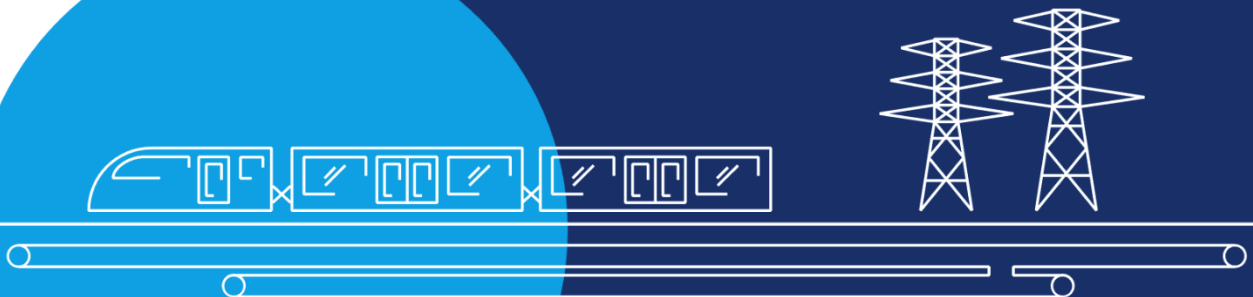




Anti-Greenwashing Policy

2025



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Anti-Greenwashing Policy

Policy Owner:	Sustainability Compliance
Policy Approver:	Executive Committee
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PREFACE

Dalmore Capital (“Dalmore”) is committed to transparency and integrity as a responsible investor. A key part of this commitment is preventing greenwashing by ensuring all sustainability claims are accurate, credible, and reflective of our actions and commitments. This Anti-Greenwashing Policy (“Policy”) outlines the governance measures we have adopted to safeguard the integrity of these claims, providing a transparent and accountable framework in alignment with our Responsible Investment Policy.

PURPOSE

This Policy sets out clear requirements for the development, review, and approval of internal and external communications that make sustainability-related claims. These requirements align with the Financial Conduct Authority’s (FCA) Anti-Greenwashing Rule, stakeholder expectations, and industry best practices to:

- **Ensure Transparency:** Ensure all sustainability-related claims are clear, accurate, and easily understood by stakeholders.
- **Prevent Greenwashing:** Avoid the misrepresentation of sustainability efforts and eliminate overstated or misleading claims about environmental or social impacts.
- **Maintain Credibility:** Safeguard and enhance Dalmore’s reputation as a responsible investor dedicated to authentic sustainability practices.
- **Ensure Regulatory Compliance:** Adhere to relevant regulations and industry standards related to anti-greenwashing.
- **Support Stakeholders:** Build trust with stakeholders, including investors, regulators, and the public, by demonstrating a genuine commitment to sustainability.

SCOPE & APPLICABILITY

This Policy applies to all Dalmore communications, activities, and investments that make sustainability-related claims. It covers all forms of communication, including but not limited to marketing materials, investor queries, and public statements and disclosures. The policy applies to all employees, contractors, and third-party service providers engaged by Dalmore Capital involved in the creation, approval, and dissemination of any communication with sustainability-related content.

GOVERNANCE

The Executive Committee holds ultimate responsibility for ensuring the effective implementation of this Policy. Its duties include providing strategic direction, overseeing application, allocating adequate resources to meet objectives, and periodically reviewing the Policy’s impact to maintain alignment with Dalmore’s Responsible Investment Policy and regulatory requirements.

Dalmore’s Compliance, Sustainability, and Investor Relations teams play a vital supporting role in the implementation of this Policy. Their key responsibilities include:

- **Enhancing Capacity:** Continuously reviewing and strengthening Dalmore’s ability to implement this Policy effectively.
- **Collaboration and Expertise:** Offering sustainability-related guidance to support the drafting, review, and approval of communications with sustainability content.
- **Monitoring Effectiveness:** Assessing the Policy’s implementation and reporting findings to the Executive Committee.

ANTI-GREENWASHING REGULATION

What is Greenwashing?

Greenwashing and related terms refer to misleading or inaccurate claims regarding sustainability efforts. Table 1 lists terms associated with greenwashing, including those currently the focus of regulatory scrutiny, as well as broader concepts that, although not explicitly covered by anti-greenwashing regulation, present reputational risks and may still be perceived as greenwashing.

Table 1 – Greenwashing and Related Terms

Focus of Regulatory Scrutiny	
Greenwashing	Overstating the sustainability profile of a business, product or service.
Greenhushing	Understating the sustainability profile of a business, product or service to evade scrutiny or political bias.
Greenlabelling	Labelling a product or service as sustainable when that label is inconsistent with its sustainability profile.
Greenlighting	Focusing on sustainable aspect of a business, product or service which is sustainable to distract from unsustainable ones.
Broader Concepts	
Greenwishing	Hoping that sustainability goals can be achieved without taking action; or setting sustainability targets without a plan to achieve them.
Greenshifting	Shifting blame and responsibility to others (e.g. consumers) by implying that they are at fault for bad sustainability outcomes.
Greenrinsing	Regularly changing sustainability targets before they are achieved.
Greencrowding	Following the crowd and adopting the least ambitious commitments among market peers.

Anti-greenwashing regulation is an area of growing focus for regulators, as firms face increasing scrutiny over the communication of their sustainability claims. Emerging regulatory frameworks aim to ensure that firms deliver transparent, accurate, and accountable information to consumers and stakeholders.

Anti-Greenwashing Rules

The FCA already mandates that firms communicate in a manner that is clear, fair, and not misleading.¹ This principle is fundamental across all communications, including those related to sustainability. Firms may also face litigation under common law for mis-selling, contractual misrepresentation, or negligent misstatement if sustainability claims are found to be inaccurate or misleading.

To address the unique risks posed by greenwashing, additional guidance and rules have been established. The Competition and Markets Authority (CMA)² and the Advertising

¹ <https://www.handbook.fca.org.uk/handbook/COBS/4/2.html>

² <https://www.gov.uk/government/publications/green-claims-code-making-environmental-claims>

Standards Authority (ASA)³ have both published guidance on environmental claims. This includes principles to ensure claims are substantiated, do not exaggerate benefits, and clearly outline the basis of any comparisons made.

The FCA's Anti-Greenwashing Rule has been introduced in the ESG Sourcebook (ESG 4.3.1R).⁴ This rule aims to ensure that firms uphold transparency and integrity when making sustainability-related claims about their products and services. The rule mandates that any reference to the sustainability characteristics of a product or service must:

- Be consistent with the actual sustainability characteristics of the product or service.
- Be fair, clear, and not misleading.

The Anti-Greenwashing Rule came into effect on 31 May 2024 and applies to all FCA-authorized firms making sustainability-related claims about their products and services.

The Anti-Greenwashing Rule applies to all communications that refer to the sustainability attributes of financial products or services. These references can appear in a variety of formats, including but not limited to:

- Statements and assertions.
- Strategies and targets.
- Policies and commitments.
- Information and images.

Why Has the FCA Established This Rule?

Greenwashing is a key regulatory priority for the FCA. The introduction of the Anti-Greenwashing Rule demonstrates the FCA's commitment to addressing greenwashing and sends a clear message that sustainability claims must be substantiated. Key drivers behind the rule include:

- **Supporting National Climate Goals:** The FCA has a responsibility to support the UK Government's commitment to achieving Net Zero emissions by 2050, ensuring that financial markets contribute to advancing sustainability.
- **Ensuring Fair and Accurate Claims:** By enforcing these standards, the FCA fosters trust and accountability in sustainability-related communications, ensuring that claims are clear, accurate, and reliable.
- **Protecting Consumers:** Greenwashing undermines consumer confidence and decision-making. The FCA's Anti-Greenwashing Rule safeguards consumers, empowering them to make informed choices aligned with their sustainability preferences. This also complements the FCA's Consumer Duty obligations, which require firms to act in the best interests of their clients.
- **Creating a Level Playing Field:** The rule ensures that all firms adhere to the same standards, fostering a fair competitive environment. It rewards firms making genuine sustainability claims and discourages misleading practices that could distort the market.
- **Enabling Regulatory Action:** The Anti-Greenwashing Rule strengthens the FCA's ability to challenge misleading sustainability claims and provides a clear framework for regulatory intervention, ensuring firms face appropriate consequences if they fail to comply.

³ <https://www.asa.org.uk/resource/advertising-guidance-misleading-environmental-claims-and-social-responsibility.html>

⁴ <https://www.handbook.fca.org.uk/handbook/ESG.pdf>

DALMORE'S GREENWASHING PREVENTION FRAMEWORK

To ensure compliance with relevant anti-greenwashing regulations and mitigate the reputational risks associated with greenwashing, Dalmore has developed a comprehensive Greenwashing Prevention Framework. Figure 1 outlines the core components of this framework. Dalmore's approach to anti-greenwashing across each component is described below.

Figure 1 – Core Components of Dalmore's Greenwashing Prevention Framework



Requirements

Dalmore is committed to staying up to date with evolving definitions of greenwashing and regulatory standards, ensuring these are effectively translated into practice. In support of this objective, Dalmore's Compliance, Sustainability, and Investor Relations functions are responsible for:

- **Maintaining Capacity:** Developing and sustaining Dalmore's ability to identify, assess, and manage greenwashing risks efficiently and effectively.
- **Monitoring Developments:** Keeping abreast of changes in greenwashing definitions, regulatory requirements, industry practice, and guidance.
- **Updating the Framework:** Incorporating latest developments into Dalmore's Greenwashing Prevention Framework to ensure it remains relevant and effective.

- **Training and Updates:** Providing regular updates on regulatory changes and delivering mandatory annual training on anti-greenwashing to equip Dalmore's Executive Committee and staff with the knowledge and tools required to manage sustainability-related communications responsibly.

Operations

Dalmore is committed to implementing robust anti-greenwashing policies, processes, and procedures. The Executive Committee, with support from the Compliance, Sustainability, and Investor Relations functions, is responsible for the ongoing review, development, and effective implementation of Dalmore's anti-greenwashing governance framework.

Commitments

To ensure Dalmore's sustainability-related commitments are both credible and achievable, they must be underpinned by clear plans and robust governance structures. The Executive Committee, with support from the Compliance, Sustainability, and Investor Relations functions, is responsible for:

- **Aligning Commitments:** Defining Specific, Measurable, Achievable, Relevant, and Time-bound (SMART) sustainability objectives and commitments ensuring they align with Dalmore's Investment Strategy, Responsible Investment Policy, relevant regulatory requirements and industry practice.
- **Developing Actionable Strategies:** Formulating robust strategies and realistic implementation plans to achieve sustainability-related objectives, and monitoring and evaluating progress to ensure successful outcomes.

Marketing/Communications

Dalmore has established a clear anti-greenwashing content review process to ensure all communications referencing sustainability are in line with the FCA's guidance on its Anti-Greenwashing Rule (FG24/3).⁵ Authors or senders of any communications referencing sustainability must assess the content against the 5 "C's" outlined in the guidance:

- **Correct:** Claims must be accurate and not overstated.
- **Capable of Being Substantiated:** Claims must be supported by evidence.
- **Clear:** Claims should be transparent, straightforward, and easy to understand.
- **Complete:** All relevant information must be included, without omissions that could mislead.
- **Comparisons Must Be Fair:** Comparisons should be like-for-like, enabling informed choices.

Assessments are primarily focused on sustainability-related content. However, it is also beneficial to review the overall content of any communication against these guidelines. These assessments do not always need to be comprehensive; they can simply involve flagging issues and suggesting edits within the document, using the comment function and tracking agreed changes.

For **financial promotions** and other marketing material, the existing assessment, review and approval process should be followed which includes consideration for sustainability claims in financial promotions against the anti-greenwashing rules (refer to the Financial Promotions Policy). For **all other communications** referencing sustainability, this content must undergo an assessment, review and approval before dissemination, as outlined in the process in Figure 2. These communications include, but are not limited to, responses to investor queries and public statements and disclosures.

⁵ <https://www.fca.org.uk/publication/finalised-guidance/fg24-3.pdf>

Dalmore's Compliance, Sustainability, and Investor Relations functions are available to support and review these assessments. Content can also be approved by a senior member of these functions, along with any member of Dalmore's Executive Committee.

Figure 2 – Dalmore's Anti-Greenwashing Content Review Process



Data

Dalmore is committed to upholding high standards of integrity in the collection, management, and reporting of sustainability data across its operations and portfolio companies. Recognising the critical role of data in informed decision-making and credible sustainability disclosures, Dalmore's Compliance, Sustainability, and Investor Relations functions, with support from Resolis, are responsible for:

- **Investing in Software Solutions:** Enhancing data management capabilities by adopting a third-party software solution to streamline data collection, improve analytical accuracy, and support sustainability reporting.
- **Enhancing Data Integrity:** Continuously reviewing and refining the processes and systems used to collect, analyse, and manage sustainability data to ensure its accuracy, reliability, and relevance.
- **Maintaining Transparency:** Disclosing any limitations or uncertainties in the data, ensuring stakeholders have a clear understanding of its context and application.
- **Aligning with Industry Practices:** Adopting recognised industry frameworks and standards to guide data collection and reporting.

MEASURING POLICY EFFECTIVENESS / MONITORING

Dalmore is dedicated to ensuring the ongoing effectiveness of this Anti-Greenwashing Policy and continuously enhancing our sustainability communications. Drawing on insights from the content review process and an annual review of sustainability-related communications, Dalmore's Compliance, Sustainability, and Investor Relations functions will provide an annual report to the Executive Committee. This report will assess the effectiveness of the Anti-Greenwashing Policy, highlight any identified risks, and outline actions taken. Additionally, the report will include recommendations for further strengthening the policy and processes where necessary.

TRAINING

Dalmore Capital recognises that effective training is crucial to ensuring all employees understand and adhere to the Anti-Greenwashing Policy. To foster a culture of responsibility and transparency, Dalmore will undertake annual mandatory training on sustainability communications and greenwashing prevention. In addition, interim training sessions may be provided to share lessons learned or to address any associated recent developments or regulatory changes. Training will be led by Dalmore's Compliance, Sustainability, and Investor Relations functions.

BREACH OF THIS POLICY

Dalmore Capital takes any breach of the Anti-Greenwashing Policy seriously, as such breaches undermine the integrity of our sustainability efforts and could damage our reputation, harm stakeholder trust, and result in regulatory or legal consequences.

A breach of this policy may be identified through:

- Routine reviews and audits of sustainability-related communications.
- Stakeholder complaints, including feedback from investors, regulators, or the public.
- Internal reporting by staff members or contractors who identify potential greenwashing risks.

Any employee or third party who identifies a potential breach of this policy must report it immediately to their line manager, Compliance, or the Executive Committee. Reports can be made confidentially and without fear of retaliation, ensuring a safe environment for raising concerns.

Upon receiving a report, a senior member of Dalmore's Compliance, Sustainability, and Investor Relations team will investigate the breach by reviewing the communication, gathering evidence, and consulting with relevant parties. If needed, external expertise may be sought. If a breach is confirmed, Dalmore will take appropriate corrective actions, which may include:

- Immediate correction of misleading or inaccurate sustainability claims.
- Revising or retracting non-compliant communications.
- Additional training for those involved.
- Strengthening internal controls or review processes.

For breaches resulting from intentional misconduct, negligence, or failure to follow processes, disciplinary action may be taken. If the breach may contravene regulatory requirements, Dalmore will notify the relevant authorities, including the FCA, to ensure compliance with legal obligations and maintain transparency.

