

## BUSINESS REVIEW CONTINUED

### OUR STAKEHOLDERS

The Board recognises the fundamental roles our stakeholders play in achieving the Group's long-term success and generation of value for Shareholders.

The Board considers the engagement with its various stakeholders to be extremely important in ensuring the resulting outcomes of our operational, investment and strategic decisions are sustainable and positive. Through active engagement, we are able to foster relationships and collaborations, enhancing the quality of our interactions. This enables us to gain valuable insights and better comprehend the potential implications our business decisions may have on our Group and/or stakeholders. Consequently, we ensure we are sufficiently and appropriately informed to effectively manage any negative impacts with a strong commitment to finding satisfactory solutions for all affected parties.

As a sustainability-focused business, we remain conscious of our economic, environmental and social values. Accordingly, we endeavour to ensure that our service providers and suppliers reciprocate these values and by doing so, we ensure that our high standards permeate all facets of our activities.

We employ a variety of approaches to achieve stakeholder engagement, utilising both formal contractual arrangements, informal channels and operational practices designed to ensure the transparency of our sustainability considerations, both within our business activities and as a corporate entity.

Stakeholder engagement is facilitated by both the Board and our senior management and employees, co-operatively and collaboratively. We value the insights and perspectives gained from these interactions, which are subsequently shared through various communication channels. We report the outcomes of our engagements at local and global levels, as appropriate. In response to these engagements, we may change and improve our policies, processes and controls, and also explore opportunities for developing new and existing products.

The table overleaf summarises the typical engagement we have with our key stakeholders. Additionally, our s172 statement provides three case studies that illustrate some of the more significant areas of engagement during the financial year and the resulting outcomes.



#### Our stakeholders

SHAREHOLDERS

COLLEAGUES

CLIENTS, ADVISERS AND INVESTORS

COMMUNITIES AND CHARITIES

SUPPLIERS AND SERVICE PROVIDERS

REGULATORS AND INDUSTRY BODIES

## BUSINESS REVIEW CONTINUED

### OUR STAKEHOLDERS CONTINUED

#### Key stakeholder groups - why these groups are considered to be key stakeholders



#### OUR SHAREHOLDERS, CURRENT AND FUTURE



Our Shareholders are the owners of our Company and we are committed to delivering long-term, sustainable value to this important stakeholder group. Engaging with Shareholders is crucial as it allows them to gain a comprehensive understanding of our strategies, activities and overall performance. This is a fundamental aspect of our corporate governance framework.

#### Stakeholder engagement undertaken during the financial year

- RNS announcements on all material updates
- Engagement programme for significant Shareholders to meet with the Executive Directors
- Shareholder/analyst conferences and roadshows
- Annual/half-year reporting
- AGM
- Meetings with Chairs of Board and Board Committees
- Dedicated Investor Relations team
- Opportunities to engage via the Company Secretary

#### Board role in engagement

The Board is dedicated to delivering long-term, sustainable value to our Shareholders. We value Shareholder feedback highly and consider it a valuable source of insight and guidance. We take feedback seriously and actively utilise it to drive improvements and initiate necessary changes. Please refer to the second case study below, which provides a specific example highlighting how Shareholder feedback has influenced positive changes within our organisation. This case study underscores our commitment to take full benefit of Shareholder input and utilise it to foster continuous improvement and enhance our overall performance.



#### OUR COLLEAGUES - THE GROUP'S PARTNERS AND STAFF



We firmly believe that our colleagues are our most valuable asset, as they possess the expertise, knowledge and talent upon which the success of our Group is built. Recognising the significance of their contributions, we prioritise engagement with our colleagues to gain a deeper understanding of their perceptions of Foresight as an employer. This engagement serves as a valuable tool for us to attract, retain and develop the best individuals within our organisation.

#### Stakeholder engagement undertaken during the financial year

- Annual staff engagement survey used for driving change and improvements
- Employee Forum feedback to the Board and senior management to help bring about change
- Benchmarking remuneration packages with external experts and team heads
- Formal performance appraisal process
- Training and development – provision and support via internal and external resources
- Executive coaching
- Wellbeing podcasts
- Recognition and support of the diversity and inclusion across the staff base

#### Board role in engagement

The Senior Independent Director assumes the responsibility of chairing the Employee Forum, in collaboration with the Group's Head of People. That partnership plays a vital role in championing the interests of employees and ensuring their concerns are effectively addressed. It also helps to ensure that the Board and senior management actively support the workforce and proactively seek opportunities for improvement and change as necessary. Given our status as a global Group, the Board maintains oversight of the activities undertaken to address staff-related matters across all offices.

## BUSINESS REVIEW CONTINUED

### OUR STAKEHOLDERS CONTINUED



#### OUR CLIENTS, ADVISERS AND, INVESTORS



Our business is to create and manage institutional and retail funds for a range of investor and client types, with our retail funds distributed via advisers and other intermediaries. Our clients and investors, current and future, are therefore our lifeblood. Our relationships with them and their advisers are key to our future.

#### Stakeholder engagement undertaken during the financial year

- Tailor-made products for institutional clients
- Dedicated retail and institutional investor relations teams working with clients and investors to satisfy their needs
- Regular investor reporting
- Audited accounts
- Development of investor portal for retail investors and their advisers
- Training and support for distributors of our products
- ISAE 3402 audit of operational processes and controls
- Ongoing efforts to improve and strengthen our cyber security measures to protect our client, adviser and investor records

#### Board role in engagement

The Board recognises that clients, advisors and investors are our lifeblood and oversees senior management's efforts to ensure the sales and investor relations teams are appropriately resourced, having relevant skills to cover our product range. The Board receives periodic reports from the teams and has access to speak with the team heads directly.



#### OUR COMMUNITIES



Our stakeholder communities are those in which our investee companies operate and those in areas where our offices operate. Also, communities affected by our operations, such as supply chains.

The Board understands the importance of building trust and confidence through engaging and partnering with these communities.

#### Stakeholder engagement undertaken during the financial year

- Investment management teams' investment tools to assess sustainability, including community impact as appropriate, aligning with the UN SDGs
- Utilisation of new sustainability data platform, which will allow the business to better track engagement alongside other sustainability metrics
- Investment and other teams ensuring the standards of investee companies, suppliers and service providers reflect Foresight's own
- Outreach initiative (see case study on page 61)
- Relationship with the Bayes Business School whereby we host one or two study-placement Masters students each year and have done for the last three years
- Charity activities by staff in respect of community initiatives, including work this year to raise funds for the "Superhuman Charity", the Open Bionics' charitable foundation
- Foresight provides all staff with one fully paid volunteer day per staff member annually to support community initiatives
- Our Stewardship Framework covers our business areas that engage with proxy voting, ensuring we maintain our active owner approach to stewardship and uphold our fiduciary responsibilities.

#### Board role in engagement

Our business activities have both direct and indirect impacts on our communities. The Board oversees senior management's ESG measures to ensure that relationships and any impacts are properly managed to avoid unnecessary risks and reflect well on the Group's reputation. Charitable work is important to the Group and its wider community, hence the Board fully supports providing staff with one day's paid charity leave per annum.

## BUSINESS REVIEW CONTINUED

### OUR STAKEHOLDERS CONTINUED



#### KEY SUPPLIERS AND SERVICE PROVIDERS



While providing its services, the Group places reliance on the provision of services by third parties for various reasons, including to enhance internal capabilities, to strengthen business continuity and to satisfy legal and regulatory requirements. Engagement is essential in ensuring we underpin the standards of quality and efficiency of our operations and that of our funds.

#### Stakeholder engagement undertaken during the financial year

- Due diligence reviews by Foresight to ensure the level of service is as required, including business risk impact assessments
- Due diligence reviews by service providers carried out on Foresight
- RFP process for new service providers
- Active relationship management and day-to-day contact

#### Board role in engagement

The Board oversees the teams engaging third parties and serves as the ultimate escalation point for any issues and risks arising from those relationships to ensure they are managed and mitigated without delay. The CFO may also attend due diligence meetings with providers reviewing Foresight in recognition of the importance of these parties to the Group's operations.



#### REGULATORY AND INDUSTRY BODIES



As an investment management Group, we are subject to financial services regulation in the jurisdictions in which we operate. To maintain our various authorisations, memberships and signatory status, importance is placed on maintaining trusted relationships with the various regulators and industry bodies. Additionally, to stay at the forefront of our areas of expertise and to ensure we continue to meet industry standards relevant to our business, building and maintaining relationships with these bodies is highly important.

#### Stakeholder engagement undertaken during the financial year

- Responded to regulator consultations and reviews to help the development of new and existing rules
- Timely filing of returns and notifiable events
- Dedicated compliance and risk functions
- Submission of applications and due diligence required by industry bodies to attain grading and/or new/ renewed membership
- Regular engagement with industry bodies

#### Board role in engagement

The Board understands the importance of maintaining open and transparent relationships with its various regulators. This is mainly achieved via the compliance and risk management functions, which are overseen by the Board through open invitations to attend local team and committee meetings, and Board reporting.

Engagement with industry bodies is achieved via the specialist team heads and senior managers engaging with the relevant bodies, providing feedback and attending conferences and forums as speakers.



## BUSINESS REVIEW CONTINUED

### OUR STAKEHOLDERS CONTINUED

#### CASE STUDY: ACQUISITION OF INFRASTRUCTURE CAPITAL GROUP

##### Stakeholders



During the year, the Group acquired Infrastructure Capital, a leading Australian specialist infrastructure manager. The Board decided to proceed with this transaction having considered the longer-term benefits, which included:

- Providing the Group with scale in the large and growing Australian infrastructure and renewables market
- Positioning Foresight as one of the leading independent renewable generation and infrastructure investors in Australia
- Enhanced product and distribution capabilities

Foresight's Executive Committee ("Exco") supervised the day-to-day running of the transaction, providing guidance and giving internal approvals at the appropriate stages of the process. This was overseen by the Board via regular progress updates by Exco and the project team, who highlighted any key points from the due diligence process.

##### Strategic pillars



This included providing detailed documentation outlining the impact of the transaction for the Group, illustrating the main areas of focus for the transaction team post completion and outlining clear deliverables in a set timeframe that were considered of high importance. The Board also requested that, post completion, an onsite risk assessment be carried out by the Head of Compliance and Head of Risk in the UK. This was done and the findings were discussed at a meeting with the Board.

As part of the overall transaction, the key Stakeholders were identified as including the shareholders, Infrastructure Capital staff, the investors in Infrastructure Capital's funds and regulators in both the UK and Australia. The long-term value to Shareholders was important to the Board's considerations of the outcome of the transaction should it proceed.

The Board also considered the areas on which the success of the transaction relied, which included the investors of Infrastructure Capital's funds being comfortable with the transaction and the retention of staff.

These areas were managed by Exco and the project team working with the Australian senior management team. Gaining regulatory approval (where required) was also fundamental.

Another key area of focus was ensuring the Infrastructure Capital team and business would be integrated successfully into Foresight's operations at completion. To ensure this, a detailed integration plan and timetable was produced, involving various departments across Foresight. This plan outlined workstreams, identified key people and the timing of deliverables. This was overseen by the Exco, with regular integration meetings. The plan also ensured personnel in both businesses were introduced to their new colleagues, encouraging regular contact to ensure an efficient and effective integration.

Throughout the transaction, regular status updates were provided to Exco and the Board, allowing the Board the opportunity to discuss and challenge progress.



## BUSINESS REVIEW CONTINUED

### OUR STAKEHOLDERS CONTINUED

#### CASE STUDY: ENGAGEMENT WITH SHAREHOLDERS

Following the AGM in 2022, for the proportion of votes cast against three resolutions exceeded 20%, the Board acknowledged the significance of this dissenting Shareholder sentiment and expressed its intention to engage with the concerned shareholders to gain a deeper understanding of their concerns.

To facilitate this engagement, the Board instructed the Investor Relations team to reach out to the relevant Shareholders, offering them the opportunity to speak with the Company Secretary. Several Shareholders took up this offer, and calls were scheduled accordingly.

The calls conducted between the Shareholders and the Company Secretary were well received, and the feedback gathered was subsequently reported back to the Board. A common theme that emerged from these discussions was the need for more comprehensive explanations and increased transparency regarding certain matters to provide a clearer understanding of the rationale and intentions behind the resolutions.

Considering the broader Shareholder base, the Company Secretary also engaged with proxy voting agencies to discuss their voting recommendations. These engagements yielded similar feedback, further reinforcing the importance of providing enhanced information and transparency.

In response to the valuable feedback received, the Board, working through the Company Secretary, has taken measures to ensure that this year's Annual Report and Notice of AGM include more extensive information. The aim is to provide Shareholders with a better-informed perspective on relevant matters, addressing the need for increased clarity and transparency.

By actively incorporating the feedback received from Shareholders and proxy voting agencies, the Board demonstrated its commitment to engaging with stakeholders, understanding their concerns, and proactively addressing them through improved communication and transparency.

#### Stakeholders



#### Strategic pillars





## BUSINESS REVIEW CONTINUED

### OUR STAKEHOLDERS CONTINUED

#### CASE STUDY: RETAIL SALES - COMMUNITY OUTREACH PROJECT

Driving positive change in the community is a big part of the Retail Sales team's vision, aligned with Foresight's focus on our social corporate responsibility.

Over the past year, meaningful steps forward have been made in relation to the work achieved with secondary schools in the surrounding areas of our offices, notably London and Nottingham. The team has built strong and impactful relationships with two schools specifically in the Camberwell region of London – Ark All Saints Academy and Sacred Heart, and one school near the Nottingham office, the George Spencer Academy.

The team has successfully facilitated five events over the last six months, December 2022 to June 2023, with these schools. Notable achievements include:

- Mock interview sessions with over 30 Year 11 students in London and a number of Year 13 students in Nottingham, to help them prepare for their university and college application processes, or their transition into the working world. This was an extremely rewarding experience for the team, who enjoyed the opportunity to interact with some extremely bright and motivated students. Two of the Year 13 students will be joining the Nottingham office in June 2023 for work experience.

- An Insight Day in the Shard offices for 12 Year 10 students from Ark All Saints Academy. This gave the students their first taste of a professional environment, with presentations shared introducing them to core business functions like Corporate Finance, People and Sustainable Culture, and Marketing. The students also gained valuable one-on-one time with a Partner from the Retail Sales team. These initiatives educated the students on the different types of roles which exist within the industry and what they can strive to achieve in the future, emphasising that the door is open for them in a variety of capacities.

The Retail Sales team will continue to strengthen its relationships with these three schools, as well as working with and building connections with other schools in areas surrounding our offices. The team aims to participate in one school activity per quarter to try and drive positive change through proactive action.

#### Stakeholders



#### Strategic pillars

