

DALMORE CAPITAL

Stewardship Policy

OCTOBER 2026



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Stewardship Policy	
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1. INTRODUCTION

As defined by the Financial Reporting Council (FRC):[1]

"Stewardship is the responsible allocation, management and oversight of capital to create long-term sustainable value for clients and beneficiaries."

Dalmore Capital Limited ("Dalmore," "our," "us," or "we") believes effective stewardship is fundamental to delivering long-term value: it strengthens investment decision-making, helps us manage risks and opportunities, and supports the systems on which future value depends.

From 1st January 2026, the UK Stewardship Code 2020 was replaced by the UK Stewardship Code 2026,[2] which raises expectations for transparency, accountability and the integration of stewardship into investment practice.

Dalmore is not a signatory in its own right. Royal London Asset Management (RLAM), of which Dalmore forms part, has been a signatory since the Code's inception, and Royal London Mutual Insurance Society (RLMIS) holds signatory status as an asset owner. We draw on that group expertise in developing our own practices. Following Dalmore's acquisition by Royal London in 2025, Dalmore's stewardship activity will be reported within RLAM's UK Stewardship Code reporting from the 2026 reporting year. Dalmore's own stewardship disclosures are listed under Dialogue with Clients and/or Beneficiaries below.

This policy outlines Dalmore's approach to fulfilling our stewardship responsibilities. It is structured around the UK Stewardship Code's (2026) updated disclosure requirements for asset managers:

- Organisation, investment beliefs and stewardship approach
- Governance and resources
- Policies, processes and review
- Conflicts of interest
- Dialogue with clients and/or beneficiaries

Appendix 1 provides an overview of Dalmore's alignment with the 2026 UK Stewardship Code principles for asset managers.

[1] *https://media.frc.org.uk/documents/UK_Stewardship_Code_2026.pdf*
[2] *https://media.frc.org.uk/documents/UK_Stewardship_Code_2026.pdf*

2. SCOPE OF POLICY

Dalmore's Stewardship Policy sets out our commitment to responsible investment and active ownership. It defines how we integrate material climate-related and sustainability-related risks and opportunities ("Material Sustainability Issues", as defined in our Responsible Investment Policy, which focuses on issues material to the financial performance and resilience of an asset while also having regard to the asset's impacts on people and the environment) into both investment decision-making and asset management practices. In this Policy, "clients" means Dalmore's investor clients. The public sector counterparties to public-private partnership (PPP) and private finance initiative (PFI) contracts, to whom our portfolio companies deliver services, are referred to as "public sector clients".

This Policy is approved by Dalmore's Executive Committee under authority delegated by the Board, following review by the Sustainability Committee, and applies to all assets under management. Where Dalmore holds a minority position, or where pre-existing contractual arrangements limit its ability to influence an asset, Dalmore applies this Policy so far as is reasonably practicable and uses the governance rights available to it. Compliance is mandatory for all employees involved in investment and asset management activities. This policy should be read in conjunction with our broader policy framework, including our Responsible Investment Policy.

3. OUR INVESTMENT BELIEFS AND STEWARDSHIP APPROACH (CODE DISCLOSURE A)

3.1 INVESTMENT STRATEGY

Dalmore acquires, manages and holds essential infrastructure assets for the long term on behalf of our institutional investor clients. We manage circa £5.7 billion in Assets Under Management (AUM) across five flagship funds and associated co-investment vehicles, focused on Core Infrastructure in the UK, Ireland, Continental Europe and Canada, and on low-volatility assets largely insulated from the economic cycle. With a typical holding period of 10 to 15 years, our buy-and-hold approach reflects a commitment to long-term value creation for our investors and stakeholders.

Our clients are exclusively institutional investors — principally pension schemes, insurers and other long-term asset owners — predominantly UK-based, with the remainder in continental Europe, North America and Asia-Pacific. Approximately 61% of our AUM is invested in Core Infrastructure and 39% in public-private partnership (PPP) and private finance initiative (PFI) assets. All of it is managed directly and actively by Dalmore: we allocate no capital through external managers and hold no index-based investments.

This profile shapes our approach to stewardship. Our influence is exercised through concentrated, long-held positions with direct governance rights, rather than through voting across a diversified listed portfolio. Stewardship is therefore operational rather than an overlay: it is discharged by the investment and asset management professionals who hold those rights and manage the assets day to day, supported by the Sustainability Function, rather than by a separate stewardship team. Because our holding periods are long, the consequences of stewardship decisions fall on the same investors, over the same horizon, as the investment decisions themselves.

3.2 COMMITMENT TO STEWARDSHIP

We adopt a pragmatic, purpose-driven approach to responsible investment — anchored in our fiduciary duty to act in our clients' best interests while delivering tangible, real-world outcomes. Stewardship is a fundamental pillar of that approach: through active ownership it underpins our commitment to creating long-term value and sustainable outcomes for our clients and beneficiaries.

We have been a signatory to the UN Principles for Responsible Investment (PRI) since 2013 and have integrated the PRI's principles into our investment approach throughout that period.

Through active ownership and engagement, stewardship enables us to identify, assess and influence Material Sustainability Issues that affect the performance, resilience and long-term success of our investments.

3.3 VALUES

Three core values shape our culture and how we exercise stewardship:

- **Integrity** – honesty, transparency and the highest standards of ethical behaviour. In stewardship, this means reporting outcomes to clients as they are, including where engagement has not achieved what we intended.
- **Agility** – adapting quickly and responding to change. In stewardship, this means acting on issues as they emerge at asset level rather than waiting for an annual cycle.
- **Partnership** – long-term relationships built on trust and shared purpose. In stewardship, this means working with co-shareholders, portfolio company boards and public sector clients to reach outcomes we cannot achieve alone.

4. GOVERNANCE AND RESOURCES (CODE DISCLOSURE B)

Dalmore's Board of Directors and Executive Committee hold ultimate responsibility for the firm's governance: defining the organisational structure, assigning accountability, overseeing risk management systems, implementing internal controls and making strategic decisions in the best interests of the firm and its stakeholders.

Dalmore is RLAM's dedicated infrastructure capability, owned by RLAM and managed at arm's length. Dalmore sets its own stewardship standards, which this Policy sets out. Our engagement priorities have regard to the engagement focus areas Royal London establishes for its asset managers, and take account of RLAM's Net Zero Stewardship Programme where our portfolio exposure overlaps. As a Tier 1 manager within the group, Dalmore is subject to Royal London's Responsible Investment and Climate Change (RICC) Asset Manager Oversight Framework, under which our stewardship approach and outcomes are reviewed; the operational requirements of the framework are recorded in Dalmore's sustainability procedures manual.

Ultimate accountability for stewardship rests with Dalmore's Board. Oversight of how stewardship is exercised sits with the Asset Management Committee, which reviews asset performance and engagement outcomes and ensures portfolio companies are identifying, assessing and managing Material Sustainability Issues. The Sustainability Committee meets quarterly and reports directly to the Board. It oversees the policy framework within which stewardship is exercised, monitors compliance with it, and oversees the integration of climate-related and sustainability considerations into asset management. It is chaired by the Sustainability Director, includes representatives from key business functions, and the Chief Executive Officer serves as the Board's representative on it. The Investment Committee considers the Material Sustainability Issues identified in due diligence when approving an acquisition, and those issues form the initial engagement agenda for the asset. Because our investment and asset management teams share members, those who conducted the sustainability due diligence remain involved in stewarding the asset after completion. Together these committees embed stewardship at every stage of our funds' operations, from formation to exit.

4.1 STEWARDSHIP RESOURCING AND RESPONSIBILITIES

Dalmore's dedicated sustainability resource comprises the Sustainability Director and the Resolis ESG Manager, both full-time on sustainability and stewardship, supported by the asset managers who hold Dalmore's governance rights on each asset and by external advisers where specialist input is required.

Day-to-day stewardship is delivered by the following roles:

- **Asset Management Team:** primary owners of stewardship for each asset in their portfolio, responsible for engagement with portfolio companies as set out below and for delivering the mitigation actions identified at acquisition, which form the asset's initial engagement agenda.
- **Dalmore-appointed directors:** exercise Dalmore's governance rights on portfolio company boards, including on sustainability matters. These appointments are usually held by the asset manager responsible for the asset, so stewardship is exercised directly by the person managing it.

- **Sustainability Function, led by the Sustainability Director:** sets sustainability priorities for engagement; leads sustainability due diligence at acquisition in partnership with the Investment Team; runs and annually reviews asset-level sustainability assessments covering climate-related and wider sustainability risks and opportunities under our Climate Strategy and, from 2027, our Sustainability Strategy; supports asset managers on Material Sustainability Issues; maintains the central portfolio-wide record of Material Sustainability Issues and stewardship actions; and reports to the Sustainability Committee and under Royal London's RICC Asset Manager Oversight Framework. The Head of Investor Relations sits within the Function and provides its line management.
- **Investor Relations:** owns dialogue with investor clients on stewardship — responses to investor queries and questionnaires, the quarterly reporting cycle, annual investor feedback sessions and Investor Day — as described under Dialogue with Clients and/or Beneficiaries below. The Sustainability Function owns the stewardship content of investor reporting and disclosures.
- **Investment Team**: accountable for sustainability due diligence on each prospective investment and for identifying the resulting mitigation actions, which the Asset Management Team delivers after completion; members shared with that team carry the knowledge into the stewardship of the asset.
- **Resolis[3] ESG Manager:** leads the annual ESG Survey and engagement on Resolis-managed assets.
- **Regulatory & Compliance Manager:** oversees regulatory alignment of stewardship disclosures.

4.2 WHAT ASSET MANAGERS ARE REQUIRED TO DO

For each asset they are responsible for, asset managers must:

- **Own the asset's Material Sustainability Issues and keep the assessment current:** confirm the issues identified through the asset-level sustainability assessment, and any further issues surfaced by the annual ESG Survey, are on the board's agenda; maintain an action log with owners and dates, provided to the Sustainability Function for the central stewardship record; take part in the annual review of the assessment and update the action log to reflect its outcome; and notify the Sustainability Function where circumstances change between reviews (e.g. incident, regulatory change, change of subcontractor).
- **Act on assessment outputs:** ensure recommended actions from the asset-level sustainability assessment are tabled at board level within one board cycle[4] of receipt, and report progress to the Sustainability Function at least annually.
- **Use Dalmore's board position to advance stewardship:** as the Dalmore-appointed director, or in support of the director where another colleague holds the seat, ensure Material Sustainability Issues and stewardship priorities are on the board agenda, and raise and record concerns about the adequacy of the company's own sustainability policies, controls and management information.
- **Embed Dalmore's sustainability standards in the portfolio company's own policies:** where Dalmore holds a majority stake, ensure the company adopts Dalmore's sustainability policy templates, adapted to the asset, and that they are reviewed at least annually; where Dalmore holds a minority stake, use Dalmore's governance rights to influence the company's sustainability policies towards equivalent standards.
- **Consider Material Sustainability Issues arising from the wider asset relationships:** identify any such issues arising from service provider performance or raised by the public sector client, add them to the action log and address them through the portfolio company board. Routine monitoring of service providers forms part of asset management, described under Principle 6.

[3] Resolis, a member of the Dalmore Group, provides Management Services Agreement (MSA) services for the majority of our PPP portfolio companies. Resolis works closely with project teams to ensure contractual compliance and consistent, high-quality service delivery. *https://resolis.com/*

[4] References below to a board cycle mean the interval between scheduled meetings of the relevant portfolio company board, which ordinarily meets quarterly.

- **Escalate where routine engagement is not working:** a matter must be escalated where mitigation has not been identified and agreed with the portfolio company board within two board cycles; where an agreed mitigation plan is not being implemented or is not achieving its intended effect; where it could reasonably affect the asset's valuation or Dalmore's reputation; or where it involves a regulatory breach or a serious health and safety incident. The Asset Management Committee is the main forum for escalation, but a Material Sustainability Issue may be raised directly with the Sustainability Committee, particularly where it questions the adequacy of Dalmore's policies or may affect other assets. The Valuation Committee is notified where valuation could reasonably be affected, and the Risk Management Committee where the matter represents a material risk to Dalmore or its funds, for inclusion in the relevant risk register. Escalation is recorded and the outcome reported back to the portfolio company board.

Where Dalmore holds a minority interest, asset managers discharge these duties through the governance rights secured at acquisition and document any limits on their ability to act.

Skills and development. Effective stewardship of our assets requires senior expertise in sustainability-related risk assessment and sustainable finance, applied to infrastructure and to the PPP, PFI and regulated assets we hold, together with the ability to integrate sustainability into investment decision-making and to influence the standards emerging in our sector. We maintain this capability within the Sustainability Function. Across the business it is sustained through annual sustainability training, induction and training for those appointed as portfolio company directors, and day-to-day collaboration between the Function and asset managers rather than a separate training programme. We keep current through industry bodies and working groups, and through the scientific and regulatory literature. Adherence to Dalmore's sustainability-related policies forms part of every employee's annual performance review.

External providers and systems. We supplement internal resources with external advisers where specialist input is required — technical, legal and financial advisers engaged for due diligence, for asset-level assessments, and on governance and contractual matters. Stewardship data is collected and managed through the ESG Survey and associated platform, supported by portfolio company reporting and Dalmore's investment reporting systems. Our oversight of these providers is described under Principle 6.

5. POLICIES, PROCESSES AND REVIEW (CODE DISCLOSURE C)

In addition to this Stewardship Policy, Dalmore's broader stewardship framework is supported by a suite of complementary policies.

These include:

- Responsible Investment Policy
- Anti-Greenwashing Policy
- Equality, Diversity and Inclusion Policy
- Modern Slavery Policy
- Conflicts of Interest Policy

Dalmore's policies and procedures are reviewed and updated annually to ensure they remain current and aligned with evolving regulatory requirements, investor expectations, international standards and industry practices. All policies are presented to the relevant committees for review and feedback before being submitted to the Executive Committee for final approval. The annual review is led by the Sustainability Director and is undertaken internally with Compliance, Investor Relations and Asset Management input; Dalmore's stewardship policies are not currently subject to external assurance, although our responsible investment practices are assessed annually through the PRI Reporting Framework and reviewed under Royal London's RICC Asset Manager Oversight Framework. Compliance with this Policy is monitored by the Sustainability Function and reported to the Sustainability Committee and, in relation to asset-level stewardship, to the Asset Management Committee. Any departure from this Policy requires the approval of the Executive Committee. Suspected breaches are reported to the Sustainability Committee and, where they concern stewardship at asset level, to the Asset Management Committee; either committee escalates to the Executive Committee where the matter is material.

As part of this review cycle, we assess the effectiveness of our stewardship activities. Engagement objectives are set for the Material Sustainability Issues identified through our asset-level sustainability assessments, and progress is monitored through our annual ESG Survey, portfolio company reporting and committee oversight, and the outcomes inform both the annual review of this policy and the continued development of our stewardship approach.

Each Material Sustainability Issue subject to stewardship action is recorded in the central stewardship record with an engagement objective, the actions agreed with the portfolio company board, a target date and a status (achieved, on track, not achieved or closed). The Sustainability Function reports the status of all open objectives to the Sustainability Committee annually; this forms the basis of Dalmore's contribution to RLAM's stewardship reporting and of the effectiveness review of this Policy.

6. CONFLICTS OF INTEREST (CODE DISCLOSURE D)

Integrity is central to Dalmore's values, and we are committed to conducting all business in an honest, ethical and transparent manner. We act in the best interests of our clients and are committed to treating them fairly by proactively identifying, managing and mitigating potential conflicts of interest.

Dalmore invests for the long term in unlisted infrastructure through a small number of concentrated holdings. The conflicts that arise in our business therefore differ from those of managers running high volumes of liquid assets and frequent client dealing, and a voting-focused conflicts policy would not address them. The conflicts that are material to us are set out below.

These include situations where:

- Dalmore acts for more than one fund or client with an interest in the same asset. Allocation and co-investment decisions are governed by the funds' constitutional documents and Dalmore's allocation procedures; cross-fund matters are considered by the Investment Committee, and any conflict is recorded and disclosed to the relevant investor advisory committees.
- Dalmore is a co-shareholder alongside other investors whose objectives differ from ours. Dalmore's position is determined by reference to its clients' interests and this Policy, and is exercised through the board and reserved-matter rights described under Principle 4; where alignment cannot be achieved, the escalation approach under Principle 3 applies.
- Services are provided to an asset by Resolis, a related party within the Dalmore Group. Resolis appointments and fees are subject to co-shareholder approval or independent benchmarking and to lender approval, as described under Principle 5, and Resolis's performance is monitored through the portfolio company board in the same way as any third-party provider.
- The interests of Dalmore, its clients and the wider Royal London group may diverge. Dalmore is managed at arm's length from the group and sets its own stewardship standards; group engagement priorities inform, but do not override, the interests of Dalmore's clients, and any group-related conflict is managed under our Conflicts of Interest Policy and disclosed where relevant.

Dalmore maintains a Conflicts of Interest Policy, which affirms our duty to act in the best interests of our investors. In the event that a conflict arises, appropriate steps will be taken to ensure the fair treatment of all affected parties, including transparent disclosure of the conflict to relevant investors. Identified conflicts are recorded in Dalmore's Conflicts of Interest register, which is maintained by Compliance and periodically reviewed by the Executive Committee.

7. DIALOGUE WITH CLIENTS AND/OR BENEFICIARIES (CODE DISCLOSURE E)

We are committed to maintaining open, transparent and proactive dialogue with our clients and beneficiaries.

This includes:

- Responding to Investor Queries: We provide timely, accurate and comprehensive responses to investor questions and formal questionnaires, ensuring clarity on our investment approach, stewardship activities and sustainability performance. This process is informed by our annual asset-level ESG Survey.
- Quarterly Investor Reporting: Our quarterly investor reports include commentary on the operational performance of portfolio companies and highlight material sustainability-related issues where relevant.
- Annual Investor Feedback Sessions: We participate in structured annual sessions with investors, which often include a dedicated focus on sustainability and stewardship. These sessions provide a platform for two-way dialogue and continuous improvement.
- Investor Day: Our annual Investor Day features a dedicated segment on sustainability, where we share updates on our stewardship initiatives.
- Disclosures: We disclose our stewardship activities through our annual Climate-related Financial Disclosure, which reports progress against the targets of our Climate Strategy and, from 2027, our Sustainability Strategy; our PRI Transparency Report; and, from the 2026 reporting year, RLAM's Stewardship Report. Our Climate Strategy, our Sustainability Strategy on its approval, and these disclosures are published on the Dalmore website. These are complemented by our annual Sustainability Report, published as our entity report under the Financial Conduct Authority's Sustainability Disclosure Requirements, which presents key achievements, initiatives and performance metrics.
- Use of Feedback: Feedback gathered through these channels is reviewed by the Sustainability Function and Investor Relations and reported to the Sustainability Committee, where it informs the annual review of this Policy, our engagement priorities and the content of our disclosures, and to the Asset Management Committee where it bears on stewardship at asset level. Where feedback leads to a change in our stewardship approach, we describe the change and its rationale in the following year's disclosures. Investor interest in asset-level sustainability data, alongside evolving regulatory reporting requirements, has led us to expand the ESG Survey, including to capture the principal adverse impact indicators defined under the EU Sustainable Finance Disclosure Regulation.

APPENDIX 1 – ALIGNMENT WITH THE UK STEWARDSHIP CODE (2026) PRINCIPLES

The UK Stewardship Code (2026) principles for asset managers include:

- Integrating stewardship and investment
- Promoting well-functioning markets
- Engagement
- Exercising rights and responsibilities
- Selection and oversight of managers
- Monitoring service providers

Because RLAM holds signatory status for the group rather than Dalmore individually, Dalmore does not publish a separate Stewardship Report under the Code; its stewardship activity is reported within RLAM's Code reporting, as described in the Introduction. This Appendix therefore sets out how Dalmore's own practices align with each principle, and Dalmore's stewardship activity and outcomes are reported annually through the disclosures listed under Dialogue with Clients and/or Beneficiaries above.

PRINCIPLE 1: INTEGRATING STEWARDSHIP AND INVESTMENT

Stewardship Priorities

Dalmore's stewardship priorities are set by reference to three inputs:

- The Material Sustainability Issues identified for each asset against the materiality threshold in our Responsible Investment Policy.
- The objectives, metrics and targets of our Climate Strategy and, from 2027, our Sustainability Strategy, which direct engagement towards every financially material sustainability-related issue identified at asset level and, on Net Zero, towards the assets accounting for the greatest share of financed emissions.
- The engagement focus areas Royal London establishes for its asset managers.

Priorities are identified bottom-up: the asset-level sustainability assessments carried out under our Climate Strategy and, from 2027, our Sustainability Strategy are the primary route, supplemented by the annual ESG Survey, which surfaces further issues across the portfolio for active follow-up. We concentrate resources where material financial risks or opportunities have been identified at asset level, or where action by the portfolio company can deliver measurable improvement. Climate has been our primary focus to date, reflecting both its materiality for infrastructure assets, particularly Core Infrastructure, and the maturity of our climate-related analytical framework. The Sustainability Strategy 2027–2030 will set out the issues material to the portfolio – climate transition, climate physical risk and resilience, environmental performance and social value – and extend the asset-level assessment to every financially material sustainability-related issue, so that stewardship priorities cover the full range of material topics. Priorities are reviewed annually by the Sustainability Committee.

Integration of Stewardship into Our Investment Process

In line with our Responsible Investment Policy, all prospective investments undergo an initial screening against our exclusion criteria. Following this screening, we conduct comprehensive due diligence, often with support from external advisers. Where material risks or opportunities are identified, we develop targeted risk mitigation measures. These findings are factored into the investment valuation and Investment Committee papers to ensure informed decision-making. Materiality is assessed against the threshold set out in our Responsible Investment Policy, applied consistently at acquisition and throughout the holding period, and issues assessed as material are subject to stewardship action under this Policy.

Following acquisition, the effective management of Material Sustainability Issues remains a core pillar of our approach to asset management. The roles responsible, and what asset managers are required to do, are set out under Governance and Resources above.

Our approach reflects the level of control we hold: for controlled assets we implement policies and standards addressing each asset's Material Sustainability Issues; where we hold a minority position we rely on the governance rights secured at acquisition to influence outcomes. In all cases Material Sustainability Issues are assessed and, where appropriate, integrated into valuation, so that they are reflected in financial performance as well as managed operationally.

Stewardship on Exit

Stewardship considerations continue to apply on exit. For public-private partnership (PPP) and private finance initiative (PFI) assets nearing the end of their concession, and regulated assets nearing the end of their regulated term, Dalmore engages with portfolio companies and public sector counterparties to plan for expiry and handback so that services remain resilient and fit for purpose, having regard to the guidance issued by the National Infrastructure and Service Transformation Authority (NISTA) on PFI expiry.

Stewardship also applies where Dalmore sells an equity stake. We continue to exercise our governance rights and to pursue agreed stewardship actions until completion, and sustainability and climate-related information on the asset forms part of the vendor due diligence prepared for prospective purchasers. Decisions on whether and when to sell are taken in the best interests of our clients and in accordance with the relevant fund documentation; where share transfer provisions require co-shareholder or public sector client consent, those approvals apply.

Stewardship and the Implementation of our Climate Strategy and Sustainability Strategy

Our Climate Strategy manages climate-related risks and opportunities and aligns the portfolio with Net Zero ambitions. Phase One established the baseline. Phase Two, now underway, deepens our understanding of how climate-related risks and opportunities affect individual assets and the portfolio, with emphasis on engagement and building capability across the business. Phase Three (2027–2030) will be delivered through our Sustainability Strategy 2027–2030, which succeeds the Climate Strategy and widens its scope from climate to sustainability. It sets three targets: the assessment of financially material sustainability-related issues across the Core/Core+ Infrastructure and infrastructure PPP portfolio; stewardship of every material issue identified, with a recorded engagement objective, escalation under this Policy and outcomes reported annually through RLAM's Stewardship Report, together with continued engagement on Net Zero at the assets accounting for most of our financed emissions; and sustainable investment, evidenced asset by asset against a recognised framework. Our stewardship priorities will broaden accordingly, reflecting Royal London's climate commitments and wider sustainability ambitions and the issues material to our portfolio.

PRINCIPLE 2: PROMOTING WELL-FUNCTIONING MARKETS

Dalmore recognises that transparent, resilient and well-functioning financial markets are essential to long-term value creation. As a responsible investor, we actively contribute to the development and enhancement of market standards through collaboration, advocacy and participation in industry initiatives.

The market-wide and systemic risks most relevant to our portfolio are identified through Dalmore's corporate risk register and fall into five categories: political and legislative change, including the regulatory settlements that determine revenue for regulated assets; climate change, in its transition and physical forms; macroeconomic and geopolitical conditions affecting the cost of long-term financing and appetite for illiquid assets; the concentration and financial resilience of infrastructure contractors and service providers; and, for PPP and PFI assets, service continuity and orderly handback on concession expiry. Our current assessment of these risks is set out in our annual sustainability reporting.

Climate-related risks are assessed and managed through our Climate Strategy and, from 2027, our Sustainability Strategy, and reported in our Climate-related Financial Disclosure. Political, regulatory and macroeconomic risks are considered in fund investment strategy and asset business planning and monitored through portfolio company boards and Dalmore's risk governance. Counterparty and handback risks are addressed through asset-level oversight, contingency planning where supply-chain distress is identified, and the industry initiatives described below.

We are an engaged member of the Long-Term Infrastructure Investors Association (LTIIA) and the Global Infrastructure Investors Association (GIIA). Through these platforms, we collaborate with peers, policymakers and other stakeholders to address systemic risks, share best practices and support the evolution of responsible investment standards across the infrastructure sector.

In addition, Dalmore contributes to several working groups led by the UK National Infrastructure and Service Transformation Authority (NISTA), working alongside public and private sector partners to strengthen market practices. These include:

- Net Zero Working Group – Focused on embedding sustainability and carbon reduction into infrastructure planning and delivery.
- Asset Condition Working Group – Contributing to the development of a standardised framework for conducting asset condition surveys ahead of PFI contract expiry, aiming to ensure consistent, efficient and collaborative handback processes.

PRINCIPLE 3: ENGAGEMENT

Engagement with portfolio companies, their public sector clients and service providers is how we preserve and enhance asset value and promote responsible business practices. It covers both regular and thematic dialogue on Material Sustainability Issues and on matters of business strategy and long-term value.

Our Engagement Channels

Dalmore undertakes engagement through a variety of channels and formats, including:

- Day-to-day interaction through the active management of portfolio assets.
- Board representation across the majority of our portfolio companies.
- Participation in subcommittees, such as audit and risk committees, where relevant.
- Involvement in industry working groups to contribute to sector-wide best practices.
- Ongoing dialogue with project lenders.

We view engagement as a two-way, mutually beneficial process. Our goal is to align expectations, encourage best practices and support long-term value creation. We are committed to maintaining constructive relationships with our portfolio companies, including providing feedback on actions and plans to address identified concerns.

Monitoring and ESG Integration

Each year, Dalmore conducts a portfolio-wide ESG Survey to assess key sustainability metrics across our entire portfolio. The survey collects asset-level data across environmental, social and governance topics, including the principal adverse impact indicators defined under the EU Sustainable Finance Disclosure Regulation, and responses are validated before use. It supports the identification of risks and opportunities — particularly those arising from an asset's impacts on people and the environment — and fosters meaningful engagement with portfolio companies on Material Sustainability Issues. The insights gathered support both regulatory and voluntary disclosures and enable us to track both our portfolio's sustainability performance and progress toward the targets of our Climate Strategy and, from 2027, our Sustainability Strategy.

Escalation

Dalmore takes a proactive approach to governance and issue resolution across its infrastructure investments. For assets with internal management structures, we use the governance rights available to us — from acquisition onwards — to seek to ensure that appropriate governance frameworks are in place and that management allocates sufficient resources to address both pre-investment findings and ongoing operational issues.

Through our representation on the boards of project companies, Dalmore engages directly on key matters, including ESG and safety. This board-level involvement ensures that appropriate channels for escalation are in place and that concerns can be addressed effectively.

Where an asset's activities evolve such that it falls within an excluded category under our Responsible Investment Policy, the matter is escalated to the Sustainability Committee for review. More generally, if engagement efforts do not result in adequate attention or action from a portfolio company, escalation route and the circumstances requiring escalation are as set out under Governance and Resources above. The relevant committee reviews such cases and determines whether further escalation to the Executive Committee is warranted, proposing appropriate actions to resolve the issue.

Dalmore does not consider divestment a standard escalation tool. Instead, we prioritise continued engagement and the use of available resources to drive improvement. Divestment is reserved for exceptional cases, including where an asset ceases to satisfy the transition infrastructure tests in our Responsible Investment Policy and engagement does not restore a credible pathway. In cases where we are co-shareholders in an asset facing material issues or where engagement objectives remain unmet, we collaborate with fellow investors to seek resolution. Where Dalmore holds 100% ownership, we fully exercise our rights to escalate and implement solutions.

Policy and Advocacy

Dalmore engages with policymakers and regulators principally through industry bodies such as trade associations and, where a regulatory settlement or contract expiry affects our assets, directly or alongside our portfolio companies. We do not make political donations or engage with political parties.

A minority of our portfolio companies may engage with policymakers and regulators in response to consultations. These engagements are reviewed by their respective Boards to ensure alignment with Dalmore's overall Responsible Investment commitments.

PRINCIPLE 4: EXERCISING RIGHTS AND RESPONSIBILITIES

Dalmore believes in proactively exercising its shareholder and governance rights as long-term custodians of the assets in which it invests. Dalmore ensures there is active management through portfolio company board representation and uses those positions to exercise its governance rights, such as making sustainability and climate topics a standing agenda item at board meetings, to influence board behaviours and decision-making, and to achieve outcomes at each business consistent with Dalmore's Responsible Investment Policy.

The rights available to Dalmore derive from shareholders' agreements and constitutional documents rather than from listed-market shareholder rights. Depending on the asset and the size of our holding, these typically include the right to appoint one or more directors; consent rights over reserved matters such as changes to the business plan, material capital expenditure, additional indebtedness, related-party transactions and amendments to constitutional documents; rights to receive management and financial information; and rights to approve the appointment or replacement of key service providers. Dalmore exercises these rights in support of the objectives in this Policy and our Responsible Investment Policy. Where engagement alone does not achieve the intended outcome, these rights provide the means to act: Dalmore may withhold consent to a reserved matter, require additional information or independent assessment, seek changes to management or the composition of the board, or make continued support for a business plan conditional on the matter being addressed. The escalation approach set out under Principle 3 applies.

Dalmore takes a tailored approach, and material matters to each of the projects are monitored on a regular basis and reported to and discussed by the board of portfolio companies quarterly. In exercising its rights, Dalmore acts in accordance with the objectives of its investor clients, as set out in the relevant fund documentation and this Policy, and takes account, for PPP and PFI assets, of the views of the public sector client to whom services are delivered. As a result, and where practical, specific community improvement initiatives and actions may be encouraged.

Dalmore has not invested in listed companies and therefore has no proxy voting record to disclose. This reflects our asset class rather than a limitation on our stewardship: in unlisted infrastructure, influence is exercised continuously through board representation and consent rights rather than periodically through general meetings. Where a matter requires shareholder approval, Dalmore votes its interest directly, in accordance with the relevant shareholders' agreement and the objectives in this Policy.

PRINCIPLE 5: SELECTION AND OVERSIGHT OF MANAGERS

Under the UK Stewardship Code (2026), this Principle is directed primarily at signatories investing through external managers. As Dalmore manages its assets directly, we apply the spirit of this Principle to the selection and oversight of the operators and service providers that support our assets.

Dalmore manages its infrastructure assets through a combination of third-party operators and Resolis — a dedicated Management Services Agreement (MSA) provider within the Dalmore Group. In some cases, all operational responsibilities are outsourced, and the asset itself has no directly employed staff.

Third-party operators are already contracted to manage infrastructure assets at the time of acquisition. In such instances, Dalmore does not influence the initial selection of these operators but actively engages with third-party operators to ensure alignment with our requirements, including stewardship.

For more recent acquisitions, Dalmore has appointed Resolis. Dalmore expects to appoint Resolis to future acquisitions where this is appropriate to the asset and agreed with co-shareholders and lenders, enabling a consistent and integrated approach to asset management across the portfolio.

Because Resolis forms part of the Dalmore Group, its appointment is a related-party arrangement and is managed in accordance with our Conflicts of Interest Policy. Oversight of Resolis as a subsidiary is exercised through the Resolis Board, on which members of Dalmore's Executive Committee sit, and includes resourcing and key-person dependency as the PFI sector moves towards expiry. On transfer of an MSA to Resolis, contracts are reviewed and approved by co-shareholders (where relevant) or subject to internal benchmarking for MSAs of similar assets. All Resolis fees are approved by senior lenders prior to transfer and subsequently via the semi-annual lender budget approval.

PRINCIPLE 6: MONITORING SERVICE PROVIDERS

The stewardship service providers on which we rely are set out below, followed by our approach to the operators and service providers that deliver services to our assets. The latter are not stewardship service providers in the Code's sense, but their oversight is an integral part of stewardship in unlisted infrastructure: for PPP and PFI assets in particular, the portfolio company typically has no directly employed staff, and facilities management and other subcontractors deliver the services on which the asset's revenue, contractual compliance and condition at handback depend.

Stewardship Service Providers

Dalmore may engage technical, legal and financial advisers for sustainability due diligence at acquisition, for asset-level sustainability assessments, and for the preparation and review of regulatory disclosures. Advisers are appointed against a defined scope by the relevant function; their outputs are reviewed by the Sustainability Function and, where they inform investment decisions, by the Investment Committee; and their performance is assessed on completion of each engagement and before any reappointment. Data used in our disclosures is validated by the Sustainability Function before use, in accordance with our Anti-Greenwashing Policy.

Resolis, through its ESG Manager, delivers the annual ESG Survey and supports asset-level sustainability engagement under its Management Services Agreements. Because Resolis is a related party, this service is overseen by the Sustainability Committee and managed in accordance with our Conflicts of Interest Policy.

Operators and Asset-level Service Providers

Third-party operators, facilities management providers and their subcontractors deliver operations, maintenance and lifecycle services across Dalmore's infrastructure assets. We adopt a proactive and hands-on approach to their oversight as part of our broader asset management strategy.

For assets managed by external service providers, regular, often daily, interaction is standard practice. This close engagement gives us visibility over service delivery — from operational performance and risk management to compliance with contractual obligations and industry standards.

Monitoring rests on the contractual framework governing each appointment. Operating and management contracts set out the standards expected, the information to be provided and, where applicable, performance measures and deduction or rectification mechanisms. Dalmore reviews performance against those terms through periodic service reviews at portfolio company board or subcommittee level, and requires service providers to report on the matters covered by our annual ESG Survey so that asset-level data is complete and consistent across the portfolio.

Where a service provider does not meet the standards expected, Dalmore raises the matter through the portfolio company board and, where it is not resolved, applies the escalation approach set out under Principle 3. Depending on the contract and Dalmore's level of control, the available responses include agreeing a remediation plan, applying contractual performance mechanisms, declining to renew or extend an appointment and, in the case of assets where an MSA is transferred, appointing Resolis to provide the service in place of the incumbent.



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