



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	<p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG expertise</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage via internal staff</li> </ul>		
<p><b>Type of engagement</b></p> <p>Collaborative engagements</p>	<p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input type="checkbox"/> To engage internal ESG expertise</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage via collaborative engagements</li> </ul>		
<p><b>Type of engagement</b></p> <p>Service provider engagements</p>	<p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input type="checkbox"/> To engage internal ESG expertise</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage via service providers</li> </ul>		

# RI TRANSPARENCY REPORT

## 2020

BaltCap

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	✓	Public							✓
OO PE 02	Typical level of ownership in private equity investments	✓	Private							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	✓	Private							✓
OO INF 02	Breakdown of infrastructure assets by management	✓	Private							✓
OO INF 03	Largest infrastructure sectors	✓	Private							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Public							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Description of approach to RI	✓	Private	✓					✓	
PE 02	Investment guidelines and RI	✓	Public		✓					
PE 03	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 04	Formal commitments to RI	✓	Private				✓			
PE 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 06	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 07	Encouraging improvements in investees	✓	Private	✓	✓					
PE 08	ESG issues impact in selection process	✓	Private	✓						
PE 09	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 10	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 11	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 12	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 13	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 14	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 15	Examples of ESG issues that affected your PE investments	✓	Private	✓	✓					
PE 16	Approach to disclosing ESG incidents	✓	Private						✓	
PE End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year`s PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year`s PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	🔒	n/a							✓
CM1 01 End	Module confirmation page	✓	-							

# BaltCap

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

Our recent most significant contribution to the environmental sustainability is the launch of BaltCap Infrastructure Fund. It is a new €103 investment fund established in June 2017 that is backed by European Investment Bank, European Bank for Reconstruction and Development, Nordic Environment Finance Corporation (NEFCO) and Baltic pension funds (for further information please see <http://baltcap.com/news/2017/100-million-baltcap-fund-will-invest-into-infrastructure-of-the-baltic-states>, <http://www.baltcap.com/press/news/more-steam-for-baltcap-infrastructure-fund-ebd-invests-20-million>).

BaltCap Infrastructure Fund primarily focuses on providing development capital for transport, renewable energy, energy efficiency and municipal infrastructure projects in the Baltic states. Infrastructure development is one of the key priority areas for the Baltic region to improve competitiveness, independency and meet environmental targets. At the same time the Baltic countries are facing an estimated funding gap of €6 billion for infrastructure projects. With the strong support from international financial institutions and local pension funds we can address this funding gap. It is the first time in the region when the Estonian, Latvian and Lithuanian pension fund assets will be deployed to develop infrastructure for future generations. What is equally important, the fund will create new jobs and by its focus on renewable energy and energy efficiency it will significantly contribute to the climate change agenda.



At the beginning of 2019, BaltCap together with JBIC IG Partners (a Japanese government backed private equity and venture capital firm) established a new €100m fund focusing on venture capital investments in the Nordic and Baltic region. It targets the so-called New Nordics which in addition to traditional Nordic countries also includes Estonia and other Baltic states. The Fund is called NordicNinja.vc and it focuses on early stage investments into ICT/Deep Tech sectors, including Autonomous Mobility, Digital Health, AR/VR/MR, Artificial Intelligence, Robotics and IoT.

NordicNinja.vc investors include large Japanese technology corporations like Honda, Omron and others. The Fund utilizes global network in Tallinn, Stockholm, Helsinki and Tokyo.

In October 2019, BaltCap held the first close of BaltCap Private Equity Fund III (BPEF III) at €126 million, being above the initially targeted size subscribed by the existing investor base. The new fund will continue the proven and successful buy-and-build strategy of its predecessor funds, BPEF I and BPEF II, by making equity investments in mature innovative enterprises to build them into business champions. The new fund will aim to make 8 to 10 platform investments in the Baltic and Nordic countries with enterprise values of these companies typically being between €10 to €50 million and the fund's equity investment between €10 to €20 million. The new fund broadens the scope of BaltCap target markets - in addition to the Baltics, which have been the core region for BaltCap, the fund will also focus on Finnish and Swedish companies with a Baltic nexus. The Nordic and Baltic economies are increasingly forming a larger, integrated market - the New Nordics - with enhanced business opportunities. BPEF III expects to be one of the facilitators of further business integration in the New Nordics. The investors committing to the fund include the European Investment Fund (EIF) investing partially through Baltic Innovation Fund 2 (an initiative created by cooperation between the Republic of Estonia, the Republic of Latvia, the Republic of Lithuania and EIF), the European Bank for Reconstruction & Development (EBRD), the Nordic Environment Finance Corporation (NEFCO), LHV pension funds, SEB pension funds from Estonia, Latvia and Lithuania, eQ Asset Management and also family offices. New Nordics as a concept includes the traditional Nordic countries - Norway, Sweden, Finland, Denmark and Iceland - and the three Baltic countries Estonia, Latvia and Lithuania. Together these countries form a dynamically growing, technology-driven and diverse, yet synergy-providing business environment that opens up innovative business possibilities.

OO 02	Mandatory	Public	Peering	General
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OO 02.1	Select the location of your organisation's headquarters.
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Estonia

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).
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- 1
- 2-5
- 6-10
- >10

OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
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FTE
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32

OO 03	Mandatory	Public	Descriptive	General
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**OO 03.1**

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04**

**Mandatory**

**Public**

**Gateway/Peering**

**General**

**OO 04.1**

Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2**

Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM			366	231	000
Currency	EUR				
Assets in USD			403	696	906

Not applicable as we are in the fund-raising process

**OO 04.4**

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

**OO 04.5** | Additional information. [Optional]

100% of activities are related to AIF management

**OO 06**

**Mandatory**

**Public**

**Descriptive**

**General**

**OO 06.1** | Select how you would like to disclose your asset class mix.

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	73	0
Property	0	0
Infrastructure	27	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0

Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

**OO 09** **Mandatory** **Public** **Peering** **General**

**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets	100
Emerging Markets	0
Frontier Markets	0
Other Markets	0
Total 100%	100%

OO 09.2

Additional information. [Optional]

We very strongly disagree with the classification of Estonia, Latvia and Lithuania as frontier markets. We understand that you are using MSCI classification, but think this index treats Baltic countries very unfairly. The three countries are members of the OECD and rank high in global business indices. We suggest you consider revising the categorisation of countries you are using.

### Asset class implementation gateway indicators

OO 11	Mandatory	Public	Gateway	General
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OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Private equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Infrastructure

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
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OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Other asset classes with dedicated modules

- Private Equity
- Infrastructure

Closing module

- Closing module

## Peering questions

OO PE 01

Mandatory

Public

Descriptive

General

OO PE  
01.1

Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (1)	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

Other investment strategy, specify (1)

Infrastructure

The above split percentages have been reflected according to AUM



# BaltCap

## Reported Information

### Public version

### Strategy and Governance

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## 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. 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 that BaltCap makes into companies 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 rather 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. BaltCap Infrastructure Fund completed its first investment in Poland in November 2019.

No

<b>SG 01 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 01.6 CC**

Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Infrastructure strategy is based on market opportunity in relation to climate change mitigation agenda. The core focus of the fund is to make greenfield investment into renewable energy projects that enable reduction of greenhouse gas emissions.

No

**SG 01.7  
CC**

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

Yes

Describe the associated timescales linked to these risks and opportunities.

Climate change mitigating investments are linked to European Commission and country level targets within investment geography to achieve carbon neutrality by 2050.

No

**SG 01.8  
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9  
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 1.10  
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

**SG 02**

**Mandatory**

**Public**

**Core Assessed**

**PRI 6**

**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.

- 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.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

<https://www.baltcap.com/company/responsibility/esg-policy/>

- Attachment

- Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

- URL

URL

<https://www.baltcap.com/company/responsibility/esg-policy/>

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

<https://www.baltcap.com/our-strategy/infrastructure/#top>

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

<https://www.baltcap.com/company/responsibility/esg-policy/>

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

<https://www.baltcap.com/company/responsibility/esg-policy/>

Attachment

Active ownership approaches

Reporting

Climate change

URL/Attachment

URL

URL

<https://www.baltcap.com/our-strategy/infrastructure/>

- Attachment
- Understanding and incorporating client / beneficiary sustainability preferences
- We do not publicly disclose any investment policy components

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2** Describe your policy on managing potential conflicts of interest in the investment process.

We abide by Invest Europe's Professional Standards. We have laid down our principles in a Responsible Investment Policy and Code of Responsible Behavior that summarize our fundamental values and those of our portfolio companies.

We have set and signed specific rules for avoiding/managing possible conflicts of interest in our fund agreements but since they are confidential documents, it is impossible to describe our policy in a more detailed way. We touch upon the same topic in our responsible investment policy which is available on our website <https://www.baltcap.com/company/responsibility/esg-policy/>

Our Code of Responsible Behaviour can be seen here: <https://www.baltcap.com/company/responsibility/esg-code-of-responsible-behaviour/>

No

**Objectives and strategies**

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**SG 05.1** Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

**SG 05.2**

Additional information. [Optional]

As a responsible investor, BaltCap asks their portfolio companies to complete a thorough environmental, social and corporate governance ("ESG") questionnaire every year. This is done in addition to its regular monitoring of the company as an active leading shareholder. Questions are reviewed annually and new indicators are added occasionally. Based on these answers, we compile our own ESG report that is sent out to all investors. Every portfolio company receives an individual feedback report to monitor their performance and development across different indicators.

This self-assessment questionnaire serves two purposes. Firstly, it's a guiding tool for portfolio companies to consider wider scope of aspects in their business decisions. We can create long-term value to all stakeholders only by combining excellent financial performance with responsible and sustainable business practices. Secondly, it gives an input for creating a public ESG performance report of our whole portfolio - an opportunity to show our joint contribution to the development of Baltic society and economy.

The questionnaire has gone through several changes during the years. This time we are happy to introduce a completely renewed version aiming at simplicity and better user experience. The 2019 report will be uploaded to our website in May 2020.

Meanwhile, BaltCap's Environmental, Social and Governance Report 2018 can be downloaded from our website: <https://www.baltcap.com/company/responsibility/esg-reports/>

**Governance and human resources****SG 07****Mandatory****Public****Core Assessed****General****SG 07.1**

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

**Roles**

- Board members or trustees
- Internal Roles (triggers other options)

**Select from the below internal roles**

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify

**Partners**



- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- Dedicated responsible investment staff
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

**SG 07.2** For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

All investment decisions are made in accordance with the documents setting our rules and guidelines for investment policy. Portfolio Managers make sure their companies follow all applicable regulations etc.

We also implemented our own Code of Responsible Behaviour (available on our website <https://www.baltcap.com/company/responsibility/esg-code-of-responsible-behaviour/>) that is followed by all our employees and also those of our portfolio companies.

**SG 07.3** Indicate the number of dedicated responsible investment staff your organisation has.

Number

0

SG 07 CC	Mandatory to Report Voluntary to Disclose	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.

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

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

Other Chief-level staff or heads of departments

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

Portfolio managers

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

**SG 07.7  
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

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.

**Promoting responsible investment**

**SG 09**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4,5**

**SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
BaltCap is a founding member of the Estonian, Latvian and Lithuanian Private Equity and Venture Capital Associations

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

BaltCap's Partner Kristjan Kalda was the Chairman of the local Private Equity and Venture Capital Association (EstVCA) until 2020. BaltCap's buy-out fund Partner Šarūnas Alekna is the Chairman of Lithuanian Private Equity and Venture Capital Association (LT VCA). We take a leading role in this association to actively promote the region and local business opportunities; also educate media regarding private equity basics, responsible investment specifics and ESG matters.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
Responsible Business Forum in Estonia

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our Partner Martin Kõdar belongs to the Board of the Responsible Business Forum in Estonia. He is actively promoting the organization's activities and inviting our portfolio companies to join the initiative.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

**SG 10.2**

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

## Description

We gathered a group of people from our own organization/portfolio companies and arranged a morning seminar with a local company Sustinere regarding the responsible behavior in general with narrower focus set on climate change issues. Portfolio companies shared their experience via video bridge in different offices. We also introduced a CO2 calculations project to all portfolio companies and encouraged them to follow in calculating different KPIs.

## Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

## Description

Our partners (especially Managing Partner Martin Kődar) have participated in several roundtables speaking about responsible investment.

## Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Wrote and published in-house research papers on responsible investment

## Description

This is closely connected with the development of Code of Responsible Behavior and also the ESG Report we compile annually based on the data we get from our portfolio companies. In 2019 we had a

pilot project in one portfolio company on CO2 footprint calculation which was shared during the ESG morning seminar. As a result, this will be calculated in other portfolio companies as well.

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Encouraged the adoption of the PRI

#### Description

We always encourage our existing and new portfolio companies to develop or update their own RI processes if not already implemented.

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Wrote and published articles on responsible investment in the media

#### Description

Our partner Martin Kõdar has written several articles in connection with RI principles/mindset in general.

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

A member of PRI advisory committees/ working groups, specify

On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

	Description
--	-------------

Kristjan Kalda was acting as a Chairman in EstVCA until the end of 2019, Šarūnas Alekna is acting as a Chairman of LTVCA; Martin Kõdar belongs to the Board of Responsible Business Forum in Estonia.

	Frequency of contribution
--	---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Other, specify
- No

<b>SG 10.3</b>	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
----------------	---

One of our Managing Partners, Martin Kõdar is a member of two pan-European committees - Invest Europe Professional Standards Committee and Mid-Market Council; Our Infrastructure Fund Partner Sarunas Stepukonis participates in the work of Infrastructure Roundtable.

### Outsourcing to fiduciary managers and investment consultants

<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 12.1</b>	Indicate whether your organisation uses investment consultants.
----------------	---

- Yes, we use investment consultants
- No, we do not use investment consultants.

### ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
----------------	--

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

<b>SG 14.1</b>	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

<b>SG 14.2</b>	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			36	500	000
Currency	EUR				
Assets in USD			40	233	997

	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.

<b>SG 14 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>General</b>
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**SG 14.6  
CC**

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

<b>Metric Type</b>	<b>Coverage</b>	<b>Purpose</b>	<b>Metric Unit</b>	<b>Metric Methodology</b>
<b>Climate-related targets</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

**SG 14.7  
CC**

Describe in further detail the key targets.

Targettype	Baseline year	Target year	Description	Attachments
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

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

Processes for climate-related risks are 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.

Processes for climate-related risks are not integrated into overall risk management

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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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

## Asset class invested

- Private equity
- Infrastructure

## Percentage of AUM (+/-5%) per asset class invested in the area

4.3

## Brief description and measures of investment

Thermo modernisation of two schools, social centre and sports hall in Mielno town in Poland under PPP agreement with municipality.

- Renewable energy

## Asset class invested

- Private equity
- Infrastructure

## Percentage of AUM (+/-5%) per asset class invested in the area

30

## 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

**Percentage of AUM (+/-5%) per asset class invested in the area**

2.6

**Brief description and measures of investment**

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

- Global health
  - Water
  - Other area, specify
- No

**Asset class implementation not reported in other modules**

<b>SG 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 16.1** Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>
Infrastructure	<p>Due diligence process for infrastructure asset eligibility include:</p> <ul style="list-style-type: none"> <li>- Economic feasibility;</li> <li>- Procurement process due diligence;</li> <li>- Environmental compliance;</li> <li>- Social impact compliance.</li> </ul> <p>During operating period all renewable energy portfolio companies are calculating CO2 emission reduction impact and continuously seek to implement new initiatives that should improve climate-related performance.</p> <p>For example, in 2019 a biogas portfolio company has decided to increase effective usage of heat and started to implement new business project that would consume unused heat remaining after electricity generation process.</p>

## Communication

SG 19

Mandatory

Public

Core Assessed

PRI 2, 6

SG 19.1

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Private equity

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

### Disclosure to clients/beneficiaries

Disclosure to clients/beneficiaries

- ESG information in relationship to our pre-investment activities
- ESG information in relationship to our post-investment monitoring and ownership activities
- Information on our portfolio companies' ESG performance
- Other

Frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested

# BaltCap

## Reported Information

### Public version

### Direct – Private Equity

## PRI disclaimer

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## Overview

PE 02	Mandatory	Public	Core Assessed	PRI 2
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**PE 02.1** Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.

- Our investment activities are guided by a responsible investment policy

**PE 02.2** Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.

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, producing heat from biofuel that didn't exist before etc. As a responsible investor, BaltCap asks their portfolio companies to complete a thorough ESG questionnaire every year. This is done in addition to its regular monitoring of the company as an active leading shareholder. In 2019, we started with a pilot project in our portfolio company EKJU with CO2 measurement which is one of the most relevant KPIs. As the pilot project was successful, BaltCap aims to start calculating portfolio-wide CO2 footprint to meet the demand of investors and improve the impact of the portfolio as the carbon-related issues are becoming more material financially too.

- Our investment activities are not guided by a responsible investment policy
- We do not have a responsible investment policy

## Fundraising of private equity funds

PE 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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**PE 03.1** Indicate if your most recent fund placement documents (private placement memorandums (PPM) or similar) refer to responsible investment.

- Yes

**PE 03.2** Indicate how your most recent fund placement documents (PPM or similar) refer to the following responsible investment:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes
- Approach to ESG reporting

**PE 03.3**

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

Our fund placement documents are strictly confidential.

- No
- Not applicable as our organisation does not fundraise

## Pre-investment (selection)

**PE 05**

**Mandatory**

**Public**

**Gateway**

**PRI 1**

**PE 05.1**

During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

- Yes

**PE 05.2**

Describe your organisation's approach to incorporating ESG issues in private equity investment selection.

- Financial audit
- Environmental audit (when needed)
- Very detailed selection process

- No

**PE 06**

**Mandatory**

**Public**

**Core Assessed**

**PRI 1,3**

**PE 06.1**

Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.

- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information



<b>PE 06.2</b>	Describe how this information is reported to, considered and documented by the Investment Committee or similar.
----------------	---

Investment selection process is long, consisting of many different meetings and discussions which are not to be disclosed in detail.

**Post-investment (monitoring)**

<b>PE 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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<b>PE 09.1</b>	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.
----------------	---

Yes

<b>PE 09.2</b>	Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.
----------------	---

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

<b>PE 09.3</b>	Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------------	---

**ESG issues**

Environmental

	List up to three example targets of environmental issues
--	--

	Example 1
--	-----------

compliance with all applicable regulations and laws

	Example 2 (optional)
--	----------------------

Identification, credit analysis and supervision of portfolio investments will be carried out with due regard to ecological and environmental factors

	Example 3 (optional)
--	----------------------

annual self-assessment regarding environmental, social and governance procedures

Social

List up to three example targets of social issues

Example 1

work accidents

Example 2 (optional)

annual self-assessment regarding environmental, social and governance procedures

Governance

List up to three example targets of governance issues

Example 1

corruption

Example 2 (optional)

compliance with all applicable regulations and laws

Example 3 (optional)

annual self-assessment regarding environmental, social and governance procedures

We do not set and/or monitor against targets

No

PE 10	Mandatory	Public	Core Assessed	PRI 2
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**PE 10.1** Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**PE 10.2** Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

# BaltCap

## Reported Information

### Public version

### Confidence building measures

## PRI disclaimer

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## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
- Other, specify
- None of the above

**CM1 01.2** Additional information [OPTIONAL]

We gather the data from team members and several people insert and check the answers provided on each module.

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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**CM1 04.1**

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report