

## Sustainability Proofing Summary<sup>1</sup>

Counterparty: JSC Balticovo

The investment includes the construction of new aviary production houses and a rearing poultry house. A transition is planned from the conventional cage system to a more humane barn egg production system that will provide layers with the freedom to roam across three levels, offering a more natural and higher welfare environment. To support this advancement, the company will be incorporating advanced poultry layer housing equipment sourced from European suppliers, that help to improve living conditions through automation and ventilation systems.

### EIA Directive

☒ Yes

☐ No

The project falls under Annex I of the EIA Directive 2014/52/EU amending the Directive 2011/92/EU and requires an EIA. Necessary documentation is in place.

### Climate Assessment

The assessment of climate adaptation aspects was carried out according to the 'Technical guidance on sustainability proofing for the InvestEU Fund', using due diligence materials, EIA documentation, and NIB in-house expertise. NIB has conducted a climate assessment for the project as part of its internal mandate process.

Considering the type of infrastructure, geographic area of the project, climate sensitivity, exposure, and vulnerability aspects, the climate adaptation risks are considered low, in accordance with the 'Technical guidance on sustainability proofing for the InvestEU fund'. JSC Balticovo applies best practices for its manure management, biogas and biomethane production. The new barn houses will use ECUNIT systems that can help to reduce energy needs. A full life cycle environmental impact analysis based on ISO standards has been performed for the operation.

### Environmental Assessment

The farm is investing in the construction of new barn houses which will be equipped with state-of-the-art features for hen well-being. Each hen house will be divided into 3 technological levels, and each floor will have several galleries with a multi-level aviary system. The technological solutions in the galleries will ensure the automatic collection of eggs and poultry manure.

The barns will be controlled by an ECUNIT system, which includes modern airflow ventilation utilising a multi-functional air-to-air heat exchanger. This system will provide additional heating and cooling options to maintain consistent temperatures throughout the year, while also reducing

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<sup>1</sup> In line with Article 8 (5) of the InvestEU Regulation and the sustainability proofing guidance ([C\(201\)2632 final](#)). In line with section 3.2 of the Investment Guidelines, the sustainability proofing summary shall be made public after the Investment Committee has approved the use of the EU Guarantee for a specific operation (with due regard to rules and practices regarding confidential and commercially sensitive information).

the levels of ammonia, dust, and CO<sub>2</sub> emissions within the barns. The ECUNIT systems are designed with energy efficiency in mind and can help to reduce energy needs.

The company has also developed and patented a biogas production process that utilises poultry manure as a primary feedstock. From the biogas it produces electricity and heat. As of 2024, a new facility purifies the biogas and separates biomethane that is fed into the national gas grid.

The farm's wastewater treatment plant was installed recently and ensures that all discharges meet national environmental standards. The treatment plant's capacity has been designed to accommodate the planned extension of egg production without adversely impacting local water resources.

The farm is located in an agricultural region and is not adjacent to any sensitive nature areas. Residual impacts were identified for discharges to water, emissions to air, and waste (manure). Considering the farm operation practices these impacts have been assessed as low or insignificant in accordance with the 'Technical guidance on sustainability proofing for the InvestEU Fund'.

### **Social Assessment**

Currently 60 percent of the egg production uses a conventional cage system. The investments into new barn houses will be equipped with state-of-the-art features such as advanced lighting systems and airflow ventilation, as well as constant access to water and feed will support the well-being of the hens and animal welfare.

The company employs over 300 individuals and provides a stable source of livelihood for many in the Bauska region of Zemgale and contributes to the local economy. The company is the largest employer and investor in the region, showcasing its role in the area's prosperity. The ratio of accidents falls within the average for overall health and safety statistics in NIB's member country area.

The operation has a low risk of negative impacts across social criteria, and the identified social risks are considered minor in accordance with the 'Technical guidance on sustainability proofing for the InvestEU Fund'.