

# Directors' report

## The Company

The Company, Foresight Group Holdings Limited, is a limited liability company incorporated in Guernsey and is listed on the London Stock Exchange Main Market with a premium listing. The Company's shares may be traded through the CREST system.

## Compliance with the 2018 UK Corporate Governance Code (the "Code")

It is a requirement of Listing Rule 9.8.7R that, as an overseas company with a premium listing, the Company must comply with the Code, which is published by the Financial Reporting Council, or explain in its Annual Report and Financial Statements any areas of non-compliance. A copy of the Code can be found at [www.frc.org.uk](http://www.frc.org.uk). The Corporate Governance Report on pages 71 to 80 signposts to the areas of this Annual Report that show how the Company has applied the principles and complied with the provisions of the Code during the year. It also notes the Company's three areas of non-compliance.

## Subsidiary undertakings and branches

The Company operates via its various subsidiary undertakings, which are domiciled in a number of jurisdictions globally. A list can be found on pages 195 to 197, which provides the domicile of each undertaking at the date of this report. The Company has a branch in the UK, which is registered at The Shard, 32 London Bridge Street, London SE1 9SG, with registration number BR023882. Additionally, certain of the Company's subsidiary undertakings have branches elsewhere.

## Forward-looking statements

Where this Annual Report contains forward-looking statements, these are based on current expectations and assumptions, and speak only as of the date they are made. These statements should be treated with caution due to the inherent risks, uncertainties and assumptions underlying any such forward-looking information. The Company cautions investors that a number of factors, including matters referred to in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Neither the Group, nor any of its officers, Directors or employees, provide any representation, assurance or guarantee of the occurrence of the events expressed or implied in any forward-looking statements. Other than in accordance with our legal and regulatory obligations, the Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## Relationship Agreement – controlling Shareholder

As at 31 March 2024, Beau Port Investments Limited (the private company through which Bernard Fairman holds his shares) held, together with its concert parties, 34.1% of the Company's issued share capital. Consequently, under the Listing Rules, Bernard Fairman was, and continues to be, a controlling Shareholder of the Company. Pursuant to Listing Rule 9.8.4, the Company has entered into a relationship agreement with Bernard Fairman, Beau Port Investments Limited and the other parties deemed to be acting in concert (the "Relationship Agreement"). Since the date of the Relationship Agreement, the Company has complied with the mandatory independence provisions in the Relationship Agreement and, as far as the Company is aware, Bernard Fairman, Beau Port Investments Limited and the other parties to the Relationship Agreement have also complied.

## Streamlined Energy & Carbon Reporting scheme ("SECR" statement: greenhouse gas ("GHG") emissions and energy consumption disclosure

Based on the Environmental Reporting Guidelines<sup>1</sup> as specified by the SECR. Foresight has provided the following energy and carbon information for the FY24 reporting period:

1. ([https://assets.publishing.service.gov.uk/media/5de6acc4e5274a65dc12a33a/Env-reportingguidance\\_inc\\_SECR\\_31March.pdf](https://assets.publishing.service.gov.uk/media/5de6acc4e5274a65dc12a33a/Env-reportingguidance_inc_SECR_31March.pdf))

# Directors' report continued

## SECR disclosure

| Metrics  | Current reporting year 2023-2024 (UK and offshore)   |            | Comparison reporting year 2022-2023 (UK and offshore) |            |
|--|--|------------|---|------------|
| <b>Energy consumption used to calculate emissions</b>  | Gas  | 74226 kWh  | Gas   | 39160 kWh  |
|  | Electricity  | 722044 kWh | Electricity   | 594406 kWh |
|  | Distance travelled of personal and rental cars   | 228637 km  | Distance travelled of personal and rental cars        | 291936 km  |
| <b>Emissions from combustion of gas tCO<sub>2</sub>e (Scope 1)</b>   | 13.6 tCO <sub>2</sub> e  |            | 7.1 tCO <sub>2</sub> e                                |            |
| <b>Emissions from combustion of fuel for transport purposes (Scope 1)</b>  | 0 tCO <sub>2</sub> e   |            | 0 tCO <sub>2</sub> e                                  |            |
| <b>Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)</b> | 38.9 tCO <sub>2</sub> e  |            | 50.5 tCO <sub>2</sub> e                               |            |
| <b>Emissions from purchased electricity (Scope 2, location-based)</b>  | 158.3 tCO <sub>2</sub> e   |            | 264.8 tCO <sub>2</sub> e                              |            |
| <b>Total gross CO<sub>2</sub>e based on above</b>  | 210,8 tCO <sub>2</sub> e   |            | 322.4 tCO <sub>2</sub> e                              |            |
| <b>Intensity ratio: tCO<sub>2</sub>e gross figure based from mandatory fields above/e.g. £100,000 revenue</b>                                  | 0.149 tCO <sub>2</sub> e/£100,000 revenue  |            | 0.271 tCO <sub>2</sub> e/£100,000 revenue             |            |
| <b>Methodology</b>   | Foresight Group's carbon footprint is calculated in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Standard. We collect consumption level data across all our offices which covers energy, waste, water, business travel, staff commuting habits, office and IT equipment, food and office furniture. Business travel is calculated on a combination of distance travelled and spend based data. |            |   |            |
| <b>Third Party verification</b>  | Turley has provided limited assurance of Scopes 1,2,3 (excluding financed emissions).  |            |   |            |

## Energy Efficiency Action

In the period covered by the report, Foresight has not undertaken any business wide action to reduce its energy intensity.

Foresight bought 1023 tCO<sub>2</sub>e of carbon offsets to offset our scope 1, scope 2 and scope 3 (excluding financed emissions) emissions. In September 2023, Foresight purchased a mix of 86% avoidance and 14% removal offsets through Climate Impact Partners to renew our Carbon Neutral Certification.

# Directors' report continued

## Financial, risk and operational matters

### Results and dividends

The Consolidated Statement of Comprehensive Income is set out on pages 125 and 126 and shows the results for the year ended 31 March 2024. The Directors recommend that the Company pays a final dividend for the year ended 31 March 2024 of 15.5 pence per share (2023: 15.5 pence), to be paid on 4 October 2024 based on an ex-dividend date of 19 September 2024, with a record date of 20 September 2024. An interim dividend of 6.7 pence per share (2023: 4.6 pence) was paid on 26 January 2024, giving a total dividend for the year of 22.2 pence per share (2023: 20.1 pence).

### Research and development

Foresight has not conducted any activities in the field of research and development.

### Acquisitions and disposals

Acquisitions and disposals are detailed in note 32 to the financial statements.

### Principal activities, review of business and future developments

The Group is principally involved in the investment and management of infrastructure assets, UK and SME private equity investments and OEICs on behalf of both institutional and retail investors using ESG-oriented strategies where appropriate/required. The review of the business and a summary of future developments are included in the Executive Chairman's statement on pages 2 and 3 and in the Strategic Report on pages 4 to 65.

### Principal risks and uncertainties

The Board has carried out a robust assessment of the emerging principal risks and uncertainties affecting the Group. These risks and uncertainties are explained in the Risks section on pages 55 to 63.

### Political expenditure

No donations of a political nature have been made during the year (2023: £nil).

### Charitable donations

No donations of a charitable nature have been made during the year (2023; £nil), however, the cost associated with staff taking a Charity Day as leave to undertake charitable work was £5,159.

### Going concern

After making enquiries, the Directors have formed a judgement that at the time of approving the financial statements, there is a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. For that reason, the financial statements continue to be prepared under a going concern basis. Details of the going concern basis adopted in preparing the Group's financial statements are set out in note 1 to these financial statements. Please also see the Viability Statement on page 65.

### Post balance sheet events

Details of the post balance sheet events are set out in note 36 to the financial statements.

### Financial risk management

The Group's financial risk management objectives can be found in note 31 to the financial statements and details of the financial instruments utilised by Foresight and the associated risks are described in note 32 to the financial statements.

# Directors' report continued

## Directors' powers

The Directors' powers are conferred on them by Guernsey company law and by the Company's Articles of Incorporation ("Articles").

## Directors

The names and details of the Directors serving at the date of this report are provided below and also on pages 69 and 70. All the Directors served throughout the year:

- Bernard Fairman, Executive Chairman
- Gary Fraser, CFO/COO
- Alison Hutchinson, Senior Independent NED
- Geoffrey Gavey, NED
- Mike Liston, NED

In accordance with the Company's Articles, all Directors will stand for re-election at the forthcoming Annual General Meeting ("AGM") of the Company. As noted in the Nomination Committee report, the Board believes that it is in the best interests of Shareholders that all Directors be re-elected.

## Directors' indemnity

The Company has maintained a Directors' and Officers' liability insurance policy on behalf of the Directors, indemnifying them in respect of certain liabilities that may be incurred by them in connection with the activities of the Company. This policy does not provide cover for fraudulent or dishonest actions by the Directors. In addition, the Company has entered into deeds of indemnity with each of the Directors, which were in place during the financial year, and which provide a limited indemnity to each of the Directors in respect of liabilities incurred as a result of their directorships of the Company or any member of the Group.

## Appointment and removal of Directors

Both the Company, by ordinary resolution, and the Directors may elect any person to be a Director. The number of Directors shall not exceed the maximum number fixed by the Company's Articles. Any person appointed by the Directors shall hold office only until the next AGM and shall then be eligible for election. The office of a Director shall be vacated on the occurrence of any of the events listed in Article 24.2 of the Company's Articles. The Company may, in accordance with its Articles, remove any Director from office and elect another person in their place.

## Directors' interests

Details of the Directors' interests can be found in the Remuneration Committee report on pages 91 to 105.

## UK Listing Rule 9.8.4

There are no disclosures required to be made under UK Listing Rule 9.8.4 that have not been disclosed elsewhere in this Report. Details of long-term incentive plans can be found in the Remuneration Report on pages 91 to 105.

## Securities Dealing Code

In accordance with the UK Market Abuse Regulations, the Company has adopted a Securities Dealing Code and Securities Dealing Code Guidance (the "Code and Guidance") that sets out the Directors' responsibilities for ensuring compliance when dealing in the Company's shares. The Code and Guidance have been shared with all persons named as insiders on the Group's Insider Lists, including the Company's Directors, other PDMRs (persons discharging managerial responsibility), external parties and certain employees of the Group, and those documents are also available to all employees via the Foresight Governance and Compliance Library.

# Directors' report continued

## Relations with Shareholders

The Board recognises the importance of regular and effective communication with Shareholders, particularly the need for open communication on the Company's strategy. As a result, the Executive Directors and members of senior management have regular dialogue with the Company's major Shareholders to ensure that their views are communicated fully to the Board. Other forms of communication typically include the Annual and Half-year Reports, announcements released via the London Stock Exchange, the AGM and regular face-to-face meetings with major Shareholders and management. These meetings enable the Executive Chairman and the CFO to update Shareholders on strategy and the Group's performance. The Company also has an ongoing programme of individual ad hoc and regular meetings with institutional Shareholders and analysts, including those related to the preliminary and half-year results presentations and bi-annual trading updates.

As soon as practicable following the conclusion of any general meeting, the results of the meeting are released through a regulatory news service and a copy of the announcement placed in the FSG Shareholders section of the Group's website: [foresight.group](https://foresight.group).

For 2023, all resolutions were duly passed, but the proportion of votes against Resolution 7 to approve the reappointment of Mike Liston as a Director and Resolution 15 to approve the Rule 9 waiver both exceeded 20%. As such, in accordance with the Code, on 6 March 2024, the Company provided an update to Shareholders following the outcome of Resolutions 7 and 15 at the AGM held in 2023 (the "2023 AGM"). As noted in this update, that voting was in line with recommendations published by certain proxy voting agencies, particularly in regard to Resolution 15. Prior to the voting deadline and following engagement with those agencies, we also provided our significant Shareholders with additional information, explaining the purpose of these resolutions and offering to meet with them to discuss any concerns. While they appreciated our engagement and understood our rationale for the proposed resolutions, the Shareholders noted that the voting was in accordance with their respective corporate policy.

As a result, our engagement did not alter their final voting, although it has provided the Company with valuable insight into our Shareholders' voting approach and highlighted the areas of concern. We will therefore seek to ensure that, going forward, our disclosures and explanations address those areas and will continue to work positively and engage with Shareholders, including dissenting Shareholders, to help address any concerns they may have.

## Annual General Meeting

The Annual General Meeting ("AGM") will be held on 2 August 2024 at the address noted at the end of this report. A copy of the Notice of Meeting will be made available on the Company's website. Voting at the AGM will be facilitated by proxies for those unable to attend. The registrar will provide proxies to each of the registered Shareholders and a blank copy will be available on the Company's website via the FSG Shareholders section. Details of CREST voting are provided in the Notice of AGM, which will be circulated or published on the Company's website. Shareholders are welcome to submit questions for the Board to the Company Secretary by 9.30am on 31 July 2024 either by email to [companysecretary@foresightgroup.gg](mailto:companysecretary@foresightgroup.gg) or in writing to the Company's registered address.

## People

### Employment information – employment of people with disabilities

Our policies and processes are intended to be inclusive and comply with legislative requirements such that they ensure that people with disabilities have equal opportunities when applying for vacancies. The Group's policies and approach to Diversity, Equity & Inclusion ensures the fair treatment of all employees, whether or not disabled, ensuring that their training and career development needs are carefully considered, taking account of special requirements.

The Group's inclusive approach also supports any employee who may become disabled during the course of their employment. That support may be achieved through the provision of training, re-training, re-deployment and/or other measures appropriate to the employee concerned, to ensure the best opportunity for them to remain in the Group's employment where that is possible.

### Engagement with employees

The Group is committed to engaging with its employees and has established various initiatives, policies and forums in that regard. More detail of that engagement is provided in the Stakeholders section on page 37.

# Directors' report continued

## Shares/Share capital

### Share capital

The Company's capital structure and details of share movements during the year are shown in note 29 to the financial statements. As at 31 March 2024, there were 116,271,212 Ordinary Shares ("Shares") in issue of nil par value (comprised of 116,034,720 Shares with one vote each and 236,492 Shares held in treasury, which are non-voting) (2023: 116,271,212 Shares).

### Voting rights and entitlements

Shareholder rights and entitlements are as follows:

- Shareholders are entitled to dividends and other distributions declared, made or paid on the Ordinary Share capital of the Company
- On a show of hands every Shareholder who is present in person shall have one vote. On a poll every Shareholder present in person or by proxy shall have one vote per Share. Any Shareholder entitled to more than one vote need not cast all votes in the same way
- Shareholders are entitled to participate in any surplus assets in a winding up in proportion to their Shareholdings

### Substantial interests

At the Company's year end, 31 March 2024, and as at the date of this Report, the following were the only substantial holdings representing 5% or more of the Company's issued share capital notified to the Company pursuant to DTR 5. The number of voting rights are also noted, as the Shares bought back by the Company are being held in treasury and whilst held as such, do not carry voting rights.

| Beneficial Shareholder         | Number of Shares | % of issued share capital | % voting rights |
|--------------------------------|------------------|---------------------------|-----------------|
| Beau Port Investments Limited  | 32,324,699       | 27.80%                    | 27.86%          |
| Slater Investments Ltd.        | 6,000,000        | 5.16%                     | 5.17%           |
| Liontrust Asset Management plc | 5,819,822        | 5.01%                     | 5.02%           |
| Ameriprise Financial Inc       | 5,808,041        | 5.00%                     | 5.01%           |

## Authority to allot Shares

At the 2023 AGM, the Shareholder authority granted to the Directors to issue Shares of up to two-thirds of the issued Share capital was renewed. It is the Directors' intention to seek the renewal of this authority by Shareholder resolution which will be set out in the notice of the forthcoming AGM (the "2024 AGM").

Also at the 2023 AGM, the Shareholders renewed the authority granted to the Directors to allot Shares without application of the pre-emption rights contained in Article 5.1 of the Company's Articles up to (i) approximately 10% of the Company's issued Share capital on a general basis with an additional authority of up to a maximum of approximately 2% of the Company's issued Share capital only for the purposes of a follow-on offer that the Board determines to be of a kind contemplated by paragraph 3 of section 2B of the Pre-Emption Group's Statement of Principles; published in 2022 (the "Statement of Principles"); and (ii) a further 10% of the Company's issued Share capital in connection with the financing (or refinancing) of an acquisition or specified capital investment as contemplated by the Statement of Principles with an additional authority of up to a maximum of 2% of the Company's issued Share capital only for the purposes of a follow-on offer that the Board determines to be of a kind contemplated by paragraph 3 of section 2B of the Statement of Principles, in each case until the conclusion of the next AGM .

The Directors will also seek to renew these authorities by proposing a special resolution at the 2024 AGM.

## Purchase, cancellation and holdings of own shares

At the 2023 AGM, the authority granted by the Shareholders to buy back up to 10% of its own Shares by market purchase until the conclusion of the next AGM was renewed.

The Directors will seek to renew this authority at the 2024 AGM on the condition that this power will only be exercised if the Directors are satisfied that the purchase is in the interest of Shareholders.

During the year, 236,492 shares were purchased under that authority and are now held in treasury. While that remains the case, those shares have no voting rights.

At the 2023 AGM, the Company also sought authority for a waiver of Rule 9 of the Takeover Code. Without this waiver, the purchase of the Company's own Shares would trigger a mandatory offer for the entire issued Share capital of the Company. The Company will therefore seek to renew the Rule 9 waiver at the 2024 AGM.

# Directors' report continued

## Restrictions on transfers of shares and/or voting rights

Holders of Shares (excluding those held in treasury) are entitled to attend and speak at general meetings of the Company and to appoint one or more proxies or, if the Shareholder is a company, one or more corporate representatives. Each Shareholder who is present in person or by proxy or corporate representative shall have (i) one vote on a show of hands; and (ii) on a poll, one vote for every Share of which they are a Shareholder, proxy or corporate representative.

The Company is not aware of any agreements between Shareholders that may result in restrictions on the transfer of securities and/or voting rights and, except as described below, there are no restrictions on the transfer of the Company's Shares and/or voting rights:

- Certain restrictions on transfers of shares may from time to time be imposed by, for example, share dealing regulations. In certain situations, Directors and certain employees must seek the Company's approval to deal in its Shares
- Shares carry no voting rights while they are held in treasury
- Unless the Directors determine otherwise, Shareholders are not entitled to vote personally, by corporate representative or by proxy at a Shareholders' meeting, or to exercise any other Shareholder's right in relation to Shareholders' meetings, in respect of any Share for which any call or other sum payable to the Company remains unpaid or if the Shareholder fails to provide the Company with the required information concerning interests in those shares, within the prescribed period after being served with a notice under the Company's Articles

The Notice of AGM will provide voting deadlines for the forthcoming 2024 AGM that will be made available to Shareholders on the Company's website.

## Share Incentive Plan

Under the rules of the Foresight Share Incentive Plan ("SIP"), which was introduced in 2021, eligible employees are entitled to acquire Ordinary Shares in the Company. The SIP shares are held in trust for participants by Global Shares Trustees (UK) Limited (the "SIP Trustee"). Voting rights are exercised by the SIP Trustee on receipt of participants' instructions. If a participant does not submit an instruction to the SIP Trustee, no vote is registered. In addition, the SIP Trustees do not vote on any unallocated shares held in trust. As at 31 March 2024, the SIP Trustee held 0.44% (2023: 0.29%) of the Company's issued share capital.

## Significant agreements – change of control

The Company is not aware of any significant agreements to which it is party that take effect, alter or terminate upon a change of control of the Company following a takeover.

## Auditor

### Auditor's right to information

As at the date of this report, so far as each Director is aware, there is no relevant audit information (as defined by section 249 of The Companies (Guernsey) Law 2008) of which the Company's Auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

### Independent auditor

The Auditor, BDO LLP, has indicated its willingness to continue in office and a resolution that it be reappointed as the Company's Auditor will be proposed at the 2024 AGM.

## By Order of the Board

### Jo-anna Nicolle

#### Company Secretary

26 June 2024

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