



CLIMATE TRANSPARENCY REPORT 2020

Dalmore Capital

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-9B84E899-658B-4072-9927-0A986372014C/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Private				
SG 01.7 CC	✓	Private				
SG 01.8 CC	-	Private				
SG 01.9 CC	✓	Private				
SG 01.10 CC	✓	Private				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	-	Private				
SG 14.7 CC	-	Private				
SG 14.8 CC	✓	Private				
SG 14.9 CC	-	Private				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Dalmore Capital
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 5 - 9.99 billion AUM
Main Asset Class	>50% Infrastructure Internally Managed
Signed PRI Initiative	2013
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	50% from 38 Voluntary indicators

Dalmore Capital

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.6
CC** For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

- Determining investment strategy and investment restrictions for each of the funds under management. For example, infrastructure assets whose primary activity is the extraction of or generation of electricity from fossil fuels are excluded from our investment strategy
- Reviewing and approving the Responsible Investment policy
- Reviewing strategy and sector papers, which will incorporate material climate-change related factors within their risk analysis
- Reviewing early stage investment papers, which will incorporate material climate-related factors, on particular investment opportunities
- Reviewing final stage investment papers, which will incorporate a detailed review of material climate-related and other ESG factors on a particular investment opportunity
- Reviewing and approving all internal climate positive initiatives - for example. Office recycling and the cycle to work scheme

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

Throughout the investment and asset management stage of all potential and current Dalmore investments, in depth modelling of a broad selection of scenarios is conducted on the investment and it's associated sector. This includes risks that are associated with changes in ESG factors.

- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

Dalmore looks to make strategic allocations to sectors where the overall risk/ return profile (including ESG factors) is favourable. Dalmore also imposes single asset limits on investments within its discretionary funds and seeks to make allocations to a broad range of attractive investments so as to diversify the overall risk exposure (including to ESG) factors and to lower the overall risk of a portfolio. Dalmore has excluded infrastructure assets whose primary activity is the extraction of or generation of electricity from fossil fuels from our investment strategy.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2 Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		1	328	000	000
Currency	GBP				
Assets in USD		1	715	500	532

Specify the framework or taxonomy used.

Dalmore has made a number of low carbon investments over several year. A sector breakdown of investments:

Renewables energy and OFTO - £328m

Low emission Energy from Waste - £633m

Duel powered (Bi-mode) Rolling stock - £367m

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.5

Additional information [Optional]

SG 15

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

SG 15.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

SG 15.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

90

SG 15.3 Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy

Asset class invested

- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

25

Brief description and measures of investment

Wind

EDF Renewables - portfolio of 24 UK onshore and offshore wind farms with total capacity of 550MW (sufficient to meet the electricity needs of over 300,000 UK households)

West of Duddon Sands Operation of transmission assets connecting the WoDS offshore wind farm (located in the Irish Sea) to the mainland electricity grid

Energy from Waste

Cory Riverside: A waste transportation and treatment asset, which deals with waste that would otherwise be sent to landfill. 90% of waste is transported to the treatment site by barge using the river Thames barge, which eliminates the need for over 100,000 lorry journeys through London each year, which reduces carbon emissions and also reduces risk of accidents. The remainder is subject to thermal treatment which significantly reduces the volume of the waste and also generates sufficient energy to meet the electricity needs of around 100,000 UK households.

South Tyne & Wear Waste - Energy from waste incinerator, managing household waste from Gateshead, South Tyneside and Sunderland

Northumberland Waste - Treatment of Northumberland County Council's municipal waste. The principal treatment is through a newly constructed 10MW energy-from-waste ("EfW") incineration facility. The scheme also comprises waste transfer stations, household waste recycling facilities and composting treatment

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education

Asset class invested

Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

10

Brief description and measures of investment

Dalmore invests significant sums in the provision and operation of purpose built educational facilities which allow modern teaching methods to be implemented in the development of young learners. The facilities in which Dalmore has invested replace Victorian and more recent buildings that may be dangerous to health (many contain asbestos), have been under-invested in and poorly maintained by successive governments, are costly to run and fail to meet modern standards, efficiency targets and environmental standards.

Unlikely facilities in the public estate, Dalmore and the project companies ensure that proactive and reactive maintenance programmes are undertaken on an as required basis as informed by regular surveys, and that replacement of lifecycle components is programmed and funded over the full life of concession contracts to maintain buildings in a consistently high state of repair.

The focus on investment in this sector has been in areas of significant deprivation and on replacing the worst education facilities.

Global health

Asset class invested

Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

10

Brief description and measures of investment

As with schools, Dalmore invests significant sums in the provision and operation of purpose built health facilities which address the demand for radical improvements in healthcare delivery in the acute and primary healthcare sectors. The facilities in which Dalmore has invested replace Victorian and more recent buildings that may be dangerous to health (many contain asbestos), have been under-invested in and poorly maintained by successive governments, are costly to run and fail to meet modern standards, efficiency targets and environmental standards.

Unlikely facilities in the public estate, Dalmore and the project companies ensure that proactive and reactive maintenance programmes are undertaken on an as required basis as informed by regular surveys, and that replacement of lifecycle components is programmed and funded over the full life of concession contracts to maintain buildings in a consistently high state of repair.

The focus on investment in this sector has been in areas of significant deprivation and on replacing the worst health facilities.

Water

Asset class invested

Infrastructure

Brief description and measures of investment

Thames Tideway - Greenfield project to intercept and divert over 40m tonnes per annum of raw sewerage from flowing into the River Thames and instead take it away for treatment

Anglian Water Group - Dalmore also acquired an equity stake in the Anglian Water Group the supplier of water and water recycling services to over six million domestic and business customers in the east of England and Hartlepool. Anglian Water is a founding member of the Prince of Wales's Corporate Leaders' Group (CLG) for Climate Change and has numerous ESG initiatives including working with the UK Climate Impacts Programme to help them develop the UK Climate Change Projection (UKCP09) scenarios. They have also worked with the Tyndall Centre and Southampton University to model the effects of coastal changes.

Other area, specify

No