

# **DASOS CAPITAL OY**

# **REMUNERATION POLICY**

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## **1. INTRODUCTION AND PURPOSE**

The purpose of this Remuneration Policy of Dasos Capital Oy (Dasos) is to ensure common, uniform and consistent application of the provisions on remuneration in the Annex II of Directive 2011/61/EU of the European Parliament.

Dasos has noted in its remuneration principles to the extent applicable the following regulations and guidelines:

- provisions of the Act on Alternative Investment Fund Managers (AIFM) (162/2014) on the remuneration system,
- the Decree of the Ministry of Finance on remuneration schemes for alternative fund managers (229/2014),
- the regulation of the Mutual Funds Act (48/1999) on the remuneration policy;
- the regulation on sustainability-related disclosures in the financial services sector (2019/2088/EU); and
- guidelines issued by the Finnish Financial Supervisory Authority (FSA) and European Securities Markets Authority (ESMA).

The business objective of Dasos is to successfully manage alternative investment funds in the best interest of the investors and in accordance with the risk and investment policies, and to offer investors attractive long-term returns by creating a diversified investment portfolio consisting of different investment instruments and asset classes, which relate to timberland, forest and wood products, wood processing, natural capital or other real assets.

## **2. PRINCIPLE OF PROPORTIONALITY**

Dasos has taken into consideration the principle of proportionality in the sense that an AIFM shall comply with the principles stated in the AIFM Directive in a way and to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

Following the requirements of the Finnish AIFM Act and related regulations regarding remuneration, it is appropriate to make use of the principle of proportionality when considering the characteristics in developing and implementing remuneration policies and practices that take into account operational risks and provide appropriate and effective incentives for staff.

## **3. IDENTIFIED STAFF**

The remuneration system is applied to groups of staff that due to their professional actions, have an essential impact on the risk profile of Dasos or on an investment fund managed by it (Identified Staff).

The following persons are considered as Identified Staff:

- members of the board of Dasos,
- the CEO,
- the investment directors, and
- staff within control functions, i.e. risk management and compliance.

## **4. REMUNERATION PRINCIPLES**

The remuneration principles are in line with Dasos business strategy, objectives, values and investment strategy of the funds and correspond to Dasos long-term interest.

The aim of Dasos remuneration principles is to encourage and reward employees for operating in accordance with Dasos strategy on a long-term basis for the benefit of the company and its customers in accordance with applicable regulations.

The forest investment policy of Dasos funds emphasises sustainable development and responsibility. The identification and monitoring of sustainability risks are integral parts of the investment process of the management. The remuneration system does not encourage risk-taking that is inconsistent with the risk profile of Dasos or the fund it manages, and is structured in such a way that conflicts of interest can be avoided.

The remuneration system applied by Dasos encompasses a fixed remuneration and other taxable employee benefits (mobile phone, health benefits) provided by Dasos from time to time. The starting point for the overall remuneration of each employee is that the remuneration shall be reasonable considering an overall assessment of the employee's experience, position, duties and level of responsibility.

Fixed remuneration includes remuneration and salary that are not dependent on the person's individual performance or on Dasos financial result.

Good performance is flexibly compensated through bonus payments. Through bonus payments, Dasos strives to increase its employees' long-term commitment to the company and, therefore, bonuses are paid out on the basis of e.g. contribution to good team spirit and good performance, which contribute to the long-term interests of the investors and Dasos. The bonus payment system has been designed in a way which does not encourage excessive risk taking as the bonuses are not tied to the performance of Dasos or the Fund. The bonuses are not inconsistent with the risk profile or statutes of the Fund. The Board of Dasos decides on the bonus payments based on the CEO's proposals.

The Risk Management Officer is independent from the portfolio management function and does not have any individually agreed bonus schemes.

## **5. SUSTAINABILITY RISKS**

Dasos acknowledges the responsibility as investment adviser and manager towards climate change risks and other principal adverse impacts through the investment decisions that we make.

Dasos sees forest and natural capital investment as an environmentally and socially responsible activity that contributes to sustainable, low-carbon development while generating returns to investors.

Dasos is committed to an investment philosophy that integrates rigorous investment analysis with creation of innovative ways to create value from sustainable forest management and delivery of forest-based environmental services, such as carbon, biodiversity and landscape conservation, and forest-based wind energy. The investment philosophy is based on the following Natural Capital fundamentals: increasing forest volumes and forest cover; enhancing biodiversity and Nature; removing and stocking of atmospheric carbon in forest stand; and production of sustainable wood to replace fossils-based materials and energy. Forests are to be sustainably managed, according to internationally approved principles and criteria, or national principles and criteria compliant with the international certification systems.

Consequently, as Dasos investments are 100% sustainability themed, and sustainability and ESG concerns are integrated in all stages of the investment cycle, including due diligence process, Dasos has not implemented a separate remuneration of its staff regarding the sustainability risks, and any level or type of remuneration is not linked to the performance of sustainability-related targets.

**6. DECISION-MAKING, SUPERVISION AND REVIEW**

The Compliance Officer monitors once a year that the remuneration is applied according to the remuneration policy. The remuneration policy and the adherence thereof are subject to an annual review by Dasos compliance function and reported to the Board for approval and adoption. The Policy is available on Dasos website.