

Annual ESG report 2024



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About Baltic Horizon Fund

We aim to create value through actively managing commercial real estate. Our strategic focus is on catering to the **‘Modern City Life’** and on governmental and social tenant concepts in Vilnius, Riga, and Tallinn.

Baltic Horizon Fund is a regulated closed-end contractual investment fund registered in Estonia on 23 May 2016.

The Fund is a public fund with no particular lifetime (evergreen). Units of the Fund are made available to the public in accordance with the Fund Rules and applicable laws. The Fund is listed on the Fund List of the Nasdaq Tallinn Stock Exchange. The Fund's Swedish depository receipts (the SDRs) are listed on the Nasdaq Stockholm Stock Exchange.

Northern Horizon Capital AS is the Management Company (AIFM) of the Fund. Both the Fund and the Management Company are supervised by the Estonian Financial Supervision and Resolution Authority.

The Fund's primary focus is to invest directly in commercial real estate located in Estonia, Latvia and Lithuania, particularly in the capitals - Tallinn, Riga and Vilnius.

The Fund's focus is on established cash flow generating properties with potential to add value through active management within the retail, office, leisure and public assets segments in strategic locations and strong tenants or a quality tenant mix and long leases.

The Fund aims to use a 50% long-term leverage strategy. At no point in time may the Fund's leverage exceed 65%.

The Fund aims to grow through making attractive investments for its investors while diversifying its risks geographically, across real estate segments, tenants and debt providers.



Management statement

Environmental, social, and governance (ESG) considerations are important for investors in real estate. We at Baltic Horizon Fund have integrated ESG factors into their investment strategies and operations. An annual ESG report for the real estate fund provides valuable information about the fund's approach to sustainability and its performance on ESG criteria.

Baltic Horizon Fund is committed to promoting environmental, social, and governance (ESG) practices across our portfolio. Our annual ESG report provides an overview of our ESG achievements, including the results of our participation in the GRESB benchmarking.

During 2024, the Fund has allocated resources towards enhancing the energy efficiency of our assets and embracing green energy sources, in alignment with the growing tenant demand for sustainable and environmentally friendly spaces. As we navigate the evolving Baltic real estate landscape, we acknowledge the critical role of ESG considerations in driving tenant satisfaction and fostering long-term value creation.

In 2024, we also renewed and published its pre-contractual disclosure to highlight the Fund's ESG KPI's and targets. Our short-term and long-term goals are described in detail on page 6 of this report. During 2024 we have worked towards these goals and at the same time focused on sustainability data which is the baseline for us to achieve and measure our targets.

As we recap our goals for 2024, we are pleased to report that we have successfully achieved 100% portfolio BREEAM certification. Office building Meraki received its BREEAM new construction certificate in October with the grade excellent. This is a great achievement as Meraki design stage certificate was very good and with the Fund's efforts, the certification rose to excellent.

We also continued our efforts towards our net zero operational carbon target. During 2024, 86 % of the Fund's properties electricity has been renewable. The Fund has entered into power purchase agreements (PPA) to acquire wind and solar energy. North Star and Meraki PPAs became effective in Q2/2024 and the properties received majority of their electricity from solar and wind farms. Further PPAs will become effective in the beginning of 2025.

To make the benefits of renewable energy visible, the Fund has started to account for its market-based emissions, which consider the avoided emissions because of renewable energy. More about our GHG emissions reduction in this report page 26. To ensure the quality of our sustainability data we have again assured all the consumption data (energy, GHG emissions, water and waste) in accordance with the ISAE 3000 limited assurance standards.

During 2024, the Fund also continued to participate in Global real estate benchmark (GRESB). GRESB provides us with valuable insights into our sustainability performance, as well as a benchmark to measure our progress against peers in the industry.

Unfortunately, the Fund did not achieve its aimed 4-star rating in 2024 review. After receiving a 3-star GRESB rating in 2024, we have thoroughly analyzed the assessment results and developed an action plan to achieve a 4-star GRESB rating in 2025. We tell more about our action plan on page 15.

We remain committed to continuously improving our ESG performance and to delivering long-term value to our stakeholders.



Tarmo Karotam
Fund Manager

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Baltic Horizon and Sustainability in 2024



Sustainability goals for the portfolio

Management team of Baltic Horizon has set long-term ESG aims for the Fund and due to the successful implementation of the short-term goals, in 2021 the fund set more ambitious and broader scope short-term ESG goals.

The Fund has reviewed and updated the short-term goals and their attainment in 2024 to reflect the financial priorities of the Fund.

Below is a description of our ESG commitments and an update on the Fund performance on the ESG goals.

Short-term objectives (1-2 years)

Portfolio 100 % certified



In 2022, 35,5 % of the Fund's assets were certified. Since then, the Fund has aimed to certify all its assets achieving fully certified portfolio in 2023. During continued to renew the certificates. In addition, Meraki upgraded its design state BREEAM very good certification to excellent BREEAM new construction certification in 2024. Thus, the Fund maintained 100% certification coverage in the reporting period.

100% of leases will include green lease clauses



Green leases are a great way to formalize sustainability aims and commitments between our tenants and the Fund. During 2023, the Fund made progress in this area by having green leasing in 72 % of leased area. In 2024 the Fund increased the share of green leases and at the end of 2024 98 % of the lease agreements included green lease clauses. Green lease clauses cover such topics as sustainable operations, information sharing, use of renewable energy sources, and other relevant topics. The Fund will focus on attainment of 100 % of green lease coverage.

Receive 4-star GRESB evaluation in 2025



Baltic Horizon has received a 4-star evaluation in 2022 and in 2023 a second year in a row with 82 points. In 2024 review the Fund unfortunately experienced a drop and received 3-stars with 80 points. The Fund improved its score in the management section by achieving 29 points out of 30, but the score in the performance section decreased from 55 points to 50 points (out of 70) due to lack of data from the properties that were sold during the reporting period 2023 and a lower score of tenant engagement section. The Fund also did not assure its data on waste, water, GHG emissions and energy consumption from the year 2023 which negatively affected the points. Upon receiving the results in 2023, the Fund prepared an improvement plan to achieve 4-star rating again in 2025 review. The Fund will aim to receive 4-stars in 2025 and in 2026, the Fund will consider taking a break from the evaluation due to financial priorities in 2025.

Long-term objectives (5-10 years)

Net zero carbon in operations by 2030



In 2020 Northern Horizon Capital Group revised its Responsible Investment Policy and raised net-zero carbon by 2030 from the operation of all its managed funds, including Baltic Horizon. The goal is aligned with World Green Building Council's Net Zero Carbon Buildings Commitment (Baltic Horizon has not expressed formal support for the commitment). During 2024, the Fund has acquired renewable electricity and signed private power purchase agreements to reach its commitments. The Fund also reviewed and updated its climate pathway which is further depicted on page 9 and started to investigate option for non-fossil heating and cooling. The Fund's Latvian properties received their certificates for non-fossil district heating. In 2025, the Fund will investigate financially feasible option for replacing gas heating. The Fund has also used small measures to decrease energy consumption in buildings by e.g. installing LED lighting in common areas.

Non-fossil electricity by 2030



To attain carbon neutrality in operations, the Fund has set a 2030 target to cooperate with only non-fossil energy suppliers which will be crucial in achieving the net zero target. During 2024, 10 out of 12 assets used renewable electricity evidenced by the certification given by the electricity company. The fund had two properties that have on-site solar panels. The Fund has also signed private power purchase agreements (PPA) to purchase solar and/or wind power directly from the energy parks. Two of the PPAs became effective in 2024 and more PPAs will enter into force in 2025.

Improvement of energy efficiency



Energy efficiency of assets in the Fund's portfolio will be one of the key aspects in achieving the net zero target. In accordance with Northern Horizon Group's Responsible Investment Policy, all new acquisitions of the Fund exhibit strong energy efficiency performance. If the Fund could consider assets that have a lower energy efficiency than EPC B, a financial analysis of improving the energy rating energy analyzed during the investment process. The Fund has also investigated improving the energy intensity of its standing portfolio and the Fund will continue finding financially feasible solutions in 2025.







United Nations Sustainable Development Goals – UN SDGs

Endorsed by all 193 United Nations Member States in 2015, the 2030 Agenda and its Sustainable Development Goals focus global efforts and attention on 17 pressing issues. The private sector plays a critical role in providing solutions that can contribute to solving these challenges, while also generating new business opportunities.









The SDGs are also important for investors, as they are an articulation of the world's most pressing environmental, social and economic issues and, as such, act as a definitive list of the material ESG (environmental, social and governance) perspectives that should be taken into consideration as part of an investor's fiduciary duty.

To achieve our ESG ambitions, we have set measurable targets on renewable energy, tenant cooperation through green leases, certification and operational carbon neutrality. In addition, the management company upholds to standards on good corporate governance and minimum safeguards on human rights and therefore reports on topics on gender equality, health and wellbeing of the staff and anti-corruption. These targets contribute to nine UN Sustainable Development Goals (UN SDGs) and their sub-targets.

Sustainable development goals table

SDG	SDG goal description	SDG target description	Initiatives
	5.1 - Gender Equality Achieve gender equality and empower all women and girls	End all forms of discrimination against all women and girls everywhere	BHF as part of Northern Horizon Capital always strives for equal opportunities and prevents all forms of discrimination against women. Our Code of Conduct and People Policy guarantee equal opportunities to all despite the Gender.
	5.5 - Gender Equality Achieve gender equality and empower all women and girls	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	We ensure that there is no gender-based discrimination and all women are treated equally based on their professional qualifications. Gender balance at Northern Horizon Group at the end of 2024 is 65% female vs 35% male.
	6.1 - Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all	By 2030, achieve universal and equitable access to safe and affordable drinking water for all	The Baltic region is famous for its' high-quality drinking water which is available in all Baltic Horizon premises. We also promote the sustainable use of water among our tenants through our green leases.
	6.4 - Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all	By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	In 2024 98 % of our tenants have signed a green lease that among other topics promotes sustainable use of water in our buildings. To ensure water quality, the properties also undergo regulatory water sanitary checks regularly to ensure quality of drinking water.
	7.2 - Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all	By 2030, increase substantially the share of renewable energy in the global energy mix	To secure renewable electricity for our buildings, the Fund has entered into power purchase agreements (PPA) to acquire wind and solar energy. North Star and Meraki PPAs became effective in Q2/2024 and the properties receive most of their electricity from solar and wind farms. Further PPAs will become effective in the beginning of 2025.
	7.3 - Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all	By 2030, double the global rate of improvement in energy efficiency	One of the long-term goals of BHF is to improve energy efficiency and reduce exposure to energy inefficient assets. During 2024, the Fund has analyzed its assets accordance with the energy efficiency criteria from SFDR and EU Taxonomy. In 2024, 59 % of BHF assets were energy efficient according to SFDR. During 2025, the Fund will analyze at property level actions to improve energy efficiency. Decisions on actions to the standing asset portfolio is made considering financial implications to the Fund.

United Nations Sustainable Development Goals – UN SDGs

SDG	SDG goal description	SDG target description	Initiatives
	8.5 - Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Equal opportunities are considered by our People policy according to which equal opportunities should be applied to all aspects of employment, including, but not limited to, recruiting, hiring, promotion, training, compensation, discipline, and discharge, and to all terms, benefits, privileges, and conditions of employment.
	10.3 - Reduced Inequalities Reduce inequality within and among countries	Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies, and action in this regard	
	11.6 - Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable	By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	100% our assets have waste sorting facilities covered by waste recovery or recycling contract. Indoor air quality is assessed during property audits and technical energy assessments.
	11.7 - Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable	By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	Our premises are accessible for people with disabilities. Our properties have regular fire safety checks and surveillance for safety of all our users. Green areas are maintained and created where possible. However, as all our properties are in urban areas with limited land plots, the amount of outside green areas is limited.
	12.5 - Responsible Consumption and Production Ensure sustainable consumption and production patterns	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	100% our assets have waste sorting facilities covered by waste recovery or recycling contract and we monitor the recycling rate of waste.
	12.6 - Responsible Consumption and Production Ensure sustainable consumption and production patterns	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	The Fund has implemented green leases into 98 % of its lease agreements. Green leases include data sharing between the parties. During 2023 the ESG questionnaire of our tendering process was updated to include questions on ESG initiatives of the tendees.
	13.3 - Climate Action Take urgent action to combat climate change and its impacts	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Baltic Horizon has promoted climate action by implementing green leases among its tenants. In 2024, we also trained our property management partners on our sustainability efforts. BHF representatives have also participated to industry events to discuss sustainability in real estate, including climate topics.
	16.7 - Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Ensure responsive, inclusive, participatory, and representative decision-making at all levels	Sustainability matters are discussed in ESG task force that collects together Fund Managers, Asset Managers and sustainability personnel to discuss and decide on sustainability initiatives and track the progress of the sustainability targets.

Net-zero carbon pathway

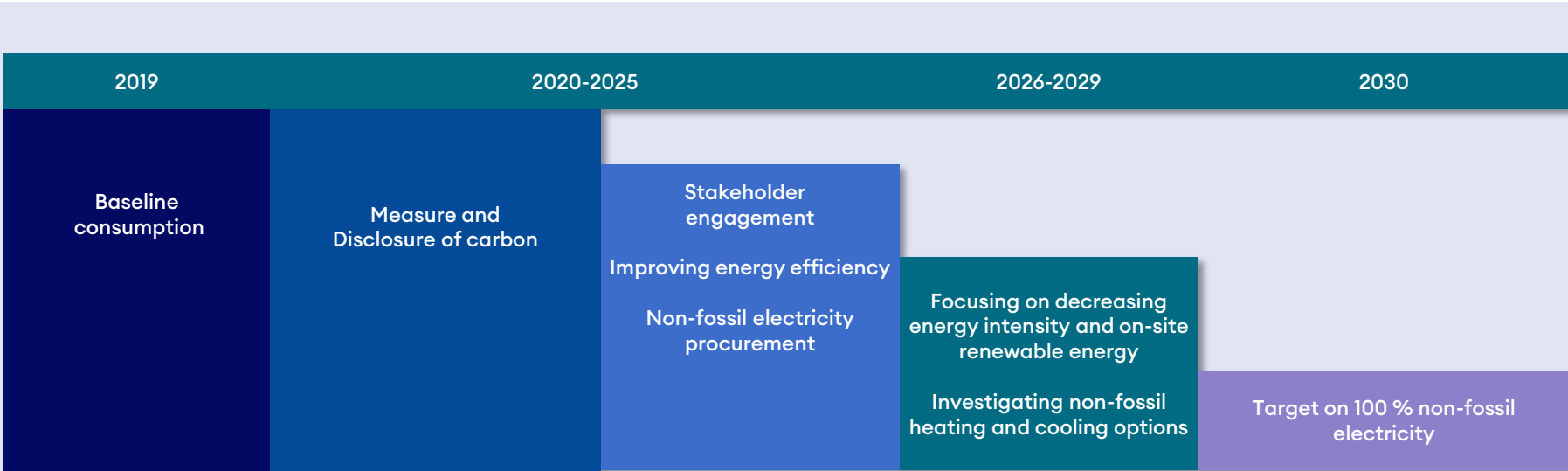
Northern Horizon Capital Group’s (“NHC”) operational net-zero target concerning all the managed funds was aligned with the World Green Building Council’s Net Zero Carbon Buildings Commitment (NZCBC) . NHC aims to decarbonize asset portfolios under our management by targeting asset’s operational energy consumption. NHC has not expressed a formal commitment to the World Green Building Council’s NZCBC but uses the framework as guidance in its work.

In accordance with the operational carbon neutrality objective, we have worked to decarbonize our real estate operations by increasing the amount of non-fossil energy used in our buildings. Increasing the share of non-fossil energy can be achieved by adding on-site renewable energy generation capabilities and procuring off-site non-fossil energy. At the same time, we are investigating energy efficiency improvement of our standing portfolio.

While this aim does not fully solve the GHG emissions problem in the real estate sector and excludes the embodied carbon emitted during the construction phase, we believe it is a step in the right direction, a step towards a more sustainable real estate market.

The Fund acknowledges the global goal set by the Paris Climate Agreement to reduce emissions and prevent climate change. The Fund formulated an initial pathway to demonstrate its way forward to operational net zero carbon with 2020 as a baseline year for the NZC target. The net-zero carbon pathway serves as guidance to reach the NZC target based on the main actions identified and the steps that could be implemented.

Northern Horizon Group reviewed its carbon pathway in 2024.



Measure and disclosure of carbon: To be able to track the pathway to operational net zero high GHG emission data coverage and formulating comparable KPIs are the key steps to take. During 2023 the Fund achieved 92 % data coverage over electricity and heating consumption which is essential in calculating the GHG emissions of the Fund. During 2024, the Fund focused on increasing data coverage and accuracy and achieved 100 % coverage over operational energy use. The Fund also for the first time assured its GHG emissions and energy consumption data by ISAE 3000 standards.

Stakeholder engagement: We understand that the effort to achieve our ESG goal requires co-operation with our key stakeholders. Stakeholder education and engagement help make the operational changes necessary for energy efficiency and non-fossil energy. During 2024 our main actions towards our carbon commitments included Increasing the green lease percentage to 98 % and training our property managers on the Fund’s ESG goals.

Energy efficiency: Ensuring optimal energy use is important for building certification, energy ratings will always remain important factor in achieving operational net zero carbon. During 2023, 61 % of Fund’s assets were considered energy efficient.

In 2024, the energy efficiency lower slightly but majority of the Fund’s assets 59 % were considered energy efficient. The Fund also investigates ways to improve the energy efficiency of assets and plans to conduct a series of energy assessments in 2025.

Non-fossil electricity: Switching to renewable energy suppliers and installing renewable energy sources on site is the key to decarbonization. During 2024 86 % of the Fund’s properties electricity has been renewable. The percentage of renewable energy dropped slightly compared to 2023 when the percentage was 91 %. The Fund has entered into power purchase agreements (PPA) to acquire wind and solar energy. North Star and Meraki PPAs became effective in Q2/2024 and the properties received majority of their electricity from solar and wind farms. Further PPAs will become effective in the beginning of 2025 to secure green electricity for all properties in 2025.

Non-Fossil heating/cooling: To achieve operational carbon neutrality, the Fund’s assets are also investigating options to move to non-fossil heating and cooling. During 2024, the Fund has purchased non-fossil district heating for its Latvian properties. At the current, all countries where the Fund owns assets do not offer non-fossil district heating. The Fund will investigate non-fossil heating and cooling options during 2028-2029.

Net zero carbon pathway

In 2021, the Fund established a high-level plan to support its net zero operational carbon goal. The Fund has followed the execution of the plan. During 2024, the Fund has reviewed its carbon pathway and reduction goals and removed the off-set projects from its pathway focusing on renewable energy and energy efficiency in accordance with the guidance of the World Green Building Council's operational carbon neutral properties.

The Fund has also updated its goal on energy intensity reduction and updates the plan with an exact percentage as the property level plans are compiled.

Steps towards operational net zero carbon in 2024

	2022-2023	2024-2025	2026-2027	2028-2030
Acquisition and development	<ul style="list-style-type: none"> Established an assessment process for NZC target for all new acquisitions and developments. NZC-related clauses become standard for new contracts 	<ul style="list-style-type: none"> Building certification are considered for all new developments and acquisitions Responsible investment Policy review including minimum energy efficiency standards to all development projects 		
Reporting	<ul style="list-style-type: none"> Establish a plan to improve GRESB score annually SFDR Article 8 fund. Established EU Taxonomy alignment for the fund and the target to maintain alignment was raised. Aim for building certifications 65% coverage 	<ul style="list-style-type: none"> All assets are assessed for building certification Improve or maintain EU Taxonomy alignment Building certification coverage – 100%. 		
Operational efficiency and tenant engagement	<ul style="list-style-type: none"> Set NZC KPI's Establish a carbon footprint. Establish which standards to use for the decarbonization pathway (e.g., CREEM) Green leases incorporated in tenant's agreements Establish energy, water & resource efficiency measure Assess assets for energy class level improvement Optimize waste management and find the best partners for waste treatment 	<ul style="list-style-type: none"> Capture 100% of operational data NZC potential assessed in buy/hold/sell decisions Capture 100% of tenant consumption data Develop costed plans for 20 % of the buildings to reach NZC for all buildings 	<ul style="list-style-type: none"> Research energy intensity reduction Develop costed plans for the remaining part of the buildings to reach NZC for all buildings 	<ul style="list-style-type: none"> Achieve energy intensity reduction
Renewables	<ul style="list-style-type: none"> On-site renewable assessments for all buildings Change to renewable energy suppliers and renewable energy power purchase agreements PPAs. 	<ul style="list-style-type: none"> On and off-site renewable energy sources installation 		<ul style="list-style-type: none"> 100 % non-fossil energy
tCO2e emissions				

Policy commitment to responsible investment

The main policy outlining our sustainability considerations is the Northern Horizon Capital (“NHC”) Group’s Responsible Investment Policy which is applicable to Baltic Horizon Fund. The policy is based on UN PRI to incorporate ESG factors and risks into investment analysis, decision making and risk management. The NHG Group policy is based on 10 principles we uphold in managing ESG matters in investment decision-making and during our ownership.

Overall responsibility for implementing the Responsible Investment Policy at all the activities of Northern Horizon lies with the Group CEO. CEO is supported by Head of Sustainability. Fund managers are responsible for ensuring compliance with the policy at fund level.

To ensure the effective implementation of the policy and channels to personnel to seek advice and raise concerns, Northern Horizon has set up an ESG Task Force. The ESG Task Force comprises of:

- CEO or other members of C-suite staff;
- Head of Sustainability;
- Fund managers;
- Asset managers; and
- Any other member(s) from Northern Horizon deemed appropriate may be invited to participate to a meeting of ESG Task Force.

ESG Task force is led by Head of Sustainability, and it gathers at least once per quarter to discuss Fund’s progress and all relevant ESG and human rights impact developments and improvements. ESG Task Force may recommend and present fund specific actions in accordance with the fund’s sustainability targets.

The Responsible Investment Policy is complemented by Northern Horizon Group’s Investment Policy that outlines the ESG due diligence and taxonomy screening procedures for new investments.



Minimum safeguards

Northern Horizon Group's human rights policy is embedded into Responsible Investment policy. Northern Horizon's human rights policy follows the guidance of article 18 of the Taxonomy Regulation, which implies that undertakings, which carry out economic activities, need to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Already in 2022, Northern Horizon conducted an assessment at the entity level to assess if Northern Horizon has in place the necessary policies, guidelines, procedures, and governance structure to facilitate that its economic activities are conducted in line with the minimum safeguards. Specifically, it was assessed whether Northern Horizon has the required policies and procedures in place by reviewing existing policies and procedures provided by Northern Horizon for compliance with the principles and guidelines of the minimum safeguards.

In the course of the assessment the following policies and procedures were reviewed:

- Responsible Investment Policy
- Portfolio Management Policy
- Internal Control and Risk Management Framework
- Risk assessment template
- HR policies and procedures
- KYC Requirements for Investors and Customers
- NH Group People Policy
- Compliance Policy
- Anti-corruption policy
- Corporate responsibility guideline
- Gifts and entertainment policy
- Code of Conduct

During 2024, Northern Horizon Group conducted an annual policy review. The main changes that have been carried out as regards human rights in the 2024 review are the following:

1. Contracting Partner Code of Conduct was created; and
2. Investment policy was updated to include screening of human rights risks related to new acquisitions

All policies have been further developed and adjusted during the year 2024. In 2024, Northern Horizon Group drafted a contracting partner code of conduct to outline the good corporate governance and human rights considerations to be applied in supplier relationships.

Northern Horizon recognizes that its minimum safeguards process is at all times developing and requires ongoing work. Northern Horizon will keep on improving its processes and risk assessments and complement its policies to ensure effective implementation and upholding minimum safeguards in its practices. In 2024, Baltic Horizon updated its human rights risk assessment, which is detailed in the next page of this report.



Minimum safeguards & Human rights risk assessment

Baltic Horizon has conducted a human rights risk assessment to address its salient human rights issues in 2022. Baltic Horizon renewed and updated its human rights risk assessment in 2024.

During the risk assessment, the Fund recognized key stakeholder groups whose risks were considered in the assessment and are presented in the table below. Risks were assessed considering the most relevant human rights issues in our business activities by reviewing risks within the geography of the operation, and the industry's human rights issues.

The risks were evaluated with a scale of low, medium, high to extreme based on severity, impact, irremediability and likelihood. The risks were also analysed for being either direct or indirect meaning taking into consideration if the Fund may cause or contribute to such risks or if those risks are related to Fund's stakeholders' actions.

Regarding direct human rights risks, the Fund is conducting mitigating actions that include fire safety audits, technical inspections and surveillance on the properties.

Regarding the salient human rights risks identified that were considered indirect the Fund's attribution to the possible human rights impacts will be assessed in context and case by case. However, the Fund monitors its human rights risks and updates its risk assessment in accordance with its policies at least biannually.

Relevant business activity	Country	Stakeholders	Key human rights risks	
Daily Maintenance and Management of properties	EE, LT, LV	End users (visitors), tenants' employees working in the properties, outsourced maintenance and security workers	Direct	Security and safety risks have potentially significant impacts on human rights, but compliance on the operational level with health and safety orders should balance the risks. Despite adhering to hygiene standards and institutional guidelines, as well as conducting regular inspections and audits, this area remains a significant concern.
General overhaul construction and renovation of properties	EE, LT, LV	Construction workers, surrounding communities	Indirect	Discrimination of employees was assessed as high for native employees and extreme for migrant workers in all relevant business activities
			Indirect	Occupational safety hazards for construction workers in the general overhaul activities were assessed as medium for native workers and medium-high for migrant workers
Tenant's Operations (Retail stores, Entertainment, Restaurants & Cafés, Health & well being services, office tenants)	EE, LT, LV	End users (visitors), surrounding communities, tenants' employees working in the properties, maintenance workers, tenants' suppliers	Indirect	Sexual harassment was assessed as a medium-high risk for women in all relevant business activities.
			Indirect	In the property maintenance (daily and general overhaul), unjust working conditions of cleaners and construction workers was assessed as a low risk for native workers and medium-high for migrant workers. Nevertheless, we acknowledge that cleaning and construction sectors have high sectoral risks and that a high proportion of human rights incidents are unreported, especially regarding migrant workers
			Indirect	The risk of exploitation of tenants' employees is highest in restaurants & cafés & retail stores. There, the risk was assessed as low-medium for native workers and medium for migrant workers. For other tenants' employees, the risk was assessed as low.

Baltic Horizon Fund’s memberships and initiatives

We strongly feel that continued commitment to high ESG standards is the best way for our investors to achieve their investment goals while at the same time ensuring that the environment and communities can benefit as well. For this, we align our efforts with leading market standards: the management company of BHF and the Northern Horizon Capital group of companies are either together or individually members of EPRA, INREV, SIPA and GRESB. Northern Horizon Capital A/S, the parent company of Northern Horizon Capital, has also been a signatory of the United Nations-supported Principles for Responsible Investment since 2014.

These associations and initiatives provide important platforms for Northern Horizon to receive information on ESG developments in the industry.

Memberships



Northern Horizon is a member of INREV, the European Association for Investors in Non-Listed Real Estate Vehicles

Signatory of:



Northern Horizon is a signatory of the United Nations-supported Principles for Responsible Investment



Baltic Horizon Fund is a member of EPRA, the European Public Real Estate Association. Baltic Horizon Fund has complied with the EPRA’s Best Practice Recommendations since 2017 and has been honored with gold awards for the adoption of the recommendations in 2021, 2022, and 2023.



GRESB is trusted industry-standard benchmark that assesses the sustainability performance of real assets, including real estate portfolios

Northern Horizon participate in GRESB assessments and benchmarks with three funds, including NACF



Northern Horizon is a member of SIPA, a specialist association for property professionals in the Nordic region.

GRESB Real Estate Assessment 2024

GRESB (Global Real Estate Sustainability Benchmark) is an important benchmarking tool for real estate fund as it provides a standardized and comprehensive assessment of sustainability performance in the real estate sector. GRESB help funds to understand their performance in comparison to their peers, identify areas for improvement and communicate sustainability efforts to stakeholders.

GRESB results can also be also used by investors to make informed investment decisions, and by the fund to attract investment capital. Ultimately, participating in GRESB can help real estate funds to enhance their reputation, increase the value of their assets, and contribute to a more sustainable real estate sector.

Baltic Horizon has participated to GRESB since 2019. In 2024, Baltic Horizon received a score of 80 points (from 100) reaching a 3-star rating (out of 5 stars). The Fund increased its scoring in the management section from 27 points to 29 points (out of 30) but the score in the performance section decreased from 55 points to 50 points (out of 70) due to lack of data from the properties that were sold during the reporting period 2023 and a lower score of tenant engagement section. The Fund also did not assure its data on waste, water, GHG emissions and energy consumption from the year 2023.

Achieving 4-star GRESB rating has been one of the six strategic objectives of the Fund in 2024 and therefore the Fund formulated an action plan to reach 4-stars again in 2025 review.

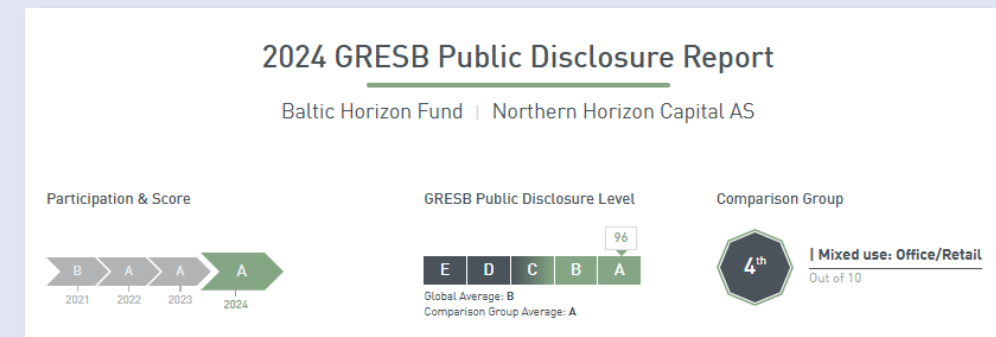
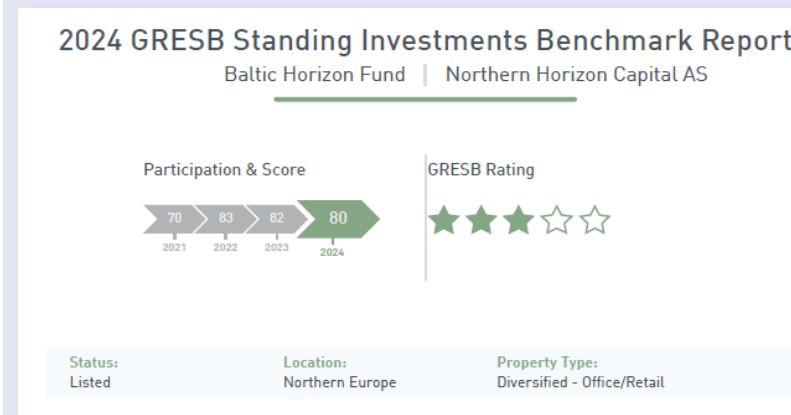
In 2024 Baltic Horizon had a GRESB improvement plan with the following main actions:

- Conduct annual tenant satisfaction survey,
- Improve data coverage on all properties;
- Conduct third-party limited assurance on GHG emissions, energy and water consumption and waste data to improve data quality;
- Continue to add renewable energy to assets' operations

Since 2021, Baltic Horizon has also been enrolled in the Public Disclosure Assessment where the level of the Fund's ESG disclosures and reporting is evaluated. The Fund has achieved A class rating since 2022. During 2024, the Fund continued to improve its score from 91 points from the year 2023 to 96 points out of 100 in 2024 receiving rating A.

“During 2024 we have worked hard to raise our rating back to 4 stars.”

GRESB results



Source: GRESB

UN PRI 2024 assessment

Northern Horizon Group is a signatory to United Nations Principles of Responsible Investment (UN PRI) since 2014 and has implemented the UN PRI principles into its Responsible investment and minimum safeguards policy:

Principle 1

We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4

We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5

We will work together to enhance our effectiveness in implementing the Principles.

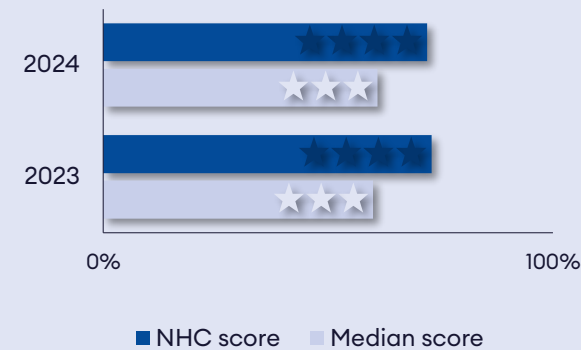
Principle 6

We will each report on our activities and progress towards implementing the Principles.

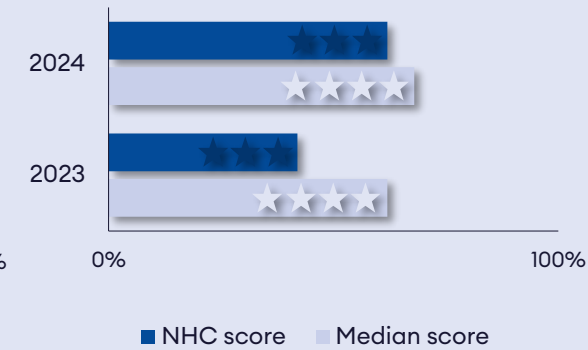
Northern Horizon Group has reported to UN PRI since 2016.

Northern Horizon Capital PRI performance

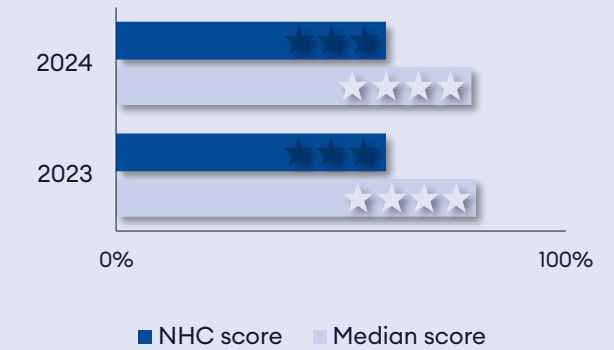
Governance and strategy module



Direct – Real estate module



Confidence building measures module



Source: PRI

Performance

In 2024 evaluation, Northern Horizon achieved 4 stars out of 5 (with a score of 72%) in the Policy Governance and Strategy Module. This rating is at the same level as last year and well above the median for the section.

In the Direct – Real estate Module, we have received 3 stars out of 5 (with a score of 62%). We are very proud of this score, which represents a significant improvement from last year (42%). The improved score means that we are gaining on the median and very close to the 4-stars threshold (>65%).

Northern Horizon Group's UN PRI report is reviewed internally, which has given us 3 stars out of 5 in the Confidence building measures Module. The score slightly below the median for the section.

Sustainability legislation - EU taxonomy and SFDR

The European Commission has put in place regulatory infrastructure that aims to unify and bring clarity to ESG definitions and disclosures. Two legislative initiatives are of particular importance to BHF – EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR). EU Taxonomy defines environmentally sustainable investments. SFDR defines disclosure obligations for funds that promote environmental and/or social characteristics (article 8) and for funds that make sustainable investments (article 9). BHF is an article 8 fund in SFDR’s definition, and it promotes environmental characteristics.

The Fund has reported in accordance with SFDR in its financial statement. In 2024, the Fund also renewed and published its pre-contractual disclosure. The Fund does not have a minimum portion of sustainable investments. However, to respond to the regulatory and reporting requirements, in 2024 the Fund has analyzed its investments in accordance with the EU Taxonomy technical criteria for climate change mitigation 7.1 acquisition and ownership of building. In 2024, 23 % of the Fund’s real estate investments satisfied the EU taxonomy substantial contribution criteria. As part of DNSH analysis, the Fund has also reviewed its physical climate risk assessment.

Based on the updated risk assessment, the Fund will plan adaptation measures in 2025 to climate risks related to high temperatures and water scarcity. The Fund also considers principal adverse impact indicators that are material to its investments and reports them annually in the financial statement.



The principal adverse impact indicators			
Adverse sust. indicator	Metric	Explanation	Actions conducted, actions planned, and targets set
Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport, or manufacture of fossil.	Assets are not involved in the indicated activities.	Assets are not involved in the indicated activities, so no additional action needs to be taken.
Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	Assets considered energy inefficient are assets that have energy rating below B.	Energy efficiency is be considered as part of any due diligence process on a targeted investment and a summary conclusion provided as part of the investment or divestment proposal in accordance with Northern Horizon Group Responsible Investment Policy and Investment Policy. During 2024, the Fund has started planning actions to improve the energy efficiency of the assets in the portfolio.
GHG emissions	Scope 1 GHG emissions	The GHG emissions include operational emissions such as GHG emission from district heating, gas and fuels as well as electricity consumption. The GHG emissions were calculated applying location-based methodology using a third-party ESG data platform provider’s carbon calculator tool that utilizes emission factors from International Energy Agency. Due to difficulties in data standardization, the district heating emission factors are based on standard factor provided by the ESG data platform. Market-based emissions take into account the renewable electricity purchased by the Fund and depicts the GHG emissions that were avoided compared to conventional energy sources.	The Fund has a target to be operationally carbon neutral by 2030. GHG emissions of an asset are considered as part of any due diligence process on a targeted investment and a summary conclusion provided as part of the investment or divestment proposal in accordance with Northern Horizon Group Responsible Investment Policy and Investment Policy. During 2024 the Fund has continued to acquire renewable electricity to limit its GHG emissions. It also conducted to project to investigate the possibilities to acquire fossil free heating to achieve the carbon neutrality target and acquired renewable district heating for its Latvian properties. During 2025 the Fund continue with asset level planning to achieve further GHG emission reductions in its portfolio.
	Scope 2 GHG emissions		
	Scope 3 GHG emissions		
	Total GHG emissions		
Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	The energy consumption per square meter took into account the electricity consumption and energy used in heating/cooling.	Energy intensity is considered as part of any due diligence process on a targeted investment and a summary conclusion provided as part of the investment or divestment proposal in accordance with Northern Horizon Group Responsible Investment Policy and Investment Policy. During 2024, the Fund has monitored the energy intensity of its asset by using the carbon risk real estate module (CRREM). The Fund will approach energy intensity through tenant engagement activities and by planning technical improvements to its properties as is financially feasible.
Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract	One property was not covered by a waste recovery or recycling contract.	All properties were covered by a waste recovery or recycling contract. No further actions were planned or targets set related to the criteria.

→ [Baltic Horizon Fund Financial statement SFDR disclosure](#)

→ [Baltic Horizon Fund Prie-contractual statement](#)

→ [Baltic Horizon Fund Financial statement](#)

Climate-related and sustainability risk management

Risk management framework

Witnessing the importance of sustainability and climate-related risks to our operations as well as their widespread market adoption, from Q4 2020 we started including climate risks in the Fund's quarterly risk assessment.

The goal of the assessment is to measure both the current and long-term exposure to identified risks. The sustainability and climate-related risks are also included in our Internal Control and Risk Management Framework and follow the general guidelines of this framework.

According to the Internal Control and Risk Management Framework, identified risks are scored (from 1 to 5) on their possible Likelihood and Impact. These score are then multiplied to derive a Severity score ranging from 1 to 25, which then places identified risks in one of three categories: green (adequate risk mitigation, no residual risk); yellow (adequate risk mitigation, some residual risk); and red (insufficient risk mitigation, high residual risk). Risk management reports the risks to the Manager's Management board quarterly.

Transitional risks

Transitional risks refer to any risks that relate to transferring to low carbon economy. They can include risks that arise from changing technological, political and regulation environments. Transition to low carbon economy can cause changes in policy, regulation, technology and shifts in market positions that might negatively affect the financial performance of the Fund.

To understand the regulatory and market related risks in the Fund, the Fund has a data platform that includes a Carbon Risk Real Estate Monitor (CRREM) risk assessment tool which has allowed the Fund to analyze on all of its assets against the CRREM pathways during 2024. The Fund will continue to investigate ways to better its transition risk analysis.

Physical risks

Physical risks are types of risks arising from changing climate patterns and might include flooding, drought, heat and water stress, extreme weather conditions and other similar risks. While some of the underlying physical risks can be and are assessed during due diligence process for relevant properties (such as flooding risk), other physical risks might require long-term scenario-based forecasting to assess a likelihood of a potential physical risk.

Physical climate change risk assessment utilizing taxonomy criteria was prepared for Baltic Horizon in 2022. The purpose of the work was to examine different climate change scenarios, and based on the scenarios, to identify and update generally emerging risks to the real estate business in the short, medium, and long term. In addition to identifying risks, opportunities emerging from climate change were identified and reflected. Baltic Horizon has updated its climate risk assessment utilizing S&P climate risk tool that which is based on the geographical location of the assets. The risks are based on the following scenarios and tools: IPCC RCP 2.6, RCP 4.5 and IPCC RCP 8.5. The time horizons the Fund has utilized were medium term (2030) and long term (2050). Any adaptation plans were considered based on the long-term RCP 8.5 scenario. In addition, Baltic Horizon has utilized the flood risk and natural risk assessments in BREEAM in-use evaluation to evaluate the climate risks of individual properties.

The main physical risks

None of the assets are in the flood zones in the respective countries. In addition, the risk on natural hazards were considered low. Considering the worst-case scenario RCP 8.5 long-term scenario the material climate risks related to drought and extreme heat and in some assets pluvial flooding related to increased rain fall.

Pluvial flooding can cause water damage to properties, especially in the basement, and hinder access to the property. The rise in average temperatures and the increasing frequency of heat cycles increase the need for cooling in properties, but on the other hand, the need for heating decreases during the winter.

What is CRREM?

Carbon Risk Real Estate Monitor (CRREM) is an EU funded research project that supports the real estate industry to address real estate carbon risk factors and foster investments in energy efficiency by laying out transparent, science-based decarbonization pathways aligned with the Paris Climate Goals of limiting global temperature rise to 2C, with ambition towards 1.5°C.

BHF has utilized the CRREM tool to monitor its existing investments' performance in alignment with the 1.5°C GHG intensity and energy intensity pathways.

Dry seasons are also increasing in Estonia, Latvia, and Lithuania and very dry summers are becoming more common, especially in the four-degree scenario RCP 8.5 towards 2050. This may increase the need to collect rainwater and the importance of water efficiency may increase.

BREEAM In-Use certification target

Baltic Horizon’s one short term goal has been to achieve 100 % certified portfolio which it achieved in 2023. The Fund has a goal to achieve BREEAM In-Use “Very Good” in certification which has been achieve in four office assets. The latest development project Meraki Office Home received its BREEAM New Construction Excellent certification in 2024 as expected.

From an asset management perspective, the BREEAM/In Use certification process has given us a deeper understanding of the performance of our assets and has helped us prioritize improvements that will have the highest positive impact on tenants and the environment.

BREEAM certification		
Property	BREEAM certification	Rating
North Star	BREEAM/In Use	Very Good
Galerija Centrs	BREEAM/In Use	Very Good
Europa	BREEAM/In Use	Good
Lincona	BREEAM/In Use	Good
Sky	BREEAM/In Use	Good
S27	BREEAM/In Use	Very Good
Vainodes	BREEAM/In Use	Very Good
Cola Cola Plaza	BREEAM/in Use	Good
Upmalas Biroji BC	BREEAM/In Use	Very Good
Pirita	BREEAM /In Use	Good
Postimaja	BREEAM /In Use	Good
Meraki	BREEAM / New Construction	Excellent

Stakeholder engagement

By ensuring that our investment activities have a positive environmental and social impact, we put a strong emphasis on the benefits that our business can have to our stakeholders.

We define 4 core groups of stakeholders that are key to the success of our business:

Investors

We build relationships with our investors on transparency by ensuring strong performance together with a positive ESG impact. In 2024 we participated in industry events to understand what is the main focus of our investors ESG efforts and how to best meet their requirements and answer the questions.

Tenants

Tenant retention and commitment to our assets is a core focus of our asset management efforts. We aim to be a considerate asset owner who reacts to the needs and suggestions of our tenants. We also ensure common understanding of ESG matters by concluding green leases with our tenants. During 2023 and 2024 we conducted tenant satisfaction surveys in all our properties.

Partners

We continuously engage with our business partners to ensure smooth communication that is built on mutual values of trust, transparency, and professionalism. Our key partners are property managers of our buildings. During 2024 we trained our property managers on our ESG targets and liased with them in data collection on the assets.

Employees

We believe empowering our employees is the key to maintaining and creating excellent product performance. During 2023, Northern Horizon concluded an employee wellbeing survey to pay attention to employee health and wellbeing. In 2024, we conducted performance review for all our staff and continue with this annual practice.

Stakeholder engagement summary

Ways of engagement	Frequency of engagement	Key topics
Investors		
Calls, meetings	Ad hoc	Business strategy, ESG strategy
Financial reports	Quarterly, annual	Business performance, financial results
Annual general meeting	Annual	Business performance, business strategy, financial results
Surveys	Ad hoc	Application of market accepted ESG standards and frameworks, ESG strategy
Tenants		
Satisfaction surveys	At least once every 3 years	Satisfaction with property management, quality of premises, communication, sustainability
Meetings	Ad hoc	Asset management strategy
Partners (property managers, other service providers)		
Meetings	Monthly, ad hoc	Property performance and results, ongoing property related matters, ESG strategy implementation, consumption data, energy efficiency, financing
Employees		
Satisfaction surveys	Once every 2-3 years	Employee satisfaction, engagement and commitment to the firm, involvement in ESG activities
Performance reviews	Annual	Personal and professional growth, development goals
Training	1-2 times a year	Training on relevant policies, professional training, ESG training
Strategy meetings	Annual	Business strategy, ESG strategy, goals for upcoming periods

Tenant satisfaction and engagement

Baltic Horizon completed a tenant satisfaction surveys in its properties in 2023 and 2024.

Tenants are in the focus of our asset management activities and its important to the Fund to hear their view on asset operations, services and property management.

The asset management team of Baltic Horizon completed a tenant satisfaction survey in the second half of 2023 and first half of 2024. The response rate to the survey was 33 %. The goal was to under-stand how tenants perceive the quality of the buildings, and the skills of property and facility managers and to investigate the sustainability requirements of our tenants. The survey will be repeated in 2025.

We were glad to see that areas such as, property management, and building services/amenities were given high scores by the survey respondents. This also resonates well with overall tenant satisfaction with facilities. In 2025 we are aiming to improve the response rate to get better overview from all our tenants.

Based on tenant satisfaction survey tenants were also able to leave comments and remarks for us. Together with the property management we have developed a tenant engagement plan to address our tenants concerns and comments and to maintain the satisfaction rate.

Question	
	2024
How do you evaluate the property (Column G in sheet data) (very poorly 1- excellent 5)	3.5
How do you evaluate security services in the property? (1 - very poorly; 5 - excellent)	3.7
How satisfied are you with the microclimate in your premises? Please evaluate the following statements (1 - very poorly; 5 - excellent)	3.3
How satisfied are you with the noise level in your premises? (1 - very poorly; 5 - excellent)	3.8
How satisfied are you with the air quality in your premises (i.e. dusty, stuffy/stale air, cleanliness, odors) (1 - very poorly; 5 - excellent)	3.5
How satisfied are you with general building cleanliness? (1 - very poorly; 5 - excellent)	3.7
How satisfied are you with marketing of the property? (1 - very poorly; 5 - excellent)	2.8
How satisfied are you with responsiveness of property manager and service providers? (1 - very poorly; 5 - excellent)	3.5
How likely is it that you would recommend the property for other potential users (in scale of 1 to 10, where 1 is you would not recommend the property and 10 is you would definitely recommend the property) ?	6.0

Community engagement with health and wellness events

Retail and office assets are integral to everyday life – that is why the Baltic Horizon Fund is actively engaged in promoting healthier lifestyles and empowering communities. In 2024, the Fund's team implemented and supported various projects to forge partnerships and build community connections.

In October, Galerija Centrs hosted the event “Beneficial Journeys”, an initiative by the Society Integration Foundation. The event aimed to raise awareness about discrimination based on age, disability, and ethnicity, promoting inclusivity, especially among young people. Participants took part in a unique journey, listening to the stories of peers and discovering different perspectives to better understand the challenges faced by marginalized groups.

Based on the partnership between Baltic Horizon and the Lithuanian Red Cross, Europa shopping centre has hosted several events of the Red Cross aimed at raising awareness of health and safety. On 11-15 November, Europa shopping mall volunteers and the employees of the Lithuanian Red Cross invited visitors to learn more about civil safety, the Family Crisis plan, a Go Bag and let them practice packing a Go Bag in order to learn more about acting during major disasters and crises.



Consumption data



Key consumption data

30 101 MWh

Portfolio energy
consumption in 2024

7 125 CO₂e

Portfolio GHG emissions
in 2024

62 182 m³

Portfolio water consumption
in 2024

- 4%

Change in energy consumption
compared to 2023

- 6%

Change in GHG emissions
compared to 2023

- 12%

Change in water consumption
compared to 2023

Energy and GHG emissions

Energy consumption decreased 4 %

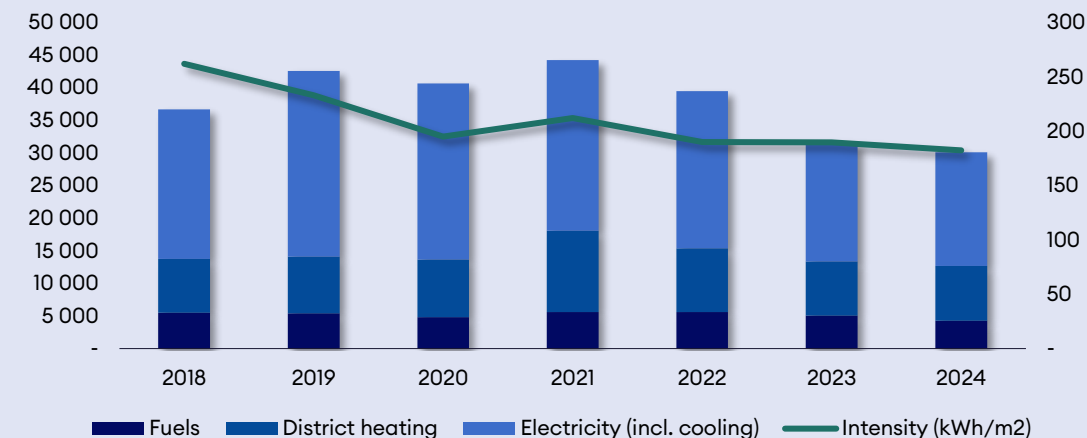
Total portfolio-level energy consumption in 2024 amounted to 30 101 MWh decreasing by 4 % compared to 2023, and energy intensity decreased from 190 kWh/m² to 182 kWh/m². The Fund achieved 100 % data coverage over operational energy used in the properties.

During the reporting period, the Fund focused on improving its data coverage and accuracy. The Fund increased its data coverage from 91 % in 2023 to 100 % in 2024. The Fund also assured its energy consumption data with a third-party expert using ISAE 3000 standards. The portfolio also experienced energy reduction per sqm which can be primarily attributed to the decreased occupancy of the assets.

The fund also continued to acquire renewable energy. The fund has started its energy transformation towards non-fossil energy by shifting its electricity to renewable. During 2024 86 % of the fund's total electricity consumption has been from renewable sources. From the total energy consumption considering district heating and fuels the share of renewable energy was 50 %. The Fund will continue to track its share of renewable energy.

The energy consumption is split into three categories: electricity (incl. cooling), district heating, and fuels for properties that are using alternative methods for property heating (such as gas boilers). In the future, we aim to provide a further breakdown of renewable energy used in the portfolio of Baltic Horizon broken down to both on-site and off-site generated renewable energy.

Energy intensities are calculated by including consumption data for a full reporting year if such data for the property is available at the time of reporting. Energy use intensity is estimated by dividing the total energy use of the portfolio by the total gross area of the portfolio.

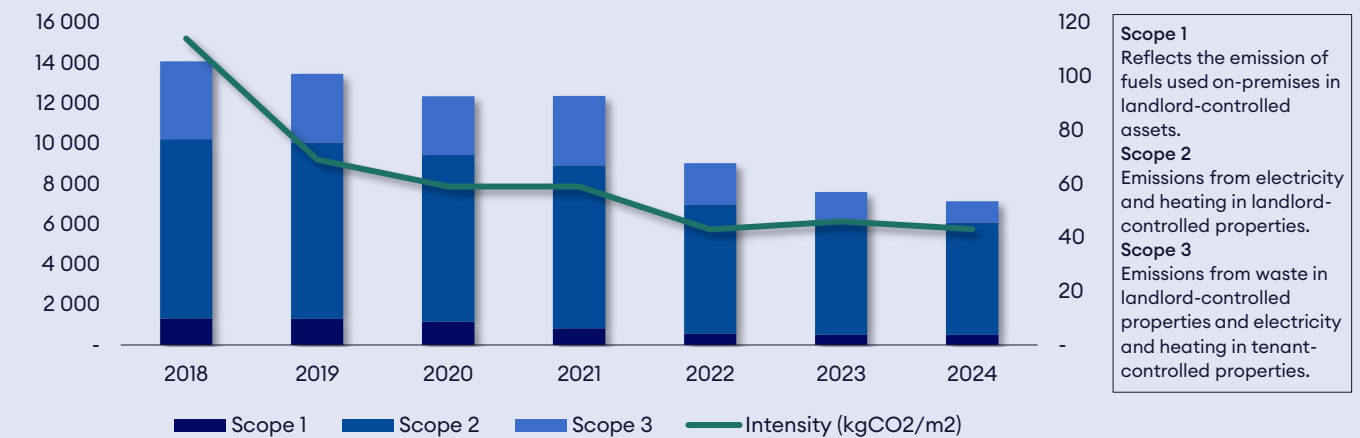


GHG emissions decreased 6 %

Total portfolio greenhouse gas (GHG) emissions, expressed in tons of CO₂ equivalent in 2024 reached 7,125 t which is 6 % less than in 2023. Emission intensity measured in kilograms of CO₂ equivalent per square meter reached 43 compared to 46 in 2023. The Fund achieved 100 % data coverage over operational energy used in the properties.

The GHG emissions include operational emissions such as GHG emission from district heating, gas and fuels as well as electricity consumption. The GHG emissions were calculated by applying location-based methodology using a third-party ESG data platform provider's carbon calculator tool that utilizes emission factors from International Energy Agency and CRREM. Due to difficulties in data standardization, the district heating emission factors are based on the standard factor provided by the ESG data platform. The Fund also utilized market-based emission calculation to consider the renewable energy of the portfolio. Market-based GHG emissions were 4 036 tCO₂. Market-based emissions take into account the renewable electricity purchased by the Fund and depicts the GHG emissions that were avoided compared to conventional energy sources.

The Fund also assured its GHG emission data with a third-party expert using ISAE 3000 standards.



Water and waste data

Total portfolio level water consumption in 2024 reached 62 182 m³ and decreased by 12 % compared to 66 926 m³ in 2023. Water use intensity in 2023 was 377 liters/m². Water-use intensity is estimated by dividing the total water usage of the portfolio by the total gross area of the portfolio (excl. parking).

The absolute water consumption decreased partly due to the occupancy rates. The portfolio level water consumption data provides an overview of water consumed in the buildings of the Fund. The data provided in this section of the report includes both the landlord and tenant-controlled areas. Currently, no assets in Baltic Horizon's portfolio utilize water recycling systems, because the Baltic region is famous for its abundant and clean water resources, and all the assets are located in the capital cities where the municipal water system is used for supplying water and treating sewage. The Fund also assured its water consumption data with a third-party expert using ISAE 3000 standards.

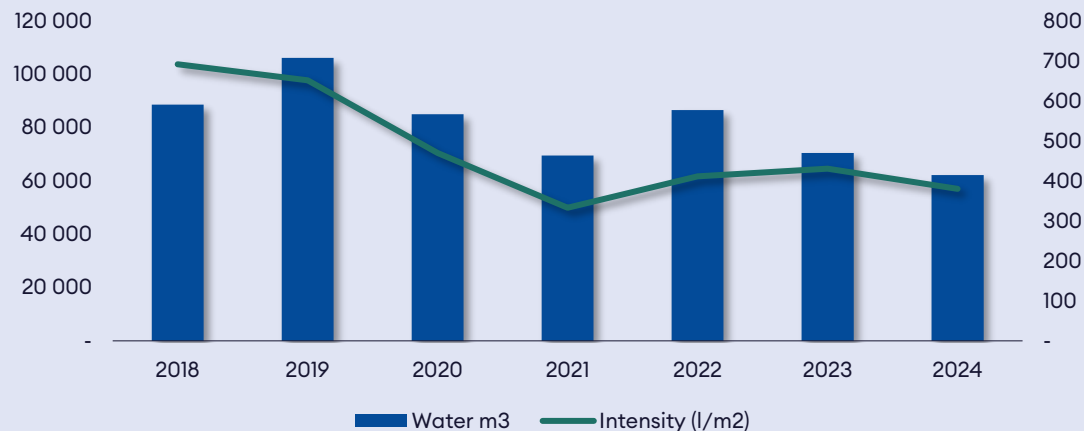
The collection of waste data is one of the most challenging factors in consumption data collection for the Baltic Horizon. Availability of data was massively improved during the year 2024, and almost 100 % coverage was reached, however, there are still many challenges in knowing the final destination and having complete transparency from waste management companies in the Baltic region.

Waste management companies in the Baltics that service properties of Baltic Horizon differ in every country and city and use different measurement methodologies. However, in recent years there was an obvious development in data transparency and accuracy. Most of the companies were able to provide the destination of the waste either landfill, incineration, recycling, or composting.

During 2024, the Fund has improved its processes to collect reliable waste data with the assistance of its asset managers. The Fund has collected information on waste from invoices and reporting directly from waste companies. As the information has been provided mostly in cubic meters and liters. The cubic meters and liters have been converted to kg by using conversion factors from Energy Star portfolio manager (ESTAR).

For 2024, the Fund assured its waste consumption data with a third-party expert using ISAE 3000 standards. Based on assurance, the Fund has corrected the waste generation numbers also for 2023. The Fund has corrected the previously reported numbers. The numbers reported before 2023 are not comparable.

Portfolio level water consumption (m³) and water use intensity (l/m²)



Management	Unit	2023	2024
Total waste generated	Tonnes	638,67	736,18
Intensity	Unit	2023	2024
Total waste per unit of revenue	kg/thousand EUR	36	49

Environmental data summary

Greenhouse Gas Emissions	Unit	2019	2020	2021	2022	2023	2024
Scope 1	tCO ₂ e	1,301	1,150	827	539	505	506
Scope 2 (location-based)	tCO ₂ e	8,740	7,554	8,076	6,887	5,711	5,563
Scope 2 (market-based)	tCO ₂ e						
Scope 3	tCO ₂ e	3,418	2,913	3,455	1,645	1,368	1,056
Gross operational carbon emission	tCO ₂ e	13,459	12,346	12,363	9,072	7,529	7,125
Total emissions neutralized by carbon offset projects	tCO ₂ e	0	0	0	0	0	0
Net operational carbon emissions	tCO ₂ e	13,459	12,346	12,363	9,072	7,529	7,125
E1 UNGC: P7 GRI 305-1,305-2,305-3 SASB: General Issue / GHG Emissions TCFD: Metrics & Targets							
Emissions Intensity	Unit	2019	2020	2021	2022	2023	2024
GhG emissions per megawatt-hour consumed	kgCO ₂ e/MWh	323.7	303.4	279.5	242.4	240.3	236.7
GhG emissions per full-time equivalent (FTEe) employee	tCO ₂ e/FTEs	791.7	685.9	773.0	567.0	501.9	475.0
GhG emissions per unit of revenue	kgCO ₂ e/thousand EUR	647.8	569.0	634.2	442.9	424.3	470.7
GhG emissions per unit of equity	kgCO ₂ e/thousand EUR	88	91	93	68	68.7	72.6
GhG emissions per unit of equity	tCO ₂ e/thousand EUR	0.0882	0.0906	0.0932	0.0676	0	0
GhG emissions per unit of space (m ²)	kgCO ₂ e/m ²	65	59	59	43	45.6	43.2
E2 UNGC: P7, P8 GRI 305-4 SDG: 13 SASB: General Issue / GHG Emissions, Energy Management							
Energy Usage	Unit	2019	2020	2021	2022	2023	2024
Total energy consumption	kWh	41,576,000	40,695,420	44,229,062	37,427,673	31,332,492	30,100,275
- of which energy from electricity	kWh	28,475,338	27,023,100	26,153,653	24,042,781	17,972,492	17,425,275
- of which energy from hot water	kWh						
- of which form fuels	kWh	5,419,918	4,793,451	5,581,483	5,162,304	5,074,000	4,290,000
- of which energy from heating	kWh	7,680,744	8,878,869	12,493,926	8,222,588	8,286,000	8,385,000
E3 UNGC: P7, P8 GRI 302-1, 302-2 SDG: 12 SASB: General Issue / Energy Management							
Energy Intensity	Unit	2019	2020	2021	2022	2023	2024
Energy per full-time equivalent (FTEe) employee	kWh/FTEs	2,309,778	2,260,857	2,764,316	2,339,230	2,088,833	2,006,685
Energy per unit of revenue	kWh/thousand EUR	2,001	1,876	2,269	1,827	1,766	1,989
Energy per square meter	kWh/m ²	199	195	212	178	190	182
E4 UNGC: P7, P8 GRI 302-3 SDG: 12 SASB: General Issue / Energy Management							

Environmental data summary

Environmental Operations	Unit	2019	2020	2021	2022	2023	2024
Does your company follow a formal Environmental Policy?	yes/no	yes	yes	yes	yes	yes	yes
Does your company follow specific waste, water, energy, and/or recycling policies?	yes/no	no	no	no	no	no	no
Does your company use a recognized energy management system?	yes/no	no	no	no	no	no	no
SASB: General Issue / Waste & Hazardous Materials Management							
Climate Oversight / Board	Unit	2019	2020	2021	2022	2023	2024
Does your Board of Directors oversee and/or manage climate-related risk?	yes/no	N/A	yes	yes	yes	yes	yes
SASB: General Issue / Business Model Resilience, Systematic Risk Management TCFD: Governance (Disclosure A)							
Climate Oversight / Management	Unit	2019	2020	2021	2022	2023	2024
Does your Senior Management Team oversee and/or manage climate-related risks?	yes/no	yes	yes	yes	yes	yes	yes
SASB: General Issue / Business Model Resilience, Systematic Risk Management TCFD: Governance (Disclosure B)							
Waste Management	Unit	2019	2020	2021	2022	2023	2024
Total waste generated	kg	N/A	1,496	3,382	4,045	638,67	736,18
GRI: 306-2							
Waste Intensity	Unit	2019	2020	2021	2022	2023	2024
Total waste per unit of revenue	kg/thousand EUR	N/A	69	173	200	36	49
Emissions neutralized by carbon offset projects	Unit	2019	2020	2021	2022	2023	2024
Total emissions offset	tCO ₂ e	0	0	0	0	0	0

Additional governance and social disclosures



Double Materiality

The Fund Manager conducted materiality analysis during 2024.

During 2024, we assessed our human rights risk assessments, climate risk assessments and reporting frameworks such as Gresb and UN PRI, Inrev ESG SDDS, GRI. We also conducted a series of stakeholder interviews with financiers, tenants, property management and sustainability experts to gain understanding on risks and opportunities as well as impacts related to our business operations.

Based on the analysis we have compiled the list of material topics we will continue to report to our stakeholders and use in our strategy and policy development.

Regarding the topic Boundaries, all the topics mentioned below are relevant across all business operations of BHF, in all investment geographies and across the investment, portfolio management and asset management processes.

The list of material topics included in this report contains the following metrics:

Role and knowledge of the highest governance body in managing impacts

As defined by Responsible investment and minimum safeguards policy, the Fund manager is responsible for implementing the Fund’s ESG approach and managing impacts. Fund manager is supported by the Group Head of Sustainability and ESG task force. The ESG report is prepared by the Head of Sustainability and reviewed by the Management board of the Fund Manager. The ESG strategy of the fund as well as the sustainable investment definition are decided and reviewed by the Management board.

Property level activities are carried out by asset managers in cooperation with the property manager partners.

All Management board members have participated in sustainability trainings held at Northern Horizon and regularly participate in industry events that include sustainability topics.

Compliance with laws

Baltic Horizon, being a listed entity, conducts its operations in compliance with all applicable local and international laws and regulations.

In addition to this, the activities of the Fund are governed by an exhaustive list of internal policies and strategic guidelines including but not limited to the Insider Information Policy, Conflicts of Interest Policy, Code of Conduct, Anti-Corruption Policy, Responsible Investment Policy, and others.

The Compliance Officer of the Management Company is responsible for ensuring that these policies are taken into consideration in the daily activities of Baltic Horizon. The management board of Northern Horizon Capital A/S approves all internal policies.

In May 2024, the Estonian FSA performed an on-site inspection, assessing the internal control system of Northern Horizon Capital AS and the implementation of measures to prevent and mitigate conflicts of interest. On 19 December 2024, the Estonian FSA issued a precept to Northern Horizon Capital AS, requiring it to improve some elements of its internal control processes and eliminate identified weaknesses. Northern Horizon Capital AS has cooperated with the Estonian FSA throughout the process and prepared an action plan in August 2024 to resolve the matters, based on which several weaknesses have already been eliminated.

No cases of corruption have been identified in Baltic Horizon or Management Company of the Fund in 2024.

Material Topics	Topic description
Climate change	Adaptation to physical risks and transitional risks, GHG emissions of assets, meeting GHG emission reduction targets
Energy transition	Energy used by the properties, energy transition to renewable and non-fossil, exposure to fossil fuels
Water consumption	Water used by the properties
Land-use	Construction of new buildings and its affect in biodiversity, availability of green areas in standing assets
Waste	Waste created by the properties as well as construction waste of new construction
Employee wellbeing and development	Work life balance, gender pay gap, health & safety at work, measures against harassment, training and development opportunities
Gender equality and diversity	Gender equality and diversity at the workplace, equal opportunities
Responsible partner (Human rights, Health & safety and equal treatment in the value chain)	Working conditions, health & safety, gender equality, measures against harassment and other human rights violations, training of staff in NHC value chain (PMs)
Responsible partner (Human rights, Health and safety of the customers)	Accessibility of services and safe premises
Corporate culture	Business ethics and culture include fighting corruption and bribery, protecting whistleblowers, complying with AML and KYC as well as international sanctions.
Anti-corruption and bribery	Compliance with processes and policies against corruption and bribery, incidents of corruption and bribery

Employees and value chain disclosures

Information on employees

The information of employees covers information of Northern Horizon Group companies who provide services to the Fund. The Fund has no employees except for the general directors at Lithuanian subsidiaries (3 in total in the end of 2024) as required by Lithuanian law. The general directors are also employees of Northern Horizon Group.

The team of Baltic Horizon is located in Estonia, Lithuania and Finland. Fund manager and a marketing specialist are located in Estonia, Head of Sustainability and Compliance Officer in Finland and Lithuania hosts mostly back-office functions such as fund controlling, treasury, legal support, investment underwriting, and other functions. The supporting staff splits their time between Baltic Horizon and other funds managed by Northern Horizon Capital Group companies. Employees supporting Baltic Horizon are either employed by the Management Company of Baltic Horizon or other companies that are part of Northern Horizon Capital Group. Historical employee information with breakdowns by gender, employment type, and age is provided in the table below.

Value chain

The majority of suppliers of Baltic Horizon are located in the Baltics and include property management, property maintenance, construction, consulting, legal, and other related service providers. For more information regarding total expenditure by Baltic Horizon in relation to its supply chain please refer to the financial statements in the Annual Report 2024 of Baltic Horizon.

Employees

	Total 2024	Lithuania 2024	Estonia 2024	Finland 2024	Denmark 2024	Total 2023	Lithuania 2023	Estonia 2023	Finland 2023	Denmark 2023
Total	15	11	2	1	1	16	12	2	1	1
Of which Women	12	9	1	1	1	12	9	1	1	1
%, women	80%	82%	50%	100%	100%	75%	75%	50%	100%	100%
Of which Men	3	2	1	-	-	4	3	1	-	-
%, men	20%	18%	50%	-	-	25%	25%	50%	0%	0%
Breakdown Employment Type Women										
Full-time	12	11	1	-	-	12	9	1	1	1
Part-time	-	-	-	-	-	-	-	-	-	-
Temporary Staff	-	-	-	-	-	-	-	-	-	-
Breakdown Aged Group Women										
Below 30	3	2	1	-	-	2	1	1	-	-
30-50	8	7	-	1	-	9	8	-	1	-
Above 50	1	-	-	-	1	1	-	-	-	1
Breakdown Employment Type Men										
Full-time	3	2	1	-	-	4	3	1	-	-
Part-time	-	-	-	-	-	-	-	-	-	-
Temporary Staff	-	-	-	-	-	-	-	-	-	-
Breakdown Aged Group Men										
Below 30	1	1	-	-	-	2	2	-	-	-
30-50	2	1	1	-	-	2	1	1	-	-
Above 50	-	-	-	-	-	-	-	-	-	-

Diversity of governance bodies

Diversity of governance bodies and employees

Governance bodies of Baltic Horizon comprise of individuals having years of experience in fields of real estate, finance, management and business. Individuals occupying positions on the governance bodies of Baltic Horizon at the end of 2024 consisted of both individuals holding internal positions inside Northern Horizon Capital Group of companies and external professionals. For more information regarding the governance bodies of the Fund please refer to the Annual Report 2024 of Baltic Horizon.

Governance bodies

Management Board of the Management Company			
	2022	2023	2024
Total	3	3	3
Women	1	1	2
Below 30	-		
30-50	1	1	2
Above 50	-		
Men	2	2	1
Below 30	-	1	
30-50	1	1	1
Above 50	1	-	

Supervisory Board of the Management Company			
	2022	2023	2024
Total	3	3	3
Women	2	1	1
Below 30	-	-	
30-50	2	1	1
Above 50	-	-	
Men	1	2	2
Below 30	-	-	
30-50	1	1	1
Above 50	-	1	1

Supervisory Board of the Fund			
	2022	2023	2024
Total	4	4	4
Women	-	-	1
Below 30	-	-	
30-50	-	-	
Above 50	-	-	1
Men	4	4	3
Below 30	-	-	
30-50	-	-	1
Above 50	4	4	2

Health & Safety and non-discrimination

The table to the right summarizes social aspects covered by the internal policy of the Northern Horizon Capital A/S which applies to the Baltic Horizon.

The summary contains references to the GRI reporting framework, The Sustainability Accounting Standards Board (SASB) and United Nations Global Compact, and the United Nations sustainable development goals (UN SDGs) to show the interconnection between reporting standards and reporting metrics.

Non-Discrimination

Non-Discrimination	Unit	2022	2023	2024
Does your company follow a sexual harassment and/or non-discriminatory policy?	yes/no	yes	yes	yes
Has there been cases of discrimination during the calendar year?	yes/no	no	no	no
UNGC: P6 GRI: 103-2 (see also: GRI 406: Non-Discrimination 2016) SASB: General Issue / Employee Engagement, Diversity & Inclusion				

Injury Rate	Unit	2022	2023	2024
Total number of injuries and fatalities, relative to the total workforce	%	0	0	1

Global Health & Safety	Unit	2022	2023	2024
Does your Company publish and follow an occupational health and/or global health & safety policy	yes/no	yes	yes	yes
Total absence from work (X) to total working hours of all employees	%	4.95	3.17	0.56
Absence from work due to long-term illness (X) to total working hours of all employees	%	N/A	2.12	N/A
Absence from work due to short-term illness (X) to total working hours of all employees	%	4.95	1.04	0.56
GRI: 103-2 (See also: GRI 403: Occupational Health & Safety 2018) SDG: 3 SASB: General Issue / Employee Health & Safety				

Child & Forced Labor	Unit	2022	2023	2024
Does your company follow a child labor policy?	yes/no	no	no	no
Does your company follow a forced labor policy?	yes/no	no	no	no
If yes, do your child and/or forced labor policy cover suppliers and vendors?	yes/no	no	no	N/A
S9 GRI: 103-2 (See also: GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor, and GRI 414: Supplier Social Assessment 2016) UNGC: P4, P5 SDG: 8 SASB: General Issue / Labor Practices				

Human Rights	Unit	2022	2023	2024
Does your company publish and follow a human rights policy?	yes/no	yes	yes	yes
If yes, does your human rights policy cover suppliers and vendors?	yes/no	yes	yes	yes
S10 GRI: 103-2 (See also: GRI 412: Human Rights Assessment 2016 & GRI 414: Supplier Social Assessment 2016) UNGC: P1, P2 SDG: 4, 10, 16 SASB: General Issue / Human Rights & Community Relations				

Additional governance disclosures

Communication and training about anti-corruption policies and procedures

The Management Company of Baltic Horizon has a series of governing documents and policies indicating sets of principles for transparent and ethical business behavior, the backbone of which is the Northern Horizon Group's common Code of Conduct and Anti-corruption policies. Employees are trained on policies at least annually or when there is a change in the policy. Policies are shared via Northern Horizon intranet.

During 2024, training sessions were held for all employees of Northern Horizon that provide services for Baltic Horizon. Trainings were based on updated internal policies and included the following topics: code of conduct, KYC/AML awareness and procedures, tendering process and conflict of interest. Training materials included updated policies as well as case studies that illustrate possible business scenarios employees might expect to encounter in their day-to-day operations.

Training sessions regarding compliance with internal company policies are mandatory for all company employees and attendance is recorded. If an employee cannot participate in the training session, they are required to review the training materials and consult the relevant people within the company if they have any questions. Separate training session for members of the governance bodies of BHF that are not employees of Northern Horizon Capital have not been held.

Confirmed incidents of corruption and actions taken

Baltic Horizon is managed by maintaining the highest corporate governance standards with the mindset of zero tolerance for corruption and bribery or any other illegal form of activity as a primary guiding principle.

Communication of critical concerns

Northern Horizon Capital Group ensures several channels for employees and stakeholders to communicate concerns. In accordance with the Corporate Responsibility Guideline, NHC encourages the employees to primarily report concerns directly to their superior or, if not possible, another member of Northern Horizon's management. Additionally, two different ways are offered to submit information: through open and public channel to Corporate Responsibility Committee.

The Corporate Responsibility Committee consists of two members: the Group General Counsel and an independent member of the Board of Directors. If there are suspicions regarding the Committee members' involvement, the report should be made directly to the owners of Northern Horizon.

Employees are encouraged to use the open channel, where they can call, send an email, or a regular mail letter to the Corporate Responsibility Committee member(s). The public channel is available on the Northern Horizon website under "Sustainability > Governance > Voice Your Concern-tool" at the address <https://www.nh-cap.com/sustainability/governance/>. The public channel is also open for Northern Horizon stakeholders to report concerns.



Additional governance disclosures

Remuneration policies

Compensation of employees providing services to the Fund is defined in the Compensation Policy. The applicability of the compensation policy is for all employees and managers of Northern Horizon Capital Group. The policy reflects the Group’s objectives for good corporate governance as well as sustained and long- term value creation for investors and shareholders of the Group.

The key elements of the compensation to key personnel involved in the vehicle are listed below.

1. Competitive fixed salary. Adjustments are made annually in conjunction with performance reviews conducted annually; and
2. Annual discretionary bonus scheme. All employees, including the vehicle’s key personnel, participate in the Northern Horizon bonus scheme. BHF managers also receive Fund units as part of the variable compensation. Cash bonuses are determined based on company and individual performance and achievement of individual targets set for each employee at the beginning of each calendar year.

When assessing individual performance of an employee, financial as well as non-financial criteria are considered. The non-financial criteria include but are not limited to ESG specific criteria and the Minimum Safeguards relevant to an individual fund and / or the Group, as well as the investor satisfaction, adherence to risk management policy, compliance with internal rules and policies, leadership, managing others, teamwork, innovation, cooperation with others business units and with control functions among other criteria.

More regarding integrating sustainability risks on remuneration policy on NHC website: <https://www.nh-cap.com/sustainability/sustainability-disclosures/>

Conflicts of interest

Northern Horizon Group’s Conflict of Interest Policy outlines protocols for identifying, preventing, and managing conflicts of interest efficiently. It mandates strict adherence by all personnel, ensuring transparency and accountability through detailed documentation and reporting of conflict situations in a dedicated register maintained by Compliance. Regular updates and annual reviews by the Board of Directors underscore the commitment to governance and ethical conduct.

More on the conflicts of interest in the Annual Financial reports of the Fund on pages 34.

Restatements of information

The Fund has corrected the following entries concerning the year 2023:

- energy consumption and GHG emissions reported for year 2023 due to an error in calculation and better inventory of the sustainability data for 2023. The Fund has erroneously calculated intensities considering the properties data has not been collected indicating too low numbers on energy intensities. Corrected numbers are presented in pages 25 in this report; and
- waste generation for the year 2023 due to better inventory of the waste fractions. Corrected numbers are presented on page 26 of this report.

Diversity

Annual compensation ratio 2024	
The annual total compensation for the organization’s highest-paid individual to the median annual total compensation for all employees(excluding the highest-paid individual)	3
The ratio of the percentage increase in annual total compensation for the organization’s highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	0

Governance data

The summary contains references to the GRI reporting framework, The Sustainability Accounting Standards Board (SASB) and United Nations Global Compact, and the United Nations sustainable development goals (UN SDGs) to show the interconnection between reporting standards and reporting metrics.

Board Independence	Unit	2021	2022	2023	2024
Does the company prohibit CEO from serving as board chair?	yes/no	no	no	no	no
Total board seats in Management company occupied by independents	%	0 %	0 %	0 %	0 %
Total Board seats of Fund supervisory board occupied by independents		100 %	100 %	100 %	100 %
Incentivized Pay	Unit	2021	2022	2023	2024
Are executives formally incentivized to perform on sustainability	yes/no	no	no	yes	yes
Collective Bargaining	Unit	2021	2022	2023	2024
Total enterprise headcount covered by collective bargaining agreements (X) to the total employee population	%	N/A	0	0	0
UNGC: P3 SDG: 8 GRI: 102-41 SASB: General Issue / Labor Practices (See also: SASB Industry Standards)					
Ethics & Anti-Corruption	Unit	2021	2022	2023	2024
Does your company follow an Ethics and/or Anti-Corruption policy?	yes/no	yes	yes	yes	yes
If yes, what percentage of your workforce has formally certified its compliance with the policy?	%	100	100	100	100
UNGC: P10 SDG: 16 GRI: 102-16, 103-2 (See also: GRI 205: Anti-Corruption 2016)					
Data Privacy	Unit	2021	2022	2023	2024
Does your company follow a Data Privacy policy?	yes/no	yes	yes	yes	yes
Has your company taken steps to comply with GDPR rules?	yes/no	yes	yes	yes	yes
GRI: 418 Customer Privacy 2016 SASB: General Issue / Customer Privacy, Data Security (See also: SASB Industry Standards)					
ESG Reporting	Unit	2021	2022	2023	2024
Does your company publish a sustainability report?	yes/no	yes	yes	yes	yes
Is sustainability data included in your regulatory filings?	yes/no	yes	yes	yes	yes
UNGC: P8					
Disclosure Practices	Unit	2021	2022	2023	2024
Does your company provide sustainability data to sustainability reporting frameworks?	yes/no	yes	yes	yes	yes
Does your company focus on specific UN Sustainable Development Goals (SDGs)?	yes/no	yes	yes	yes	yes
Does your company set targets and report progress on the UN SDGs?	yes/no	yes	yes	yes	yes
UNGC: P8					
External Assurance	Unit	2021	2022	2023	2024
Are your sustainability disclosures assured or validated by a third party?	yes/no	no	no	no	yes
UNGC: P8 GRI: 102-56					

GRI content index



GRI content index

This report is made with reference to the GRI standards for the reporting period of 1.1-13.12.2024. This report contains the information of the Fund and if specifically mentioned, information on the Manager or Northern Horizon Capital Group. Northern Horizon Capital Group is a Danish limited liability company having subsidiaries in Finland and Estonia. The subsidiaries, including the Manager, are licensed alternative investment management companies. The GRI Content Index describes what GRI indicators are used to demonstrate the execution of human rights, workers' rights, environmental principles and anti-corruption principles. This report has not been externally assured expect for the data on energy, GHG emissions, water and waste presented on pages 25-26.

More information and queries please contact Vilma Pasanen, Head of Sustainability at vilma.pasanen@nh-cap.com or Fund Manager Tarmo Karotam, Fund Manager at tarmo.karotam@nh-cap.com

Disclosure	Page(s)	Comments/omissions
GRI 2: General Disclosures 2021		
2-1 Organizational details	Page 3	Annual Financial report, page 34-36.
2-2 Entities included in the organization's sustainability reporting	Page 38	
2-3 Reporting period, frequency and contact point	Page 38	
2-4 Restatements of information	Page 35	
2-5 External assurance	Page 25-26, 38	
2-6 Activities, value chain and other business relationships	Page 20, 31	Annual Financial report, page 9-10
2-7 Employees	Page 31	The disclosure refers to Northern horizon Group employees providing services to the Fund
2-8 Workers who are not employees	Page 31	At Northern Horizon, workers who are not employees are generally special advisors or property managers. They perform various tasks that are either project-related expert tasks, advisory in deals.
2-9 Governance structure and composition	-	Annual Financial report, page 34-36.
2-10 Nomination and selection of the highest governance body	-	Annual Financial report, page 34-36.

Disclosure	Page(s)	Comments/omissions
GRI 2: General Disclosures 2021		
2-11 Chair of the highest governance body	-	Annual Financial report, page 34-36.
2-12 Role of the highest governance body in overseeing the management of impacts	Page 11, 30	
2-13 Delegation of responsibility for managing impacts	Page 11, 30	
2-14 Role of the highest governance body in sustainability reporting	Page 30	
2-15 Conflicts of interest	Page 35	Annual Financial report, page 34
2-16 Communication of critical concerns	Page 34	
2-17 Collective knowledge of the highest governance body	Page 36	Management board members participate in the compliance and sustainability trainings held at NHC. More about knowledge of other board members see annual financial report page 34-36.
2-18 Evaluation of the performance of the highest governance body	-	Annual Financial report page 34-36
2-19 Remuneration policies	Page 35	
2-20 Process to determine remuneration	Page 35	
2-21 Annual total compensation ratio	Page 35	

GRI content index

Disclosure	Page(s)	Comments/omissions
GRI 2: General Disclosures 2021		
2-12 Statement on sustainable development strategy	6-9	
2-23 Policy commitments	Page 11	
2-24 Embedding policy commitments	Page 12	
2-25 Processes to remediate negative impacts	Page 12-13, 34	
2-26 Mechanisms for seeking advice and raising concerns	Page 11, 34	
2-27 Compliance with laws and regulations	Page 30	
2-28 Membership associations	Page 14	
2-29 Approach to stakeholder engagement	Page 20-21	
2-30 Collective bargaining agreements	Page 36	

Disclosure	Page(s)	Comments/omissions
Management Approach		
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	Page 30	
3-2 List of material topics	Page 30	
3-3 Management of material topics	Page 30	
Topic-Specific GRI Standards		
GRI 205 Anti-corruption		
205-2 Communication and training about anti-corruption policies and procedures	Page 34	
205-3 Confirmed incidents of corruption and actions taken	Page 34	
GRI 302: Energy		
302-1 Energy consumption within the organisation	Page 25	
302-3 Energy intensity	Page 25	

Disclosure	Page(s)	Comments/omissions
GRI 303: Water and Effluents		
303-5 Water consumption	Page 26	
GRI 305: Emissions		
305-1 Energy direct (Scope 1) GHG emissions	Page 25	
305-2 Energy indirect (Scope 2) GHG emissions	Page 25	
305-3 Other indirect (Scope 3) GHG emissions	Page 25	
305-4 GHG emissions intensity	Page 25	
305-5 Reduction of GHG Emissions	Page 24-25	
GRI 306: Effluents and Waste		
306-2 Waste by type and disposal method	Page 26	
GRI 404: Training and Education		
404-3 Percentage of employees receiving regular performance and career development reviews	Page 20	
GRI 405: Diversity and Equal Opportunity		
405-1 Diversity of governance bodies and employees	Page 32	
GRI 406: non-discrimination		
406-1: Incidents of discrimination and corrective actions taken	Page 33	

Definitions of key terms and abbreviations

EPRA

EPRA, the European Public Real Estate Association, is the voice of the publicly traded European real estate sector. Founded in 1999, EPRA is a not-for-profit association registered in Belgium. With more than 275 members, covering the whole spectrum of the listed real estate industry (companies, investors and their suppliers), EPRA represents over EUR 450 billion of real estate assets and 94% of the market capitalization of the FTSE EPRA Nareit Europe Index.

GHG

Greenhouse gas emissions. All portfolio emissions disclosed in this report are expressed in CO2 equivalent and calculated based on GHG protocol. <https://ghgprotocol.org/>

GRI

The Global Reporting Initiative (GRI) is an international independent standards organization that helps businesses, governments, and other organizations understand and communicate their impacts on issues such as climate change, human rights, and corruption.

INREV

The European Association for Investors in Non-Listed Real Estate Vehicles (INREV), incorporated in 2002, is a non-profit association located in the Netherlands that provides services and education for investors interested in the European non-listed real estate fund market.

Management Company

Northern Horizon Capital AS, registered address at Roseni 7, Tallinn 10111, Estonia.

Northern Horizon Capital AS is part of Northern Horizon register code 11025345, Capital Group.

Northern Horizon Capital Group

Refers to the Northern Horizon Group of companies. Northern Horizon Capital AS is part of Northern Horizon Group.

RAKLI

RAKLI is the most comprehensive and prominent association of professional property owners, real estate investors, corporate real estate managers and construction clients in Finland. RAKLI represents its member's interests, participate in public debate and promote sustainable living environments. RAKLI has more than 230 members, which are Finland's most prominent owners of residential and commercial properties and infrastructure, property investors, biggest cities, as well as construction clients. The members represent both the private and the public sector.

SFDR

Sustainable Finance Disclosure Regulation.



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