

SUSTAINABILITY REPORT

2025



**EFTEN
SPECIAL
OPPORTUNITIES
FUND**

USALDUSFOND **EFTEN SPECIAL OPPORTUNITIES FUND**

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 [EFTEN Special Opportunities Fund — EFTEN Capital](#)

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MESSAGE FROM THE MANAGEMENT

Sustainability lies at the core of EfTEN Special Opportunities Fund's (hereinafter also referred to as "EfTEN Special Opportunities Fund" or the "Fund") long-term investment strategy.

With the publication of our 2025 Sustainability Report, we reaffirm our commitment to integrating sustainability considerations into our investment decision-making processes and supporting the transition towards a low-carbon, resilient, and inclusive economy.

This report outlines our strategic direction and the measures implemented to identify, assess, and manage sustainability risks and impacts, in line with applicable regulatory requirements, while delivering sustainable long-term value for our investors, tenants, and the communities in which we operate.

KRISTJAN TAMLA
Managing Director



INTRODUCTION

Welcome to our 2025 Sustainability Report, which outlines the ongoing sustainability journey of EfTEN Special Opportunities Fund (the “Fund”).

This report covers the calendar year ending 31 December 2025. It has been prepared in accordance with EPRA Best Practice Recommendations (sBPR) and references the Global Reporting Initiative (GRI) Standards. The report also addresses compliance with the EBRD Environmental and Social Requirements (ESR 2, 4 and 9), where applicable.

This report is intended for our stakeholders, providing a comprehensive overview of the Fund’s Environmental, Social, and Governance (ESG) activities, progress, and performance. The Fund remains committed to transparent reporting, continuous improvement, and measurable sustainability outcomes. Where relevant, market performance data has been compiled from publicly available sources.

We welcome any feedback at: info@eften.ee

ABOUT THE FUND

EfTEN Special Opportunities Fund is a real estate fund established in 2023, primarily investing in the financing of real estate development projects. The Fund is a closed-end alternative investment fund. Its investments are predominantly structured as debt instruments with fixed maturities. The Fund’s investment focus is on the Baltic States.

As at 31 December 2025, the Fund had seven investments financing residential and commercial real estate development projects.

The Fund is headquartered in Tallinn and is fully managed by EfTEN Capital AS.



Švitrigailos
business center in
Vilnius, Lithuania

SUSTAINABILITY STRATEGY

Sustainability is central to the Fund’s investment approach. We recognise that long-term value depends not only on financial performance, but also on our environmental and social impact, and the integrity of our governance practices.

The Fund’s sustainability strategy is anchored in three strategic pillars – Environment, Social, and Governance (ESG) – which guide our investment and asset management decisions across the portfolio. These pillars are supported by clear, measurable actions and are embedded into ongoing portfolio management processes to ensure responsible and consistent implementation.

Strategic ESG pillars

ESG pillars guide all stages of Funds decision-making, from acquisition to asset management and tenant engagement. The three ESG pillars are described below.

By integrating ESG principles into our core business processes, we aim to not only manage risks but also identify long-term value-creating opportunities across our portfolio.

THE FUND IS COMMITTED TO INTEGRATING SUSTAINABILITY INTO ALL OPERATIONS		
PILLAR	GOAL	OBJECTIVES
Environment	Improve energy efficiency and reduce environmental impact across the portfolio	Reduce the environmental footprint of the Fund’s assets through improved energy efficiency, lower greenhouse gas emissions, responsible resource use, and climate-resilient solutions.
Social	Ensure healthy, inclusive, and safe environments for all stakeholders	Promote healthy, inclusive and safe environments for employees, tenants and local communities through fair labour practices, strong health and safety standards and wellbeing initiatives.
Governance	Ensure responsible investment and transparent, ethical business practices.	Ensure strong governance and ethical standards through ESG integration into investment and asset management.

Implementation measures

To ensure the continuous integration of sustainability into day-to-day operations and long-term asset performance, the Fund applies a structured set of practical and measurable measures. These measures support ongoing environmental improvements, resource efficiency, and transparency across the portfolio.

Annual reviews are conducted to evaluate the implementation and impact of these measures, and the results are reflected in the Fund's annual Sustainability report.

KEY SUSTAINABILITY IMPLEMENTATION MEASURES

Asset-level sustainability plans in place for all assets

Minimum 30% post-acquisition primary energy reduction targeted versus ex-ante EPC levels

Regular data collection on energy, water, waste and emissions

High-efficiency new developments exceeding nZEB requirements or achieving BREEAM Excellent (commercial)

Green lease clauses integrated into lease agreements



Releven development in Vilnius, Lithuania

MATERIALITY

The Fund has identified key ESG risks and impact areas based on internal assessments, investment criteria, and stakeholder expectations. These are aligned with the Fund’s sustainability commitments, performance targets, and applicable building standards, and are regularly reviewed to support asset and portfolio management.

While not all regulatory requirements yet apply, the Fund proactively strengthens data quality, internal controls, and reporting to ensure transparent and decision-useful disclosures and readiness for future compliance. ESG risks and priorities are integrated into acquisitions, asset management, and development decisions through the Fund’s Environmental and Social Management System (ESMS).

MATERIAL ESG AREA	DESCRIPTION AND RELATED RISK
Energy and resource efficiency	Inefficient energy use in existing and acquired properties poses both cost and environmental risks.
GHG emissions and climate alignment	Assets are evaluated for alignment with low-carbon pathways and the Paris Agreement, with energy-related GHG emissions representing a key risk for existing buildings.
Climate risk management	Physical (e.g., flooding, extreme heat) and transition risks (e.g., regulatory tightening) are considered in due diligence and planning. Integration of resilience measures is essential.
Building certification and compliance	Failure to achieve EPC or BREEAM “Excellent” targets may negatively impact asset value and regulatory compliance.
Tenant engagement and green lease clauses	Absence of green leases and limited tenant cooperation can complicate data collection and efficiency improvements.
Sustainable capital expenditure and maintenance	Overlooking sustainability in capex and maintenance can result in missed opportunities for risk reduction and value creation.
ESG governance and disclosure	Lack of robust data collection, monitoring, and reporting can impede performance tracking and compliance with sustainable finance frameworks.
Health and safety	Inadequate health and safety measures in buildings can pose significant risks to tenants, visitors, and maintenance staff, potentially leading to liability and reputational damage.
Labour rights and diversity	Failure to uphold fair labour practices and promote diversity and inclusion across property management and supply chains can expose the Fund to legal, social, and reputational risks.

ENVIRONMENTAL PERFORMANCE

The Fund is committed to supporting the environmental performance of its financed real estate assets through measurable targets, structured oversight, and consistent monitoring. Key focus areas include reducing energy and gas consumption, increasing the use of renewable energy, lowering greenhouse gas (GHG) emissions, and supporting biodiversity considerations where feasible.

Specific targets will be established for each key objective, and progress toward these targets will be reviewed annually and disclosed in the Fund’s sustainability reporting.

KEY OBJECTIVES	DESCRIPTION
Reduce like-for-like electricity use	Reduce operational electricity consumption
Reduce gas consumption	Decrease reliance on natural gas and assess opportunities to switch to renewable or low-carbon heating alternatives.
Increase renewable energy share	Expand the share of electricity sourced from renewable energy to reduce indirect (Scope 2) emissions.
Decrease GHG emissions	Lower overall greenhouse gas emissions (Scopes 1–3) in line with the Fund’s climate targets and global climate agreements.
Preserve biodiversity	Ensure that property management and landscaping practices preserve local biodiversity and avoid negative impacts on ecosystems.

SUSTAINABILITY METRICS

The Fund's portfolio includes both operating assets and development projects. Environmental performance data, including energy and water consumption, is measured for operational assets where reliable consumption data is available. For development projects, performance is monitored against targeted certification standards. The Fund continues to enhance its data collection and validation processes in line with its sustainability objectives.

Švitrigailos is a 12 900 sqm GLA office centre, constructed in three stages in 2004, 2007 and 2008. The complex comprises three office buildings and one underground parking structure. The property has achieved a Building Research Establishment Environmental Assessment Method (BREEAM) In-Use rating of Very Good. The property owner, ZeroSum Asset Management, continues to monitor energy consumption and aims to improve performance over the holding period.

Consumption data for the Švitrigailos buildings was collected and monitored from July to December 2024 (reflecting the period following acquisition) and for the full year 2025, ensuring continuous oversight of operational performance and resource use. Data coverage was 100%, and no estimations or substitute data were required.

Consumption data for Švitrigailos

Energy, kWh	Electricity	District Heating	Total Energy	Share of total energy
Building 11B	447 040	376 639	823 679	39%
Building 11H	255 000	253 153	508 153	24%
Building 11M	357 120	441 789	798 909	37%
Total energy consumption	1 059 160	1 071 581	2 130 741	100%

Water, m ³	Water	Share of total water
Building 11B	1 626	29%
Building 11H	1 137	20%
Building 11M	2 833	51%
Total water consumption	5 596	100%

Greenhouse gas emissions Švitrigailos

GHG, tCO ₂ e	GHG	Share of total GHG
Building 11B	78,6	39%
Building 11H	48,7	24%
Building 11M	76,9	38%
Total GHG emissions	204,2	100%

SUSTAINABILITY METRICS *Continued*

The **Tech Zity** is a 55 000 sqm office complex development. The Fud finances the first stage of the development consisting of the renovation of existing properties. The buildings of the former sewing factory, constructed in 1940s and once Lithuania's largest, will be preserved, modernized, and adapted for a new way of life. To facilitate the reuse of existing materials, the developer created a materials library that allows elements from the old sewing factory to be transformed into new forms and incorporated into the new interiors. One of the buildings in first stage development is listed in the national cultural heritage register and is therefore not subject to formal energy performance class requirements. Nevertheless, the developer aims is to achieve a significant energy efficiency improvement in both buildings. The aim is to obtain the EPC rating at least B for both buildings – from the existing EPC ratings of F and B respectively. Once the office complex is finished the objective is also to achieve a BREEAM In-Use “Very Good” rating.

The **Releven** project, which is in the early construction, involves entirely new buildings. As such, the residential building is expected to meet BREEAM New Construction level “Very Good”, and the commercial building to achieve an “Excellent” rating. Upon completion, all new buildings must comply with national A++ energy class standards.

Hepsor Lasnamäe and **Invego Marupe** are in planning phase; **MO Villas** and **Rinvest** are in construction phase. All these EfTEN Special Opportunity Fund financed residential projects will meet the national highest EPC ratings.

Portfoli certifications

Investment	Country	Sector	EPC	BREEAM
Švitrigailos*	Lithuania	Commercial	C	Very Good
Tech Zity	Lithuania	Commercial	B	Very Good
Releven	Lithuania	Residential	A++	Very Good
Releven	Lithuania	Commercial	A++	Excellent
Hepsor Lasnamäe	Estonia	Residential	A	
MO Villas	Lithuania	Residential	A++	
Rinvest	Lithuania	Residential	A++	
Invego Marupe	Latvia	Residential	A	

* In 2025, the existing Švitrigailos buildings achieved the targeted BREEAM rating of “Very Good”.

SOCIAL RESPONSIBILITY

The fund's approach to social responsibility is guided by the internal policies and procedures of its management company, EFTEN Capital AS. The fund manager, EFTEN Capital AS applies policies addressing equal opportunity, labour practices, and stakeholder engagement. The fund is managed in accordance with these policies, as well as with applicable legal and regulatory requirements related to social and employee matters, as set out in relevant national and EU level legislation.

GOVERNANCE

EFTEN Special Opportunities Fund has established a sustainability management structure that reflects the fund's commitment to responsible investment and ESG integration. The structure consists of two key pillars: ESG governance and internal controls and reporting.

On the operational side, internal controls are reinforced by an Environmental and Social Management System (ESMS), which is implemented and reviewed annually. The Fund enforces a Code of Conduct applicable to all staff, supported by mandatory annual compliance training. As of 2024, there have been no reported breaches of ethics or ESG policies.

This structure provides a foundation for consistent ESG performance management and helps ensure compliance with applicable regulations and stakeholder expectations across the Fund's growing portfolio.

ESG Governance Structure

The Fund has adopted an ESG Policy. ESG risks are systematically integrated into investment decision-making and portfolio risk analysis processes.

ESG policy adopted

Integration of ESG risks into investment decision-making
and portfolio risk analysis

Internal Controls and Reporting

Environmental and Social Management System (ESMS)
implemented and reviewed annually

Code of Conduct enforced with annual
compliance training

No reported breaches of ethics or ESG policies
in 2025

ESG TOPICS ALIGNED WITH INTERNATIONAL BEST PRACTICES

Labour and Working Conditions

- Human Resources policies include non-discrimination, fair remuneration, and labour protections
- All employees covered by a grievance mechanism
- All employment practices comply with national law and ILO conventions

Health, Safety and Security

- Occupational Safety and Health (OSH) Plan implemented across all assets
- GBVH risk assessed and addressed with targeted training and safe reporting channels
- Emergency response plans updated to reflect climate-related risks

Environmental and Social Risk Management in Investments

- Environmental and Social Management System (ESMS) implemented across the Fund
- ESG due diligence applied to all new investments
- Sub-project screening includes environmental and social risk categorisation
- Annual ESG performance monitored and reviewed

CLOSING STATEMENTS

EFTEN Special Opportunities Fund remains committed to further developing its ESG approach and integrating ESG considerations into its investment and asset management processes. We will continue to improve ESG data collection, strengthen transparency, and identify opportunities to enhance the environmental performance and long-term value of our assets.



Invego Marupe development, Latvia

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