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We are only on track to meet 12% of the targets, and none of the SDGgoals, by 2030.







Executive Summary of the 2024 Baltic Sustainability Report

The 2024 Baltic Sustainability Report offers an analysis of the current state and future sustainability prospects in the Baltic region, covering Estonia, Latvia, and Lithuania. The report synthesizes a broad range of insights to provide a practical overview of the region's sustainability efforts, challenges, and opportunities. This summary encapsulates the main findings and recommendations, highlighting significant initiatives and strategic directions that could enhance the region's position as a sustainability leader in Europe.

CURRENT STATE OF SUSTAINABILITY

The Baltic region boasts geographical and environmental advantages that could position it at the forefront of sustainable development. However, the report identifies a gap between potential and achieved sustainability outcomes. Key issues include the slow adoption of cutting-edge technologies, regulatory frameworks that are not fully supportive of rapid and effective environmental policies, and insufficient engagement from the public and private sectors.

Despite these challenges, there have been notable advancements:

- **Renewable Energy Projects:** Investments in wind, solar, and bioenergy have significantly reduced the carbon footprint of the Baltic states and enhanced their energy independence.
- Waste Management Enhancements: Innovations in recycling and waste management have led to reduced landfill use and increased recycling rates across the region.
- **Conservation and Biodiversity Efforts:** Projects aimed at protecting natural habitats and biodiversity have seen some success, particularly in fostering eco-tourism and conserving marine life.



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FUTURE DIRECTIONS AND OPPORTUNITIES

Looking ahead, the report outlines several emerging trends and strategic opportunities that could redefine sustainability in the Baltic states:

- **Technological Integration:** The use of AI, IoT, and digital platforms is set to transform energy management and resource conservation, making processes more efficient and less environmentally intrusive.
- **Circular Economy Practices:** There is a growing shift towards circular economy models, emphasizing resource efficiency and waste reduction, which are not only environmentally beneficial but also economically advantageous.
- **Cross-Border Environmental Collaboration:** Enhanced cooperation among the Baltic Sea region and the Baltic states addresses regional environmental issues, such as the conservation of the Baltic Sea and shared natural resources

STRATEGIC INITIATIVES FOR 2025 AND BEYOND

The report recommends several strategic initiatives to address the impending challenges and harness the opportunities:

- Infrastructure Resilience Projects: Developing robust infrastructure to withstand climate impacts in cities, coastal and forested areas prone to erosion and flooding.
- Renewable Energy Expansion: Increasing support for solar, wind projects, and energy storage solutions through grants and subsidies to reduce reliance on imported energy.
- **Community and Social Sustainability Programs:** Enhancing social sustainability through educational programs and community health initiatives that directly improve the well-being of residents.

The report concludes with a call to action for policymakers, businesses, and civil society to intensify their sustainability efforts. There is a clear need for increased investment in sustainable technologies, stronger regulatory frameworks, and greater collaborative efforts both within the Baltic region and with European partners.

Word from Kristaps Cīrulis **CEO/Partner, Baltic Sustainability Awards**





"In a world where sustainability is no longer a choice but a necessity, the Baltic Sustainability Report serves as a critical tool for understanding and advancing our regional sustainability agenda.

This report not only highlights our achievements and challenges but also charts a course for future action that businesses, governments, and individuals can collectively pursue. I urge everyone to engage with this report, not just as passive observers but as active participants in our shared sustainable future."

Word from Jānis Kaulinš





Partner at EY

"The report highlights the synergy between community-led sustainability projects and cross-border collaboration, which has led to more cohesive environmental policies and a unified approach to meeting sustainability targets.

The technology sector's role in developing smart energy systems is instrumental in reducing the environmental footprint of urban centers, while the increase in community engagement fosters a sense of ownership and responsibility towards environmental stewardship.

Together, these initiatives position the Baltic states as a collective force in Europe's transition towards a greener economy, calling for increased investment in sustainable technologies and stronger collaborative efforts to maintain our leadership in sustainable development."





Overview of Sustainability in the Baltic Region

The Baltic region, encompassing Estonia, Latvia, and Lithuania, stands at a crossroads in sustainability. Geographically favored and less burdened by extreme climate-related challenges than other parts of Europe, these countries possess a unique opportunity to lead in environmental stewardship and sustainable economic development. Yet, despite these advantages, the Baltics have not fully realized their potential as sustainability leaders. This section critically examines the current state of sustainability in the Baltic states, identifying gaps in performance and highlighting opportunities for progress.



Critical Analysis of Current Performance

While the Baltic states have engaged in numerous sustainability initiatives, their overall impact and scope have fallen short of what could be achieved given the region's potential. The primary issues include the relatively slow adoption of cutting-edge sustainable technologies, regulatory frameworks that do not always support swift and effective implementation of environmental policies, and a general lack of engagement from the broader public and private sectors.

In terms of progress towards the United Nations Sustainable Development Goals (SDGs), the Baltic states have shown varying levels of commitment and achievement. Estonia has made notable strides, outlining its priorities and reporting regularly on its SDG progress. Latvia has identified five key focus areas, including sustainable energy and climate change adaptation. However, Lithuania has faced criticism from the UN for its lack of comprehensive SDG reporting and the need to accelerate its efforts in this domain.

These factors contribute to a sustainability performance that, while adequate in certain areas, does not consistently match the region's capabilities or its strategic environmental and economic opportunities across all facets of sustainable development.

Importance of Sustainability

The significance of sustainability in the Baltic region extends beyond environmental benefits. Embracing sustainability can spur economic growth through green technologies and energy solutions, enhance social well-being by creating sustainable communities, and improve overall public health. Moreover, sustainability is vital for ensuring the long-term resilience and competitiveness of the Baltic economies in the global market. By integrating sustainability deeply into policy and practice, the Baltic states can safeguard their environment and ensure a prosperous future for their populations.



Recent Developments in Sustainability

While the Baltic states have engaged in numerous sustainability initiatives, their overall impact and scope have fallen short of what could be achieved given the region's potential. The primary issues include the relatively slow adoption of cutting-edge sustainable technologies, regulatory frameworks that do not always support swift and effective implementation of environmental policies, and a general lack of engagement from the broader public and private sectors. These factors contribute to a sustainability performance that, while adequate, does not match the region's capabilities or its strategic environmental and economic opportunities.

ANALYSIS OF RECENT INITIATIVES AND POLICIES

While the Baltic states have engaged in numerous sustainability initiatives, their overall impact and scope have fallen short of what could be achieved given the region's potential. The primary issues include the relatively slow adoption of cutting-edge sustainable technologies, regulatory frameworks that do not always support swift and effective implementation of environmental policies, and a general lack of engagement from the broader public and private sectors. These factors contribute to a sustainability performance that, while adequate, does not match the region's capabilities or its strategic environmental and economic opportunities.

INSIGHTS FROM THE 2023 BALTIC SUSTAINABILITY AWARDS

The 2O23 Baltic Sustainability Awards highlighted several innovative projects that showcase the region's potential. Noteworthy among these was an initiative from Estonia that uses digital platforms to increase energy efficiency in residential and commercial buildings. Another significant project from Latvia involved the development of a community-based recycling program that has dramatically reduced landfill use and increased local employment. These examples reflect what is possible when innovative approaches are effectively supported and scaled.





KEY INITIATIVES AND THEIR IMPACTS KEY INITIATIVES AND THEIR IMPACTS KEY



RENEWABLE ENERGY PROJECTS

The Baltic states have increasingly invested in renewable energy sources to reduce their carbon footprint and enhance energy security. Notable projects include Lithuania's ambitious wind farm developments along the Baltic coast, Estonia's expansion of solar energy facilities across its southern regions, and Latvia's pioneering work in bioenergy utilizing forestry waste.

Stakeholders Involved: These projects involve a mix of government bodies, European Union funding, local enterprises, and foreign investors. Key players include the Ministry of Environment of each country, the European Commission's renewable energy funds, and private sector participants like Eesti Energia in Estonia and Latvenergo in Latvia.

Impact Assessment: These renewable projects have collectively enhanced the energy independence of the Baltic states, contributing to a regional decrease in CO2 emissions from 2005 levels. Economically, they have spurred job creation in the technology and construction sectors, fostering local industries and reducing unemployment rates in project areas.

WASTE MANAGEMENT AND RECYCLING PROGRAMS

Enhanced waste management systems have been a key focus area, with all three Baltic nations implementing deposit return schemes or fees to boost recycling rates for beverage containers like plastic bottles, glass bottles, and aluminum cans. These efforts are in line with the EU's Waste Framework Directive, which sets ambitious recycling targets for member states.

Stakeholders Involved: Municipal councils, the European Environmental Agency, local waste management companies, and grassroots environmental organizations play crucial roles.

Impact Assessment: These programs have significantly reduced landfill use, with recycling rates in the region growing in the past decade. Public awareness campaigns have also led to an increase in community participation in recycling and waste reduction initiatives.

EIR IMPACTS



CONSERVATION AND BIODIVERSITY EFFORTS

The Baltic states have invested in several large-scale conservation projects aimed at protecting and restoring natural habitats. These include the Baltic Sea protection project aimed at reducing pollution and preserving marine life, forest conservation programs to protect old-growth forests in Lithuania, and cross-border initiatives to maintain biodiversity corridors.

Stakeholders Involved: Involved parties include various national parks, international NGOs like WWF, and university research departments specializing in environmental science.

Impact Assessment: These conservation efforts have helped stabilize several species at risk and improved the ecological health of protected areas. The initiatives have also bolstered eco-tourism, which has become a significant economic activity in rural areas, promoting sustainable development.

SUSTAINABLE URBAN DEVELOPMENT

Urban centers in the Baltics are increasingly focusing on sustainability. Examples include the development of green public transportation in Tallinn, the adoption of smart city technologies in Vilnius that improve energy efficiency, and Riga's initiatives to retrofit residential buildings to increase energy-efficiency.

Stakeholders Involved: This involves collaboration between city councils, the European Commission's urban development funds, tech startups, and civil society groups.

Impact Assessment: These urban projects have reduced emissions from public transport in some cities and decreased energy consumption in buildings. The improvements have not only contributed to environmental goals but also enhanced the quality of life for residents through better air quality and more accessible public spaces.



Challenges and Lessons Learned

Among the key challenges are financial constraints, especially in funding large-scale sustainable infrastructure, resistance from industries dependent on fossil fuels, and the need for more comprehensive policy frameworks at the national level.

Lessons Learned: The successful initiatives have underscored the importance of stakeholder collaboration, robust policy support, and the integration of technology in scaling sustainability efforts. Engaging the community through educational programs has proven essential in gaining public support for environmental policies.

It is recommended that Baltic governments continue to refine policies to support the adoption of renewable energies, enhance funding mechanisms for conservation projects, and strengthen regulations that encourage recycling and sustainable waste management.

A concerted effort from all sectors is crucial. Businesses should be encouraged to adopt sustainable practices through incentives, while educational institutions should help raise awareness and train future leaders in sustainability principles. Engaging the public through transparent communication and participatory projects can further enhance community support for sustainability initiatives.





EU and Baltic Policy Influence on Sustainability

EU POLICIES' IMPACT AND LOCAL ADAPTATION

The European Union's ambitious climate and sustainability targets have significantly influenced Baltic policies. The EU's framework provides a robust foundation for action, but local adaptation has been inconsistent. While Estonia has excelled at integrating renewable energy sources into its national grid, Latvia and Lithuania have faced challenges in scaling up additional renewables, particularly in rural areas where infrastructure improvements are needed. This section analyzes these adaptations, using data to show trends in emissions, renewable energy uptake, and sustainability investments.

LOCAL POLICY CHALLENGES AND OPPORTUNITIES

Local policies in the Baltic states sometimes struggle to keep pace with EU directives due to bureaucratic inertia and the complex interplay of local economic and political interests. However, there are considerable opportunities to enhance these policies. For instance, improving cross-border cooperation can help streamline regional green initiatives, leverage economies of scale, and increase cross-border transmission capacity within the Baltics and with Nordic countries and Poland. Enhancements in local governance structures could also facilitate quicker and more effective policy implementation.

TREND ANALYSIS AND BENCHMARK COMPARISONS

By examining the trends over the past decade, analysis shows how the Baltic states have progressed in key sustainability metrics relative to their EU counterparts. It also benchmarks their performance against EU averages, providing a clear picture of where the Baltics excel and where they lag in areas like renewables production. This data-driven approach helps identify specific areas for policy intervention and market-driven solutions.

CHALLENGES AND OPPORTUNITIES

The Baltic region faces several internal and external challenges that hinder its sustainability progress. These include economic constraints, limited public sector capacity, and occasional resistance from industries dependent on traditional energy sources. Additionally, the geopolitical situation in Eastern Europe can impact energy security and sustainability planning. However, the Baltic region is preparing for decoupling from the Russian power grid in 2025, which will tie the Baltics even closer to the EU/Nordic countries and improve transmission grid operations in the region.

FUTURE OPPORTUNITIES FOR LEADERSHIP

Despite these challenges, the Baltic region holds significant opportunities to establish itself as a leader in sustainability. There is potential for developing a regional hub for green technology and innovation, leveraging the Baltic states' strategic location and skilled workforce. Investing in education and public awareness can also play a crucial role in cultivating a culture of sustainability.

LOOK AHEAD SUMMARY

Drawing from observed trends and expert projections, this section outlines the expected developments influenced by upcoming policies, technological advancements, and evolving public and corporate engagement in sustainability practices.

- Technological Integration: The integration of advanced technologies such as AI, IoT, and digital platforms for energy management is anticipated to dramatically increase, facilitating more efficient resource use and enabling real-time environmental monitoring.
- Policy Evolution: Anticipated enhancements in regulatory frameworks are expected to drive more stringent sustainability practices. Upcoming policies are likely to focus on reducing carbon emissions, enhancing renewable energy adoption, and fostering sustainable industrial practices.
- · Corporate Engagement: As global markets continue to emphasize sustainability, Baltic companies are projected to deepen their commitment to sustainable operations, influenced by both external market pressures, internal governance adjustments and soon mandatory corporate sustainability reporting.



FUTURE DIRECTIONS AND OPPORTUNITIES

- Emerging Trends: The digitalization of energy management and the increased use of AI and IoT are not just trends but are becoming integral components of modern sustainability strategies. These technologies enable precise monitoring and proactive management of environmental impacts, offering significant improvements in efficiency, effectiveness and reduction of energy cost.
- Circular Economy Practices: There is a significant push towards adopting circular economy models, which emphasize the reuse and recycling of materials and the minimization of waste. These practices not only reduce environmental impact but also offer economic benefits through resource efficiency and innovation in product design, service offerings with more durable and higher quality products.
- Cross-Border Environmental Collaboration: The unique geographical and environmental challenges faced by the Baltic Sea necessitate enhanced cooperation among the Baltic states and neighboring Baltic Sea countries. Collaborative projects focused on marine conservation, pollution reduction, and sustainable fisheries are crucial for the ecological health of the region.

OPPORTUNITIES FOR GROWTH

- Green Technology Incubators: By fostering green technology incubators, the Baltic region can catalyze the development of unique sustainable technologies. These incubators can serve as hubs for innovation, providing support and resources to startups and researchers dedicated to solving environmental challenges.
- Sustainable Tourism: Leveraging its beautiful natural landscapes and rich cultural heritage, the Baltic region has the opportunity to develop sustainable tourism. This involves promoting eco-friendly practices within the tourism industry, enhancing the conservation of natural sites, and providing economic benefits to local communities.
- Energy Independence: Advancements in renewable energy technologies can help the Baltic states achieve greater energy independence. By investing in solar, wind, and bioenergy, the region can reduce its reliance on imported fuels and enhance its energy security while supporting regional economic development.

To realize the vision of becoming leaders in sustainability within Europe, the Baltic states need concerted efforts from all sectors. This call to action is directed at policymakers, business leaders, and civil society:

- Policymakers: Enact and enforce forward-thinking legislation that supports sustainable development goals, incentivizes renewable energy projects, and mandates comprehensive recycling and waste management programs.
- Businesses: Commit to sustainable practices by investing in green technologies, adopting circular economy principles, switching to using locally produced renewable energy sources and engaging in transparent sustainability reporting to build trust and ensure accountability.
- Civil Society: Stay informed, advocate for sustainable changes, invest and support businesses and policies aligned with environmental conservation and sustainability goals.

By aligning efforts across these fronts, the Baltic region can not only enhance its sustainability profile but also set a benchmark for other regions aiming to balance ecological health with economic and social benefit.





Baltic Market Overview

The Baltic region, encompassing Estonia, Latvia, and Lithuania, stands at a crossroads in sustainability. Geographically favored and less burdened by extreme climate-related challenges than other parts of Europe, these countries possess a unique opportunity to lead in environmental stewardship and sustainable economic development. Yet, despite these advantages, the Baltics have not fully realized their potential as sustainability leaders. This section critically examines the current state of sustainability in the Baltic states, identifying gaps in performance and highlighting opportunities for progress.

Economic Overview

GDP Growth Trends:

Over the past decade, the Baltic states have shown resilient economic growth, characterized by innovation and strategic integration with European markets. As of 2023, Estonia's GDP stood at approximately €30 billion, Latvia's at €34 billion, and Lithuania's at €52 billion, according to the latest Eurostat data. These nations have demonstrated an ability to adapt to global economic shifts, leveraging their geographic and economic positions to maximize growth.

Investment Climate:

The Baltic region's favorable business environment, augmented by EU structural funds, has attracted a diverse range of foreign direct investments. Estonia, known for its digital infrastructure, is a hub for IT and technological startups, consistently ranking high in the Ease of Doing Business Index. Latvia and Lithuania have capitalized on their geographical advantage to attract investments in manufacturing and transportation logistics, significantly enhancing their connectivity to larger markets.



Trade Patterns:

Strongly integrated within the EU, over 60% of the Baltic states' trade is with the union, featuring Germany, Sweden, and Poland as key partners. This integration supports a vibrant export sector, with top exports including machinery, electronics, and agricultural products. Import profiles, enriched by energy resources and high-tech components, reflect the modernization and energy transition efforts underway across these sectors.



Key Industries and Their Sustainability Impacts

TECHNOLOGY AND INNOVATION

The Baltic technology sector is a cornerstone of the region's economic output, especially in Estonia, which has been dubbed the "Silicon Valley of Europe." Innovations in e-governance and digital public services have not only streamlined governmental processes but have also attracted global tech talent and investment.

ENERGY

Embracing the shift towards renewable energy, the Baltic states have invested heavily in sustainable energy sources. Lithuania's commitment to wind energy and Estonia's focus on solar power exemplify the region's renewable strategy, aiming to meet and set targets by EU energy directives.

MANUFACTURING

Manufacturing remains vital in Latvia and Lithuania, featuring highvalue production in electronics and traditional industries such as timber and textiles. The sector's growth is increasingly driven by green manufacturing processes and energy efficiency.

AGRICULTURE

Agriculture supports significant portions of the population in Latvia and Lithuania, with a focus on dairy, grains, and forestry products. The trend towards organic farming is strengthened by EU agricultural policies and the rising global demand for organic products.

SUSTAINABILITY IMPACT:

Technological advancements have propelled the development of smart energy systems and sustainable urban solutions, significantly reducing the environmental footprint of urban centers.

SUSTAINABILITY IMPACT:

This transition has fostered regional energy security, reduced dependency on fossil fuel imports, usage and contributed to the attainment of regional and EU-wide emissions reduction targets.

SUSTAINABILITY IMPACT:

Implementing circular economy principles and reducing industrial waste have led to more sustainable manufacturing practices, aligning with global environmental standards and consumer demands.

SUSTAINABILITY IMPACT:

Sustainable agriculture practices have enhanced soil fertility, reduced environmental hazards from chemicals, and bolstered the ecological sustainability of farming practices.



Market Trends Influencing Sustainability

GREEN FINANCE AND INVESTMENT:

The evolution of green finance in the Baltic states highlights an increasing alignment of financial products with sustainable development goals. The proliferation of green bonds and sustainability-focused venture capital illustrates a robust commitment to financing environmentally friendly projects.

REGULATORY CHANGES:

The Baltic states are proactive in updating their legal frameworks to accommodate new EU regulations on sustainability, such as the Green Deal and the Circular Economy Package. These changes are crucial for maintaining competitive advantages in an environmentally conscious market.

Challenges and Opportunities

Despite progress, challenges such as the need for advanced technological infrastructure, skilled human resources in green tech, and comprehensive regulatory frameworks persist. These challenges are compounded by the relatively small size of the Baltic markets, which can limit the scale and impact of sustainability initiatives.

The Baltic states are uniquely positioned to capitalize on the increasing demand for sustainable technology and green energy solutions. There is substantial potential for growth in green tech, sustainable agriculture, and eco-tourism, sectors where the Baltic markets, while small, are well-positioned to harness these sectors where innovation and sustainability converge. Sectors such as green technology are ripe for growth, driven by both local innovations and global trends toward sustainability. Sustainable agriculture in the Baltic region could benefit significantly from advancements in eco-friendly farming practices and technologies that promote soil health and biodiversity, reducing environmental impacts and enhancing yield.

Eco-tourism presents another significant opportunity for the Baltic states, capitalizing on their natural landscapes and cultural heritage to attract tourists seeking sustainable travel experiences. This sector not only helps preserve the environment, generates in additional revenue and supports cultural traditions but also stimulates local economies through eco-friendly practices.

These opportunities, coupled with the increased global focus on sustainability, position the Baltic states to become leaders in these fields, leveraging our unique geographic and cultural assets to foster economic growth and sustainability.

CONSUMER TRENDS:

Increased consumer awareness around sustainability issues has led to a demand for greener products and services. Companies across the region are responding by adopting greener practices and enhancing transparency in their sustainability efforts.

Recommendations

To further harness the potential of the Baltic market, it is recommended that stakeholders:

- Prioritize investments in technological infrastructure to boost efficiency and sustainability across sectors.
- Enhance educational programs and training to prepare the workforce for the demands of a green economy.
- Strengthen cross-border collaborations to tackle regional environmental challenges and enhance market integration.





ANALYSIS OF SUSTAINABILITY INITIATIVES IN THE BALTIC REGION

Analysis of Sustainability Initiatives in the Baltic Region

EY methodology and 58 jury members' detailed evaluation of each initiative is an integral analytical tool designed to measure the efficacy and cost efficiency of sustainability initiatives within the Baltic region. This section provides a thorough analysis of the initiatives documented over the past year, categorizes them into discernible trends, highlights exemplary cases of successful interventions, and delves into an in-depth analysis based on comprehensive data extracted from over 270 applicants. The importance of Baltic Sustainability Awards Evaluation lies in its ability to offer insights into trends, identify strengths, and pinpoint areas for improvement in regional sustainability efforts, thus facilitating benchmarking and the sharing of best practices among corporations and organizations.

Overview of Sustainability Initiatives in the Baltic Region

In the past year, the Baltic region has seen a wide array of initiatives aimed at enhancing sustainability across various sectors. These initiatives range from technological innovations in clean energy to community-driven programs aimed at reducing carbon footprints and enhancing local environments.

KEY STATISTICAL HIGHLIGHTS FROM THE YEAR:

- 270 applications were received, reflecting a diverse range of initiatives.
- Initiatives spanned across key categories such as Climate Innovations, Urban Development, Circular Economy, Social Initiatives, and Energy Technologies.
- A notable increase in initiatives focusing on digital integration and AI solutions, marking a significant shift towards technology-driven and data-driven sustainability.



Categorization and Trend Analysis

The categorization of these initiatives provides a framework for analyzing overarching trends and pinpointing the direction of sustainability efforts in the region.

MAJOR TRENDS OBSERVED:

1. Technological Integration in Environmental Management: An increasing number of projects are leveraging AI and IoT to optimize resource management, from energy distribution to waste management.

2. Growth in Circular Economy Practices:

More businesses are adopting sustainable models that promote recycling, reuse, and the reduction of waste, particularly in manufacturing and packaging.

3. Community Engagement and Social Sustainability:

There is a rising trend in initiatives that focus on enhancing community resilience, promoting social equity, and improving urban living conditions through participatory approaches.



Highlighting Top 15 Ranked Initiatives

Several initiatives have stood out due to their innovative approaches and significant impact on sustainability. These cases not only demonstrate successful strategies but also serve as benchmarks for other projects. The following list outlines the top 15 sustainability initiatives across the Baltic region.

	ans Technology 2		3.	CompAct
Jury Sco	re: 4.9	Jury Score: 4.7		Jury Score: 4.5
Impact: significa	Revolutionary marine cleaning technology htly reduces oil and plastic pollution.	Impact: Automation of solar project designs, increasing the deployment rate of solar energy.		Impact: Integration of sustainable practices in corporate environments through behavioural science.
Cost Eff and subs	ciency: High due to low operational costs tantial environmental benefits.	Cost Efficiency: Reduced design time and costs by 50%.		Cost Efficiency: Enhanced employee engagement without substantial investments.

4. Ringo Eco ESTONIA	5.	Solarston ESTONIA
Jury Score: 4.3		Jury Score: 4
Impact: Innovative reusable packaging system reducing single-use waste.		Impact: Simp enhancing re
Cost Efficiency: Substantial savings in material costs.		Cost Efficien

This ranking provides a snapshot of sustainability initiatives in the Baltic region, demonstrating a strong blend of innovation, practical impact, and economic viability. These initiatives set benchmarks for future projects and represent a model for integrating sustainability into various aspects of economic and community life.

Baltic Sustainability Awards provides critical insights that aid stakeholders in making informed decisions regarding funding allocations, policy-making, and strategic planning. By understanding which initiatives yield the highest impact per unit of cost, stakeholders can better prioritize efforts that promise the most sustainable and cost-effective outcomes.

e

4.2

plified installation of solar panels, enewable energy adoption in urban areas.

ncy: Decreased installation costs and nergy savings.

FudLoop

Ο.

ESTONIA

Jury Score: 4.0

Impact: Effective management and redistribution of food surplus, reducing waste.

Cost Efficiency: Lower operational costs with high community impact.



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ANALYSIS OF SUSTAINABILITY INITIATIVES IN THE BALTIC REGION	

10	SpirulinaNord
10.	LATVIA
	Jury Score: 3.6
	Impact: Urban cultivation of Spirulina, enhancing local, sustainable food production.







Skanstes Business Centre

Bikeep

11.

high usabili

9.	KWOTA ESTONIA
: 3.8	Jury Score: 3.7
nart bike parking solutions urban cycling.	Impact: Innovative carbon capture technology reducing industrial emissions.
ency: Minimal maintenance and ity.	Cost Efficiency: Significant reduction in emissions per euro spent.
ty.	emissions per euro spent.

The Rewear Company 12	JSC "Augstsprieguma tīkls" (AST)
ESTONIA	
Jury Score: 3.5	Jury Score: 3.4
Impact: Kidswear rental model reducing	Impact: Sustainable solutions in energy
clotning waste.	intrastructure repair and support.
Cost Efficiency: Extended garment life cycle	Cost Efficiency: Long-term sustainability with moderate investment

15	
10.	

R8 Technologies

PAN-BALTIC

3.2	Jury Score: 3.1
cial project reducing isolation nnectivity initiatives.	Impact: AI solution for optimizing building climate systems.
ency: High social return with	Cost Efficiency: Significant reductions in energy use and costs.







ICE (Impact Cost Efficiency) Index

While the main evaluations in the Baltic Sustainability Awards provide a comprehensive 360-degree review based on data, jury expertise, and presentations, we want to highlight a new addition introduced last year – the ICE (Impact Cost Efficiency) Index. This innovative index, which will be fully launched shortly, offers a unique perspective on evaluating sustainability initiatives in the Baltic region.

The ICE Index adopts a straightforward and voluntary approach, allowing for a flexible assessment of various initiatives based on their practical impact measures and cost-effectiveness. By quantifying the identified impact, assessing human influence, and analyzing the associated costs, the ICE Index provides a valuable tool for organizations to evaluate how efficiently resources are utilized concerning the scale and depth of the impact created.

The significance of this methodology lies in its ability to highlight not only the environmental or economic output but also the human-centric benefits of sustainability efforts. It encourages organizations to focus on maximizing impact per unit of cost while considering the broader benefits to society, making it a valuable decision-making tool for guiding sustainability investments in the Baltic region.





This addition to methodology allows for a flexible assessment of various initiatives, focusing primarily on practical impact measures and their cost-effectiveness. Here's an overview of how the calculation is structured:

Identification of Impact Unit

The process begins by identifying a key impact unit that serves as the primary measure of the initiative's environmental or social contribution. This could be a metric like kilograms of waste recycled, liters of water saved, or the number of individuals positively impacted by a social program.



Next, the identified impact is quantified. This involves data on how much of the impact units the initiative has successfully achieved. For example, how many kilograms of CO2 emissions were reduced, or how many residents benefited from a new social welfare project?



Cost Analysis

The cost analysis considers how much money was spent to achieve the impacts noted. This includes all relevant expenses such as operational costs, investment in equipment, and any other financial outlays involved in implementing and running the initiative.



Calculation of the ICE Score

The ICE Score is then calculated by considering the quantified impact in conjunction with how broadly humans are influenced and the total cost incurred. This formula provides a straightforward way of evaluating how efficiently resources are used relative to the scale and depth of the impact created.

Quantification of Impact

3.

Assessment of Human Influence

An important part of this calculation is assessing how much the initiative influences human lives, which can include both direct beneficiaries and indirectly affected individuals. This step evaluates the broader societal impact of the initiative, considering factors such as improvements in quality of life, health benefits, and economic upliftment.

6.

Voluntary and Flexible Application

The application of this calculation method allows organizations to provide information transparently based on available data and the specific circumstances of their projects. This flexibility is crucial for accommodating the diverse range of initiatives in the region, each with different scopes, objectives, and operational frameworks.





Significance of this evaluation extension

The ICE (Impact Cost Efficiency) Index offers a holistic approach to evaluating sustainability initiatives across the Baltic region. Unlike detailed metrics such as Life Cycle Assessment (LCA) or Environmental, Social, and Governance (ESG) criteria, the ICE Index does not aim to compete on the grounds of comprehensive environmental or corporate governance analysis. Instead, it provides a distinctive perspective that allows organizations to assess sustainability initiatives with an emphasis on practical impact and cost-efficiency. This simplified and adaptable approach ensures that all types of initiatives can be assessed on a common ground. It highlights the importance of not only the environmental or economic output but also the human-centric benefits of sustainability efforts. This methodology encourages organizations to focus on maximizing impact per unit of cost while considering the broader benefits to society, making it a valuable tool for guiding decision-making in sustainability investments.

Complementary to Detailed Sustainability Metrics

By focusing on the practical aspects of specific initiatives, the ICE Index serves as a complementary tool to more detailed assessments. It provides a platform for companies to benchmark their projects against others in the region on a level playing field, focusing on the tangible impacts of specific sustainability efforts. This focus helps organizations identify effective strategies and areas for improvement without the pressure of comprehensive corporate sustainability evaluations.

Encouraging Continuous Participation

Participation in the Baltic Sustainability Awards offers valuable opportunities for companies to receive extensive feedback from a jury composed of experts. This feedback includes practical information and suggestions tailored to enhance the effectiveness and efficiency of each initiative. The index acts not only as a benchmarking tool but also as a catalyst for continuous improvement, inspiring companies to strive for higher results in future iterations of their projects.



Top 20 ICE Index Ranking

As we prepare to unveil in a few weeks the complete ICE (Impact Cost Efficiency) Index, a tool for evaluating sustainability initiatives in the Baltic region, we are excited to offer a sneak peek into the top 20. This ranking showcases a diverse range of organizations and projects that have demonstrated remarkable efficiency in maximizing their impact while optimizing resource utilization.

		ICE S
1. Silmachy Cosmetics SIA	CIRCULAR ECONOMY	216.6
2. CompAct Estonia OÜ	CLIMATE INNOVATIONS	125
3. ROCKIT (VŠĮ "Startuolių platform")	SOCIAL INITIATIVES	125
4. Oxylabs UAB	CLIMATE INNOVATIONS	113.6
5. Shore Link OÜ	ENERGY TECHNOLOGIES	57.01
6. JSC "Augstsprieguma tīkls" (AST)	SOCIAL INITIATIVES	52.08
7. Baltic Permaculture	SOCIAL INITIATIVES	50
8. NPO "Myliu mišką"	CLIMATE INNOVATIONS	48.14
9. Pack in GREEN	CIRCULAR ECONOMY	43.38
10. PLŪKT SIA	CIRCULAR ECONOMY	43.33
11. AB Litgrid	ENERGY TECHNOLOGIES	43.33
12. Biedriba BDR "Serenity"	SOCIAL INITIATIVES	24.44
13. WasteLocker	CIRCULAR ECONOMY	17.33
14. Cognizant Technology Solutions	SOCIAL INITIATIVES	16.66
15. A/S Balticovo	CIRCULAR ECONOMY	12.5
16. Bee Loop UAB	CIRCULAR ECONOMY	12.22
L7. TĀLAVA SIA	CLIMATE INNOVATIONS	10
18. Inobiostar	CIRCULAR ECONOMY	10
19. SIA Neste Latvija	SOCIAL INITIATIVES	9.52
20. BeTRITON	CLIMATE INNOVATIONS	9.23

score



The higher an entry ranks in the ICE Index, the more it serves as a clear example of how to achieve an exceptional balance between the three key factors valued by this methodology:

- Delivering a substantial and measurable real-world impact, whether it's through reducing waste, saving resources, or positively impacting lives.
- 2. Ensuring that the initiative's benefits reach a wide range of people, creating a far-reaching positive influence both directly and indirectly.
- 3. Maintaining remarkable cost-efficiency, maximizing the impact created while optimizing the use of resources and minimizing expenses.

The top-ranked entries in the ICE Index demonstrate how this harmonious balance can be attained, showcasing the potential for sustainability initiatives to create significant quantifiable impact, uplift a broad spectrum of human lives, and do so in a highly cost-effective manner.

As organizations strive to improve their impact, the higher tiers of the index provide a clear example – the more exceptional the balance achieved across dimensions, the greater the potential to rise through the ranks and exemplify best practices in sustainable and impactful initiatives within the Baltic region.



2025 AND BEYOND: FORSUSTAINABLE REGION



2025 and Beyond: Strategic Initiatives for Sustainable Development in the Baltic Region

As the global and regional landscapes of environmental and social governance continue to evolve, the Baltic region stands at a critical juncture. With the increasing awareness of climate change impacts and the urgency to implement effective sustainability measures, the preparation becomes not just a strategy but a necessity. This section outlines the possible strategic directions, and key initiatives, that stakeholders across the Baltic States should consider to enhance their sustainability agendas.

Current Environmental and Social Landscape

The Baltic region, known for its rich natural resources and vibrant communities, faces unique sustainability challenges exacerbated by global climate change. Key issues include the vulnerability of coastal and forested areas, dependence on fossil fuels, and socio-economic disparities between urban and rural areas.



Strategic Directions for 2025 and Beyond

To address these challenges, the following strategic directions could be used, with a focus on actionable initiatives that local businesses and governments can realistically implement:

STRENGTHENING CLIMATE ADAPTATION AND RESILIENCE

Infrastructure Resilience Projects: Develop and enhance flood defenses and stormwater management systems in coastal cities to prevent flooding and erosion. These projects not only safeguard communities but also offer opportunities for local businesses in the construction and engineering sectors.

Forest Management Initiatives: Implement sustainable forest management practices that reduce the risk of large-scale forest fires and increase biodiversity. Support local wood industries in adopting eco-friendly practices and certifications.

PROMOTING A CIRCULAR ECONOMY

Waste-to-Energy Solutions: Encourage investment in waste-to-energy plants that can convert agricultural and municipal waste into energy. This will help reduce landfill use and provide an alternative energy source, supporting local energy needs sustainably.

Local Recycling Programs: Expand municipal recycling programs and support the development of local recycling facilities to process materials like plastics, glass, and electronics. Provide incentives for businesses to participate in these programs, enhancing their sustainability profiles.

EXPANDING RENEWABLE ENERGY USE

Solar and Wind Energy Grants: Increase grants and subsidies available to businesses and households for installing solar panels and wind turbines. This initiative aims to reduce dependency on imported energy and foster a local renewable energy market.

Renewable Energy Co-operatives: Support the establishment of community-owned renewable energy cooperatives that empower local communities to produce and manage their energy resources, ensuring energy security and fostering economic resilience.

ENHANCING SOCIAL SUSTAINABILITY

Educational Programs on Sustainability: Collaborate with educational institutions to integrate sustainability into the curriculum at all levels of education. Focus on practical skills like gardening, recycling, and energy conservation that students can bring back to their communities.

Community Health Initiatives: Launch health

improvement programs that address pollutionrelated health issues. Invest in green spaces and public parks to improve air quality and provide recreational areas for residents.

Overcoming Challenges

Addressing potential obstacles is crucial for the successful implementation of these strategies:

- **Regulatory Harmonization:** Work towards harmonizing regulations across the Baltic States to ensure a cohesive approach to environmental policies and economic incentives.
- **Public-Private Partnerships:** Foster collaborations between government and private sectors to finance and implement large-scale sustainability projects.
- Community Engagement and Transparency: Regularly engage with local communities through workshops, town halls, and social media to gather input, ask feedback and keep the public informed and involved in sustainability initiatives.

Preparing for 2025 and beyond is about setting a vision that is both ambitious and attainable. It requires a concerted effort from governments, businesses, and communities to embrace sustainable practices and innovate beyond conventional methods. By focusing on strategic directions, implementing key initiatives, and anticipating challenges, the Baltic region can navigate towards a sustainable future that not only preserves its natural heritage but also creates a resilient and equitable society for future generations. This roadmap not only serves the immediate needs of the region but also sets a global standard for sustainability that others might follow.



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Tools to Explore for Sustainable Development

In the Baltic region, as in many areas globally, sustainability is increasingly seen not just as a regulatory requirement, but as a core component of long-term business viability. Effective tools for measuring, managing, and enhancing sustainability efforts are critical. This chapter explores essential frameworks, assessment tools, and key performance indicators (KPIs) that equip businesses to effectively integrate and advance their sustainability initiatives.

CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

The CSRD is an EU initiative that requires large and SME companies to publish regular reports on their social and environmental impacts.

Application in Baltic Context: This directive is directly applicable in the Baltic states, requiring significant businesses to enhance the depth and breadth of their sustainability reporting, which aids in aligning with EU sustainability goals.

GREENHOUSE GAS PROTOCOL 2. (GHG PROTOCOL)

The GHG Protocol provides standards and guidance for companies and other types of organizations to prepare a GHG emissions inventory.

Application in Baltic Context: The Greenhouse Gas (GHG) Protocol is the EU-wide recommended methodology for companies to measure and report emissions. Businesses use it to manage emissions effectively and meet reduction targets. Estonia has developed a carbon footprint calculation tool based on the GHG Protocol.

Overview of ESG Frameworks

ESG frameworks are essential for guiding companies in integrating sustainable practices into their business operations. These frameworks offer a structured approach to assessing and disclosing a company's own management of environmental, social, and governance issues. In the Baltic Sustainability Report, we have provided only a brief overview to give companies an initial understanding of the available frameworks, enabling them to explore each one in detail subsequently.

GLOBAL REPORTING 3. **INITIATIVE (GRI)**

GRI offers standards for sustainability reporting, helping organizations communicate their impacts on global and local environmental issues, social conditions, and qovernance best practices.

Application in Baltic Context: Widely adopted, GRI helps companies from all sectors disclose material impacts and engage stakeholders in sustainability issues.





CARBON DISCLOSURE **PROJECT (CDP)**

CDP runs a global disclosure system that enables companies, cities, states, and regions to measure and manage their environmental impacts.

Application in Baltic Context: Baltic companies utilize CDP to disclose carbon emissions, water management, and climate change strategies, helping them benchmark and improve their environmental performance.

INTERNATIONAL 5. SUSTAINABILITY STANDARDS **BOARD** (ISSB)

The ISSB, under the IFRS Foundation, develops globally accepted standards for sustainability disclosure, focusing on enterprise value and investor needs.

Application in Baltic Context: Adoption of ISSB standards in the Baltic would align companies with international investor expectations and improve access to global capital markets by ensuring high-quality sustainability disclosure.

SUSTAINABILITY **ACCOUNTING STANDARDS BOARD** (SASB)

SASB provides industry-specific standards that help businesses identify and report financial material sustainability information.

Application in Baltic Context: Baltic companies leverage SASB standards to focus their reporting on financial material, industry-specific risks, and opportunities, enhancing investor communication and compliance with market expectations.

SCIENCE-BASED TARGETS **INITIATIVE (SATI)**

SBTi encourages companies to set emission reduction targets in line with climate science findings to keep global warming below 2 degrees Celsius.

Application in Baltic Context: By adopting science-based targets, Baltic companies can lead in climate action, contributing significantly to national and regional goals for emissions reductions.

> Understanding and implementing these ESG frameworks and standards is pivotal for Baltic businesses aiming to enhance their sustainability practices. These tools not only help in complying with regulatory requirements but also boost corporate reputation, investor confidence, and long-term profitability.

PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS (PCAF)

PCAF is an initiative to enable financial institutions to assess and disclose the greenhouse gas emissions of their loans and investments.

Application in Baltic Context: Financial institutions in the Baltic states can adopt PCAF standards to transparently report the climate impact of their portfolios, attracting investment through a demonstrable commitment to climate goals.

TASK FORCE ON CLIMATE-**RELATED FINANCIAL DISCLOSURES (TCFD)**

TCFD provides recommendations for more effective climate-related disclosures through its structured framework, helping companies articulate the impact of climate change on their business.

Application in Baltic Context: TCFD's recommendations assist Baltic companies in integrating climate-related risks and opportunities into their business strategies and financial planning, enhancing resilience and long-term sustainability.









Reality where we are now?

Just to give perspective and extend our overview of ESG frameworks, we wanted to highlight a few key points and give a short, more detailed overview of CSRD since this is a reporting standard in Europe.

Key points regarding sustainability reporting requirements and practices in the Baltic region:

SUSTAINABILITY REPORTING ADOPTION:

- Around 20% of large Baltic companies report comprehensively on sustainability/ESG.
- Mandatory for PIEs/listed firms >500 employees, but compliance varies among locally-owned firms.

REPORTING STANDARDS AND PRACTICES:

- Few Baltic reports follow GRI or SASB standards.
- Around 1/3 of disclosures have actual data, not just qualitative info.
- Very few (around one in ten) of the sustainability reports in the Baltics are audited by a third party.

ALIGNMENT WITH EU REGULATIONS:

- Estimated 20% alignment with upcoming CSRD among largest Baltic companies.
- CSRD mandates sustainability reporting for PIEs >500 employees from 2024, phased for larger firms by 2026.

In Europe, CSRD is the main standard that will impact almost all companies, and to give a very short overview, we wanted to share a few additional points, so companies can already prepare, taking into account that we as a region still lack the majority involvement and action in this space.

The CSRD will be implemented in a phased manner, starting from 2024 financial year:

SMEs can opt out of the CSRD requirements until 2028.

This indicates that while sustainability reporting is still relatively limited among the largest companies in the Baltic states, there is a growing awareness and adoption of these practices, particularly among listed and state-owned entities. However, the region still lags in terms of alignment with emerging EU regulations and international reporting standards, which will become increasingly important in the coming years.

The key details about the implementation timeline and requirements of the Corporate Sustainability Reporting Directive (CSRD) for companies in the Baltic region:

PHASED IMPLEMENTATION TIMELINE:

- 1. From January 1, 2024: The CSRD will apply to large public-interest companies (with over 500 employees) that are already subject to the existing Non-Financial Reporting Directive (NFRD). Their first CSRD reports will be due in 2025.
- 2. From January 1, 2025: The CSRD will apply to other large companies (meeting at least 2 out of 3 criteria: over 250 employees, €50 million in net turnover, or €25 million in balance sheet) that were not previously subject to the NFRD. Their first CSRD reports will be due in 2026.
- 3. From January 1, 2026: The CSRD will apply to listed SMEs and other undertakings filling at least 1 out of the 3 criteria mentioned above. Their first CSRD reports will be due in 2027.

REPORTING REQUIREMENTS:

- The CSRD will require companies to report on a wide range of sustainability and ESG (environmental, social, and governance) factors, including climate change, pollution, water usage, biodiversity, workforce, affected communities, and business conduct, according to the European Sustainability Reporting Standards (ESRS) delegated acts.
- Companies will need to disclose information on how sustainability-related factors affect their operations, as well as how their business model impacts sustainability, by conducting a Double materiality assessment based on impact and financial materiality, considering impacts, risks, and opportunities identified by management and stakeholder input.
- The CSRD will also apply to Baltic companies that have securities listed on EU-regulated markets, even if they are headquartered outside the EU.
- The CSRD report will require limited assurance and be in an electronic (XHTML) format.
- Implementation of the CSRD into member states' local regulations should be done by July 2024.











Sustainability Assessment Tools

	FUNCTIONALITY	APPLICATION
LIFE CYCLE ASSESSMENT (LCA)	LCA assesses environmental impacts associated with all stages of a product's life from cradle to grave.	This tool is used by Baltic firms evaluate the environmental as product design and manufactu processes, aiding in decision-r product development and imp
CARBON FOOTPRINT ANALYSIS	Measures total greenhouse gas emissions from an individual, organization, event or product, utilizing ISO 14064 and GHG Protocol standards for accurate, comparable results.	Companies in the Baltic utilize quantify and manage their em aligning with national and EU to carbon reduction.
WATER FOOTPRINT ASSESSMENT	Quantifies the potential environmental impacts related to water use.	Agriculture sectors use this too optimize water usage in farmin operations, enhancing sustain water-intensive industries.

TOOLS TO EXPLORE FOR SUSTAINABLE DEVELOPMENT

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Key Performance Indicators (KPIs) for Sustainability

While there could be hundreds of Key Performance Indicators (KPIs) that companies might choose to monitor their sustainability initiatives, in this section, we focus on 3 main KPIs that are easy to implement and work within the Baltic states. These selected KPIs serve as a starting point for businesses embarking on or advancing their sustainability efforts, offering measurable and actionable insights. In addition we highly suggest to look into UN Sustainable Development Goals





Development and Implementation

KPIs provide quantifiable metrics that help Baltic businesses measure the effectiveness of their sustainability initiatives against set goals. Each KPI is chosen based on its relevance to the regional challenges and opportunities, providing a clear view of progress and areas for improvement.

Energy Efficiency KPIs:

- 1. Energy Consumed per Unit of Production: Measures the total energy used per unit of output, providing insights into the efficiency of production processes.
- 2. Percentage Reduction in Energy Use Due to Improvements: Reflects the effectiveness of initiatives implemented to reduce energy consumption.
- **3. Energy Cost Savings as a Percentage of Total Production Costs:** Tracks the financial impact of energy savings relative to overall production costs, emphasizing the economic benefits of energy efficiency.

Waste Management KPIs:

- reduction strategies.



1. Total Waste Generated: A metric that tracks the total amount of waste produced by the company, helping identify trends and the effectiveness of waste

2. Percentage of Waste Recycled: Indicates the proportion of waste materials that are recycled, aligning with circular economy principles.

3. Waste Reduction Rate per Unit of Production:

Measures the reduction of waste produced per unit of output, illustrating improvements in process efficiency.

Social Impact KPIs:

- **1. Employee Satisfaction Rates:** Assesses employee contentment within the organization, which can impact productivity and retention.
- **2. Community Impact Score:** Evaluates the positive effects of the company's operations on the local community, encompassing engagement and development projects.
- 3. Diversity and Inclusion Index: Monitors the effectiveness of diversity and inclusion policies within the organization, promoting a broader culture of inclusivity.



Practical Applications

These KPIs serve not only as indicators of current performance but also guide strategic decisions and sustainability initiatives:

ENERGY EFFICIENCY PROGRAMS

Monitoring energy KPIs helps prioritize investments in energyefficient technologies and practices, qualifying for green certifications and incentives.

WASTE REDUCTION STRATEGIES

Waste management KPIs support the optimization of production processes and reduce costs associated with waste disposal, enhancing environmental stewardship.

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Social impact KPIs enable organizations to evaluate and enhance their CSR initiatives, increasing employee engagement and improving community relations.

The selected KPIs provide Baltic businesses with a practical starting framework to systematically measure, manage, and communicate their sustainability performance. By integrating these KPIs into their operational and strategic planning, companies can make informed decisions that foster sustainable growth and development, setting a benchmark for sustainability within the region and beyond.









Trends in Climate Change Acceleration

The urgent global challenge of climate change demands an accelerated response from all sectors. The EY 2023 Sustainable Value Study starkly highlights the reality that progress on sustainability is not keeping pace with the growing threats posed by climate change.

Global Trends in Climate Change

The EY report identifies several concerning global trends:

Slowing Progress on	Postponed	Reduction in Completed	
Emissions Reduction	Climate Goals	Climate Actions	
There has been a global slowdown in	Companies have pushed back	There has been a noticeable	
emissions reductions, with the	their target years for achieving	decrease in the number of	
median reduction slipping from 30%	climate objectives, with the	climate actions completed by	
to 20%. This deceleration comes at a	median target shifting from	organizations, from an average	
time when enhancements in climate	2036 to 2050. This delay	of 10 in 2022 to just four in 2023	
action are critically needed to meet	significantly impacts the global	This reduction underscores a	
the ambitious goals of the Paris	community's ability to limit	troubling reduction in proactive	
Agreement.	global warming effectively.	climate initiatives.	

These global trends suggest a worrying gap between the necessary pace of action and current efforts, exacerbated by external pressures that hinder businesses' ability to allocate more resources towards sustainability initiatives.









Implications for the Baltic Region

The Baltic region, characterized by its unique geography and economic structure, faces distinct challenges and opportunities in the face of these global trends:

TEMPERATURE INCREASES AND EXTREME WEATHER	The Baltic states have experienced temperature increases, influencing local climate conditions. These changes threaten agricultural productivity, forest health, business operations, revenue, and biodiversity. Given its extensive coastline, the Baltic region is particularly vulnerable to rising sea levels. This poses risks to coastal infrastructure, freshwater resources, building structural damages and wetland ecosystems.	
RISING SEA LEVELS AND COASTAL EROSION		
ENERGY TRANSITION PRESSURES	With the global shift towards renewable energy source the Baltic region's energy sector faces pressures to accelerate its transition from fossil fuels. This shift is	

With the global shift towards renewable energy sources, the Baltic region's energy sector faces pressures to accelerate its transition from fossil fuels. This shift is essential not only for reducing regional greenhouse gas emissions but also for enhancing energy security and economic sustainability.



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Strategic Actions Based on EY Insights

Empowering CSOs

As noted in the EY study, empowering Chief Sustainability Officers (CSOs) can be a game-changer. Specific actions could include expanding their authority and resources to implement sustainability strategies effectively.

2.

Regulatory Adjustments

The EY study suggests leveraging regulatory frameworks to drive corporate sustainability. In the Baltic, enhancing regulations to impose stricter emissions standards and encouraging green investments could be pivotal.

3.

Supply Chain and Scope 3 Emissions

Addressing indirect emissions through supply chain management is crucial. Baltic companies can take cues from the EY study to collaborate more closely with suppliers to implement sustainable practices throughout the supply chain.



Recommendations

- Enhance Regulatory Frameworks: Strengthening environmental legislation in line with EY findings to ensure comprehensive coverage of all significant sources of emissions.
- **Boost Innovation and Technology Adoption:** Investing in new technologies and innovations that can significantly reduce environmental footprints, as suggested by the study's focus on technological solutions.
- Community and Stakeholder Engagement: Increasing efforts to engage local communities and stakeholders in sustainability initiatives, ensuring that these efforts are aligned with broader societal goals and receive the necessary support and recognition.

By understanding these trends and their implications, Baltic stakeholders can better strategize and implement effective responses to mitigate the impacts of climate change.

Needed actions

STRENGTHEN CROSS-SECTOR COLLABORATION

Governments, businesses, and civil society in the Baltic region need to collaborate more closely, sharing resources, knowledge, and strategies to tackle climate change collectively.

INVEST IN CLIMATE RESILIENCE

There is a pressing need to invest in resilient infrastructure, particularly in coastal and agricultural areas, to protect against the impacts of climate change.

PUBLIC **ENGAGEMENT AND** EDUCATION

Enhancing public awareness and engagement through education campaigns can mobilize community-level support for sustainability initiatives, creating a more informed and proactive citizenry.

This analysis offers a roadmap for the Baltic region to enhance its sustainability efforts in response to these evolving challenges.





SUSTAINABILTY METHODOLOGY



Baltic Sustainability Awards Application Methodology by EY

The Baltic Sustainability Awards, established with a methodology developed by EY, serve not only as a recognition platform for sustainability achievements but also as an invaluable mechanism for reviewing and enhancing sustainable initiatives across the Baltic region.

Overview of the Application Methodology

The application methodology crafted by EY is designed to ensure a comprehensive, transparent, and rigorous assessment process. Here's a step-by-step breakdown of the application process and the methodology used to evaluate entries:

Preparation and Submission

- Eligibility Check: Organizations must first ensure they meet the eligibility criteria, which typically include factors like category, the nature of the sustainability project, and the scope of impact.
- **Application Form:** Applicants are required to fill out a detailed application form that includes information about the organization, a thorough description of the sustainability initiative, and quantifiable outcomes.

Evaluation by Expert Jury

2.

- and the ICE index.
- projects.



This Baltic Sustainability Report last chapter delves deeper into the practical details of the application process and the methodology itself, highlighting how organizations can leverage this platform not just for accolades but for substantial growth and learning in sustainability practices.

• Initial Screening: Submissions are first screened for completeness and adherence to application guidelines. • **Detailed Review:** Each project is then reviewed in depth by an expert jury based on a predefined scoring system that evaluates innovation, impact, scalability,

• Interviews or Presentations: In some cases, the jury may request additional interviews with the project leaders or presentations to better understand complex

Feedback and Improvement 3. Recommendations

- **Expert Feedback:** All participants receive detailed feedback on their submissions, highlighting strengths and areas for improvement.
- Benchmark Report: Participants also receive a benchmark report comparing their projects with peers in similar categories, providing insights into industry standards and leading practices.





Benefits of Participation

Participating in the Baltic Sustainability Awards provides numerous practical benefits:



EXPERT VALIDATION

The rigorous evaluation process provides a form of third-party validation of sustainability efforts, enhancing credibility with stakeholders.



PROFESSIONAL DEVELOPMENT

The feedback from seasoned sustainability experts offers actionable insights that can significantly aid in refining strategies and operations.

How to Apply

Application Timeline

The Awards open for entries in the summer with deadlines by mid-September. Finalists are announced in October, and the awards ceremony will be this year on 6 November.

Submission Guidelines

Detailed guidelines and the application form are available on the Baltic Sustainability Awards website www.balticsustainabilityawards.eu/evaluation.

Organizations are advised to review these guidelines carefully to ensure their application aligns with all requirements.

The Baltic Sustainability Awards application process, meticulously designed by EY, is more than a competition—it's a comprehensive review and enhancement tool for sustainability initiatives. By participating, organizations not only gain the opportunity to showcase their achievements but also receive expert feedback and valuable insights that can drive more significant environmental and social impacts.



VISIBILITY AND NETWORKING

The awards ceremony and related events provide a platform for high-level networking with other sustainability leaders, offering opportunities for partnerships and collaborative ventures.

Support Available

The Awards organizers will offer a few webinars and workshops to assist applicants in understanding the application process.



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ACKNOWLEDGMENTS ANDCLOSING



Acknowledgments and Closing Note

As we wrap up this detailed exploration of sustainability in the Baltic region, we extend our heartfelt gratitude to the partners who have been pivotal in elevating the Baltic Sustainability Awards to a leading platform for assessing and recognizing sustainability initiatives.

ACKNOWLEDGMENT TO EY BALTIC

A special thanks goes to EY Baltic, whose expert knowledge and unwavering support have been instrumental in shaping the methodology that underpins the Baltic Sustainability Awards. EY Baltic's commitment to excellence ensures that the evaluation of sustainability activities and initiatives in the Baltic region remains robust and forward-thinking, truly leading the way in ecological and social advancements.



We also extend our profound appreciation to Rimi Baltic, the founding member of the Baltic Sustainability Awards. For the fourth consecutive year, Rimi Baltic is playing a crucial role in accelerating sustainability initiatives throughout the region. Their ongoing support for the Baltic Sustainability Awards and Forum has been vital in promoting sustainable development across diverse sectors.





CLOSING NOTE

The Baltic Sustainability Awards continue to champion sustainability, now in their fourth year and retaining the theme 'It's Time.' This theme, introduced last year, underscores the urgency of adopting innovative solutions and taking decisive actions to ensure a sustainable future for the Baltic region. This initiative, hosted by Helve alongside our founding partner Rimi Baltic and strategic methodology partner EY Baltic, includes Ignitis Group as the foundational partner, with Schneider Electric and Eleport as executive partners. The culmination of this effort is a celebration of sustainability leadership at the awards ceremony and forum at the Splendid Palace in Riga on November 6-7, 2024.



APPRECIATION FOR RIMI BALTIC





ABOUT THE BALTIC SUSTAINABILITY AWARDS

Organized by Helve and supported by Rimi Baltic, the Baltic Sustainability Awards inspire and promote excellence in sustainability. By bringing together businesses, policymakers, and thought leaders under the continued theme "It's Time," these awards catalyze critical sustainability actions and foster a community dedicated to environmental and social responsibility.

BALTIC SUSTAINABILITY AWARDS

ABOUT HELVE

Helve is an open innovation management company that connects businesses with innovators to foster success through collaboration. From individual startup scouting in our acceleration programs to partner-based approaches for exploring new solutions, Helve is at the forefront of driving transformative change. Learn more at <u>www.helve.eu</u>.

Helve

Let this report serve as a call to action for all stakeholders in the Baltic region to continue pushing the boundaries of sustainability. Together, we can forge a path toward a resilient, sustainable future that will benefit generations to come.











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Gratitude

The Baltic Sustainability Awards, Forum and Report is supported by Pan-Baltic Coalition of Ecosystem Partners. Without their relentless support, none of this would be possible.









KiiND AGENCY



















INVITATION TO PARTICIPATE

If you are inspired by the vision of a sustainable Baltic region and wish to contribute to this evolving narrative, we warmly invite you to participate in the Baltic Sustainability Awards. Whether you aim to apply for an award, join the jury, provide support, or partner with us in any capacity, your involvement is crucial.

This platform offers a unique opportunity to review sustainability initiatives, gain expert feedback, and network with key decision-makers. Join us in fostering a community that is not about competition but about collaboration and mutual growth in sustainability.

To participate, please visit our website or contact us directly to learn how you can contribute to making the Baltic region a sustainability leader. Together, we can turn the challenges of today into the achievements of tomorrow.

 \rightarrow www.balticsustainablityawards.eu







