



ESG HIGHLIGHTS REPORT 2023

Reporting Period 1st January to 31st December 2023



Contents



01	About This Report	3
02	CEO Foreword	4
03	About Dalmore Capital	5
04	Portfolio at a Glance	7
05	Sustainability Outcomes	12
06	Dalmore's ESG Strategy	15
07	Our Approach to ESG Risk and Opportunity Management	19
08	ESG Metric and Targets	22
09	Reporting Under Regulatory Frameworks	35
10	Dalmore's Corporate Culture	37
11	Disclaimer	41



01 About This Report

This Report published in August 2024 is Dalmore Capital's ("Dalmore", "we", "us", "our") fifth Environmental, Social and Governance ("ESG") Highlights Report covering the period 01 January to 31 December 2023.

This document presents a summary of our portfolio, ESG Strategy and approach to ESG risk management, Sustainability Outcomes and our ESG metrics and targets in 2023 and should be read in conjunction with our standalone TCFD Report and Climate Policy which can be found on our [Website](#).



02 CEO Foreword

We are delighted to present our 2023 ESG Highlights Report. We hope that this document provides all our stakeholders with an overview of our ESG practices and how we are working to deliver our long-standing commitment to responsible investment; throughout the investment cycle, in engagement with our assets' management, and in our own culture and operations as a firm.

Dalmore's investment strategy is focused on core infrastructure projects which bring both direct and indirect positive socio-economic and environmental benefits, see section on Sustainability Outcomes.

Dalmore Capital Fund 4 reached final close in December 2022 with a follow-on investment in Cory, the largest Energy from Waste plant in London¹. The financing will enable the development of Cory Riverside 2, providing a vital waste management services diverting waste from landfill, utilising the river Thames to reduce road traffic, and providing source of local electricity supply to London, the South-East and East of England processing an additional 650,000 tonnes of non-recyclable waste and generating electricity to supply the equivalent of 176,000 homes. This is the second investment in DCF 4 alongside Porterbrook, one of the UK's leading rolling stock leasing companies.

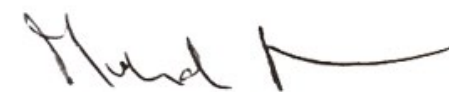
During 2023 Dalmore has remained focussed on portfolio performance optimisation and identifying opportunities to enhance value, primarily through follow-on acquisitions in existing portfolio assets. In Q4 2023 Dalmore acquired additional interests in seven schools projects in Northern Ireland, and in April 2024 completed the acquisition of a further stake in Agility Trains West rolling stock PPP. Dalmore continues to actively seek value accretive opportunities across its funds.

Having set new ESG priorities and developed specific targets and objectives from 2023 and beyond, this report provides a summary of our baseline/progress against these targets. We continue to develop our approach to climate-related risk in alignment with the recommendations of Task Force on Climate Related Financial Disclosures ("TCFD"); our targets and progress can be found on our website within our [TCFD Report](#) published in June 2024.

Looking forward to 2024 we will be implementing our Climate Policy Framework objectives, following the Institutional Investors Group on Climate Change (IIGCC) Paris-aligned Investment Initiative (PAII) Net Zero Investment Framework (NZIF) for infrastructure projects ([Guidance for infrastructure assets](#)). This policy framework has now been finalised and is available on our website, [Climate Policy Framework](#).

Our charitable fundraising committee has worked incredibly hard with the charity Maggie's ([maggies.org](#)) to organise a variety of activities with Dalmore employees raising over £50,000 for the wonderful cause.

We look forward to another successful year for the whole team, delivering on our ESG objectives, implementing our Climate Policy Framework to support our portfolio companies in transitioning to a low carbon economy and engaging with our stakeholders to deliver benefits to the communities which we serve.



Michael Ryan
Chief Executive Officer

¹ UK Energy from Waste Statistics – 2023 – Tolvik.



About Dalmore Capital

Dalmore is an independent fund manager that acquires, manages and holds infrastructure assets, to deliver long term value for investors, while benefiting all stakeholders.

03 About Dalmore Capital

Dalmore Capital Limited ("Dalmore") is an independent fund manager that provides institutional investors with access to lower volatility infrastructure assets. Dalmore has a long-term investment horizon with a buy-and-hold strategy, typically of 15 to 25 years.

Our projects inherently bring positive socioeconomic and environmental benefits, through the provision and ongoing operation of new and/or refurbished infrastructure assets that support the delivery of essential public services. Such assets include schools, hospitals and care facilities, housing, defence facilities, transport links, water and energy utilities, waste management and sustainable energy generation. Investing responsibly and paying due consideration to ESG factors is part of Dalmore's risk management strategy.

See the Sustainable Outcomes section for more detail.

We deliver:

- Low volatility infrastructure investments with resilient returns.
- Long-term stewardship over 15-25 year horizon.
- Essential public and environmental services (schools, hospitals, public buildings, emergency services, water and waste management) and renewable (windpower).

2009

Dalmore Capital Founded

43+

institutional investors

Offices in London and Edinburgh.

As of 31 December 2023.





Portfolio at a Glance

Dalmore's primary investment focus is in low volatility assets without significant exposure to GDP, traffic, usage or market price risk.

04 Portfolio at a Glance

Portfolio at a Glance

Dalmore's primary investment focus is in low volatility assets without significant exposure to GDP, traffic, usage or market price risk. Our geographical focus is primarily in the UK (93% of AUM), with non UK assets in Ireland, Continental Europe and Canada.

Our Assets Under Management (AUM) is over £5.7 billion via five flagship funds and associated co-investment vehicles. The assets within these funds can be distinguished as Public-Private Partnership (PPP)/Public Finance Initiative (PFI) assets and non-PPP assets.

£5.7bn

Assets Under Management

122

Portfolio Companies

Our flagship infrastructure funds:

- Dalmore Capital Fund ('DCF')
- PPP Equity PIP ('PIP')
- Dalmore Capital Fund 3 ('DCF 3')
- Dalmore Capital Fund 4 ('DCF 4')
- Dalmore Capital Infrastructure (DII)

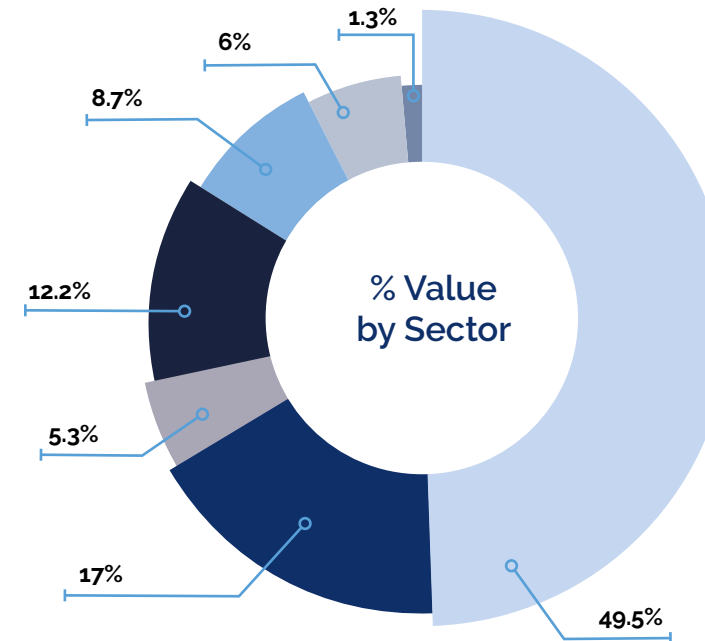


04 Portfolio at a Glance

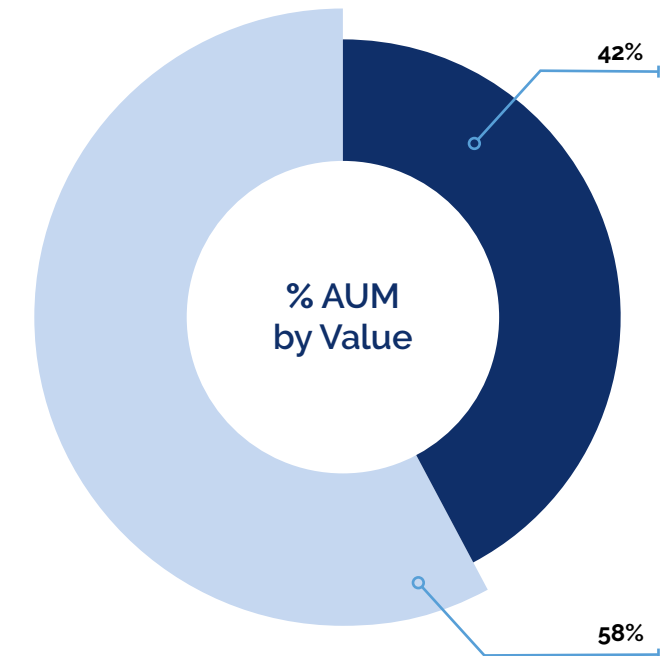
Asset Types Contained in Dalmore Funds

Fund	Fund Commitments	Primarily PPP	Primarily Non-PPP	Mix of PPP and Non-PPP
PPP Equity PIP	£534.4M	Yes		
DCF	£248.7M	Yes		
DCF 3	£950.0M			Yes
DCF 4	£138.0M		Yes	
DII	£440.0M		Yes	
Co Investments + other	£3,435.0M			

As of 31 December 2023.



- Water, Waste & Gas Utilities
- Transport
- Renewable Energy & Transmission
- Healthcare
- Education
- Justice, Defence & Emergency Services
- Social Infrastructure



- PPP
- Non PPP

% AUM by value based on portfolio fair value assessment December 2023

04 Portfolio at a Glance

2023 ESG Highlights

- Completed Climate Scenario Analysis across our portfolio which can be found in our [TCFD Report](#).
- Developed our [Climate Policy Framework](#).
- Undertook climate risk training across our business.
- Formalised our stewardship and engagement through our [Stewardship Policy](#).
- Three of our portfolio companies named Sector Leaders in GRESB infrastructure benchmark.
- Established and baselined, through our ESG survey, interim ESG KPIs and targets.

Portfolio company external awards and sector recognition²



Cadent

100/100 Network
Utilities Sector Leader



rating

Porterbrook

100/100 Transport
Sector Leader for the
third year in a row



rating

Cory Riverside

95/100 Waste treatment,
maintenance and operation
Sector Leader for fourth
year in a row



rating

² The GRESB Sector Leaders are the best performers by sector, region, and nature of ownership from across the GRESB Assessments. The entity with the top GRESB Score, as well as the entities with a score within one point of the top score in a category will be recognised as Sector Leaders.

04 Portfolio at a Glance

Key Affiliations
and Initiatives

Ongoing engagement with external bodies, working groups and initiatives, enables Dalmore to continually benchmark its performance, participate in the development of best practices, share knowledge, and collaborate with industry peers.



UNPRI 2023



UNPRI Signatory since 2013



Dalmore has voluntarily produced a TCFD disclosure since 2021. Dalmore now has a mandatory requirement to provide an annual disclosure consistent with the TCFD's recommendations



Member of Global Infrastructure Investor Association (GIIA) ESG Working Group



Infrastructure Projects Authority (IPA) Net Zero Working Group



Sustainability Outcomes

Dalmore's ESG Framework describes the key sustainability issues most relevant to both Dalmore and its portfolio. This Framework guides how Dalmore integrates and prioritises sustainability risks and opportunities, from pre-investment appraisal through to the active management of its assets.

05 Sustainability Outcomes

The United Nations Sustainable Development Goals (“SDGs”) are comprised of 17 high-level aims that together are driving global action toward sustainable development – alleviating poverty, increasing equality and opportunity, improving health, education, and environmental outcomes – by 2030.

Dalmore acknowledges that through its investments we have the potential to contribute to and shape positive outcomes by supporting and promoting the SDGs agenda. Whilst the core operations of our portfolio of infrastructure assets lend themselves to directly impact SDG 9: Industry, Innovation and Infrastructure, we believe that to varying extents, our assets also directly contribute to 5 additional SDG's. We have mapped our portfolio against the SDGs to identify where we materially contribute to the targets of the SDGs and their impact.

UN Sustainable Development Goals (SDGs)



05 Sustainability Outcomes



40 Healthcare Facilities

providing over 8,000 hospital beds as well as outpatient services



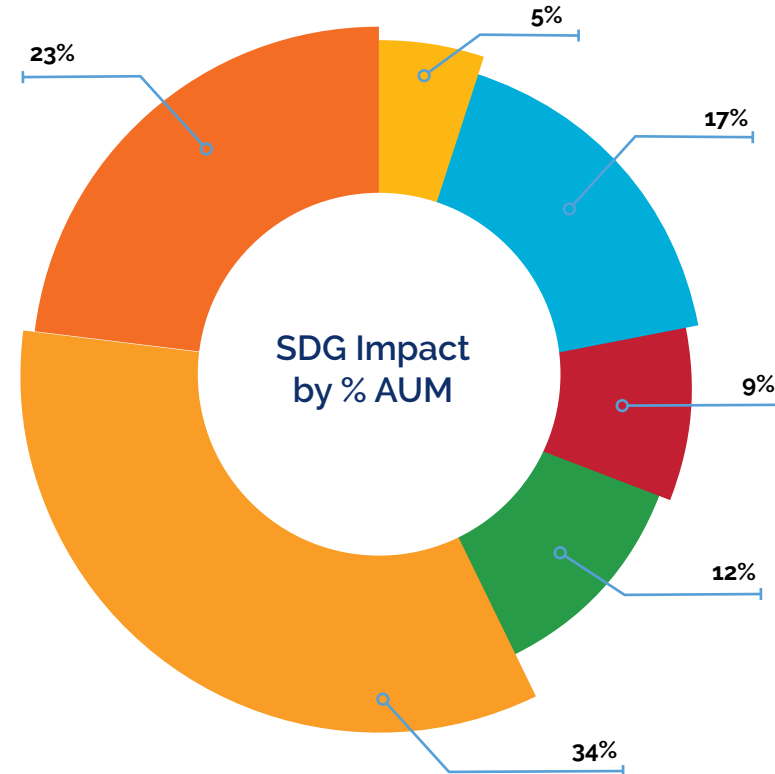
+200 Educational Facilities

providing over 204,000 school places for pupils.



4.3 Million People

Anglian Water supplies with high-quality drinking water, and collects used water from over six million people. Thames Tideway the 'super sewer' to stop tens of millions of tonnes of sewage polluting the Thames each year.



24 Windfarms

and 2 energy from waste plants across the UK with a total capacity of 1,866 GWh of electricity to power 476,000 homes.



Our investment strategy is 100% aligned to the development of quality, sustainable infrastructure that supports economic growth and brings wider benefit to communities.

Delivery of essential public services including

25 Police Stations and **45 Fire Stations.**



1,086,438 Tonnes

of non-recyclable from landfill. Servicing 11 road and rail networks.



Dalmore's ESG Strategy

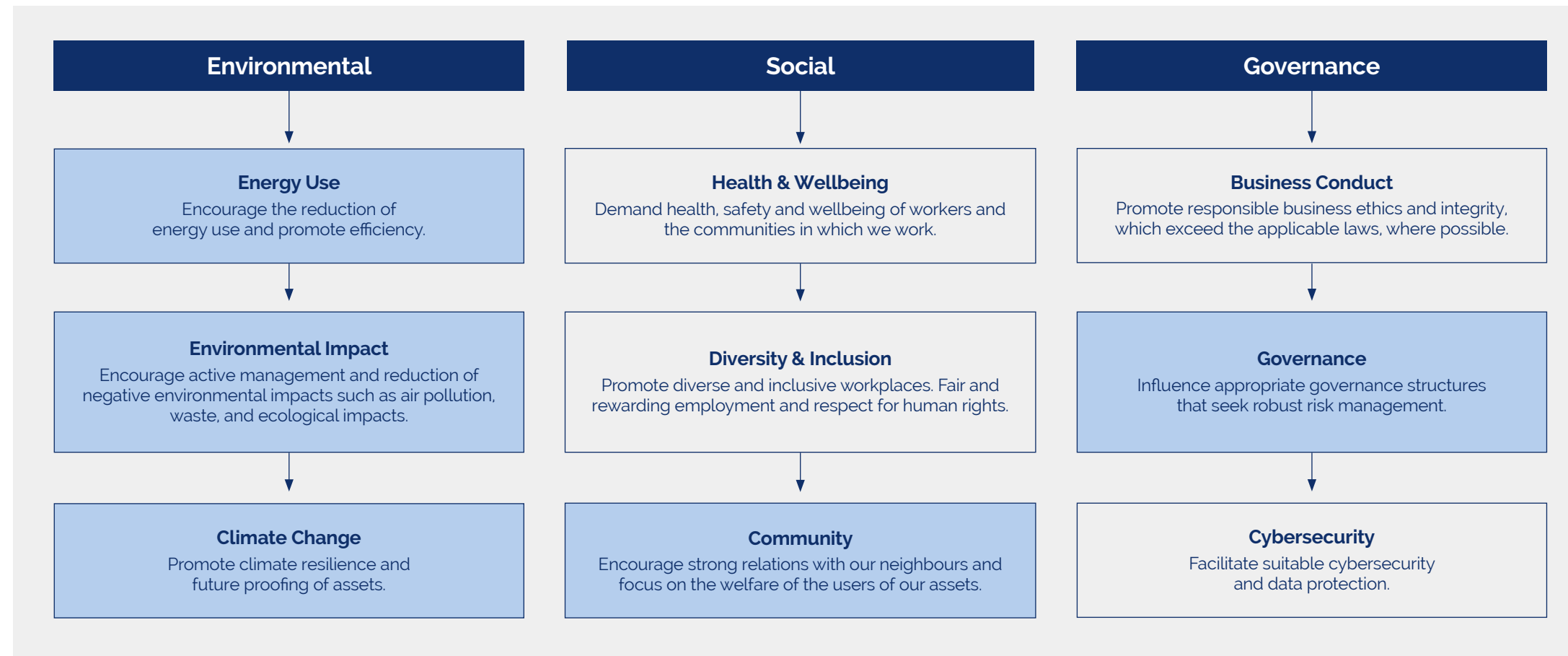
Dalmore established its ESG Framework to drive focus and structure in its investment approach by addressing material environmental and social issues to Dalmore and its portfolio.

06 Dalmore's ESG Strategy

We have set a number of KPIs and interim targets focusing on priority areas within our framework over the next 5 years in Energy, Environmental Impact, Climate Change, Community and Governance.

See ESG Metrics and Targets.

Dalmore undertakes an annual ESG survey across its portfolio companies to track the performance against key priorities areas within our ESG Framework.



Our Sustainability Governance

Our CEO provides strategic oversight and leadership on ESG matters within the firm at both the corporate and portfolio levels. Dalmore's senior management and Investment Committee (IC) also oversee and are responsible for responsible investment practice.

We have developed a number of key policies and governance processes to manage our ESG priorities, these are:

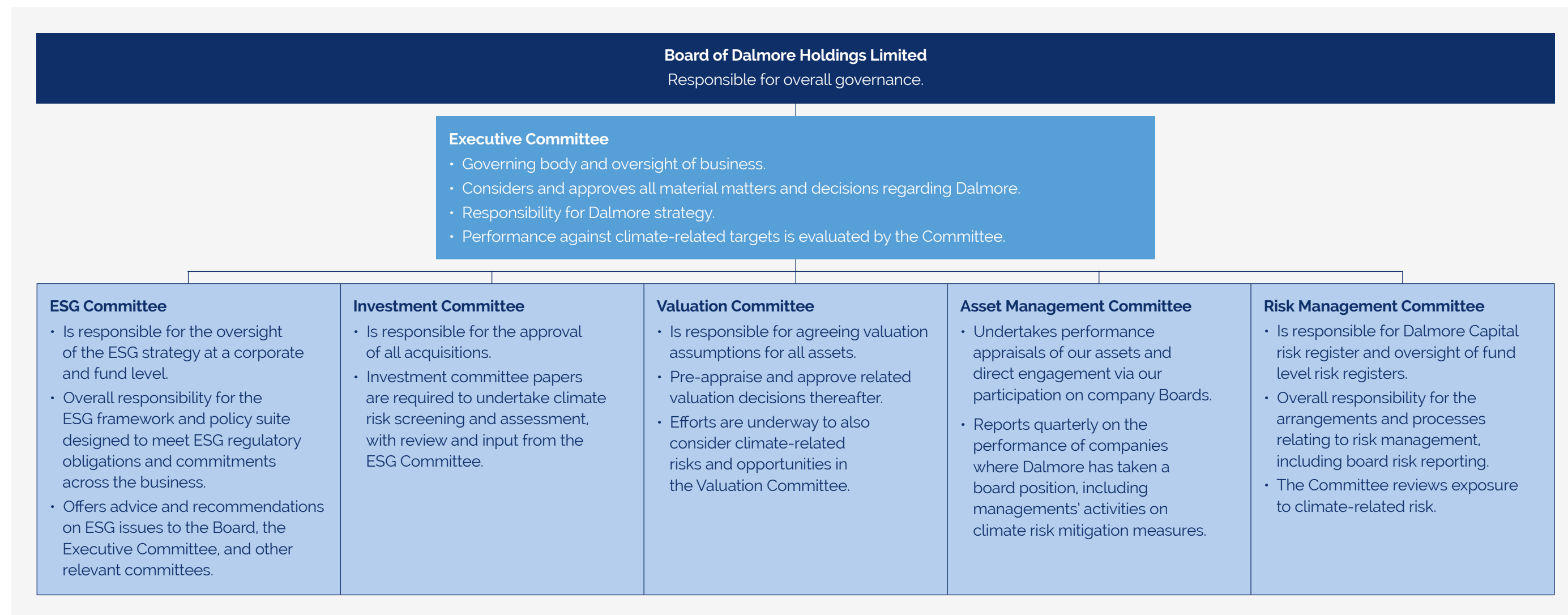
1. **Responsible Investment Policy** sets out how we consider and prioritise ESG risks and opportunities in every step of the investment cycle.
2. **Climate Policy Framework** outlines our approach to Net Zero and climate-related risk management.
3. **Stewardship Policy** outlines our approach to stewardship and engagement with our assets, investors and key stakeholders.

The ESG Committee oversees Dalmore's ESG-related activities, following the strategic objectives approved by the Board and the Executive Committee. The ESG Committee also gives advice and recommendations on ESG matters to the Board, the Executive Committee, and other relevant committees. The ESG Committee reports to the Board every quarter, giving comprehensive feedback on ESG-related issues across the business, covering compliance, performance, and strategy.



06 Dalmore's ESG Strategy

Figure 2: Dalmore Capital Organisational Chart³



³ As of 31 December 2023.



Our Approach to ESG Risk and Opportunity Management

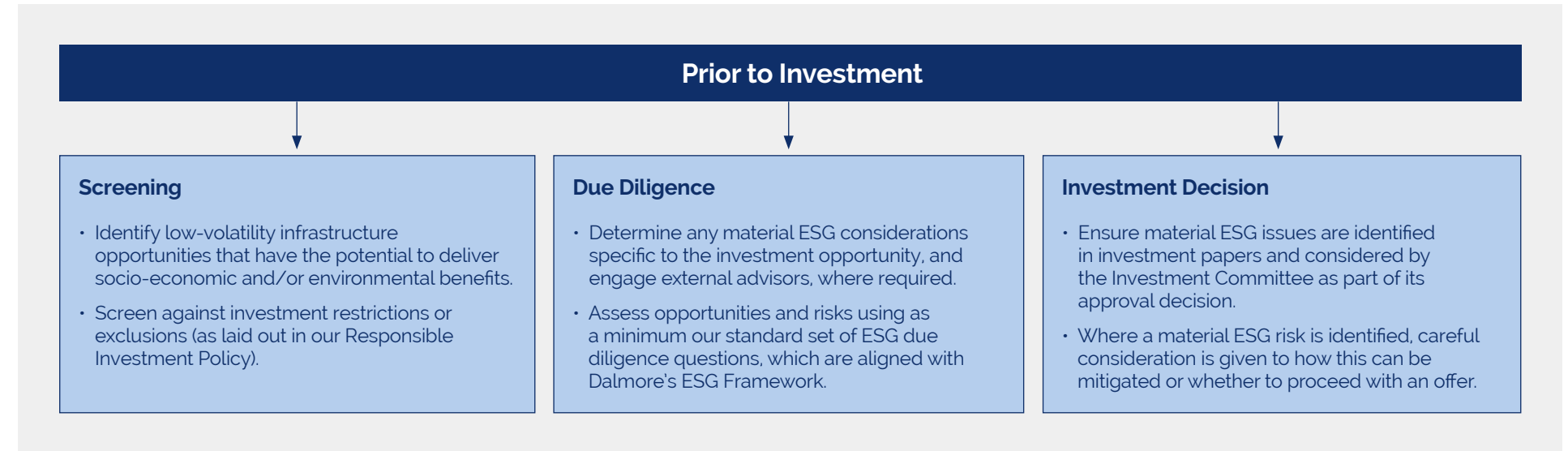
We consider material ESG risks and opportunities in new and existing investments. Dalmore has extensive experience and a diligent approach to managing more than £5.7 billion of institutional capital invested in essential infrastructure.

07 Our Approach to ESG Risk and Opportunity Management

Prior to investment

We consider material ESG risks and opportunities in new and existing investments. Dalmore has extensive experience and a diligent approach to managing more than **£5.7 billion of institutional capital invested in essential infrastructure.**

These investments contribute to economic growth and improve access to, and the provision of, public services. We believe that investing in assets with these social and environmental benefits can also enhance long-term returns.



07 Our Approach to ESG Risk and Opportunity Management

Active ownership

Dalmore is committed to using its shareholder and governance rights proactively as long-term custodians of the assets it invests in.

After acquiring an asset, Dalmore continues to focus on material ESG matters through the active and ongoing management of its assets. Where Dalmore controls an infrastructure asset, we make sure that the company implements relevant sustainability policies and standards. Where Dalmore has a minority investment, we usually obtain board representation and appropriate governance rights.

Our asset management team regularly engages with portfolio company management teams and, where appropriate, directly with stakeholder groups on material ESG matters to assess risks and opportunities and drive improvements. The asset management team also meets regularly to review infrastructure assets across funds, share best practice, and raise any significant issues.

An important tool used by the asset management team to monitoring asset performance is Dalmore's bespoke ESG survey, which is completed on an annual basis. The asset management team uses the results to identify trends, good practice, emerging risks and areas for improvement.

Our Asset Directors have a key role in managing assets. Whenever possible, they also have positions on the boards of the asset companies. This dual role gives them valuable insight and allows them to directly influence decision-making within the asset companies, further enhancing our overall oversight.

In 2022, we set up Resolis (a subsidiary company) to provide day to day management services to many of our PPP assets.





ESG Metric and Targets

Dalmore has established a set of core ESG targets and KPIs based on the findings of our ESG Survey and the main ESG objectives for our portfolio.

08 ESG Metric and Targets

Our portfolio consists of a variety of ownership structures and asset types where we have varying levels of operational control over the ability to implement specific measures. When setting our ESG priorities and the associated targets, we needed to be mindful of the differing ownership structures and asset types within our portfolios, the level of operational control Dalmore has, and the ability of the portfolio companies to implement specific measures.

Dalmore has chosen to focus on 5 priority areas over the next 2-3 years which target lower scoring elements of our bespoke ESG performance review. Short to medium term targets have been defined considering our operational control boundaries relative to PPP and Non PPP assets.



⁴ Assets in which Dalmore Capital only holds a debt interest and any assets which expired within the reporting period were not surveyed.

08 ESG Metric and Targets

ESG Framework Priorities	Short to Medium Term Target	Target Measures/Attainment Indicator
Energy Use	<ul style="list-style-type: none"> 50% of AUM with material energy consumption to have developed targets and energy reduction initiatives by 2025. 	<ul style="list-style-type: none"> % AUM with energy policy or energy reduction performance targets.
Environmental Impact	<ul style="list-style-type: none"> Identify material biodiversity risks and engage with portfolio companies on their biodiversity impact by 2024. 	<ul style="list-style-type: none"> # assets located in or near biodiversity sensitive areas. # of assets with robust risk assessments and mitigation measures to manage material biodiversity risks and opportunities identified.
Climate Change	<ul style="list-style-type: none"> Report Scope 1 and 2 emissions for 100% of AUM by 2024. 70% of AUM (by value) to report Scope 3 emissions by 2026. Undertake climate-related physical risk and opportunity screening for 100% of our portfolio by 2023. Share climate-related physical risk screening with 90% of AUM (by value) by 2026. Develop and adopt a Climate Policy Framework outlining our approach to Net Zero by 2024. 	<ul style="list-style-type: none"> % AUM (by value) providing asset level Scope 1, 2 and 3 emissions data. Climate related physical risk screening results. % AUM (by value) climate – related risks and opportunities discussed at board level. Policy adopted.
Stewardship and Engagement	<ul style="list-style-type: none"> Develop and adopt a Stewardship Policy in line with UK Stewardship Code by 2023 supporting our Climate Change priority objective. 	<ul style="list-style-type: none"> Policy adopted.
Communities	<ul style="list-style-type: none"> Supporting welfare of customers/clients and the local community. Enhance opportunities for voluntary activities and charitable donations linked to our assets by increasing engagement and commitments from 70% AUM (by value) by 2026. 	<ul style="list-style-type: none"> % AUM with annual budget/in kind commitment and/or formal stakeholder engagement plan.

08 ESG Metric and Targets

Energy Use

The majority of our portfolio have in place energy policies or targets to improve energy efficiency across their assets, demonstrating good progress towards alignment of our portfolio to implement policies and establish targets for assets with material energy consumption by 2026.

Initiatives to accelerate energy and environmental factors across our PPP assets are impacted by long term contracts and our Public Sector clients operational use of the asset. Through our concession contracts on PPP projects we are responsible for the maintenance of the building and building services. Engagement with our public sector client and building users and collective action between both parties is therefore key to achieving any initiatives. Our level of influence across our PPP assets at the portfolio company level to manage energy suppliers, energy use and lifecycle investment is governed by our responsibility for:

- Energy procurement: <10% of portfolio companies.
- Lifecycle risk: < 50% of portfolio companies.
- Energy volume risk: <1% of portfolio companies.

One area where we can have more impact is the replacement of LED lighting and the improvement of Building Management Systems (BMS) that control the heating and cooling in a building. For the first time in 2023, we asked our PPP portfolio companies to report on LED lighting installed and energy efficiency improvements (as per the minimum requirements in our contracts). We have not established targets for these KPIs, but we will keep track and monitor their progress. Most of the PPP projects where LED lighting has been partly retrofitted (including those with less than 50% currently installed) have stated they have a goal to achieve 100% retrofit of LED lighting by 2030.

Indicators	Units	PPP Assets		Non – PPP Assets	
		NB- % AUM in 2023	% of AUM Covered in 2023	NB- % AUM in 2023	% of AUM Covered in 2023
Assets with a policy or targets to improve energy efficiency	Nb/% AUM of Yes	84/112 – 86%	99%	6/7 – 97%	100%

Indicators	Units	PPP Assets	
		NB- % AUM in 2023	% of AUM Covered
Assets with an energy management system	Nb/% AUM of Yes	75/113 – 68%	99%
Assets with over 50% estimated LED installed across total lighting system	Nb/% AUM of Yes	38/105 – 37%	79%
Assets having carried out a Building Management System optimisation audit in the last 12 months	Nb/% AUM of Yes	40/87 – 33%	62%
Assets planning to undertake Building Management System optimisation audit in the next 12 months	Nb/% AUM of Yes	19/87 – 16%	62%

08 ESG Metric and Targets

Biodiversity

Dalmore's Biodiversity objective for 2023 was to establish a baseline of the portfolio's potential impact on biodiversity sensitive areas. Portfolio companies were asked to identify whether assets were located in or near biodiversity sensitive areas, and if so whether potential impacts have been identified and mitigation measures put in place.

Five of our non PPP portfolio companies, given their geographic breadth (large utilities such as Anglian Water and Cadent have multiple infrastructure sites spread out over large areas), are located in or near biodiversity sensitive areas⁵ and their activities have the potential to negatively impact biodiversity without proper mitigation.

Indicators	Units	PPP		Non – PPP	
		NB- % AUM in 2023	% of AUM Covered in 2023	NB- % AUM in 2023	% of AUM Covered in 2023
Assets located in or near biodiversity sensitive areas	Nb/% AUM of Yes	11/107 – 18%	86%	4/7 – 68%	100%
Assets having robust assessments and mitigation measures to manage biodiversity risks (e.g. a Landscape Management Plan, a Habitat Protection Plan or a Biodiversity Action Plan)	Nb/% AUM of Yes	6/11 – 60%	100%	4/4 – 100%	100%

⁵ 'Biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas.

08

ESG Metric and Targets

Case Study – Anglian Water

Biodiversity net gain targets – Anglian Water

In line with DEFRA methodology for calculating biodiversity net gain⁶, Anglian Water measure and report in biodiversity units rather than hectares. Anglian sets a 10% biodiversity net gain target connected to their capital delivery programme which means that any habitats impacted by their construction and land management activities will see replacement habitats of least 110% by 2025.



Case Study – Cadent

Commitment to accreditation to the Wildlife Trust Biodiversity Benchmark – Cadent

Cadent implements Biodiversity Action Plans where relevant in planning applications for Capital delivery/Energy Operations sites. This often includes protected species such as Great Crested Newts, Badgers, Voles, Water Voles and Nesting Birds. Cadent's Planning and Consents Team will also arrange and submit landscape management plans and ecology reports. In 2022/23 Cadent instructed ecologists to conduct 41 baseline ecology surveys using the DEFRA Biodiversity Metric 3.0 methodology which aims to achieve ecological enhancement of areas impacted by ground works. In addition to planning and legal obligations Cadent have made a commitment to become accredited to The Wildlife Trust Biodiversity benchmark across their key sites by 2026.

⁶ Calculate biodiversity value with the statutory biodiversity metric – GOV.UK (www.gov.uk).

08 ESG Metric and Targets

Case Study – Cory

Redevelopment of Barking WTS – Cory (energy from waste)

The redevelopment project at Cory's Barking Waste Transfer station will achieve 197% net gain in Hedgerow Biodiversity Units through planting across the front of the site, and will create an additional 598m² of intertidal mud flat underneath the floating wharf, a priority habitat.



08

ESG Metric and Targets

Case Study – Tideway

Enhancing nature at Barns Elms – Tideway

Tideway, London's super sewer, began working on the above ground works and landscaping associated with kiosks and raised shafts as it neared the final stages of construction at the end of 2023. The Barns Elms site was Highly Commended in the CIRIA BIG Biodiversity Awards 2023. The kiosk is located in a wooded corner of the playing fields near the confluence of the Thames and the Beverly Brook in a Site of Importance for Nature Conservation (SINC). In addition to Barns Elms, on the roofs of some of the above-ground structures Tideway have begun to install extensive biodiverse roofs, extensive sedum green roofs and extensive native wildflower biodiverse green roofs. Once construction is complete, Tideway will have installed 753m² of habitat on the roofs of these structures, which is equivalent to nearly three tennis courts. The type of roof and the species planted have been tailored to their location and maintenance requirements with plants that are attractive to pollinators



08 ESG Metric and Targets

Climate Change

Dalmore has published a standalone TCFD Report covering the period January to December 2023 against the TCFD recommended disclosures in accordance with the requirements of the Financial Conduct Authority (FCA). For full detail of our climate disclosures and associated climate data please see our [TCFD Report](#). Our approach to Net Zero and our portfolio targets has been outlined in our [Climate Policy Framework](#). A summary of our progress in 2023 against our key targets and objectives is provided.

Climate Change Targets	Progress
100% of AUM (by value) reporting or providing emissions data for Scope 1 and 2	98% in 2023 compared to 96% in 2022. Our financed emissions disclosures can be found in our TCFD Report.
70% of AUM (by value) to report or provide spend based data for Scope 3 emissions.	66% in 2023 compared to 46% in 2022. Our financed emissions disclosures can be found in our TCFD Report.
Undertake climate-related physical and transition risk and opportunities screening for 100% of our portfolio by 2023.	Completed in 2023. Our approach and analysis is outlined in our TCFD Report.
Develop and adopt a Climate Policy Framework approach to Net Zero by 2024	Policy completed and adopted. See our Climate Policy Framework.
Review climate-related risk screening with 90% of AUM (by value) by 2026 1. Portfolio Companies to assess their unique climate risks and discuss these risks at the board level. 2. Ensure these risks are reflected in the organisation's risk register.	New target established 2023 Baseline: 60% ⁷ AUM boards have discussed and reviewed climate risks 61% of AUM incorporated climate risks in project risk register

⁷ As reported by Portfolio Companies through our annual ESG Survey.

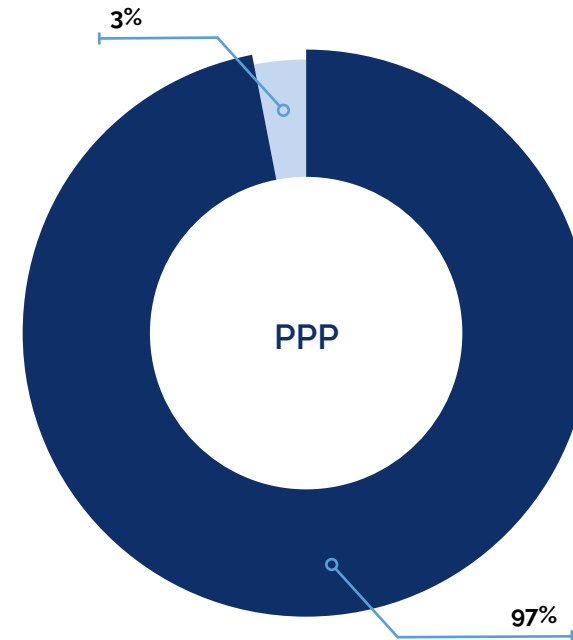
08 ESG Metric and Targets

Communities

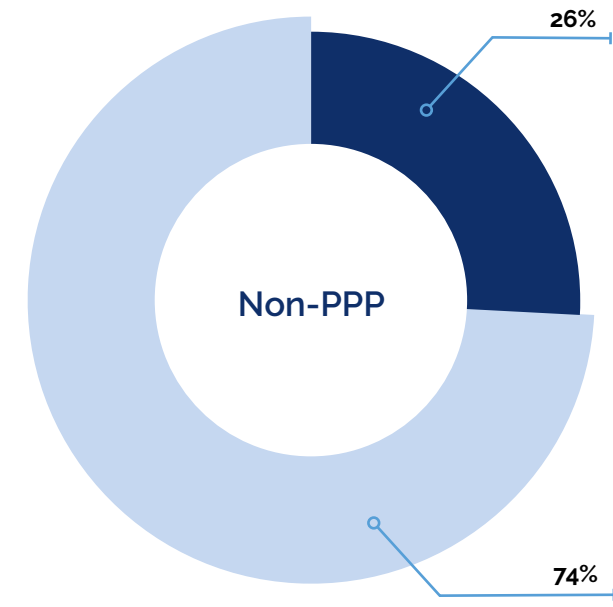
In 2023 we introduced a new objective for our portfolio to formally embed community/stakeholder engagement and support the welfare of customers/clients and the local community. Our aim is to track and enable the enhancement of opportunities for voluntary activities and charitable donations linked to our assets by increasing engagement through more formal commitments. We have set a target for 70% AUM (by value) to have implemented policies by 2026.

Our non-PPP assets have a legacy of supporting community initiatives and contributed over £300,000 to community projects in 2023. Our objective is to formalise these commitments through implementation of dedicated policy and requirement to set an annual budget.

Share of AUM by value with formal board commitment and/or annual budget for local environmental and community initiatives and engagement in 2023.



● Yes
● No



● Yes
● No

08 ESG Metric and Targets

Case Study – Porterbrook

Porterbrook completed the second instalment in 2023 of a £2.5m, five-year sponsorship deal with the National Railway Museum for its 'Railway Future's Gallery' which is planned to open in 2025. It will be a multi-dimensional and interactive experience, which explores and imagines the role of the railway in the transport system of tomorrow.

Case Study – Tideway

Tideway's "Our Space Award" in collaboration with Groundwork London, supports communities to green their local environment. This is the second and final year of this investment (it will complete in February 2024) which supports 35 'neighbourhood greening' projects across 18 London boroughs.

This includes 18 projects in boroughs along the route of the tunnel. The mid-year report showed that more than 26,000m² of land has been improved, more than 800 trees have been planted and more than 2,000 volunteers involved. This investment includes reinvested savings from Tideway's sustainable financing framework which links reduced interest on Tideway's debt with delivering legacy commitments.

08 ESG Metric and Targets

Case Study – Scot Roads Partnership Holdings Limited

Scot Roads Partnership Holdings Limited which manages our investment in the M8 road, operates a Good Neighbour Fund to provide grants to local charities and interest groups, and has contributed a total of £10,650 in 2023 to local community fund raising initiatives including, Blantyre Miners Welfare Community Garden, Glenboig Community Garden, The Fighting Scots Gym, Mossend, Bellshill, Salvation Army – Christmas Toy Appeal, Blantyre Soccer Academy, Gartcairn Girls U-15 Football Team, and Community Mural painting at Spindlehowe Pedestrian Underpass.

Total reported voluntary donations from portfolio companies to local environmental and/or community initiatives.

Financial donation amount by PPP responding assets

£334,685

2023 Contributions

£319,688

Budgeted Contributions 2024

08 ESG Metric and Targets

Case Study – Tideway and Cory Riverside

Our portfolio companies Tideway and Cory Riverside both completed social value assessments in 2023 to highlight the wider social value and impact that infrastructure projects can bring to communities.

Cory has estimated that in 2023 (based on available data), the Riverside 2 project has created at least £20 million of social value to date. This is based on full time jobs created, apprenticeship opportunities provided and training hours delivered.⁸ Throughout design and construction, it has embedded the concept of social value, establishing core legacy commitments that formed part of its original development consent. Tideway's approach to measuring social value has been to quantify and capture the social value generated over and above their legally binding legacy baseline commitments, demonstrating and how they maximised social value throughout the projects development. Further details can be found in Tideway's full [Social Impact Report](#).

Dalmore took part in the Major Projects Social Value Forum, hosted by Tideway, attendees heard about the key findings from the report detailing the impact of Tideway's legacy programme – as well as the challenges for (and the future shape of) social value assessment for major projects.



Not all social value is delivered from public money. Much of it is privately funded and that money often comes from pension funds and those fund trustees and pensioners want to know what their money is being invested in, so reports like this are really important."

Dalmore Capital Limited

⁸ Cory 2023 Sustainability Report. Social value calculated using Thrive Impact Evaluation Standard (IES).



Reporting Under Regulatory Frameworks

The UK Sustainable Disclosure Regulations (SDR) coming into force in 2024 will initially focus on Anti-greenwashing measures applicable to all FCA regulated entities and product labelling for investment products.

09 Reporting Under Regulatory Frameworks

Dalmore has reviewed its policies and processes to ensure compliance with the anti-greenwashing requirements.

Our existing funds do not fall within the labelling regime requirements, but we will continue to monitor FCA's ongoing consultation and sequencing of SDR requirements over the coming year.

In accordance with the FCA requirements Dalmore published on its website its TCFD disclosure in June 2024.

Dalmore's portfolio and funds are not subject to entity or product level disclosures (out of scope) under the European Sustainable Financial Disclosure Regulations (SFDR). However, we continue to monitor through our annual survey Principal Adverse Impact indicators. This information is made available to our investors on request at a fund level.





Dalmore's Corporate Culture

At Dalmore we are committed to delivering positive impacts through everything we do: with our employees, our local communities, and the environment.

10

Dalmore's Corporate Culture

We aim to develop a corporate culture that enables our Employees to work together towards a collective goals, including supporting local communities and their shared interests. Employee interaction and team-building is key to our success. Each year Dalmore consults its employees to identify a charity with which to work with over the course of the year to focus our fundraising efforts.

Fundraising

Throughout the course of 2023, Dalmore supported Maggie's, a charity which provides free expert care and support to anyone with cancer and their families in centres across the UK and online.

Including gift aid, Maggie's received over £50,000 through our employee's generosity, fundraising efforts and matched funding from Dalmore.

Employee-led events included a "Go Outrageously Orange for Maggie's" day where employees dressed up in orange and baked their best orange themed treats and a virtual steps challenge where teams of employee's competed to be the first to cover the distance between five Maggie's centres in Glasgow, Forth Valley, Newcastle, Yorkshire and Merseyside.

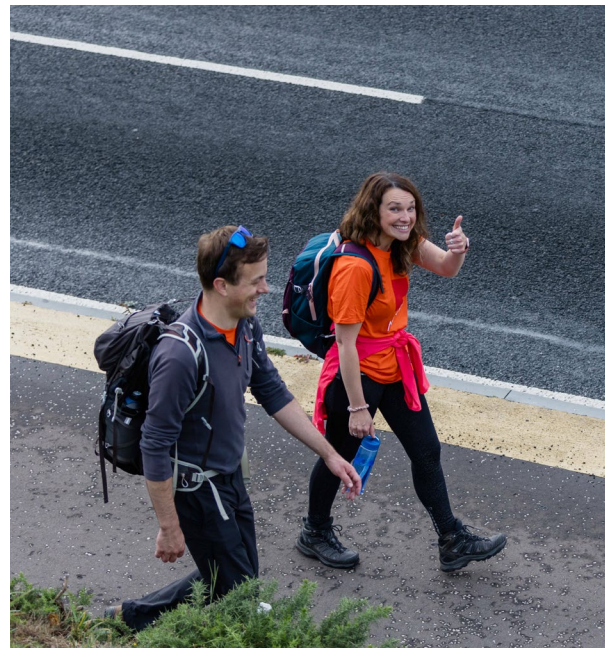
In addition, Michael Ryan, CEO, was inspired to participate in the Gran Fondo cycling challenge as part of Maggie's involvement in the UCI Cycling World Championships. Michael cycled for almost 11 and a half hours between two Maggie's centres – Forth Valley hospital and Freemans hospital in Newcastle, covering a distance of nearly 300km in one day.

In September 2023, 21 Dalmore employees completed a 29 mile walk between Maggie's Kirkcaldy and Maggie's Edinburgh, walking the scenic Fife coastal route and crossing the iconic Forth Road Bridge. Walking together for over 10 hours, enabled employees to spend valuable time connecting while raising much needed funds for Maggie's. Upon reaching the finish line, Dalmore were welcomed by the Maggie's team who gave a tour of the centre and shared information on the care and support provided by the charity.



10

Dalmore's Corporate Culture



Volunteering

All employees are provided with two paid days per year to volunteer at a charity of their choice. These days can be used in a flexible manner to provide as many volunteering opportunities as possible. In addition to employees undertaking their own volunteering, Dalmore has organised volunteering opportunities at Kids Love Clothes, a charity that collects pre-loved children's clothes and at Dignity Boxes, who provide free toiletries to those in need. In addition, Dalmore employees continued to provide their expertise in the form of mentoring and interview assistance to students with the Social Mobility Foundation.

10 Dalmore's Corporate Culture

Donations

Employees are able to take advantage of tax-efficient charitable giving through the Charities Aid Commission's Give-As-You-Earn scheme. In addition, Dalmore matches employees' individual charitable fundraising efforts up to £1,000 per employee per year. These donations and matched giving are in addition to the fundraising programme.

Personal and Professional Development

All Dalmore employees are provided with access to personal and professional development through a variety of means, including online training and in person training, either 1:1 or group sessions. Employees are encouraged to consider what personal development they require to allow individuals to steer their own career development as encouraged and supported by line managers and the leadership team.

All employees at Dalmore are required to attend compliance training on an annual basis, including information on ESG expectations. In addition, internal sessions and team meetings have given employees the opportunity to learn more about the direction of our own internal ESG strategy and how each individual role has a part to play.

Sustainable Transport

We provide two sustainable transport salary sacrifice options for employees. Firstly, our cycle-to-work scheme provides not only a tax efficient programme for employees to purchase bicycles for commuting to/from work but also encourages employees to cycle, improving health and wellbeing. Secondly, we provide a salary-sacrifice scheme for leasing electric vehicles, with the aim to reduce our scope 3 emissions.



Disclaimer

11

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Enquires

For all enquiries please contact our Investor Relations team via investor.relations@dalmorecapital.com



LONDON

Mortimer House
37-41 Mortimer Street,
Fitzrovia,
London,
W1T 3JH

EDINBURGH

Caledonian Exchange
19A Canning Street,
Edinburgh
EH3 8EG



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