Now the world sees how important the agriculture is.
In the moment of writing we have Coronavirus nearly all over the world. It is a new virus that we have to learn to live with. I see that in our part of world we are tackling it quite well. Now it is important that we all come through healthy.

I am very proud of all Idavang employees, you are taking the situation very seriously, and the same time you are taking care of your job.

That is fantastic.

We have tried our best to protect our employees, it is always important for Idavang to take care. We will continue to do that.

Coronavirus has been a kind of an eye opener for the world. If not before, then now the world sees how important the agriculture is - it brings us all back to the roots from where it all started. Idavang is contributing to feeding the world and we have to be very proud of that.

We will continue to improve working places and make more modern production facilities.

African Swine Fever in China that started in 2018 was the trigger to historically high prices in the EU starting from Q2 2019, I believe we will have significantly better prices in the next few years compared to what we have been used to. Russian pig production has developed extremely fast the last decade and now Russia is self supplied. It is fantastic but at the same time it is pressing the domestic prices down. It is my hope and belief that Russia will be one of the big exporters of pork to Asia and especially to China.

Let us all keep focus on our business, keeping our pigs healthy and, most importantly, taking care of ourselves.

Claus Baltsersen,  
CEO of Idavang Group
**Core Activity**

Idavang’s core activity is the production and sale of high-quality slaughter pigs and weaners in North West Russia and Lithuania.

Idavang specialises in both brown field and green field pig production projects in Lithuania and Russia. We acquire and invest along with International Finance Corporation (part of World Bank Group) in larger production sites.

We refurbish the facilities and renew the technology and know-how with the companies well-developed production solutions. Production sites are within a reasonable geographic area to enhance synergies.

**Market Share**

**Lithuania**

- **#1 Pig Producer**
- 28%
- 52,000 tonnes/year

**Russia**

- **North West**
- **#2 Pig Producer**
- 8%
- 37,000 tonnes/year

**Key Facts**

- 800 employees
- 400,000 square meters of pig farms
- 9,000 hectares of crop fields
- 800,000 pigs produced each year
- 16,000 MWh by biogas power plants
Core Statement

We strive to exceed standards in every activity – by achieving and maintaining market leadership as a top-quality pig producer, a desirable employer, by being a proactive member of local communities, a positive example in business transparency, ethical behaviour and environmental awareness.
Our Values

Respect and trust
Each employee and partner is very important to us, and we treat them with fairness and respect, expecting the same from them in return.

Quality and ethics
Following the animal welfare principles, we only turn out quality products.

Transparency
We always act in a legal and proper, as well as transparent and fair manner.

Environmental responsibility
We use the state-of-the-art technology and adhere to the principles of corporate social responsibility.

Continuous development
We are open to change and innovation and feel responsibility for the personal and professional development of our employees.

Idavang Group is constantly working on safeguarding these values throughout our organization.

Historically, Idavang Group has always placed high focus on sustainable impact, including animal welfare.
Since the very beginning of our operations, IDAVANG has followed the principle that success can only be achieved through the development of a socially responsible business.

Environmental protection, respect for the surrounding communities and employees, high-quality products and relationships based on transparency and trust, all these are the fundamental values that determine each decision of the company.

In 2019 we focused on the following sustainable goals recommended by United Nations:
Our Corporate Social Responsibility Principles

Respect for human rights is inherent part of IDAVANG culture.

We strive for openness and transparency in our cooperation, strictly abide by internationally accepted principles of human rights and we have zero tolerance for discrimination.

We grow more than 800,000 pigs per year. It allows us to supply the Lithuanian market with 52,000 tonnes and North West Russian market with 37,000 tonnes of meat per year.

We supply 70% of our production to the domestic markets, 30% to other EU countries.

Our production volume is enough to feed 5.5 mln. people (pork consumption per capita is 16 kg in the world).
The main purpose of the Occupational Health & Safety System is to protect employees' lives and health and to ensure good working conditions by avoiding accidents and injuries.

Also, focus on employees' well-being by ensuring work and life balance.

**Health Care**

Increase preventive efficiency of the employees' health care and conduct annual health check

40% of employees had flu vaccinations; 100% of employees working outside had vaccinations from tick-borne encephalitis.

**Employee vaccination**

<table>
<thead>
<tr>
<th>Vaccination</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seasonal flu</td>
<td>40%</td>
</tr>
<tr>
<td>Tick-borne encephalitis</td>
<td>100%</td>
</tr>
</tbody>
</table>
Occupational Health & Safety

Training Programs
Occupational safety and health control training program for top management, managers, farm managers, engineers, environmental specialists
Employees trained: 28

Employees performing dangerous work - height, confined space, welders, electricity, forklift drivers, work with chemicals, etc.
Employees trained: 395

Fire safety training program
Employees trained: 394

First aid training program
Employees trained: 300

Well Being

Employee safety

<table>
<thead>
<tr>
<th>Introduced to H&amp;S</th>
<th>Safety audits performed</th>
<th>Fatal / total accidents</th>
<th>630 of 740 risks removed</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>&gt;50%</td>
<td>0 of 19</td>
<td>85%</td>
</tr>
</tbody>
</table>

2020 Targets

0 fatal incidents
95% of identified risks removed
Decrease voluntary turnover rate to 15% in Lithuania and keep it at 14% in Russia
Implement online learning system for safety rules
Our salary structure has standardized principles and is transparent and public to all employees. It contains different pay levels based on skills and qualification. Also, for most of the positions we apply the career ladders with clear requirements in order to be promoted.

All our employees have equal rights in all our processes:
- recruitment,
- promotion,
- training & development,
- remuneration.

Equal Opportunity

Current gender ratio

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female employees</td>
<td>40%</td>
</tr>
<tr>
<td>Male employees</td>
<td>60%</td>
</tr>
</tbody>
</table>
Environmental Matters are an integrated part of Idavang’s mission and we make no compromises.

Seeking to achieve environmental sustainability and contribute to the welfare of future generations, we devote a great deal of attention to the efficient and spare use of energy and other resources.

Saving Water

Water consumption in each farm is calculated to the amount of pigs which are grown at that time on the farm.

Constant maintenance and monitoring of the watering systems, water saving with high pressure washers, special drinkers and natural resources saving attitude, let us save 13793 cubic meters of water.
The boiler houses that burn straw in our farms practically allow receiving the whole quantity of heat from renewables grown by local farmers. The straw is a fuel that does not increase the carbon dioxide level in the atmosphere as the growing plants later from the air absorbs CO2. 2019 heat from biogas in Pasodele have replaced straw heating.

In the farms low energy consumption technologies are applied. We started to replace the fluorescent lighting into LED lamps, which use significantly less energy.

Also, energy and natural resources saving plans and monitoring are in place.
Reducing Waste

During our production cycle we always aim to do more with less, by aiming to use materials in the most effective way.

From the beginning of our process production planning and procurement we precisely calculate our needs in terms of different materials and resources to be used during our production cycle.

All the waste is sorted. Sorted waste is separated into more fractions. Hazardous and non-hazardous waste is taken away by companies that are approved by the Environmental agency and have licenses for further processing of waste.

We always pay special attention to the quality of our products constantly monitoring all production factors which might influence the quality and working on improvements.

At the same time, we do care about how and what type of meat quality we supply our to the consumers.
TRACE Tool

To ensure that both food and consumer are kept safe we use TRACE tool to ensure:

**Traceability**
*Monitoring movements, both within the EU and from non-EU countries*

**Information exchange**
*Enabling trade partners and competent authorities to easily obtain information on the movements of their consignments and speeding up administrative procedures*

**Risk management**
*Reacting rapidly to health threats by tracing the movements of consignments and facilitating the risk management of rejected consignments*

We aim to manage the risk of health threats as much as possible while combating fraud, enhancing the safety of the food chain and ensuring animal health.
In 2019 biogas plants allowed to reduce the greenhouse gas (in tCO2ekv/year):

<table>
<thead>
<tr>
<th>Farm</th>
<th>Greenhouse Gas Emissions (tCO2ekv/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pasodele</td>
<td>4,142.72</td>
</tr>
<tr>
<td>Sajas</td>
<td>1,828.45</td>
</tr>
<tr>
<td>Lekeciai</td>
<td>2,820.25</td>
</tr>
<tr>
<td>Musa</td>
<td>2,369.33</td>
</tr>
<tr>
<td>Salnaiciai</td>
<td>1,742.98</td>
</tr>
<tr>
<td>Sidabra</td>
<td>3,058.50</td>
</tr>
<tr>
<td>Skabeikiai</td>
<td>1,696.26</td>
</tr>
<tr>
<td>Rupinskai</td>
<td>1,696.26</td>
</tr>
</tbody>
</table>

Eight of our farms in Lithuania have biogas power plants that process liquid manure and neutralize the odours.

Improved quality fertilisers are used to produce heat and power.
An important benefit of the biogas plants is CO2 reduction.

With the current plants the decrease in CO2 emissions is equivalent to planting more than 300,000 trees over the next 10 years.

In Sidabra farm the airwash filters are installed. It’s the first animal farm with this kind of filters in Lithuania. The house air is cleaned as it is led through a series of filters that are sprinkled with water.

The filters are covered by a biofilm consisting of bacteria and microorganisms that transform ammonia and odorous materials.

This process removes dust, odours and ammonia. When the cleaning effect of the filters is reduced, the water is emptied into the slurry tank and can be used as an extra fertilizer on the field, and clean water is added to the unit.

In the other farms we get reduction of air pollution by phosphorous and protein control in feed, and stable floor and wall spraying with restrictive materials to avoid air pollution and achieve the reduction of smell.

IDAVANG devotes special attention to the management of pig manure that is an inevitable outcome of the production process.

The manure is a valuable fertiliser which, however, has a specific odour. With a view to putting the fertilisers to efficient use and causing no inconveniences to our neighbours, we carry out careful maintenance and continuous improvement of the manure collection and storage and fertilisation systems.

Manure application and storage is handled according to the BAT (best available technology).

Prior to the processing of manure, the waste is mainly stored in covered lagoons that meet the highest European Union requirements. Such lagoons are available at all our complexes. The double bottoms and the covered tops of the lagoons prevent the release of ammonia, nitrogen, greenhouse gases and odours into the environment.

We provide the fertilizer to the fields where later we collect straw for our boiler houses. Also, we sell manure/slurry to the local farmers as replacement of mineral fertilizers. Later, we buy from them the grain to our pigs. All this lets us support the idea of circular economy in our farms.

For fertilising the soil, we use one of the most modern present-day techniques, involving the application of slurry to the soil by spreaders that help to minimise odours emitted during the fertilisation process.
We keep constant relations with the communities in our neighbourhood. Each year we support various local projects or activities based on the discussion with community members.

Support for members of Kalniškės rural community held event for seniors, farmers, unemployed young people, children, to promote community spirit.

Support for the event to the 100th anniversary of Krekenava M.Antanaitis Gymnasium.

Support for Pagryžuvys community needs to improve infrastructure.

Financial support to the Ignalina’s Culture and Sports Center - for the organization of festivals and commemorations for the locals and centre guests.

Support for Blueberry Festival in Lekėčiai community area. Festival dedicated to glorify the name of Lekėčiai, has deep cultural and national traditions.
Financial support for town of Linkuva 519th anniversary celebration.

Financial support for traditional small town Papilė event, where the sculpture and memorial will be unveiled.

Financial support for organizing the celebration "I Smile for My Country" organized by Kalvarija Municipality Cultural Center.

Support for traditional Joniškis city Birthday party for citizens and guests.

Support for Tytuvėnai Regional Park Active Leisure Festival "Tytuvelo".

Financial support for the events dedicated to the 360th anniversary of the Grybėnai rural community.

Support for the summer closure celebration "Goodbye, Beautiful Summer" traditionally organized by Kazitiškis eldership.

Financial support for the purchase of playground equipment for the kindergarten "Sigutė" in the town of Krekenava.

Support for the Festival of Vocal Ensembles "Autumn Melody", which took place in Papilė town.

The Grand support for the organisation "Save the Children" - support for day care centers and families with difficulties.
We keep constant relations with the communities in our neighbourhood.

Each year we support various local projects or activities based on the discussion with community members.

**2019 contributions**

**in Russia:**

Support for Village Festival in Nurma.

Support for local library in Nurma with books and new camera.

Support for the kindergarten in Nurma with summer repair works and acquiring educational programs for the little ones.

Support local ambulant dispensary in Nurma with some furniture and computer.

Establishing sports grounds in Pochap school.

Repairing heating pipes in Tesovo.

We repaired a small bridge over the river in Tesovo.
Animal Welfare

In addition to all listed actions above, the ethical treatment of animals is one of our fundamental values.

Our work is based on the criteria of fairness, transparency, European and national legislation on animal welfare.

We carry out regular reviews and assessments of our activities to ensure top level animal welfare and efficiency of production.

Support for local families with disabled children in Luga by buying what they needed.

Support for local children sport teams in Ostrov with tickets to take part in all Russian youth athletic games.

We also bought football gates for Malaya Guba village.

Support for one of Ostrov schools with upgrading windows.

Support local kindergarten in Ostrov with new educational toys.

Support families with low income in Ostrov with some sets for kids.