



Type of engagement	Reason for interaction
Individualist/stand alone engagements	<input type="checkbox"/> To support investment decisions relating to ESG issues <input type="checkbox"/> To influence corporate practice for more effective risk management <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> To set or to engage in other work <input type="checkbox"/> To support corporate transition planning to a net-zero economy <input type="checkbox"/> To influence corporate practice for more effective risk management <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> To set or to engage in other work
Collaborative engagements	<input type="checkbox"/> To support investment decisions relating to ESG issues <input type="checkbox"/> To influence corporate practice for more effective risk management <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> To set or to engage in other work <input type="checkbox"/> To support corporate transition planning to a net-zero economy <input type="checkbox"/> To influence corporate practice for more effective risk management <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> To set or to engage in other work
Service provider engagements	<input type="checkbox"/> To support investment decisions relating to ESG issues <input type="checkbox"/> To influence corporate practice for more effective risk management <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> To set or to engage in other work <input type="checkbox"/> To support corporate transition planning to a net-zero economy <input type="checkbox"/> To influence corporate practice for more effective risk management <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> To set or to engage in other work

CLIMATE TRANSPARENCY REPORT 2019

BaltCap

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-A2002FFE-7858-498B-AE4B-45BFABBD424/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	BaltCap
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 0.1 - 0.99 billion AUM
Main Asset Class	>50% Private Equity Internally Managed
Signed PRI Initiative	2008
Region	Europe
Country	Estonia
Disclosure of Voluntary Indicators	14% from 38 Voluntary indicators

BaltCap

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

BaltCap follows the policies and practices of responsible investment and has incorporated environmental, social and governance (ESG) considerations into daily operations. Performing well in terms of ESG issues is as important for us as financial performance. When investing in any company we always aim to contribute to the growth of these businesses. Very often this implies a significant job creation, improvement of productivity per employee and also improved working conditions. BaltCap's main contribution to the society and economy in general is bringing significant capital to the Baltic countries that is invested in the development of small and medium sized companies (SMEs). By using this capital and adding our skills and experience we seek to build business champions out of these companies where we invest. As the leading shareholder of our portfolio companies we must ensure that all our companies always comply with environmental regulations. Whenever possible we seek to improve their environmental performance through investing in more environmentally efficient technological solutions and launching better products and services. In some instances, the whole investment case has been about financing a project that has a significant positive environmental impact, for instance wind farms, hazardous waste recycling facilities that didn't exist here before.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Our guiding principles are integrity, transparency and professionalism. As an investment firm, BaltCap's main contribution, including contribution to environmental sustainability, is our investment activity. We invest in Estonian, Latvian and Lithuanian companies where we take a leading shareholder role with the aim to create long term sustainable value. The investments are carried out by our investment funds backed by institutional investors (incl. pension funds and government institutions). These investments become our portfolio companies that often play a significant role in their respective industries and local economies.

BaltCap always takes an active shareholder role in each portfolio company and participates in strategic decision-making through board or council membership. The alignment of interest of key stakeholders (our investors, other shareholders of portfolio companies, employees, customers and community) is of utmost importance to BaltCap. When selecting co-operation partners, we prefer organisations that follow CSR principles and share similar values with us.

Every investment in companies that BaltCap makes is indirectly an investment in people. People are the most important asset for BaltCap and the portfolio companies. In addition to employees, people also comprise the cooperation partners, customers, communities and other stakeholders. Therefore, social sustainability is a very important factor in our investment activities.

We take our responsibility to the environment seriously and seek to adopt and implement environmentally sound policies in our portfolio companies, and in our own internal operations. All our portfolio companies need to comply with applicable environmental regulations and standards and strive beyond the compliance.

Environmental sustainability is and has always been among the key investment criteria of all our investment funds. Our recent most significant contribution to the environmental sustainability is the launch of BaltCap Infrastructure Fund. It is a new investment fund established in June 2017 with the target size of €100 million that is backed by European Investment Bank, Nordic Environment Finance Corporation (NEFCO) and Baltic pension funds. Infrastructure development is one of the key priority areas for the Baltic region to improve competitiveness, independency and meet environmental targets.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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**SG 01.6
CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

Infrastructure fund was established with a purpose to address climate change mitigation agenda in the Baltic states:

- a) BaltCap has completed 3 renewable energy investments in electricity and heat generation from biofuel which has zero greenhouse gas (GHG) emissions and replaced energy produced from natural gas.
- b) BaltCap invested in a A+ energy efficiency class school development in Vilnius.
- c) Over the next 3.5 years BaltCap will aim to develop 70MW wind farm in Lithuania which should further reduce GHG emission in the region.

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

**SG 01.8
CC**

Indicate the associated timescales linked to these risks and opportunities.

Investment period of 5 years should be sufficient to implement BaltCap's climate change mitigation goals by financing renewable energy and energy efficiency projects that contribute to the Baltic States national GHG reduction targets.

No

**SG 01.9
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.10
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

BaltCap aims to track the following indicators (before and after investment is completed) that can measure effectiveness of the climate change mitigation goals implementation:

- 1) Fossil Fuel type consumption tonnes/a
- 2) Fossil Energy consumption tonnes/a
- 3) Electricity consumption MWh/a
- 4) Waste production t/a
- 5) Waste re-circulated t/a
- 6) Renewable energy prod/cons. MWh/a
- 7) SLCP (Short Lived Climate Pollutants) t/a

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Fiduciary (or equivalent) duties
- Asset class-specific RI guidelines
- Sector specific RI guidelines
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
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- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- We do not publicly disclose any investment policy components

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other Chief-level staff or head of department
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Portfolio managers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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Investment directors are responsible for financing renewable energy and energy efficiency projects which reduce GHG emissions and mitigate climate change. Investment directors are following three-step decision making process and get the final approval to proceed at the Investment Committee level.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			55	900	000
Currency	USD				
Assets in USD			55	900	000

Specify the framework or taxonomy used.

AUM consists of CAPEX used for greenfield investments and Enterprise Value at the time of the acquisition for brownfield investments.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.4 If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

Annual reporting to investors on GHG emission reduction achieved by renewable energy investments.

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To reduce climate change	tonne of carbon emissions	GHG emission reduce by new renewable energy capacities

SG 14.7 CC Describe in further detail the key targets.

Targettype	Time Frame	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Annually	Pre-project situation of fossil fuel type consumption in tonnes compared to assumed post project situation.	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Annually	Pre-project situation of fossil energy consumption consumption in tonnes compared to assumed post project situation.	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Annually	Pre-project situation of electricity consumption consumption in MWh compared to assumed post project situation.	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Annually	Pre-project situation of renewable energy produced in MWh compared to assumed post project situation.	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Annually	Pre-project situation of short lived climate pollutants in tonnes compared to assumed post project situation.	

SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

Process for climate-related risks is integrated into overall risk management

Please describe

An eligible investment should meet minimum thresholds for economic performance and financial profitability, the level and nature of which will vary from sector to sector and between technologies in different stages of development. In addition, the following tables list specific technical and economic criteria EIB eligible investments need to comply with. As there are various other factors which may determine the quality of an investment, these criteria should be taken as a necessary but not a sufficient condition.

In regard to the Economic Criteria, including for a threshold Levelised Cost of Electricity (LCOE), these should apply specifically for each operation.

Process for climate-related risks is not integrated into our overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

SG 15.2 | Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

100

SG 15.3 | Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy

Asset class invested

- Private equity
- Infrastructure

% of AUM

87.48

Brief description and measures of investment

- a) 48MW biomass heat-only boiler development in Vilnius, Lithuania;
- b) 4.9MW biogas plant portfolio in Latvia (Iecava, Daugavpils, Eleja);
- c) 18MW thermal and 3.98MW electricity combined heat and power plant in Salaspils, Riga region, Latvia.

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education

Asset class invested

- Private equity
- Infrastructure

% of AUM

12.52

7 431 sq. m. school developemnt in Vilnius, Lithuania

- Global health
- Water
- Other area, specify

No