

SUSTAINABILITY RELATED DISCLOSURES

Dasos Habitat Fund Ky (“Fund”), managed by Dasos Capital Oy (“Dasos”) has sustainable investments as its objective in accordance with Article 9 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088.

Summary

This financial product has sustainable investments as its objective.

The purpose of the Fund is to invest in a portfolio of natural capital assets (e.g. forests, water, peatlands and other ecosystems with significant environmental values), where it conserves environmental values and creates upside for new environmental benefits (such as climate change mitigation and biodiversity) on-site to achieve the preferred return. Revenues are achieved through the sale or lease of conservation, ecosystem and certification services, as well as further upside value creation activities during the holding period of the investment (e.g., sustainable forest management and harvesting and provision of non-timber products and services). Each asset targets a range of environmental benefits and financial returns, to ensure diversification and a selection of value creation opportunities.

To achieve these outcomes, the Fund invests in biological assets where conservation potential exceeds the opportunity costs of the current or possible site-use (e.g. production forestry), providing an opportunity to improve the biodiversity quality and quantity for buyers and society (i.e. additionality in benefits). In this manner, the Fund works with the private and public sectors to develop conservation finance markets that are compliant with the principle of additionality and the EU objective of achieving no net loss in biodiversity.

The environmental objectives of Article 9 of Regulation (EU) 2020/852, that the Fund contributes to, are the following:

- Climate change mitigation, and
- The protection and restoration of biodiversity and ecosystems.

The Fund has, as one of its environmental objectives, to reduce carbon emissions. The Fund does not have an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark under Title III, Chapter 3a of Regulation (EU) 2016/1011 as a reference benchmark. The Fund aims to ensure the continued effort of attaining the objective of reducing carbon emissions in view of achieving the objective of the Paris Agreement.

No significant harm to the sustainable investment objective

In order to ensure that the sustainable investments that the Fund intends to cause no significant harm to any environmental or social investment objective, the Fund takes into account the indicators for adverse impacts and ensures that the Fund’s investments in forest assets are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

PAIs 1 and 2 are at the core of the Fund's annual climate impact management and reporting. With regards to PAI 7, the Fund protects high conservation value forests. PAIs 7, 8, 10 and 11 are audited regularly. PAIs 3, 4, 5, 6, 9, 12, 13 and 14 are considered immaterial.

Sustainable investment objective of the financial product

The Fund may evaluate the additionality or upside environmental and social benefits created by the investments using the following impact indicators from the Global Impact Investing Network (GIIN) IRIS Metrics Catalogue, which are reported to investors:

- Greenhouse Gas Emissions: tonnes of carbon stored (climate mitigation value);
- Conservation Priority Characteristics: species and coastlines (resilience value);
- Protected and Restoration Management Area: habitat area; and
- Protected Land Adjacency: location of conserved sites (insurance value).
- Jobs Maintained and Revenue Generated; and
- Community Engagement Strategy

Investment strategy

The Fund invests in natural capital assets (e.g. forests, water, peatlands and other ecosystems with significant environmental values) (“Habitat Assets”), where the Fund conserves the environmental values and creates upside for new environmental benefits (such as climate change mitigation and biodiversity) on-site to achieve the preferred return. Revenues are achieved through the sale or lease of conservation, ecosystem and certification services, as well as further upside value creation activities during the holding period of the investment (e.g., sustainable forest management and harvesting and provision of non-timber products and services). Each asset targets a range of environmental benefits and financial returns, to ensure diversification and a selection of value creation opportunities.

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Dasos is committed to improve transparency of carbon reporting and has adopted concrete action to demonstrate this commitment.

Proportion of investments

It is planned that 100% of the Fund’s investments will be made in sustainable investments complying with internationally approved sustainability standards which cover environmental, social and economic indicators. These requirements also apply to companies providing forest management services.

Monitoring of sustainable investment objective

Independent third-party audits are regularly used to assess sustainability with regards to the sustainability standards of Forest Stewardship Council (FSC®) and/or Programme for the Endorsement of Forest Certification (PEFC®) principles and Voluntary Carbon Standard.

The carbon footprint report is prepared annually. The impact of investments on selected UN SDGs and targets, based on materiality assessment, is reported annually. The UN’s Principles of Responsible Investment (PRI) reports are published annually.

Methodologies

All investments by the Fund are made in accordance with the Investment Policy of the Fund which includes a number of sustainability principles and guidelines.

Fund’s methodology to measure how the social or environmental characteristics are met consists most importantly of monitoring and reporting. Monitoring and reporting are integral parts of the investment cycle. The Fund reports transparently on the general ESG principles and their implementation.

Data sources and processing

Data is received from independent third-party audits with regards to FSC® and PEFC® compliance, as well as from annual carbon footprint and SDG reporting.

Limitations to methodologies and data

There are no direct limitations to data, as all data is independently calculated.

Due diligence

Full-scale due diligence following established guidelines and procedures will be carried out both (a) in respect of a prospective investment and (b) in respect of the site management service provider intended to be in charge of the operational management of the assets.

Engagement policies

It is ensured that good governance practices are followed by setting clear expectations for business partners with respect to transparency and accountability around sustainability aspects.

Attainment of the sustainable investment objective

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.