiatives



32%

women on management boards



61%

portfolio companies with a  
dedicated ESG person

<sup>2</sup> Aggregate figures of companies in BaltCap-managed funds BPEF I, BPEF II, BPEF III, BGF.

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

# Message from the CEO



## Dear readers,

We are pleased to present BaltCap's annual Environmental, Social, and Governance (ESG) report for 2024, marking our 14th consecutive ESG report.

This document reflects our ongoing commitment to sustainability, responsible investment, and the proactive role we play in enhancing the social and environmental landscape within our operating regions. Throughout the past year, we have continued to integrate ESG considerations into our investment strategies, ensuring that we not only pursue financial success, but also contribute positively to society and the environment.

As we navigate an evolving business landscape, our focus on ESG remains paramount. We are dedicated to fostering transparency, accountability, and ethical practices across our portfolio.

As we reflect on 2024, I am proud to say it was a year marked by significant milestones that will resonate positively in the months to come. BaltCap funds performed exceptionally well, with the revenues and EBITDA of our portfolio companies continuing to grow. Highlights from last year include two new platform investments, a new co-investment from a limited partner (LP), four add-ons, and a successful exit that collectively summarise our deal-track.

Additionally, we reached an agreement on the main terms of the recovery plan with the investors of BaltCap Infrastructure Fund I, which positions us to refine our plans for the future and drive our strategy forward.

To focus on our core business, BaltCap sold its shares in NordicNinja VC, the Japanese-backed venture capital firm, to joint-venture partner JBIC IG Partners. BaltCap has discontinued its memberships in Baltic VCA associations and UNPRI. Even though we are no longer formally part of these associations, we remain committed to responsible investment principles and the sustainability of the Baltic private equity market.

As we move forward, I am excited about the opportunities that lie ahead, and I am confident in our ability to continue delivering value through our investments and partnerships.

Thank you for your continued support as we strive to create a more sustainable future.

Ege Metsandi  
CEO of BaltCap

# 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.

## Building business champions

### Buyout



- Well established companies with leading positions in their field
- Buyout, buy and build opportunities (incl. cross-border)
- Initial EV > €10m
- Primarily majority ownership stakes
- €5-20m equity tickets

### Growth



- Small-size companies with proven and profitable business model
- Growth capital for expansion, M&A, shareholder liquidity or MBO events
- Initial EV < €10m
- Majority or influential minority stakes
- €1-10m equity tickets

### Infrastructure



- Low risk economic and social infrastructure assets with predictable cash flows
- Development and operating stage projects with yields of 10-15%
- Long term develop and hold approach reducing exit and valuation risk
- SFDR Article 9 compatible, investments only with positive impact
- €3-15m equity tickets



### *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 course of nearly 30 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. This is 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 that they call *sisu*. Our first investors were Nordic, bringing a culture of transparency and mutual respect. Our 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 native languages across our country offices in Tallinn, Riga, Vilnius, and Warsaw.





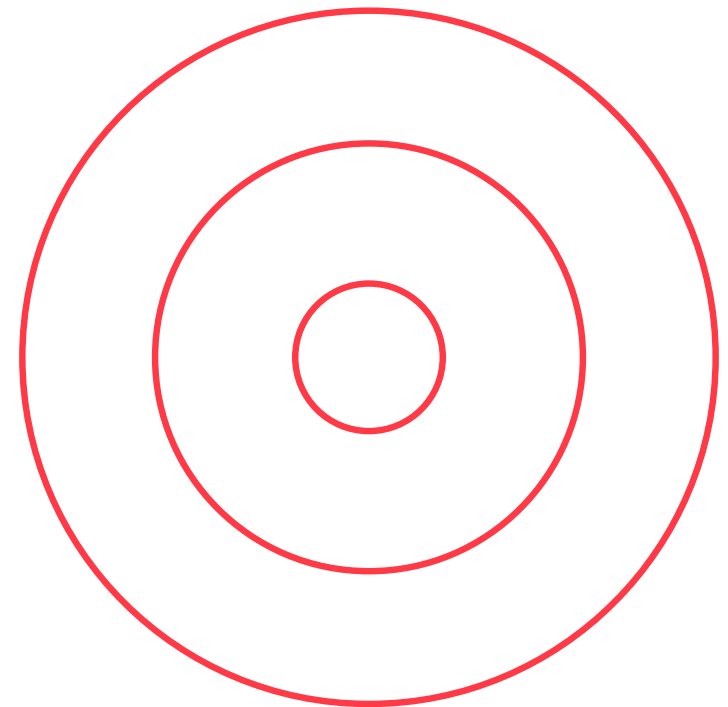
# BaltCap Sustainability approach

Being the leading private equity house in the Baltics 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/change 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—United Nations Principles for Responsible Investment (UNPRI), Sustainable Development Goals (SDGs), and Invest Europe Professional standards, as explained in further detail in our [BaltCap Sustainability Framework](#).

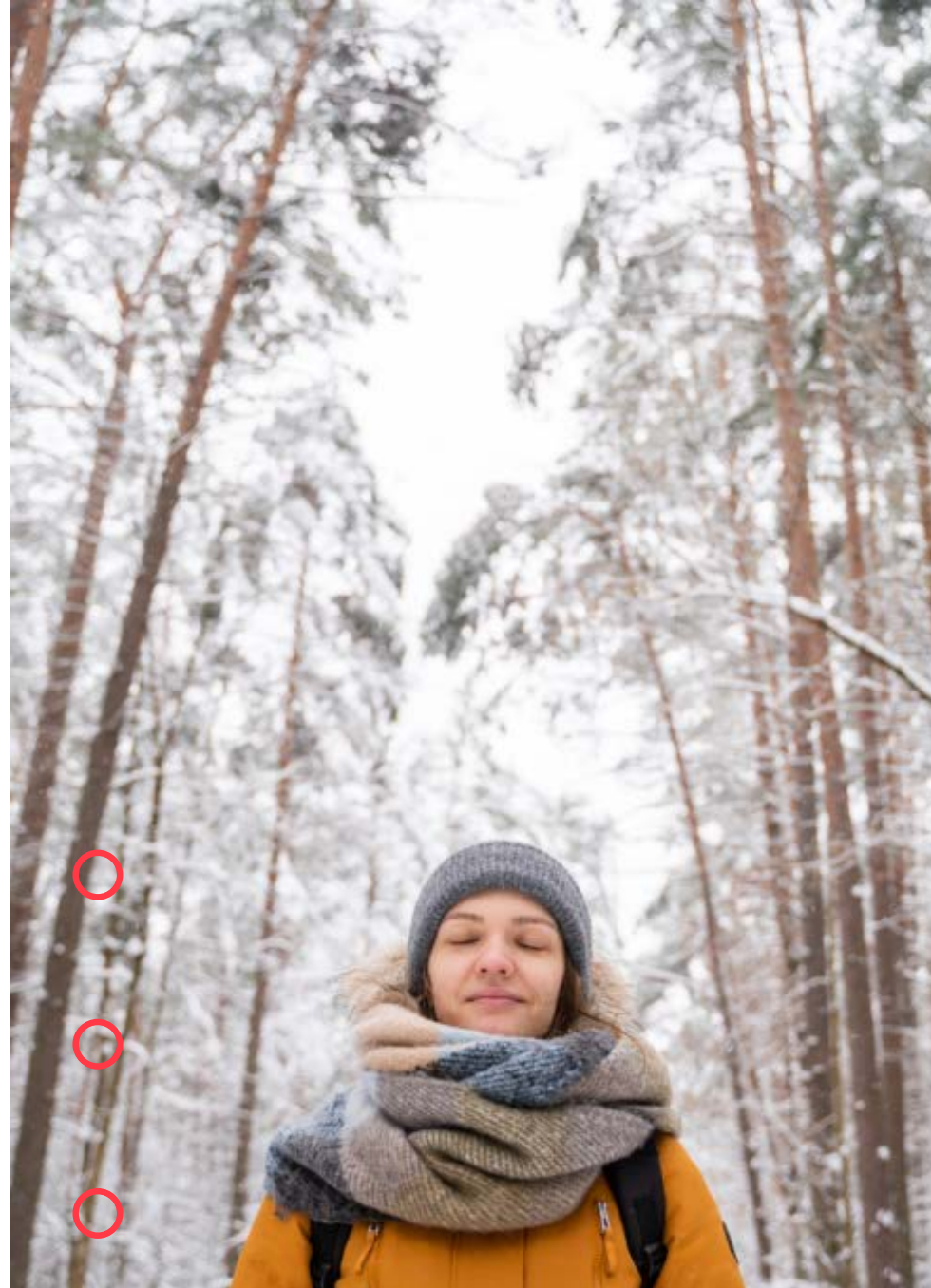


## Commitment to responsible investment

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 both in 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 14-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.

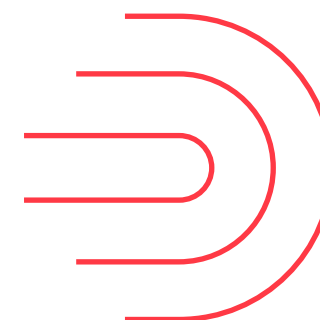
During the holding period we actively engage the company's management and key stakeholders to build an appropriate and value-creating ESG action plan and ESG monitoring reporting practices.

## Divestment

- ESG report and plan for further development

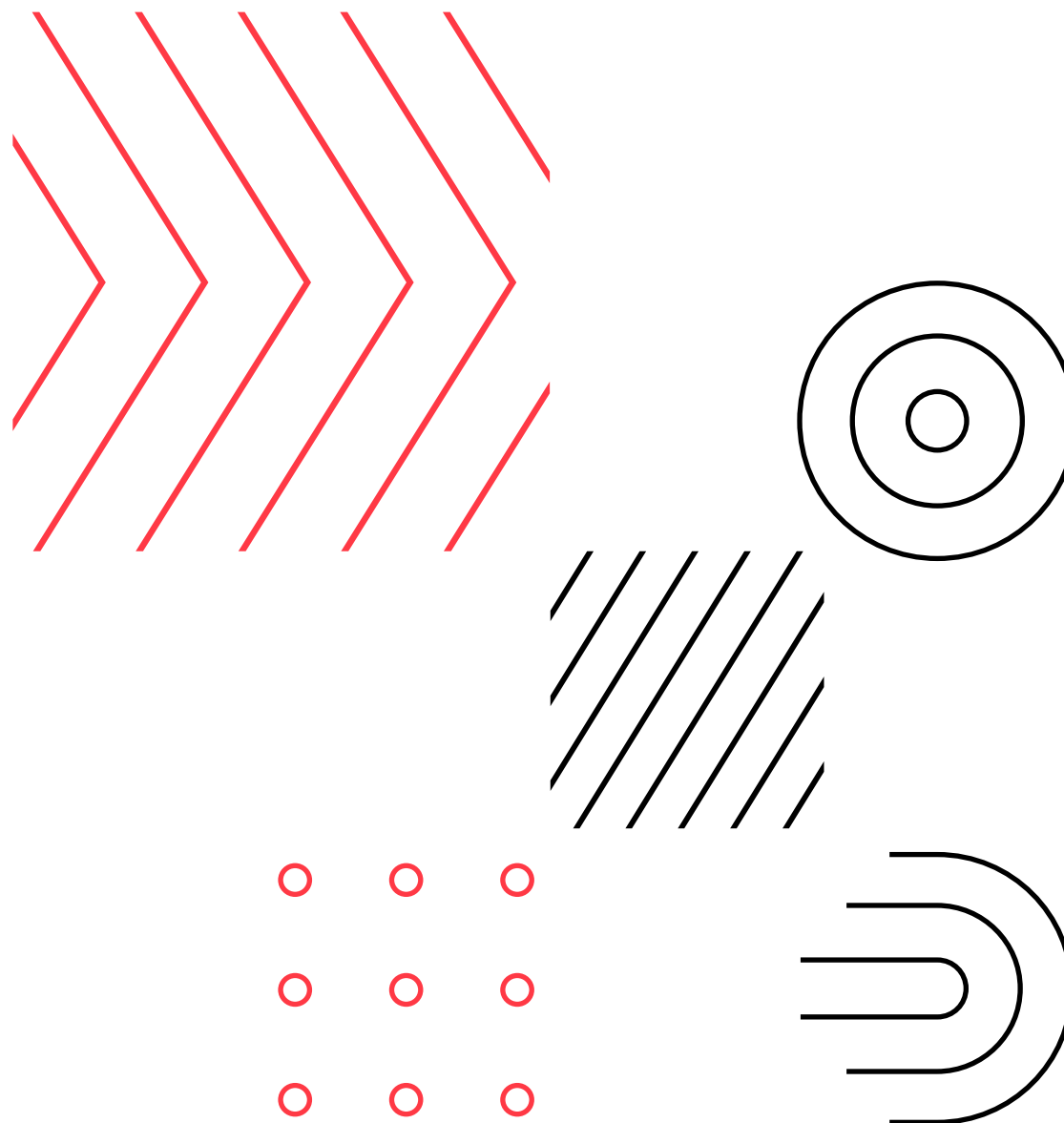
For BaltCap it is important that our companies can continue their sustainability track after the exit.

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 to be our investments both in the early stage of screening and sourcing as well as when promoting sustainable business solutions and practices in our portfolio companies. Prior to each investment we conduct a comprehensive ESG assessment of target companies and investments, with a particular focus on material ESG aspects. BaltCap is also committed to providing its portfolio companies with the tools they need to achieve the sustainability-focused goals most relevant to each company.



## Environmental considerations

BaltCap recognises that businesses have a crucial role in decreasing the overall negative impact from human activity on the environment. We aim 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 are duly addressed with the most urgent global issues of climate change, depletion of natural resources, and biodiversity loss.

These are the main (but not all) environmental topics considered in our investments:

- 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 CO<sub>2</sub> 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 decarbonisation;
- 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 (but again, not all) social topics considered in our investments:

- New job-creation;
- Employee engagement and satisfaction;
- Occupational health and safety;
- Diversity, equity, and inclusion in the workplace (DEI);
- 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 in striving beyond compliance with social regulations, for example, by:

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

These are some of the main governance topics considered in our investments:

- 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 of the gender pay gap;
- Supporting portfolio companies with integrating material ESG topics to company development and action plans.



# BaltCap Climate Commitment

Over the past three years, BaltCap's Climate Commitment has been a key focus of our environmental initiatives. In 2024, we continued to execute our existing reduction plans while also identifying additional measures to address emissions within BaltCap's operations and across our portfolio.

As a reflection of our strong commitment to mainstreaming sustainability, 61% of our portfolio companies have appointed a dedicated person to lead the development and implementation of their ESG strategies.

The most significant positive environmental impact from BaltCap arises from our infrastructure funds, which are specifically aimed at investments that generate positive environmental and social outcomes alike. In 2024, three of our portfolio companies contributed to the avoidance of approximately 95,755 tonnes of CO<sub>2</sub> equivalent emissions. This consistent contribution by these companies represents an increase of 6% compared to 2023, and highlights our ongoing commitment to advancing sustainable practices and reducing emissions.

Additionally, BaltCap buyout and growth fund portfolio companies continued efforts to decrease their Scope 1&2 CO<sub>2</sub> footprints. Notably, Krekenavos Agrofirma, one of the largest emitters in our portfolio, continued to decrease its Scope 1&2 CO<sub>2</sub> in 2024.



# BaltCap company CO<sub>2</sub> footprint in 2024

At the fund manager level BaltCap is progressively moving towards its goal of becoming a carbon-neutral company in Scope 1 and Scope 2 emissions. We are currently postponing our plan to become a carbon-neutral company in Scope 1 and Scope 2 emissions by 2026.

When comparing the carbon footprint of BaltCap in 2023 and 2024, we observe a notable overall decrease. Specifically:

**Scope 1** emissions, associated with the fuel consumption of company vehicles, declined by **29%**. This reduction can be attributed to the implementation of more fuel-efficient vehicles and a shift towards alternative transportation methods.

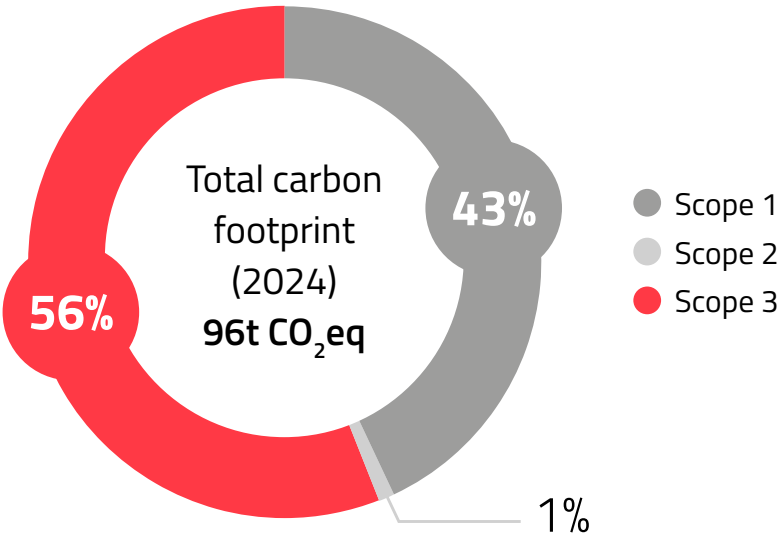
**Scope 2** emissions, related to purchased electricity and heating, remained unchanged. This stability indicates our consistent energy management practices, although there is room for improvement in sourcing renewable energy.

**Scope 3** emissions experienced a substantial decrease of **34%**, primarily driven by reduced travel (fewer flights), and smaller team size.



	t CO <sub>2</sub> -eq (2024)	t CO <sub>2</sub> -eq (2023)	t CO <sub>2</sub> -eq (2022)	Annual change
<b>Scope 1</b>				
Fuel use in company vehicles	41	58	52	-29%
<b>Scope 2</b>				
Purchased electricity & heating	1	1	1	0%
<b>Scope 3</b>				
Business travel, employee commuting, purchased & capital goods and other	54	86	93	-37%
<b>Total</b>	<b>96</b>	<b>145</b>	<b>146</b>	<b>-34%</b>

Table 1 Breakdown of BaltCap's carbon footprint 2022–2024





# Portfolio overview — main ESG developments in 2024



# Buyout and growth portfolio

The next section portrays the main ESG developments in BaltCap's buyout and growth portfolio in 2024. The main Principal Adverse Impact (PAI) indicators are presented for BaltCap Private Equity Fund III ("BPEF III") and BaltCap Growth Fund ("BGF"), in addition to the most relevant portfolio ESG initiatives in 2024. It should be noted that the older generation buyout and growth funds are in liquidation phase with a total of six remaining portfolio companies whose PAI indicator data are not collected.

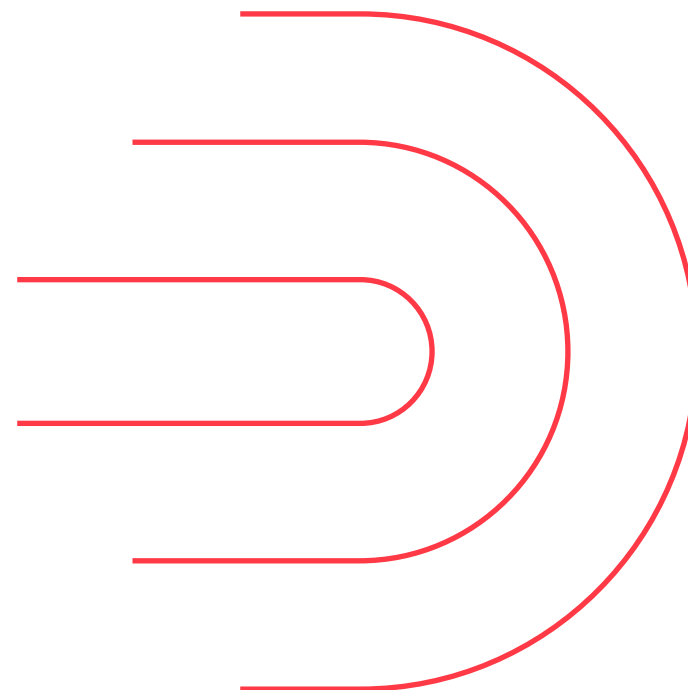
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## Principal Adverse Impact Indicators

**Principal adverse impact (or PAI), under the EU Sustainable Finance Disclosure Regulation (SFDR), is a concept developed to better display the negative impacts investments have on various sustainability factors. This helps to understand how an investment, portfolio, or company impacts the planet and people.**

To report on the principal adverse impacts, a set of adverse impact indicators, called the PAI indicators, is used, reflecting environmental and employee matters, respect for human rights, and anti-corruption and anti-bribery matters.

Though BaltCap does not currently consider the adverse impacts of investment decisions on its buyout funds, or the adverse impacts of investment decisions on sustainability factors as defined by Article 4 of SFDR, we partially collect and report the mandatory PAI indicators as presented below for general transparency.



Indicator	Metric	Explanation	BPEF III	BGF
<b>1. GHG emissions</b>	Scope 1 GHG emissions	<p>"Greenhouse gas (GHG) emissions" means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council. "GHG emissions" shall be calculated in accordance with the following formula:</p> $\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$	11791 t	138 t
	Scope 2 GHG emissions	<p>"Scope 1, 2 and 3 GHG emissions" means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council.</p>	3808 t	256 t
	Scope 3 GHG emissions	<p>"Current value of investment" means the value in EUR of the investment by the financial market participant in the investee company.</p> <p>"Enterprise value" means the sum, at the end of the fiscal year, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents.</p> <p>"Current value of all investments" means the value in EUR of all investments by the financial market participant.</p>	n/a	n/a
<b>2. Carbon footprint</b>	Carbon footprint	<p>Carbon footprint shall be calculated in accordance with the following formula:</p> $\frac{\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1,2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$	71.33	15
<b>3. GHG intensity of investee companies</b>	GHG intensity of investee companies	<p>GHG intensity of investee companies shall be calculated in accordance with the following formula:</p> $\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1,2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$	29.39	12
<b>4. Exposure to companies active in the fossil fuel sector</b>	Share of investments in companies active in the fossil fuel sector	<p>"Companies active in the fossil fuel sector" means companies that derive any revenues from the exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council.</p>	0	0
<b>5. Share of non-renewable energy consumption and production</b>	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	<p>"Renewable energy sources" means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave, and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas.</p> <p>"Non-renewable energy sources" means energy sources other than those referred.</p>	n/a	n/a

Indicator	Metric	Explanation	BPEF III	BGF
<b>6. Energy consumption intensity per high impact climate sector</b>	Energy consumption in MWh per million EUR of revenue of investee companies, per high impact climate sector	<p>"Energy consumption intensity" means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company.</p> <p>"High impact climate sectors" means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council.</p>	31	24.48
<b>7. Activities negatively affecting biodiversity-sensitive areas</b>	Share of investments in investee companies with sites/operations located in or near biodiversity-sensitive areas where the activities of those investee companies negatively affect those areas	<p>"Biodiversity-sensitive areas" means the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ("KBAs"), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139.</p> <p>"Activities negatively affecting biodiversity-sensitive areas" means activities that are characterised by all of the following:</p> <ul style="list-style-type: none"> <li>(a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;</li> <li>(b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented: <ul style="list-style-type: none"> <li>(I) Directive 2009/147/EC of the European Parliament and of the Council;</li> <li>(II) Council Directive 92/43/EEC;</li> <li>(III) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council;</li> <li>(IV) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (I), (II) and (III).</li> </ul> </li> </ul>	0	0
<b>8. Emissions to water</b>	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	"Emissions to water" means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council and direct emissions of nitrates, phosphates, and pesticides.	n/a	n/a
<b>9. Hazardous waste &amp; radioactive waste ratio</b>	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	<p>"Hazardous waste" means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council.</p> <p>"Radioactive waste" means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom.</p>	0.04 t	n/a

Indicator	Metric	Explanation	BPEF III	BGF
<b>10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</b>	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	"UN Global Compact principles" means the ten Principles of the United Nations Global Compact.	0	0
<b>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</b>	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	"UN Global Compact principles" means the ten Principles of the United Nations Global Compact.	100%	83%
<b>12. Unadjusted gender pay gap</b>	Average unadjusted gender pay gap of investee companies	"Unadjusted gender pay gap" means the difference between average gross hourly earnings of male employees and of female employees as a percentage of the average gross hourly earnings of male employees.	19%	5.17%
<b>13. Board gender diversity</b>	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	"Board" means the administrative, management or supervisory body of a company.	17%	15%
<b>14. Exposure to controversial weapons</b>	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Controversial weapons: anti-personnel mines, cluster munitions, chemical weapons, and biological weapons	0	0
<b>15. Investments in companies without carbon emission reduction initiatives</b>	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement		0	0
<b>16. Lack of a human rights policy</b>	Share of investments in entities without a human rights policy	"Human rights policy" means a policy commitment approved on the board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights.	75%	83%

Table 2 BaltCap buyout and growth portfolio PAI indicators 2024

# Examples of 2024 key ESG initiatives from BaltCap buyout portfolio

- Well established companies with leading positions in their field
- Buyout, buy and build opportunities (incl. cross-border)
- Initial EV > €10m
- Primarily majority ownership stakes
- €5-20m equity tickets





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.

In 2024, Adoro SIA strengthened its ESG performance by advancing key initiatives and launching projects aligned with its long-term sustainability strategy.



### Environmental initiatives:

- conducted mapping of electricity and water consumption across facilities to identify high-usage areas and evaluate energy efficiency;
- initiated groundwork for future energy optimisation measures, including potential investments in energy-efficient lighting and equipment, as well as exploring greener heating system solutions.

### Social initiatives:

- strengthened workforce well-being programmes to enhance employee satisfaction and retention;
- developed a comprehensive employee health insurance plan for 2025, aiming to ensure staff well-being;
- revised and expanded service quality standards to ensure a safer and higher-quality care experience for residents;

- implemented advanced health and safety protocols to ensure the highest standard of care;
- further developed the Client-Centric Feedback and Improvement Initiative by implementing digital tools for faster response to resident needs, promoting a more personalised and respectful care experience. Conducted a resident satisfaction survey across both care centres, with results used to identify actionable improvements and strengthen partnerships with service providers such as catering companies;
- launched internal training and awareness efforts to improve the use of digital client management tools, ensuring more consistent care documentation and better coordination across departments.

### Governance Initiatives:

- finalised and communicated group-wide ethical governance policies to reinforce transparency and accountability;
- strengthened risk management and compliance frameworks to align with leading industry standards;
- increased focus on digitalisation and data integrity, particularly in care documentation systems, reinforcing governance through better traceability, accountability, and decision-making based on accurate data;
- integrated ESG principles into corporate decision-making and strategic planning.





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.

The following are the key ESG initiatives taken by Delamode in 2024:

On the environmental front, the company focused on improving energy efficiency by replacing outdated equipment with modern, energy-saving alternatives and implementing intelligent energy management systems across some of its buildings. Separate waste collection practices were introduced, while sustainable mobility was promoted through initiatives encouraging employees to use public transport, bicycles, or carpooling. Regular maintenance of HVAC systems and a gradual transition to electric and hybrid vehicles were prioritised, supported by route optimisation through advanced logistics software. Delamode also installed solar panels on warehouse roofs to further reduce its carbon footprint and expanded the use of electric vehicles across the group. In terms of social responsibility, Delamode continued to invest in employee well-being through dedicated health and safety programmes, active community engagement initiatives—including fundraising for a nominated charity partner—and maintaining its Investors In People (IIP) accreditation, reflecting a strong commitment to workforce development and satisfaction.





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.

In 2024, the company continued to make strong progress in advancing its environmental sustainability goals. All production operations now run **exclusively on green electricity, significantly reducing the company's carbon footprint. In addition, the company operates a biogas power plant, supporting renewable energy generation on-site.**

Notably, the company achieved a 49% reduction in natural gas usage compared to 2023, with total natural gas consumption lowered to 82% of previous levels. These efforts demonstrate a focused commitment to improving energy efficiency and reducing reliance on fossil fuels.

Krekenavos also expanded its sustainable mobility initiatives, with a current fleet of ten electric vehicles supporting greener transportation practices. Looking ahead, the company plans to further strengthen its renewable energy portfolio by constructing a 291 kW solar power plant at its turkey processing unit in 2025.







Coffee Address Group is a market leader in the Baltics, providing premium self-service coffee and convenience food solutions in a network of prime locations. In the landscape of corporate governance, the Coffee Address Group is dedicated to the principles of transparency, accountability, and ethical practice. Operations are built upon a governance framework that is thoughtfully designed to guide and control the organisation with responsibility at its core. This framework not only aligns with internal standards but also adheres to the Corporate Governance Code outlined by the Ministry of Justice of the Republic of Latvia, ensuring commitment to high standards of governance and ethical conduct.



In 2024, Coffee Address developed key governance policies and a clear plan for their implementation across the company, focusing on responsibilities towards employees, suppliers, customers, society, and the environment. In 2024, Health and Charity Months were organised for the second time, and we are delighted to see increased employee participation. There are many challenges on the road to sustainability, but Coffee Address is making progress every day.

Sustainability has become part of the decision-making process, and remains committed to

achieving goals and making improvements to promote sustainability.

In total, 23 key areas of sustainability were identified. Through a comprehensive analysis, it was determined that the most relevant sustainability topics primarily revolve around the environment. The key sustainability subjects encompass resource utilisation, adopting a circular approach to operations, addressing social aspects of product sustainability and safety, as well as calculating and implementing measures to reduce their carbon footprint.

### ESG initiatives taken by Coffee Address in 2024:

The product strategy focuses on ethically sourced coffee; it is also about ensuring a sustainable supply. Ensuring the supply chain by committing to working with suppliers that meet strict environmental and ethical standards to minimise the overall environmental impact.

Focus on minimising environmental waste management, energy saving, and environmental protection measures.

Prioritising health, safety, and personal development.

Efforts focus on providing comprehensive training, fostering a culture of wellbeing, and engaging employees in sustainability initiatives.



Iglu is a leading polyethylene foam and air bubble film manufacturer in Northern Europe. With over 25 years of experience and a dedicated team of 200 professionals, the company delivers high-quality products and tailored solutions.

#### Company Environmental initiatives:

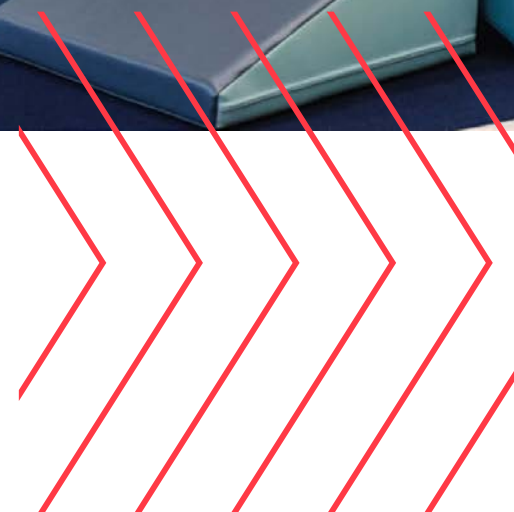
- Started a solar park project with co-financing from the State Development Finance Institution ALTUM. Prepared a technical project and started the construction of the project. On December 16, 2024 successfully passed the Distribution Network inspection and received a TEST permit to connect to the grid. By December 31, 2024, the park produced 2146 kWh (internal consumption);
- Continued to improve energy efficiency and implemented an energy monitoring system. Concluded a cooperation agreement with Data Mining Solutions Ltd ([www.energodati.lv](http://www.energodati.lv)). 13 production equipment units and all company power ports from the Distribution Network side (5 pcs) have been connected to the monitoring system.

#### Company Social responsibility initiatives:

- Improved workforce well-being programmes to enhance employee satisfaction and retention;
- By the end of the year conducted an in-depth employee survey on well-being issues, to understand what needs to be improved.

#### Company good Governance initiatives:

- Worked out Code of Conduct;
- Increased focus on digitalisation and data integrity, reinforcing governance through better traceability, accountability, and decision-making based on accurate data.



# Examples of 2024 key ESG initiatives from BaltCap's growth fund portfolio

- Small-size companies with proven and profitable business model
- Growth capital for expansion, M&A, shareholder liquidity or MBO events
- Initial EV < €10m
- Majority or influential minority stakes
- €1-10m equity tickets







DR.VET is a modern network of veterinary clinics that unites professionals dedicated to their work. The clinics and animal hospitals are staffed by experienced veterinarians of various specializations and offer a wide range of services.

The core of DR VET's mission is to promote a dignified and healthy lifestyle for every pet. The company has undertaken a range of initiatives aimed at improving the well-being of pets, supporting its community, and investing in its team.

The veterinarians actively educate clients about maintaining a healthy lifestyle for their pets, providing guidance on preventive care, nutrition, and overall wellness. Beyond its clinics, our doctors collaborate with local shelters to support homeless pets through various initiatives, extending compassionate care to the most vulnerable animals.

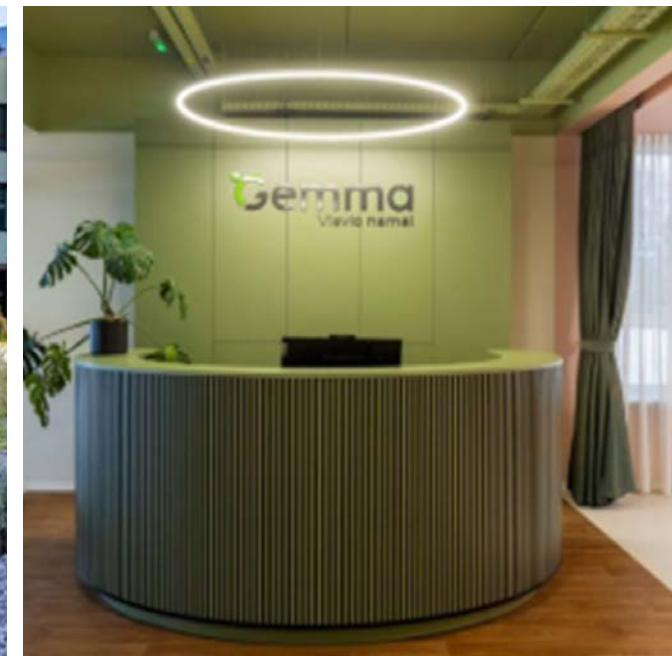
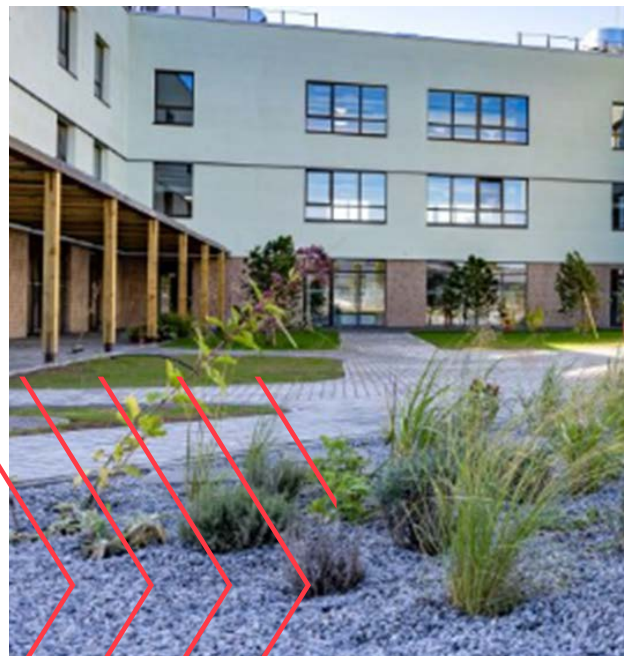
In 2024, DR VET proudly opened a blood bank for pets to provide safe, reliable blood products for veterinary patients who need transfusions to survive or recover. Alongside this milestone, educational efforts to raise public awareness about the importance of animal blood donation have been undertaken.

To strengthen client communication and improve preventive care, DR VET launched the PetsApp platform, enabling direct communication with pet owners about health issues, appointment reminders, and preventive care opportunities. The app enables fast appointment registration, direct communication with a vet by using video calls or texts, and getting professional help without leaving the home.





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 cosy premises that are adapted to facilitate effective care practices. Significant improvements have been made compared to 2023. Gemma actively implemented key sustainability initiatives, ranging from utilising renewable energy to ensuring patient safety in its operations. Despite significant employee hiring and departures, the company reported zero serious operational or ethical incidents, maintaining a stable and compliant environment. Gemma invested in employee training and paid substantial taxes, demonstrating commitment both to its workforce and the local economy.



### Environmental:

Gemma aims to minimise the negative effects of its activities on the environment. In 2024, all electricity consumed came from renewable sources. PV solar panels are installed on the buildings of Gemma Sveikatos Centras. An advanced water filtration system ensures responsible water management, and modern waste management practices are in place.

### Social:

Gemma is committed to ensuring the highest possible service standards for its clients. The organisation aims to maintain an accident-free workplace and actively promotes gender equality and the avoidance of discrimination. Gemma achieved a client satisfaction rate of more than 89%, with an NPS score exceeding 56. The company focuses on human dignity, fosters a culture of trust, ensures patient safety, conducts regular fire safety drills, and consistently seeks feedback for improvement.

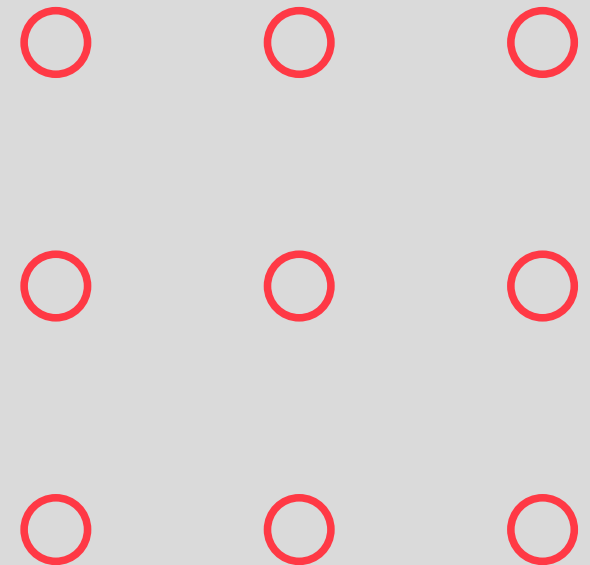
### Governance:

Gemma is committed to conducting business according to sound business principles and proactively mitigating potential risks. Key governance focus areas include promoting business ethics, ensuring compliance, maintaining quality assurance, upholding transparency and accurate reporting, and managing operational risks effectively.



# Infrastructure portfolio

The next section portrays the active investments of BaltCap infrastructure strategy (including Fund I & II). The funds aim to contribute to increasing the resilience of the Baltics and Poland with a focus on renewable energy generation, energy demand reduction, and social as well as transport infrastructure investments.



In 2024 BlnF fund’s portfolio included 14 active investments. Its main highlights include Anaerobic Holding completing its transition from biogas to biomethane production, with a total capacity of ca 110 GWh of biomethane annually, produced entirely from organic waste. Forest Investment increased its capacity by 14.5 MW by launching a new biomass combined heat and power plant (CHP) in Alytus, Lithuania. PV Power added four solar parks with a total capacity of 14.7 MW to its solar farms in Latvia. All of the remaining projects in Poland have been commissioned during 2024 and have entered an O&M phase.

The comparison of data between 2023 and 2024 reveals a positive trend in the portfolio's environmental impact. The tonnes of CO<sub>2</sub> emissions avoided have increased from 90,760 in 2023 to 95,755 in 2024, highlighting a commitment to reducing carbon footprints. Similarly, green energy generated in megawatt-hours (MWh) has seen significant growth, with total energy consumption rising from 88,835 MWh in 2023 to an impressive 125,926 MWh in 2024, indicating a strong shift towards more energy-efficient practices.

While there has been a decrease in energy used for heating—from 296,084 MWh to 218,500 MWh—this shift may suggest a transition towards more sustainable heating solutions or improved efficiency measures. Additionally, the introduction of biomethane energy in 2024, generating 20,900 MWh, represents an exciting step towards diversifying the energy sources within the portfolio and embracing renewable options. Overall, the data reflects promising advancements in sustainability and energy management, paving the way for future improvements and innovations.

Indicator	2024	2023
<b>1. Tonnes of CO<sub>2</sub> emissions avoided across the portfolio</b> (quantity of CO <sub>2</sub> emissions that have not been emitted to the atmosphere as a result of the implementation of human interventions with lower or no greenhouse gas emissions)	95,755	90,760
<b>2. Energy (EI), MWh/a</b>	125,926	88,835
<b>3. Energy (Heat), MWh/a</b>	218,500	296,084
<b>4. Energy (Biomethane), MWh/a</b>	20,900	n/a

Table 3    Infrastructure fund environmental impact 2023–2024





BaltCap