

## BUSINESS REVIEW CONTINUED

### SECTION 172(1) STATEMENT

Foresight Group Holdings Limited is incorporated under Guernsey law, which does not have a statutory equivalent to Section 172(1) of the Companies Act 2006 (“s172”). However, the Board is committed to complying with the UK Corporate Governance Code (the “Code”) and, as required under Provision 5, has undertaken to act in a manner consistent with s172 and give consideration to the following when making decisions and providing oversight and leadership of the Group:

- The likely consequences of any decision in the long term
- The interests of the company’s employees
- The need to foster the company’s business relationships with suppliers, customers and others
- The impact of the company’s operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company

As a result, the Board considers that it has promoted the success of the Group in compliance with s172 in a manner consistent with the Group’s purpose, values and strategy, having due regard to the Group’s ongoing regulatory responsibilities.

To illustrate how the Board has complied with s172, case studies are provided in the Stakeholder section that highlight and describe some of the key decisions and considerations made by the Board over the course of the year. These decisions include alignment to the Group’s strategy, the interests of stakeholders, the business-related risks and benefits and the consequences of their decisions and activities.

#### Matters considered

##### **The likely consequences of any decision in the long term**

The Group has a rolling three year strategic plan and the Board considers any updates to the plan in terms of their impact in areas such as the Group’s competitive position, its stakeholders and its projected financial performance via the reporting it receives and meetings attended. The Board also considers the longer-term impact of individual decisions.

##### **The interests of the Group’s employees**

The Board receives feedback from employees via the Employee Forum and through reports from management and the results of employee surveys. Other forms of engagement are also undertaken, such as the appraisal process and development programmes. More information on employee engagement is provided on page 20?.

##### **The need to foster the Group’s business relationships with suppliers, customers and others**

The Group’s engagement with suppliers, customers and other stakeholders, including how the Board is kept informed, is described on page 58. The Group’s strategy, which is approved and monitored by the Board, relies on strong relationships with clients, advisers, investee companies and others, as the Group looks to broaden its capabilities and geographical reach, and reach new investors for its funds.

##### **The impact of the Group’s operations on the community and the environment**

The Board believes that having a positive impact on communities and strong environmental credentials are key parts of the Group’s culture. Examples of our activities and initiatives in this area can be found in the Stakeholder section on pages 55 to 61, and include involvement with the Eden Project and our Retail Sales team’s Community Outreach project, which is noted as a case study on page 61.

##### **The desirability of the Group maintaining a reputation for high standards of business conduct**

As a financial services business, a reputation for high standards of conduct is essential for the Group’s continued success. The UK domiciled members of the Executive Committee are subject to the Senior Managers and Certification Regime, which includes mandatory training and competency assessments on an annual basis. The Board members have also undergone mandatory training programmes during the year. The Board also receives assurance on the Group’s standards in certain functional areas through third-party reviews and audits. These include the Cyber Essentials accreditation in relation to IT security measures and the ISAE 3402 report for the Group’s operational arrangements in the UK. The Group also invites expert firms to undertake specific reviews and engages with them for training and advice to ensure the Group’s arrangements continue to meet regulatory, legal and best practice standards.

##### **The need to act fairly as between members of the Company**

Executive Chairman Bernard Fairman, together with other parties considered to be concert parties, control 40.4% of the Company’s share capital. As described on page 122, the Company has entered into a relationship agreement with parties including the Executive Chairman and CFO. The relationship agreement ensures that the Executive Directors do not have undue influence on the Board’s decisions, including any matters where there could be a potential conflict with the interests of the Company’s other Shareholders. There is also a dual voting system at AGMs to ensure that certain votes are only passed with a majority excluding the parties to the relationship agreement.