

DALMORE CAPITAL

Responsible Investment Policy

OCTOBER 2026



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Responsible Investment Policy	
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1. DALMORE'S COMMITMENT

1.1 ABOUT DALMORE

Dalmore Capital Limited ("Dalmore", "our", or "we") is a fund manager specialising in the acquisition, management and ownership of essential infrastructure assets. We focus on constructing portfolios of high-quality infrastructure assets designed to deliver attractive, inflation-linked returns with resilience across varying macroeconomic and market conditions. Responsible investment and sustainability considerations are embedded within both investment selection and ongoing asset management.

1.2 OUR RESPONSIBLE INVESTMENT FRAMEWORK

We adopt a pragmatic, purpose-driven approach to responsible investment — anchored in our fiduciary duty to act in our clients' best interests, grounded in financial materiality, and focused on delivering tangible, real-world outcomes. By aligning sustainability with financial discipline, we aim to generate long-term value for our clients, the economy, the environment and society. Our diverse portfolio spans essential sectors such as energy and utilities, water, waste management, education, healthcare, transport, justice, defence and emergency services. These investments are vital to the functioning of society — supporting communities, enhancing quality of life and promoting sustainable economic growth.

Our responsible investment framework is built on three pillars that balance strong financial performance with sustainability performance:

- **Revenue** — competitive returns for our clients;
- **Risk and opportunity** — managing material climate-related and sustainability-related financial risks and opportunities; and,
- **Outcomes** — measurable positive social and environmental outcomes, evidenced asset by asset as sustainable investment against a recognised framework.

Central to this approach is the integration of material climate-related and sustainability-related considerations into our investment and asset management decisions. It is a strategic imperative that enables us to better manage risk, identify long-term opportunities and build portfolios resilient to global change.

1.3 SUSTAINABLE AND TRANSITION FINANCE

We recognise that the spectrum of sustainable investment is broad, and that achieving a sustainable future requires both sustainable finance — which supports activities already aligned with environmental and social objectives — and transitional finance, which enables high-emitting sectors to evolve towards low-carbon, climate-resilient models. Our investments therefore include infrastructure that is:

- **Green** — infrastructure that directly supports environmental and climate objectives, including climate change mitigation, adaptation and resilience, at both asset level and across the broader systems it serves;
- **Social** — infrastructure that delivers tangible socio-economic benefits to the communities it serves, supporting access to essential services, quality of life and inclusive economic growth; and,
- **Transition** — infrastructure that enables high-emitting sectors and systems to decarbonise, where there is a credible, time-bound pathway to a low-carbon, climate-resilient operating model.

2. PURPOSE AND SCOPE OF POLICY

Dalmore's Responsible Investment Policy sets out our commitment to responsible investing and active stewardship. It outlines how material climate-related and sustainability-related risks and opportunities ("Material Sustainability Issues") are integrated into both investment decision-making and asset management practices. This policy is formally approved by Dalmore's Executive Committee and applies to all assets under management. Adherence is mandatory for all employees and is evaluated as part of the annual performance review process, which directly influences individual remuneration.

Compliance with this Policy is monitored by the Sustainability Function and reported to the Sustainability Committee. Any departure from this Policy requires the approval of the Executive Committee. Conflicts of interest arising in the application of this Policy, including between Dalmore, its clients and the Royal London group, are managed in accordance with Dalmore's Conflicts of Interest Policy. Suspected breaches are reported to the Sustainability Committee and escalated to the Executive Committee where material.

This Policy applies to all investments made from its effective date. Investments made before that date were subject to the processes in force at the time and are managed in line with this Policy so far as the relevant contractual arrangements allow. 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.

3. GOVERNANCE AND OVERSIGHT

Dalmore Capital's Board and Executive Committee hold ultimate responsibility for the firm's governance, including the oversight of climate-related and sustainability-related risks and opportunities. Dalmore Capital's CEO leads Dalmore's sustainability agenda throughout the business and represents the Board on the Sustainability Committee.

Dalmore's senior management is responsible for embedding these standards in day-to-day investment and asset management practice, including the effective management of Material Sustainability Issues.

A central component of this governance is the Sustainability Committee, which meets quarterly and reports directly to the Board. This Committee approves and oversees sustainability initiatives across both the corporate business and investment portfolios. It is chaired by Dalmore's Sustainability Director and includes representatives from key business functions, with the Chief Executive Officer serving as the Board's representative. In addition, other Dalmore committees have defined sustainability responsibilities, supporting a coordinated and integrated approach to climate-related and sustainability governance across the firm.

3.1 ROYAL LONDON GROUP

Dalmore is the dedicated infrastructure capability of Royal London Asset Management (RLAM), owned by RLAM and managed at arm's length. Dalmore sets its own responsible investment standards, which this Policy sets out. Dalmore's approach supports Royal London's responsible investment objectives. As a Tier 1 manager, Dalmore is subject to Royal London's Responsible Investment and Climate Change (RICC) Asset Manager Oversight Framework, the operational requirements of which are recorded in Dalmore's sustainability procedures manual.

3.2 ROLES AND RESPONSIBILITIES

Role	Responsibility
Board and Executive Committee	Ultimate responsibility for the firm's governance, including oversight of climate-related and sustainability-related risks and opportunities. Responsibilities include defining the organisational structure, assigning accountability, ensuring robust risk identification and management systems, implementing internal controls and making strategic decisions in the best interests of the firm and its clients. The Executive Committee approves this Policy and the sustainability-related policy suite and oversees implementation across the business.
Chief Executive Officer	Provides executive oversight of Dalmore's sustainability initiatives throughout the business; serves as the Board's representative on the Sustainability Committee.
Sustainability Director	Defines Dalmore's sustainability initiatives for approval by the Sustainability Committee and is responsible for their delivery; owns this Policy and leads the annual review and update of all sustainability-related policies to reflect evolving regulatory requirements, investor expectations, international standards and industry practice; chairs the Sustainability Committee.
Sustainability Function	Implements Dalmore's sustainability initiatives; prepares the sustainability appraisal supporting each Investment Committee paper; conducts sustainability due diligence at acquisition and periodic reassessment throughout the holding period of Material Sustainability Issues; maintains metrics and disclosures.
Investment Team	Reviews the sustainability appraisal submitted to the Investment Committee; integrates material findings into the investment case and valuation.
Asset Management Team	Manages Material Sustainability Issues throughout the holding period, in collaboration with portfolio companies.
Investor Relations	Responds to investor requests for sustainability information and coordinates investor reporting.
All employees	Adherence to this Policy is mandatory and is evaluated as part of the annual performance review process.

4. EXCLUSIONS

Dalmore's exclusions reflect the characteristics of unlisted infrastructure investment and are set having regard to the Royal London group's exclusions. As part of Dalmore's commitment to responsible and sustainable investment practices, we will not finance the following activities:

- Forced labour or child labour
- Illegal activities under local or international law
- Radioactive materials (except for the purposes of power generation, and medical devices, quality-control or measurement equipment or other equipment where any radioactive source is minimal and/or safely contained) and unbonded asbestos fibres
- Pornography and prostitution
- Racist or anti-democratic media
- Cross-border waste trade not compliant with the Basel Convention
- Controversial weapons: the manufacture of cluster munitions, anti-personnel landmines and chemical and biological weapons

- Projects where the core business activity involves:
  - Alcohol (except beer and wine)
  - Tobacco
  - Weapons and munitions
  - Gambling or casinos
- Projects with extremely high environmental impacts, without strong mitigating factors, including:
  - Destruction of high conservation value areas[1]
  - Fossil fuels:
    - Exploration, extraction and processing:
      - Oil and gas exploration and production.
      - Mining companies involved in coal or other high-impact fossil materials.
      - Power generation, unless it qualifies as transition infrastructure under the tests set out below.
    - Services, unless the project makes extraction safer or leads to material improvements in environmental impact.

These criteria are applied as binding screening criteria for all prospective investments, and ongoing alignment is monitored as part of our asset management activities. Should an asset's activities evolve such that it falls within an excluded category, this is addressed through the engagement and escalation approach set out in our Stewardship Policy.

The exclusions are applied purposively, having regard to the harm each is designed to prevent. Where an activity would, on a strict reading, fall within an exclusion but its purpose is to reduce the harm that exclusion is designed to prevent — for example, infrastructure whose purpose is the safe storage, treatment, disposal or decommissioning of radioactive material — Dalmore may treat it as consistent with the exclusion's intent. Any investment relying on this interpretation remains subject to Dalmore's full sustainability due diligence and Investment Committee approval.

Individual funds managed by Dalmore may adopt exclusion criteria that are more prescriptive than this policy, and may make further sustainability commitments reflecting their investment strategy and applicable disclosure regime. The criteria and commitments set out in the relevant fund documents are binding for that fund and prevail to the extent they are stricter.

4.1 TRANSITION INFRASTRUCTURE

Dalmore recognises that some assets which use fossil fuels today are a necessary part of a credible, orderly transition to a low-carbon economy. Fossil fuel power generation and gas transmission and distribution networks may qualify as transition infrastructure where at least one of the following evidence-based tests is met. The other fossil fuel exclusions remain absolute.

- The asset is abated (for example, through carbon capture and storage) or has a contracted, time-bound pathway to conversion to hydrogen, biomethane or other low-carbon fuels;
- The asset meets the transitional or enabling activity criteria of a recognised sustainable finance taxonomy or standard (such as the EU Taxonomy for Sustainable Activities);[2]
- The asset's primary role is to provide the flexibility or firm capacity needed to integrate renewable energy into the electricity system, evidenced by capacity market or system operator contracting and low or declining utilisation, and it has a time-bound pathway to abatement, conversion or closure aligned to the relevant power sector's decarbonisation pathway;
- The asset forms part of an investee company or platform with material exposure to renewable energy and a demonstrable commitment to transition away from unabated gas and coal, assessed at that level; or
- The asset is a regulated network whose revenues are determined by a regulated asset base rather than by fossil fuel volumes or commodity prices, and which is capable of distributing low-carbon fuels including hydrogen or biomethane, where the relevant regulator's framework supports that conversion and the network is progressing it.

[1] Natural habitats that hold exceptional biological, ecological, social, or cultural significance.

[2] *https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en*

Qualification as transition infrastructure is assessed as part of investment due diligence, documented in the relevant Investment Committee paper and reviewed at least annually by the Sustainability Committee. Qualification is not permanent. For fossil fuel power generation, the Sustainability Committee sets an outer date by which abatement, conversion or closure must be achieved for qualification to continue. For regulated networks, qualification is reconfirmed at each annual review against the relevant regulator's decarbonisation framework and the network's progress under it. Where an asset ceases to satisfy the applicable test, it falls within the exclusions set out above and is addressed through the engagement and escalation approach in our Stewardship Policy, which may include divestment where engagement does not restore a credible pathway.

5. IMPLEMENTATION APPROACH

Climate-related and sustainability-related risks and opportunities will be considered at every stage of our funds' operations, from formation to exit.

5.1 ACQUISITION

All prospective investments undergo an initial screening against our exclusion criteria (see above). Following this screening, we conduct comprehensive sustainability due diligence, often with support from external advisers. This assessment focuses on:

- Sustainability Objectives - Evaluation of the target's climate and sustainability goals, and of its positive contribution for the purposes of Dalmore's sustainable investment commitments, against globally recognised frameworks and taxonomies. These include:
  - EU Taxonomy for Sustainable Activities, including the Do No Significant Harm (DNSH) criteria and minimum safeguards.[3]
  - FAST-Infra Sustainable Infrastructure Label.[4]
  - Paris Aligned Investment Initiative (PAII) Net Zero Investment Framework (NZIF): Infrastructure.[5]
- Environmental and Climate Risk Review - Identification and analysis of environmental and climate-related risks associated with the target's operations.
- Sustainability Governance - Examination of the target's policies, procedures and social safeguards related to climate and sustainability. Social safeguards are tested against defined minimum standards, including the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability and the International Labour Organization (ILO) Decent Work indicators, together with human rights, labour standards, anti-corruption, taxation, stakeholder engagement, health and safety, and supply-chain standards.

Where material risks or opportunities are identified, we develop targeted risk mitigation measures. These findings are factored into the investment valuation as appropriate. In addition, all Investment Committee papers include a dedicated section on sustainability to ensure informed decision-making.

Materiality is assessed against a defined threshold, applied consistently at acquisition and throughout the holding period. A risk or opportunity is treated as financially material where it has an actual or estimated impact on annual revenue exceeding 2%, gives rise to additional costs or cost savings exceeding 2% of annual revenue, or would result in non-compliance with this Policy. Issues assessed as material are quantified, reflected in the investment case and valuation where appropriate, and subject to stewardship action in line with our Stewardship Policy.

[3] *https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en*
[4] *https://www.fastinfralabel.org/*
[5] *https://www.parisalignedassetowners.org/media/2024/06/PAII_NZIF-2.0_240624_Final.pdf*

5.2 ACTIVE ASSET MANAGEMENT

Following acquisition, the effective management of Material Sustainability Issues remains a core pillar of our approach to asset management. This is achieved through close collaboration between our Asset Management Team, Dalmore's Sustainability Function, portfolio companies and other key stakeholders. Our approach is tailored based on the level of control we hold:

- Controlled Assets - We implement tailored sustainability policies and standards that are specifically designed to address the unique context, risks and opportunities of each asset.
- Minority Investments - Where we hold a minority position, we secure governance rights that allow us to actively influence and support improved sustainability outcomes.

In all cases, Material Sustainability Issues are assessed and, where appropriate, integrated into ongoing valuation processes, so that these considerations are embedded operationally and reflected in financial performance and long-term value creation.

5.3 EXIT AND HANDBACK

Sustainability considerations continue to apply on exit. On disposal, Dalmore provides sustainability information about the asset to prospective acquirers on a basis that is fair, clear and not misleading. 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 plans 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. Where an asset carries a decommissioning obligation, Dalmore assesses it as part of the asset's risk profile, provides for it over the life of the investment, and considers circular economy principles in decommissioning planning.

6. METRICS AND TARGETS

Dalmore's climate-related and sustainability-related objectives, metrics and targets are set through our Climate Strategy to the end of 2026 and, from January 2027, through the Sustainability Strategy 2027–2030 that will succeed it as its third phase and widen its scope from climate to sustainability. These cover the assessment of financially material sustainability-related risks and opportunities across the portfolio; stewardship of the material issues identified, including engagement on Net Zero with alignment defined by reference to the PAII NZIF; and sustainable investment, evidenced asset by asset against a recognised framework approved by the Sustainability Committee, such as the FAST-Infra Label or the EU Taxonomy. These targets relate to Dalmore's investment portfolio. Dalmore's own operational emissions are measured and reported separately.

Dalmore's NZIF-based commitments are alignment and engagement targets: they commit Dalmore to aligning a defined proportion of the portfolio with Net Zero and to engaging with portfolio companies to achieve it, rather than to an absolute emissions reduction target. They are therefore distinct from the Royal London group's commitment to halve the carbon footprint of its investment portfolio by 2030 against a 2020 baseline. Of the Royal London group's four climate commitments, two apply to Dalmore's portfolio – engagement on Net Zero and climate-aware investment – and Dalmore's targets support both. The other two, to halve investment emissions and to reach net zero operations by 2030, do not extend to Dalmore, which supports the principle of each. Dalmore assesses its position against each commitment annually and intends to report that assessment to the Sustainability Committee and, in due course, in its annual disclosures. Dalmore also expects this assessment to inform Royal London group reporting.

Our metrics and target tracking are underpinned by an annual Environmental, Social and Governance (ESG) Survey of portfolio companies, which collects asset-level data across environmental, social and governance topics, including the principal adverse impact indicators defined under the EU Sustainable Finance Disclosure Regulation. Survey responses are validated before use and inform our disclosures, target tracking and engagement priorities.

Progress against the targets, together with their scope, baseline and boundary, is reported annually in our Climate-related Financial Disclosure and Sustainability Report and, for stewardship, through RLAM's Stewardship Report. Our annual Sustainability Report, published as Dalmore's entity report under the Financial Conduct Authority's (FCA) Sustainability Disclosure Requirements (SDR), presents metrics on the wider sustainability performance of our assets.

7. TRANSPARENCY AND DISCLOSURE

Transparency is central to how Dalmore is held to account for the commitments in this Policy. Dalmore publishes this Policy and its supporting sustainability-related policies on the Dalmore website, together with its Climate Strategy and, from 2027, its Sustainability Strategy, its annual Climate-related Financial Disclosure, its annual Sustainability Report and its PRI Transparency Report. These are kept current and are reviewed annually. The disclosures described below set out what Dalmore publishes, under which framework, and how frequently.

7.1 STEWARDSHIP POLICY

Our Stewardship Policy details how Dalmore meets its stewardship responsibilities in alignment with the UK Stewardship Code 2026. A key focus is active engagement with portfolio companies to promote effective climate-related risk management and support progress towards Net Zero goals. While Dalmore is not currently a signatory to the UK Stewardship Code, we acknowledge its importance and are committed to aligning our practices with its principles. RLAM, of which Dalmore forms part, has been a signatory to the UK Stewardship Code since the Code's inception, and Royal London Mutual Insurance Society holds signatory status as an asset owner. Dalmore draws on this established stewardship expertise across the Royal London group in developing and aligning its own practices.

Dalmore's engagement priorities are set having regard to the engagement focus areas Royal London establishes for its asset managers, and take account of RLAM's Net Zero Stewardship Programme where Dalmore's portfolio exposure overlaps. Dalmore records its engagement objectives, activity and outcomes and, from the 2026 reporting year, reports them within RLAM's Stewardship Report and in its own sustainability-related disclosures.

7.2 ANTI-GREENWASHING POLICY

Our Anti-Greenwashing Policy sets out Dalmore's commitment to ensuring all sustainability claims are accurate, credible and transparently reflect our actions and commitments, in line with the FCA Anti-Greenwashing Rule.

Dalmore publishes information on the sustainability performance of its investments only where it has reviewed the supporting evidence and satisfied itself that the information is fair, clear, accurate and proportionate, and it does not omit information that is material to a fair understanding of that performance. Group oversight of compliance with the FCA Anti-Greenwashing Rule rests with the Royal London Responsible Business and Investment Solutions teams.

7.3 EQUALITY, DIVERSITY AND INCLUSION (EDI) POLICY

Our EDI Policy reaffirms Dalmore's commitment to treating everyone with fairness, dignity and respect. It sets out a zero-tolerance approach to discrimination, harassment, bullying and victimisation and reinforces our dedication to fostering an inclusive and supportive environment for all.

7.4 MODERN SLAVERY POLICY

This Policy outlines our commitment to understanding and preventing modern slavery in the workplace.

7.5 INVESTOR RELATIONS

Investors frequently request on-demand climate and sustainability-related information about Dalmore and its investments to support their own disclosure requirements. This process is overseen by the Head of Investor Relations. To support these requests, Dalmore collects data on the sustainability performance of its assets through the annual ESG Survey, managed by our ESG Manager.

In addition, Dalmore provides quarterly investor reports that include commentary on the operational performance of portfolio companies and highlight any material climate or sustainability-related issues, where relevant. Dalmore also shares updates on its Responsible Investment activities during its annual Investor Day, reinforcing our commitment to transparency and stewardship.

7.6 CLIMATE-RELATED FINANCIAL DISCLOSURE

Dalmore publishes an annual Climate-related Financial Disclosure in accordance with the FCA's ESG Sourcebook. This report outlines:

- Dalmore's assessment of climate-related risks and opportunities across both its operations and investment portfolio, including the materiality of these issues; and
- How material climate-related risks and opportunities are integrated into our investment and asset management decision-making processes.

  This report provides Dalmore's stakeholders with a clear and comprehensive view of how we manage climate-related risks and opportunities and is available on the Dalmore website.

7.7 CLIMATE STRATEGY AND SUSTAINABILITY STRATEGY

Dalmore currently has a Climate Strategy to manage climate-related risks and opportunities while aligning with Net Zero ambitions and the goals of the Paris Agreement. It is structured into three progressive phases:

- Phase One – Strategic Foundation (2023) – Dalmore defined its overarching approach to climate-related risk and opportunity management and set the strategic direction for achieving Net Zero. Phase One was successfully completed.
- Phase Two – Active Engagement and Alignment (2024–2026) – This current phase focuses on engagement with key portfolio companies to enhance asset-level understanding and management of material climate-related risks and opportunities and alignment with Net Zero.
- Phase Three – Integration and Acceleration (2027–2030) – Phase Three will be delivered through Dalmore's Sustainability Strategy, which succeeds the Climate Strategy and widens its scope from climate to sustainability. It carries forward Dalmore's Net Zero engagement and alignment commitments, deepens the assessment of financially material climate-related risks and opportunities, and extends assessment, stewardship and evidence to all financially material sustainability-related issues, through targets for the assessment of material issues, stewardship and sustainable investment. It reflects Royal London's climate commitments and wider sustainability ambitions, including adaptation and resilience, nature and social impact, and the commitments made in fund documentation.

This programme was not only developed to meet regulatory requirements, investor expectations and international standards — it was also a strategic initiative to enhance the quality of our financial decision-making, both in capital allocation and in the active stewardship of our assets. The Climate Strategy is published on the Dalmore website, and the Sustainability Strategy will be published alongside it on approval.

7.8 SUSTAINABILITY DISCLOSURE

Dalmore publishes an annual Sustainability Report as its entity report under the FCA's Sustainability Disclosure Requirements (SDR), as set out in the ESG Sourcebook. This report describes how Dalmore governs, manages and monitors sustainability-related risks and opportunities across its operations and investments, and presents key achievements, initiatives and performance metrics that demonstrate how sustainability and responsible investment principles are embedded across the business.

7.9 PRI TRANSPARENCY REPORT

Dalmore is a signatory to the UN-supported Principles for Responsible Investment (PRI) and as such commits to the following Principles:

- Incorporate ESG issues into investment analysis and decision-making processes.
- Be active owners and incorporate ESG issues into ownership policies and practices.
- Seek appropriate disclosure on ESG issues by the entities into which investments are made.
- Promote acceptance and implementation of the principles within the investment industry.
- Work together to enhance effectiveness in implementing the principles.
- Report on activities and progress towards implementing the principles.

We disclose our approach to responsible investment and the integration of sustainability factors into decision-making through Dalmore's PRI Transparency Report, which is publicly available via the PRI Portal. Both our PRI Assessment and Transparency Reports are also published on the Dalmore website.



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