

Environmental,
Social & Governance
Annual Report

2021

Attention to ESG matters to us

HOW RELEVANT ARE ESG TOPICS TO LIVONIA?

The focus of Livonia Partners is to achieve a positive impact on the Baltic economies through long-term partnerships with businesses, and growing these businesses in the region and beyond. Reflection on environmental, social and governance factors ensures that Livonia not only selects companies that have the best positioning financially, but also are resilient to ESG

future risks and create social and environmental value. It is our belief that by making responsible investments we can deliver better returns to our investors and enrich the business ecosystem by creating better outcomes for both the environment and the people in it.

WHAT CHANGES HAVE WE SEEN IN THE INDUSTRY IN THE PAST YEAR?

Transparency

2021 has been a year of concrete steps towards increased transparency regarding ESG topics in the financial sector. The catalyst for industry-wide action has been the EU-wide legislation on Sustainable Finance Disclosure Regulation (SFDR) and Taxonomy Regulation, which is standardizing and adding depth to reporting requirements to empower investors to differentiate between funds according to sustainability preferences. Transparency within ESG work is not new for us at Livonia.

Throughout the year, we continued to monitor our key ESG progress metrics that reflect the status of our portfolio companies. We have also begun work with our portfolio companies to systematically collect additional data to meet the new legislation requirements.

And although the process is challenging, we believe this will allow us to show, transparently, how our investment strategy of creating ESG value as well as profit translates against the new requirements.

Climate Action

Another clear trend throughout 2021 was to increase the expectation for financial market participants to assume responsibility for their role in driving climate action, and for the transformation of business activities towards a net zero economy. There are various strategies for this in the financial markets, with some funds divesting from certain industries, some committing to working with them to be catalysts for transition, and some investing into already green businesses. However, there is little doubt that decarbonizing industries over the next 28 years will be a relevant topic for all financial actors in the coming years.

At Livonia, we believe that in order to be successful in advancing a sustainability agenda, one strategy alone will not be sufficient. This is why, in addition to our exclusion policy against some industries, we are committed to unlocking the deployment of green technologies within more 'traditional' companies, and finding companies that already provide lower carbon alternatives in comparison to the industry performance. To guide the de-carbonization activities within our portfolio companies, we are working to implement greenhouse gas measurement across our entire portfolio. This will inform our decision making and track progress over the lifetime of the funds.

Livonia Partners ESG approach

RESPONSIBILITY IS PART OF WHO WE ARE

LIVONIA PARTNERS is a Baltics-based investment team focused on identifying high-potential companies and providing them with the capital and expertise needed for further growth.

We believe that long-term success requires a sustainable strategy, and that we can deliver better returns to our investors by making responsible investments.

Livonia maintains clear ESG guidelines, which cover all stages of the investment process. We aim to create value by implementing our ESG policy across our portfolio, and ensuring that our investments echo our values and principles.

ESTVCA / ESTONIAN PRIVATE EQUITY AND VENTURE CAPITAL ASSOCIATION

LVCA | LATVIAN PRIVATE EQUITY AND VENTURE CAPITAL ASSOCIATION

LT VCA | Lithuanian Private Equity and Venture Capital Association

LIVONIA PARTNERS IS A SIGNATORY TO THE UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT

- We incorporate ESG issues into investment analysis and decision-making processes.
- We are active owners and incorporate ESG issues into our ownership policies and practices.
- We seek appropriate disclosure on ESG issues from the entities in which we invest.
- We promote acceptance and implementation of the Principles within the investment industry.
- We work together to enhance our effectiveness in implementing the Principles.
- We report on our activities and our progress towards implementing the Principles.

Signatory of

 PRI | Principles for Responsible Investment

How we manage environmental, social, and governance aspects at Livonia Partners

SOURCING & SCREENING

- Evaluate the level of ESG risks and potential issues at the sourcing and industry – screening stage.
- Filter out and exclude sectors that do not fit with our principles of responsible investment and our investment strategy.
- Assess the sustainability of an investment target, with its competitive advantages, business model, and processes.

VALUE CREATION

- Use findings from Environmental and Social Due Diligence (ESDD) to address any urgent issues.
- Identify projects in portfolio companies that have a positive impact on the environment and climate change and proactively support their implementation.
- Engage company management and other stakeholders in creating an appropriate and value-creating ESG policy.
- Implement the ESG policy to ensure business sustainability and enhance value creation.
- Monitor ESG risks, update policy, and ensure compliance with external and internal regulations.

DUE DILIGENCE REVIEW

- Conduct ESDD as appropriate for the industry in question, to review existing ESG policy and evaluate risks.
- Address due diligence findings and potential red flags.
- Include ESDD considerations in investment decision-making and in relevant materials.
- Identify key issues to be addressed post-investment.

DIVESTMENT

- Communicate ESG objectives and milestones to prospective buyers.
- Evaluate the alignment of interests and support the ongoing focus on sustainability and responsibility.

Principles for the implementation of Livonia Partners' ESG policy

RECOGNITION

We acknowledge the importance of adopting, updating, and implementing ESG objectives that ensure responsible investments in sustainable businesses.

ENGAGEMENT

We work closely with the management teams in our portfolio companies, and with external experts, to ensure that relevant and appropriate best practices are adopted across all our investments.

IMPLEMENTATION

We provide sufficient resources for the implementation of our ESG objectives, both at the fund and at the portfolio-company level.

MONITORING

We monitor the progress of our portfolio companies to ensure effective ESG policy implementation and to identify areas for further development.

REPORTING

We report both internally and externally about our ESG policies, the implementation milestones in the portfolio companies, and appropriate updates to the ESG policies.

ACCOUNTABILITY

We ensure accountability in the implementation of the ESG objectives and in the associated monitoring and reporting.

Portfolio level key performance indicators in 2021

7	> €179 MILLION	> 67%	> €28 MILLION
Portfolio companies	Combined revenue of portfolio companies	Revenue from outside the Baltic countries	Combined EBITDA
€277 MILLION	€17 MILLION	€420 THOUSAND	1,671
Combined enterprise value of portfolio	Total capital expenditure	Capex for environmental initiatives	Full time employees
4	9	0	154
Nr of employees working for minimum wage	Nr of work related accidents	Nr of offshore corporate structures	Nr of workplaces created organically
6/7	6	> €29 MILLION	1
Nr of companies reporting under IFRS	Women in management roles	Total taxes paid	Nr of companies with high sector E&S risk

The ESG focus begins within Livonia

Our team's vision is to make positive changes in order to build companies that we are proud of after 10 years. Not only does it mean delivering the best financial returns across all investments, consistently, but also achieving an actual positive impact on the environment and society, while also growing the Baltic economies.

At Livonia, all team members must adhere to the highest professional and ethical standards. Thoughtful and regular team-building activities, as well as frequent feedback sessions, ensure productive team dynamics and a close-knit and trusting team.

Lifelong education is highly encouraged, and Livonia provides significant financial support to all employees who wish to pursue professional training, coaching sessions, or further academic education, e.g. in an international MBA program.

All Livonia employees are provided with short-term and long-term financial incentive schemes that are aligned with the overall financial success of Livonia. The ESG results are assessed as part of overall portfolio performance, and are reported annually in the ESG report.

As the largest on-shore registered private equity fund in Latvia, Livonia is also dedicated to the improvement of the local investment environment. Kristīne Bērziņa is the Chairperson of the Board of LVCA, the Latvian PE&VC Association, and Mindaugas Utkevičius is Board Member of the respective association in Lithuania.



CGATES is Lithuania's largest independent pay TV and broadband service provider. The company provides digital and interactive television, fiber-optic broadband internet, and fixed telephony service. The company serves more than 150,000 clients in all of the largest cities across Lithuania, offering one of the country's largest and most modern telecommunications networks.

Cgates is continuously working to improve the quality of the products and customer service provided. This has been reflected in the increasing satisfaction of Cgates' customers, and in 2021, the company's customer NPS increased by 12% to 38.2.

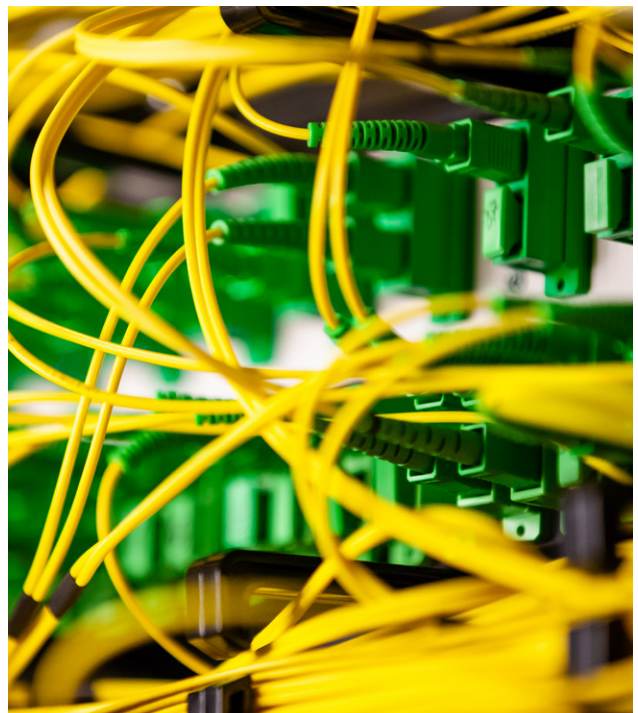
To ensure high quality and energy efficiency in its services, Cgates is investing in the modernization of their equipment. The company is developing networks based on gigabit passive optical network (GPON) technology, which saves on materials during installation as it requires fewer cables and electronics, and is more energy efficient when operated in comparison to a traditional copper setup. To minimize waste in the operations, in 2021 Cgates began to digitize its customer communication and billing materials. Internally, Cgates had already moved to a paperless

office setup, via use of electronic or mobile signatures. In 2021, the company started monitoring water consumption levels.

Throughout 2021, Cgates launched a new-generation TV product and introduced a "green" internet service – internet that is powered by renewable electricity. In 2021, due to this commitment to green electricity, 75% of the total electricity the company consumed came from renewables.

Cgates continues to provide free Wi-Fi internet connections in specified central areas of the four largest cities in Lithuania.

During 2021, Cgates began litigation against the ruling of the Competition Council of Lithuania that prevented the company from acquiring their direct competitor Splus in the Lithuanian city of Siauliai. In addition, the Competition Council ruled that Cgates had not provided complete and sufficient information, and issued a fine of 215,100 euros, which the company is also challenging in court. Livonia Partners is closely monitoring the situation, and remains confident in the governance of the company. The litigation has limited ESG risks as there is no impact to the customers or the sustainable cash flow of the company.



WHAT HAPPENED IN 2021:

- Continued investment into more energy and resource efficient technology (PNO).
- Work on product quality and service further improved the satisfaction of Cgates customers.
- Introduced an internet service powered by renewable energy.

PRIORITIES FOR 2022:

- To finish digitalization of customer communication and billing materials. This priority began in 2021, and the completion of the project is expected in 2022.



KEY FACTS – 2021

Revenue	€ 28.4 million
5-Year Revenue	6,1%
Capex	€ 8.7 million
Nr of employees	292
Salaries paid	€ 7.9 million
Taxes paid	€ 7.1 million
Sector E&S risk	Low



CGATES ESG FACTSHEET

Reporting Period: 2021

ENVIRONMENTAL

Capex spent on environmental initiatives	ca. € 0.1 million
Total energy usage	ca. 4,149,556 kWh*; 75% of electricity is from renewables
Total water usage	ca. 503m ³
Environmental accidents in 2021	None
Third-party E&SDD prior to investment	Yes

*Energy not including fuel.

SOCIAL

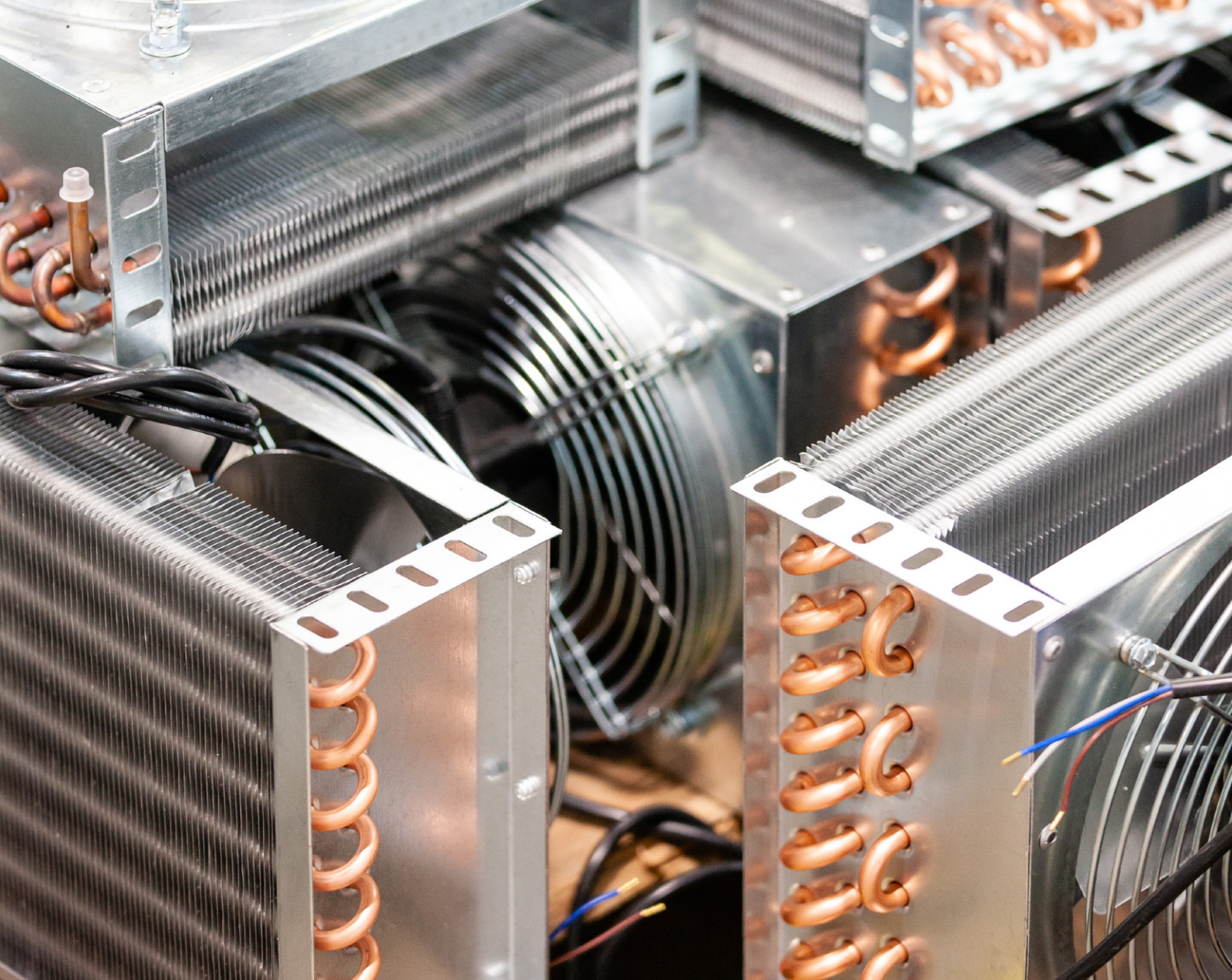
Percentage of female employees	35%
Number of jobs created	8
Breakdown of FTEs by type	Administrative – 8; Finance – 25; IT – 11; Commerce – 41; Client service and HR – 67; Network and technicians department – 119; TV service department – 5; Telenordi (outsourced telemarketing and client service) – 16
Regular work environment and health & safety procedure assessment by top management	External partner is responsible for safety and health – Tuvlita
Nr of work-related accidents in 2021	None
Employees working for the minimum wage	4
Employee / customer satisfaction measurement	Yes, Employee: NPS +56.4; Motivational index level +4.27 Yes, Customer: NPS +38.2
Employee turnover	30.5%

GOVERNANCE

Existence of any offshore corporate structures	No
IFRS reporting	Yes
Big Four Auditor	Yes
Frequency of preparation of full financial statements and supervisory board meetings	Annually
Independent Board Member	No
Livonia seats on the Board	2/5
Women in Board roles	1/5
Major certificates / labels	None
Participation in associations	INFOBALT (IT sector association)
Code of Ethics is formalized	No
ESG Policy is formalized	No
Regular internal / external audits	Annual audit of financial statements, Communication council audit
Absence of penalties to any regulatory authorities	No. € 215 thousand that is being challenged in court
Absence of any ESG related litigation	No. Litigation with the competitor and competition council
% of shares owned by the management team	0%

PORTFOLIO COMPANIES

Freor



FREOR LT UAB is a manufacturer of commercial refrigeration equipment for stores and supermarkets, with a focus on product durability and energy efficiency. Headquartered in Vilnius, Lithuania, Freor has more than 20 years of experience as a supplier of refrigeration solutions. As of 2021, Freor produces over 12,000 refrigeration units annually, selling across more than 40 countries, with exports representing the majority of sales.

Currently, the company operates 2 production facilities, in Lithuania and Belarus, with a total production area of 31,100 m². The new facility in Vilnius is A+ energy-efficient and features environmentally friendly solutions.

Freor has unique positioning, and provides top-tier quality and environmental sustainability in the market. The company’s high quality standards are certified by the ISO 9001 (quality management), 14001 (environmental management), and 50001 (energy management) quality certificates. To continuously provide the highest performance and energy efficiency, Freor has opened a dedicated equipment testing laboratory in 2021.

On the environmental sustainability side, Freor is focusing on product durability and energy efficiency, reduction of the environmental impact of the

manufacturing processes, and minimizing waste. The company has developed expertise through its innovative propane-based (R290) plug-in refrigeration equipment, and the ability to produce industry-standard CO₂ solutions. Both CO₂ and R290 have significantly lower global warming potential than F-gas, and are readily available and cost-efficient. On the supply management side, Freor ensures quality through purchasing all component parts for refrigeration equipment exclusively from certified European suppliers.

Freor is dedicated to minimizing the negative impact of its internal operations as well. 100% of the electricity purchased by Freor Lithuania comes from renewable sources. Waste is measured, and waste accounting is kept in the GPAIS systems. Also, the company measures the noise level in the production facilities to ensure that it is not hazardous to the employees.

To promote practices that are less polluting, the company continually educates not only their employees, but also their clients and society as a whole on environmental matters by sharing information on their and the industry’s environmental impact.

During 2021, Freor donated 12 000 eur to SOS Children’s Village, the Youth Line, and the Food Bank.

WHAT HAPPENED IN 2021:

- Launched a dedicated laboratory to provide energy labels for all product lines
- Donations were made to organizations including the SOS Children’s Village, the Youth Line, and the Food Bank

PRIORITY FOR 2022:

- Provide energy labels for all product lines

KEY FACTS – 2021

Revenue	€ 65.3 million
5-Year Revenue	16.0%
Capex	€ 3.2 million
Nr of employees	689
Salaries paid	€ 10.3 million
Taxes paid	€ 7.3 million
Number of production plants	2, Production facilities in Vilnius and Stolbcy, Belarus

Sector E&S risk

Medium

FREOR ESG FACTSHEET

Reporting Period: 2021

ENVIRONMENTAL

Capex spent on environmental initiatives	€ 0
Major raw materials used	Metal 7,013 t; Wood for packaging 1,138 m3; glass 848 t*
Key waste items	Main waste items: Metals – 923 t; Paper – 82 t; Wood – 79 t; Other industrial waste – 32 t; Mixed municipal waste – 16 t; Plastic – 15 t; Paint and Varnish – 8 t
Total energy usage	ca. 3,190,772 kWh
Total water usage	3,724m3
Monitoring activities to improve work environment	Yes. Performs noise level measurements in the production facilities. Employees are provided with work safety equipment
Environmental accidents in 2021	None
Third-party E&SDD prior to investment	Yes
	<i>*based on the average weight of a random sample and applied to 52,989 purchased pieces</i>

SOCIAL

Percentage of female employees	18%
Number of jobs created	123
Breakdown of FTEs by type	80% – Production; 17% – Administrative; 1% – Service staff; 1% –Sales; 1% – Other
Regular work environment and health & safety procedure assessment by top management	In Lithuania external consultants (UAB SDG) are looking after the health & safety matters. In Belarus, an internal health and safety service deals with the health and safety of all employees. In Poland, one employee is a safety officer, all workers and subcontractors are trained.
Nr of work-related accidents in 2021	2
Employees working for the minimum wage	0
Number of hours and shifts per day in the factory	Lithuania – 24 h/3; Belarus – 11 h/2; Poland – 8 h/1
Employee / customer satisfaction measurement	Lithuania, Belarus – Yes; Poland – No
Employee turnover	29%

FREOR ESG FACTSHEET

Reporting Period: 2021

GOVERNANCE

Existence of any offshore corporate structures	No
IFRS reporting	Yes
Big Four Auditor	Yes
Frequency of preparation of full financial statements and supervisory board meetings	Monthly
Independent Board Member	No
Livonia seats on the Board	1/3
Women in Board roles	1/3
Major certificates / labels	ISO 9001; ISO 14001; ISO 50001; CE certificates; Green energy certificate, declarations of conformity
Participation in associations	Association of Refrigeration Engineers; Association of Microclimate and Cold Industry Enterprises
Code of Ethics is formalized	Yes
ESG Policy is formalized	Yes
Regular internal / external audits	Lithuania – Financial audit; ISO standards audits; Energy audit was done in the beginning of 2022; Internal audits (Waste management, Safety management, ISO management); Belarus – audit according to IFRS standards, statutory audit according to Belarusian standards, internal audits (security management); Poland – Financial audit
Absence of penalties to any regulatory authorities	No – 85 Eur was paid for an environmental accident in 2020 and 120 Eur was paid for not wearing a mask by 1 employee at the workplace during Covid-19
Absence of any ESG related litigation	Yes
% of shares owned by the management team	Lithuania 66.67%, Belarus 34%, Poland 10%

PORTFOLIO COMPANIES

Scoro Software



Scoro is a leading software-as-a-service (SaaS) solution for professional and creative service companies. It is a comprehensive work management software interlinking project management with batches of related tools, such as sales, billing, and communication, in order to streamline projects, simplify quoting, automate billing, and optimize utilization. Founded in 2014, the company is headquartered in Tallinn, Estonia with sales offices in Rīga, Vilnius, London, New York, and Salt Lake City.

Scoro continued to grow, leveraging additional investment received in February 2021 as part of its Series B financing round. As of 2021, the company was serving over 1,300 customers across more than 65 countries, primarily in the Baltics, the USA and Canada, the U.K., and Australia. The company has 116 employees.

With an innovative approach, Scoro made its mark in the collaborative work management industry and was recognized as the International Business of the Year 2021, and named as a Rising Star in the latest CEE report.

Scoro has certified its workflow management to ISO/IEC 27001:2013 standard. This standard specifies the requirements for establishing, implementing, maintaining, and continually improving an information security management system within the context of the organization.

Scoro is closely tracking the satisfaction of its

customers, to ensure that their needs are met. To do so, the company conducts Net Promoter Score (NPS) and Customer Satisfaction Score (CSS) surveys as well as personalized surveys after customer onboarding. For 2021, the Customer Satisfaction survey result was 89%.

Further efforts have been made toward creating a customer community. Scoro organized a virtual customer event that attracted more than 100 users and will be repeated again in 2022.

Internally, Scoro focused on ensuring that people are happy at the company and will stay for the long term. To ensure that employees are happy, a monthly ‘pulse’ survey and a biannual extended happiness survey are sent out to collect feedback and assign scores. The average score from the monthly pulse survey in 2021 was 8.0 (out of 10.0). Also, an additional option pool was issued to expand the benefits package and to promote long-term thinking and investment among employees. Scoro’s efforts have been recognized, and the company was awarded as Employer of the Year 2021.

To support non-profit organizations, Scoro donated to the Vitolu fonds (LV), SOS Children’s Charity (LT), the Marie Curie Fund (UK), and the Colon Cancer Coalition (US).



WHAT HAPPENED IN 2021:

- Scoro received two Business Brilliance Awards: International Business of the Year 2021 (winner) and the Employer of the Year 2021 (gold).
- Scoro certified its workflow management to the ISO/IEC 27001:2013 standard.
- An additional option pool for employee benefits was issued.

PRIORITY FOR 2022:

- To further improve employee satisfaction and maintain a competitive edge in the recruitment market.

KEY FACTS – 2021

Revenue	€ 7.5 million
5-Year Revenue	29%
Capex	€ 1.8 million
Nr of employees	116
Salaries paid	€ 6.0 million
Taxes paid	€ 3.3 million
Number of offices	4 legal entities, 5 territories
Sector E&S risk	Low



SCORO SOFTWARE ESG FACTSHEET

Reporting Period: 2021

ENVIRONMENTAL

Capex spent on environmental initiatives	€ 0
Total energy usage	55,607 Kwh *
Total water usage	451.64 m3**
Environmental accidents in 2021	None
Third-party E&SDD prior to investment	No

**Only electricity. HQ in Tallinn and Riga office. UK and US not included, because offices are located in co-working spaces where electricity is not allocated to tenants.*

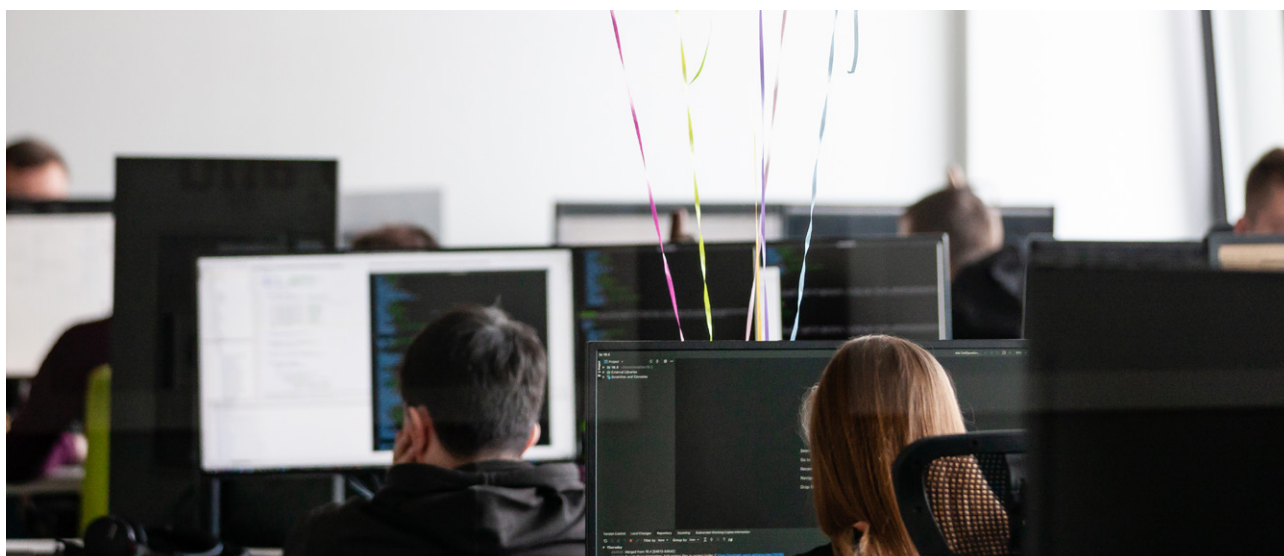
***HQ in Tallinn and Riga office. UK and US not included, because offices are located in co-working spaces where electricity is not allocated to tenants.*

SCORO SOFTWARE ESG FACTSHEET

Reporting Period: 2021

SOCIAL

Percentage of female employees	50%
Number of jobs created	21
Breakdown of FTEs by type	100% Office workers
Regular work environment and health & safety procedure assessment by top management	Yes. Regular health checks and risk assessment of the office environment. Employee surveys to detect signs of stress, burnout. Sports compensation, health insurance. Mental health services. Health and safety policies are in place. Team training about wellbeing and work safety. The activities are managed by the People Operations and Office Management functions.
Nr of work-related accidents in 2021	None
Employees working for the minimum wage	0
Employee / customer satisfaction measurement	Employee - Monthly 'pulse survey' score 8.0/10 Customer - NPS 27 (Admin users), NPS 7 (Regular users); CSAT 89%
Employee turnover	35%



SCORO SOFTWARE ESG FACTSHEET

Reporting Period: 2021

GOVERNANCE

Existence of any offshore corporate structures	No
IFRS reporting	Yes
Big Four Auditor	Yes
Frequency of preparation of full financial statements and supervisory board meetings	Monthly
Independent Board Member	Yes
Livonia seats on the Board	1/7
Women in Board roles	1/7
Major certificates / labels	ISO/IEC 27001:2013 certificate
Participation in associations	Startup Estonia
Code of Ethics is formalized	No
ESG Policy is formalized	No
Regular internal / external audits	Annual report financial audits (KPMG for Estonian legal entity and Mazars for UK Holding entity), ISO/IEC 27001:2013 annual audit, GDPR audit was conducted in 2021
Absence of penalties to any regulatory authorities	Yes
Absence of any ESG related litigation	Yes
% of shares owned by the management team	24.3%

PORTFOLIO COMPANIES

Fenestra



FENESTRA is a manufacturer of single and two sash wood and wood–aluminum windows, and single and twin leaf wood–aluminum balcony doors. Founded in 1990, the company operates a 7,666 m² manufacturing site in Peetri, Estonia and was running a 15,000 m² window factory in Loimaa, Finland, which ceased operations Q1 2022. The company’s key customers are the leading construction companies and distributors in Finland and Estonia. The company currently has 187 employees.

Fenestra specializes in tailor–made windows which best meet the requirements of the customers. The company’s manufacturing process preserves the wood’s natural aesthetics, as well as the heat and sound insulating qualities, and enhances the products’ durability. The wooden structure offers superior durability to most alternatives – plastic, plastic composite materials, or metal products.

Fenestra continued to focus on efficiency and on enhancing its manufacturing capabilities for producing

high–quality products. The company’s products are recognized with a high–standard sound isolation certificate from the VTT Technical Research Center of Finland, and a health, safety, and environmental protection standard CE certification. The company also holds an ISO 9001:2015 quality certificate for sales, installation, and production processes. Relevant products also meet the highest fire safety standards, and carry the PRIMUS fire barrier certificate. One of the company’s focus areas is on installing windows for apartments in Finland that are being renovated to meet energy–efficiency standards.

Developments in product quality also improve their environmental aspects and their sustainability. In 2021, the company switched from acrylic paint to more environmentally friendly water–based paint. To minimize waste, wood waste is reused for energy production on site, and the company is phasing out paper use from its day to day operations.

KEY FACTS – 2021

Revenue	€ 28.6 million
5–Year Revenue	15%
Capex	€ 270 thousand
Nr of employees	187
Salaries paid	€ 5.0 million
Taxes paid	€ 4.8 million
Number of production plants	2
Sector E&S risk	Medium

WHAT HAPPENED IN 2021:

- Continued to reduce paper use in everyday operations as part of the digitization initiative.
- Switched from acrylic paints to water based paints that are more environmentally friendly.

PRIORITIES FOR 2022:

- Launch a manufacturing digitalization project to increase efficiency in raw material usage and reduce raw material (glass and wood) waste.
- Increase employee training to improve retention.
- Attract an independent board member to the supervisory board.

FENESTRA ESG FACTSHEET

Reporting Period: 2021

ENVIRONMENTAL

Capex spent on environmental initiatives	€ 0
Major raw materials used	Glass, wood (1567t), and aluminum
Key waste items	Wood, aluminum, packaging (paper and plastic), unused paints
Total energy usage	2,267,000 kWh
Total water usage	1,707 m3
Environmental accidents in 2021	None
Third-party E&SDD prior to investment	Yes

SOCIAL

Percentage of female employees	29%
Number of jobs created	25
Breakdown of FTEs by type	Office – 36; Factory workers – 151; Installers – 10
Regular work environment and health & safety procedure assessment by top management	Yes. Health and safety policies are in place, and regular trainings are conducted; strict and concrete requirements for clothes and wearables; employees go through regular health reviews
Nr of work-related accidents in 2021	1 minor incident
Employees working for the minimum wage	0
Number of hours and shifts per day in the factory	8 h / 1 shift
Employee / customer satisfaction measurement	Not conducted in 2021
Employee turnover	19%

FENESTRA ESG FACTSHEET

Reporting Period: 2021

GOVERNANCE

Existence of any offshore corporate structures	No
IFRS reporting	Yes
Big Four Auditor	Yes
Frequency of preparation of full financial statements and supervisory board meetings	Monthly
Independent Board Member	No
Livonia seats on the Board	3/5
Women in Board roles	1/5
Major certificates / labels	ISO 9001; CE marking
Participation in associations	Estonian Chamber of Commerce and Industry
Code of Ethics is formalized	Yes
ESG Policy is formalized	No
Regular internal / external audits	Internal self-audit, ISO9001 audit by Bureau Veritas, external financial audit by E&Y (BIG 4), regular audits by large customers (for example, NCC Suomi)
Absence of penalties to any regulatory authorities	Yes
Absence of any ESG related litigation	Yes
% of shares owned by the management team	0%



PORTFOLIO COMPANIES

Klaasimeister



KLAASIMEISTER AS is a leading float and specialty glass processor in the Baltics and Nordics, specializing in providing insulated glass units and other glass products to complex facade projects. The company has provided insulated glass units to some of the most prominent and complex projects in the Nordics, such as Oslo airport, the Helsinki Library, the Victoria Tower in Stockholm, and the Tivoli corner in Copenhagen.

Klaasimeister was established in 1997 and moved to a new purpose-built factory in 2005, which was subsequently expanded in 2010 and 2013. In 2021, the company operated from a 10,000m² production facility in Kose Parish, 30km from Tallinn. In 2021 Q4, the company signed an agreement to acquire Transparence, a glass processing company in Latvia, adding an additional 4,000m² of production capacity via adding a production facility in Riga, Latvia. As a result, Klaasimeister's yearly volume for glass processing reached approximately 1 million m² of glass.

Klaasimeister's glass processing capabilities include cutting, tempering, heat treatment, lamination, digital printing, coating, and wrapping of glass. The company is one of the most technologically advanced glass processors in the Nordics, consistently upgrading its facilities and running state of the art machinery. In 2021, Klaasimeister replaced an old grinding machine with a new one that has reusable diamond wheel tools.

At the end of 2021, the company employed 127 people. A timely satisfaction survey was sent to all production employees to gather feedback and make improvements. Klaasimeister is one of the biggest employers in the local Kose parish, and is active in the community – supporting the local children's football team through annual donations. The company was ranked amongst the top three companies in the daily business newspaper *Äripäev*, in the sector of construction material producers.

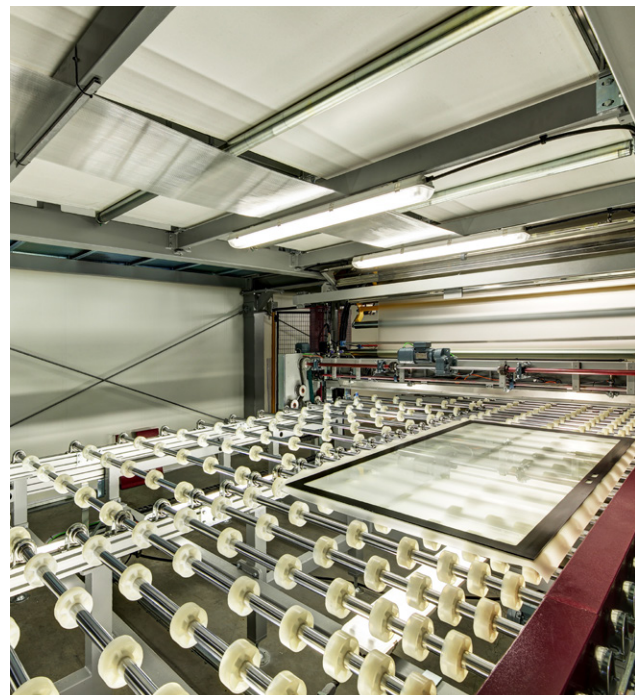
Their main focus is on continuously increasing efficiency in the production process in order to limit waste. In 2021, energy-consuming luminaires were replaced by new LED luminaires in the production areas. In addition, the company optimized the energy consumption of the machinery by switching off certain machines during off-hours. Manual optimization of the

glass was implemented for complicated projects to reduce glass waste.

Any waste created is carefully monitored. All wastewater is treated in a bio-treatment plant in accordance with the requirements of the environmental permit. At the end of 2021, Klaasimeister established a new collaboration to upcycle glass waste for the production of glass foam crushed stone (aggregate).

Klaasimeister always aims for the highest quality standards in the industry. Production conforms to all European standards for glass processing: EN12543 laminated glass; EN12150 tempered glass and edge treatment; EN572 float glass; EN1279 insulated glass units; EN1863 heat strengthening; EN14179-1 heat soak testing. Klaasimeister's products have the CE marking, showing that their products sold in the European Economic Area (EEA) have been assessed to meet high safety, health, and environmental protection requirements. The company's Quality Management System has been certified to be in accordance with the ISO:9001 quality management and the ISO:14001 environmental management standards.

Klaasimeister is exploring ways to switch to renewable electricity to reduce its footprint.



KEY FACTS – 2021

Revenue	€ 15.9 million
5-Year Revenue	10.2%
Capex	€ 567 thousand
Nr of employees	127
Salaries paid	€ 3.53 million
Taxes paid	€ 1.21 million
Number of production plants	1 (Estonia) + 1 added in Q1 2022
Sector E&S risk	Medium

WHAT HAPPENED IN 2021:

- Established a new collaboration to upcycle glass waste for the production of glass foam crushed stone.
- Ordered a new grinding machine with reusable diamond wheel tools.
- Reduced electricity consumption through optimizing lighting and machinery in the production areas.

PRIORITY FOR 2022:

- Initiate work towards obtaining renewable electricity to power operations.

KLAASIMEISTER ESG FACTSHEET

Reporting Period: 2021

ENVIRONMENTAL

Capex spent on environmental initiatives	€ 319 thousand
Major raw materials used	Glass 647,236 m ² , PVB 181,607 m ² , silicone 130,675 kg
Key waste items	Glass cullet 3231 t, unsorted construction waste 84 t, cardboard 11 t, packaging film 29 t, wood 4 t, mixed waste 2 t, hazardous waste 41 t.
Total energy usage	ca. 5 GWh
Total water usage	10,568 m ³
Environmental accidents in 2021	None
Third-party E&SDD prior to investment	Yes

KLAASIMEISTER ESG FACTSHEET

Reporting Period: 2021

SOCIAL

Percentage of female employees	28%
Number of jobs created	17
Breakdown of FTEs by type	Factory: 105; office: 22
Regular work environment and health & safety procedure assessment by top management	Yes, in addition to safety equipment and instructions in place, a risk analysis and an action plan were prepared in 2021 to achieve higher safety levels
Nr of work-related accidents in 2021	5; minor accidents
Employees working for the minimum wage	0
Number of hours and shifts per day in the factory	17 h/ 2 shifts
Employee / customer satisfaction measurement	Yes / Yes
Employee turnover	43%



KLAASIMEISTER ESG FACTSHEET

Reporting Period: 2021

GOVERNANCE

Existence of any offshore corporate structures	No
IFRS reporting	Yes
Big Four Auditor	Yes
Frequency of preparation of full financial statements and supervisory board meetings	Monthly
Independent Board Member	Yes
Livonia seats on the Board	2/5
Women in Board roles	1/5
Major certificates / labels	ISO 9001, ISO 14001, EN 1279
Participation in associations	None
Code of Ethics is formalized	No
ESG Policy is formalized	No
Regular internal / external audits	ISO 9001 and 14001 audits; industry specific audits for our products (fireproof insulated glass units, tempering, auditing, etc); internal audit in the framework of ISO; different audits by a different customers (they come with their own technical consultants)
Absence of penalties to any regulatory authorities	Yes
Absence of any ESG related litigation	Yes
% of shares owned by the management team	0%. There is an option program, but none of the shares are yet vested and formally registered for the management team.

PORTFOLIO COMPANIES

CSUB



CSUB is a leading engineering and manufacturing company for glass fiber reinforced polymer (“GRP”) structures for the subsea, aquaculture, civil, and offshore industries. The company was established in 2003 in Norway, and focused on the offshore oil & gas industry due to the many advantages of GRP in a marine environment. In 2015, the company merged with the HighComp company, which brought additional expertise in aquaculture. In 2014, the facility in Klaipėda, Lithuania was opened, which over time has become the largest facility in the group in terms of the manufacturing footprint and the number of employees. CSUB is headquartered in Arendal, Norway, and employed 179 people as of December 2021.

In December of 2021, Livonia Partners acquired a majority stake in the CSUB Group Holding AS.

Today, the company operates in the segments of: (i) aquaculture, i.e. aqua tanks and related custom walkway bridges for the salmon farming industry (which is undergoing a transformation); (ii) subsea oil & gas where CSUB’s products protect objects such as pipelines, subsea equipment, and wellheads against undersea hazards and trawling activity; and (iii) other, which includes renewable energy and civil engineering structures. The company has developed floating solar foundation solutions and is working towards specific projects in offshore wind, tidal energy, and wave energy.

The composite material’s lightweight, mechanical, and chemical properties makes it an excellent choice for replacing traditional materials such as steel or concrete. GRP showed benefits in installation cost, soil issues, lead times, environmental impact, and galvanic corrosion.

It is estimated that a structure made from GRP versus conventional materials could save up to 50% on the CO2 footprint. In addition, the GRP structures are approximately 50–75% lighter in comparison to steel, which in turn reduces the transportation footprint and reduces the requirement to use heavy lift vessels during installation. CSUB uses vacuum injection technology that enables a cleaner and more worker-friendly environment, and reduces waste in comparison to conventional methods. Finally, the subsea solutions made from GRP do not require

maintenance and have an estimated lifespan of over 50 years.

CSUB supplies tanks for land-based aquaculture, in order to farm fish and potentially reduce the negative environmental impact of open-water fish farming due to better water and waste management and lessened exposure to wild fish. The fish tanks are certified to the NS 9416 standard, a regulation for land-based aquaculture facilities that among other things focuses on preventing fish escapes.

CSUB’s key focus areas are safety, quality and environment. The company provides risk assessments and continuous improvements resulting in a reduction in unwanted incidents, accompanied by regular meetings to discuss the issues raised. Before Livonia acquired a stake in CSUB group, ESG due diligence was carried out in the Norwegian and Lithuanian facilities. The third parties conducting the due diligence concluded that the facilities have the environmental and social issues well handled, with little pollution and low and consistently-improving injury statistics.

For production quality control, CSUB developed Quality Control Documents/Checklists. Full traceability is required for the raw materials used for glass fiber layup as well as for layup and resin injection operations, including temperature and humidity. All test procedures and logs are documented, and a final inspection is carried out before the product is sent to the customer. CSUB Group holds the following quality, environmental and health and safety certifications: ISO 9001, ISO 14001 and ISO 45001 certified.



WHAT HAPPENED IN 2021:

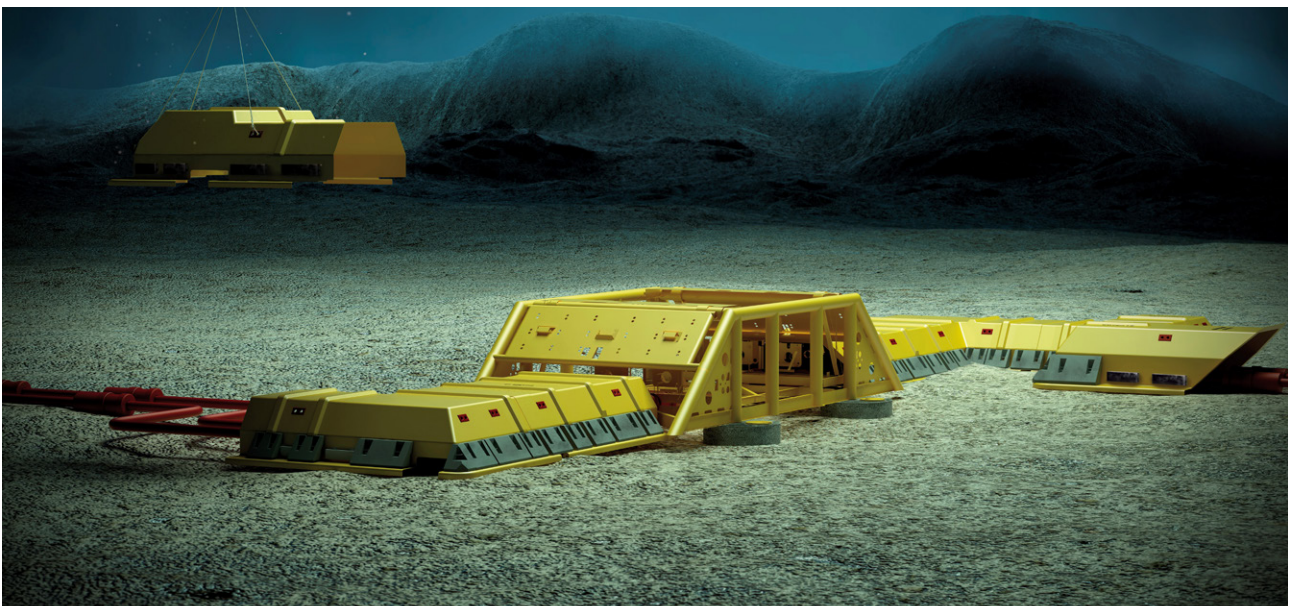
- At the end of the year, Livonia Partners acquired a majority stake in the company;
- Fabrication buildings in Klaipeda were insulated to increase energy efficiency;
- Fabrication halls at HighComp (Bokn, Norway) were switched from heating oil to gas;
- A new gas (styrene) measurement device was ordered at the Eydehavn plant to monitor toxicity levels;
- An operational safety program at HighComp and at the client site (Andfjord) was organized by a 3rd party.

KEY FACTS – 2021

Revenue	€ 24.6 million
5-Year Revenue	5.9%
Capex	€ 1.8 million
Nr of employees	179
Salaries paid	€ 7.8 million
Taxes paid	€ 4.5 million
Number of production plants	3
Sector E&S risk	High

PRIORITIES FOR 2022:

- Map out Greenhouse Gas emissions for scope 1 and scope 2;
- Start to systematically monitor the waste quantities from production sites and investigate potential actions to reduce waste;
- Formulate a sustainability strategy.



CSUB ESG FACTSHEET

Reporting Period: 2021

ENVIRONMENTAL

Capex spent on environmental initiatives	€ 0
Major raw materials used	Glass fiber: 1469t – Resin: 630t
Key waste items	A total of 850 t. Residual waste, plastic, wood, cardboard, old chemicals, metal
Total energy usage	2,456,000 kWh*
Total water usage	Not measured
Environmental accidents in 2021	None
Third-party E&SDD prior to investment	Yes

**Note that the energy use in offices is not yet a part of the energy statistics*

SOCIAL

Percentage of female employees	11%
Number of jobs created	-66
Breakdown of FTEs by type	Employees admin/P/E: 52 – Consultants admin/P/E: 1 – Employees production: 121 – Hired production: 5; Total of 179
Regular work environment and health & safety procedure assessment by top management	Yes, quarterly meetings held by VP, weekly enrollment on the health and safety standards of the new personnel
Nr of work-related accidents in 2021	1
Employees working for the minimum wage	0
Number of hours and shifts per day in the factory	Norway: 2 shifts each 7,5 hours – Lithuania: 2 shifts each 9 hours
Employee / customer satisfaction measurement	Yes / Yes
Employee turnover	26.9%

CSUB ESG FACTSHEET

Reporting Period: 2021

GOVERNANCE

Existence of any offshore corporate structures	No
IFRS reporting	No
Big Four Auditor	No
Frequency of preparation of full financial statements and supervisory board meetings	Monthly / Quarterly
Independent Board Member	No
Livonia seats on the Board	2/3
Women in Board roles	0
Major certificates / labels	ISO 9001, ISO 14001, ISO 45001
Participation in associations	NHO (Confederation of Norwegian Enterprise), Norsk komposittforbund (Norwegian industry association)
Code of Ethics is formalized	No
ESG Policy is formalized	No
Regular internal / external audits	An internal audit program is prepared for each year. Selection of audited processes is carried out via risk assessment, and HSE and Quality is always included. Customers conduct HSEQ audits in some projects. Our management system is audited yearly by 3rd party, DNV.
Absence of penalties to any regulatory authorities	Yes
Absence of any ESG related litigation	Yes
% of shares owned by the management team	27.60%

PORTFOLIO COMPANIES

Hortes



HORTES is the best-known home and garden retail concept in Estonia and it was the first company to bring the popular 'garden center' concept to the Baltics. Hortes currently operates two garden centers in Tallinn and an e-commerce platform. Hortes is a unique retail concept in the Baltics due to its merchandising mix and customer experience.

The company differentiates itself by having both a wide and distinct assortment of goods, offering an inspirational shopping experience, and as a 'one-stop-shop' for all garden-related purchases. The company also offers support to the gardening community on when and how to plant, grow and take care of greenery.

Hortes' key product line is the gardening segment, which includes outdoor and indoor plants, soils, fertilizers, and potting containers, representing the majority of the company's sales. During the Christmas

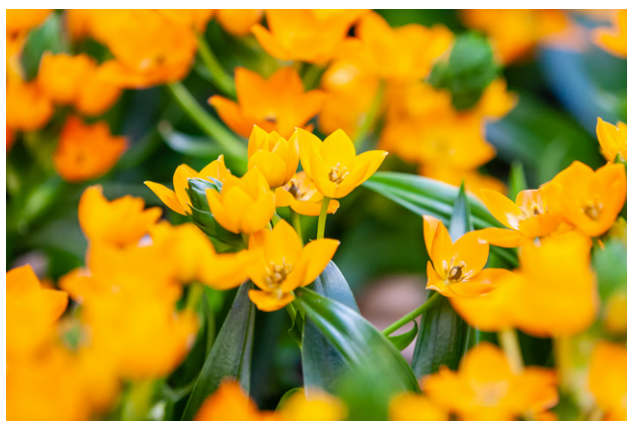
season, Hortes operates a large Christmas market in its stores.

Although the company had been growing successfully, 2021 was challenging as the COVID-19 pandemic brought retail stores to standstill for some months. Hortes also had to operate conscientiously throughout the year to manage employee health and wellbeing, to prevent the further spread of COVID-19 infections amongst their employees.

As a company specializing in selling a wide variety of plants and related products, Hortes continuously works to promote gardening, planting, 'growing your own', and a greener lifestyle. A key pillar in the company's strategy for the upcoming years has been to promote and benefit from the overall trend toward higher sustainability and a greener lifestyle.

KEY FACTS – 2020

Revenue	€ 8.7 million
5-Year Revenue	12,6%
Capex	€ 0.4 million
Nr of employees	81
Salaries paid	€ 0.9 million
Taxes paid	€ 1.2 million
Number of stores	3
Sector E&S risk	Low



WHAT HAPPENED IN 2021:

- To minimize waste and reuse packaging from incoming goods, Hortes has started offering free cardboard boxes to customers.
- Hortes replaced plastic bags with paper bags made out of recycled paper.
- In 2021, the first employee satisfaction survey was conducted. The results have been integrated into the working environment to improve working conditions according to feedback.
- The company continued its work with a third-party consultant to review all existing occupational health and safety procedures and make necessary improvements.

PRIORITIES FOR 2022:

- Redesign lighting solutions in the retail stores to reduce electricity consumption.
- Increase energy efficiency by changing store layout and temperature settings accordingly.
- Organize the collection of Christmas ornaments, and donate ornaments as well as Christmas trees to Ukrainian refugee families in need.



HORTES ESG FACTSHEET

Reporting Period: 2021

ENVIRONMENTAL

Capex spent on environmental initiatives	€ 0
Total energy usage	ca. 2,559,907 kWh
Total water usage	1,461 m3
Environmental accidents in 2021	None
Third-party E&SDD prior to investment	No

HORTES ESG FACTSHEET

Reporting Period: 2021

SOCIAL

Percentage of female employees	90%
Number of jobs created	26
Breakdown of FTEs by type	17 Office employees, 64 store employees
Regular work environment and health & safety procedure assessment by top management	Yes. External consultants engaged
Nr of work-related accidents in 2021	None
Employees working for the minimum wage	0
Number of hours and shifts per day in the stores	10h / 1 shift
Employee / customer satisfaction measurement	First survey in 2021 / No, but there is a plan to begin
Employee turnover	47%

GOVERNANCE

Existence of any offshore corporate structures	No
IFRS reporting	Yes
Big Four Auditor	Yes
Frequency of preparation of full financial statements and supervisory board meetings	Monthly
Independent Board Member	No
Livonia seats on the Board	3/5
Women in Board roles	2/5
Major certificates / labels	None
Participation in associations	None
Code of Ethics is formalized	Yes
ESG Policy is formalized	No
Regular internal / external audits	Financial audit, packaging material audit
Absence of penalties to any regulatory authorities	Yes
Absence of any ESG related litigation	Yes
% of shares owned by the management team	0%

LIVONIA
PARTNERS