

# Executive Chairman's introduction



“...corporate governance is the foundation of a successful business in a competitive and regulated arena.”

**Bernard Fairman**  
Executive Chairman

**I am delighted to introduce Foresight Group's (the "Group") Corporate Governance Report on behalf of the Board for the year ended 31 March 2025.**

We are committed to conducting our business responsibly and maintaining high standards of corporate governance and to this end, I have highlighted below aspects of the governance work undertaken during the year.

I specifically mentioned sustainability last year, noting that we had undertaken a double materiality assessment ("DMA"). We considered that to be important for the longevity of our business through the development and enhancement of our sustainability related governance processes in response to stakeholder feedback as well as ensuring preparedness for upcoming regulations. The DMA highlighted a number of material matters, which have helped form our strategic approach going forward. The Sustainability Team, in collaboration with our other business functions, is managing those matters with progress reported to the Board. An update on what we have done can be found in our Sustainability Section on pages 56 to 113.

Stakeholder engagement continues to be a priority for the Board and Senior Management, and details of our focus and the outcomes from the actions we have taken during the year can be found in the Stakeholders section on pages 48 to 53. As regards the Shareholders who voted against resolutions 8 and 16 at the 2024 AGM, having engaged with them previously, no further engagement was sought this year as we understood their voting policies. However, as regards resolution 16, we trust that the execution of our buyback programmes and the resulting benefit to all Shareholders will also help demonstrate the importance of gaining approval for the Rule 9 waiver, without which, we would be unable to buy back shares.

We invite any Shareholder to contact us via the Company Secretary should they wish to discuss the Rule 9 waiver further or if they wish to provide feedback on any other matter.

Our people are key stakeholders, and we continue to invest in their development and seek their feedback. Our various people related initiatives continue to receive the full support of the Board, with Alison Hutchinson, our Senior Independent Director, continuing to chair our Employee Forum and act as Employee Workplace Representative. The results of our 2025 employee survey were very positive overall, providing great insight into what we do well and what we can improve on. As regards the latter, we will work with our Head of People to address those areas we need to improve on. More details of the survey results can be found on pages 95 and 96.

Compliance with the UK's Corporate Governance Code (the "Code") is also a key area for the Board, supported by the Company Secretary. I confirm that aside the exceptions noted on page 116, the Board has complied with the requirements of the Code throughout FY25 and remains committed to doing so. As regards the establishment of an internal audit function, preparations were made during FY25 that will enable recruitment to take place in FY26.

Lastly, to the Board. During the year, the first external Board Performance Review ("BPR") was undertaken. Round Governance was selected to carry out the review, with whom the Board and selected members of our senior management team fully engaged. The Board considered the process to be insightful, with the resulting report providing great insight into the views of all who took part. The report highlighted no material concerns and all recommendations made by Round Governance were accepted and will be actioned during FY26. Details of the BPR process and results can be found on pages 126 and 127.

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Succession planning has been a key focus of the Board and was highlighted in the BPR report and recommendations. It has remained under active review by the Nomination Committee. As outlined in its report (pages 130 and 131), the process to manage Geoffrey Gavey's planned retirement has been progressing with careful consideration and oversight.

In parallel, the Board has also considered feedback regarding the need for greater clarity between the roles of the two Executive Board Members. Following thoughtful deliberation, I am pleased to confirm that Gary Fraser has been appointed as Chief Executive Officer. This appointment represents a significant milestone in Foresight's leadership evolution and reflects the Board's strong confidence in Gary's ability to lead the business through its next phase of growth. I will continue in my role as Executive Chairman and Founder, leading the company's strategic direction.

I trust that this Governance section of the Annual Report 2025 illustrates our commitment and reflects our belief that corporate governance is the foundation of a successful business in a competitive and regulated arena.

I look forward to reporting to you on our progress in the next Annual Report.

**Bernard Fairman**  
Executive Chairman

25 June 2025

### Our compliance with the Code

With the exception of the areas of non-compliance noted below, the Company has applied the principles and complied in full with the provisions of the UK Corporate Governance Code (the "Code") during the year:

Provision	Explanation
9 & 19	<p>The Code recommends that the role of chairman and chief executive officer should not be exercised by the same individual. Since Admission, Bernard Fairman, who co-founded the Group in 1984, has exercised the role of Executive Chairman, combining those two roles.</p> <p>Since listing, the Nomination Committee has independently considered the role as part of its review of the Company's succession planning. It was also considered under the external Board Performance Review ("BPR"), undertaken by Round Governance, the results of which were discussed with the Board. Supported by the BPR findings, the Committee considers that Bernard Fairman continues to provide stability and continuity through his detailed understanding of the Group's operations, both past and present, and the markets in which it operates. Also, while the Committee remains of the belief that in undertaking the role, Bernard Fairman does meet the interests of the Shareholders through his proven leadership qualities and significant experience to ensure the Company's ongoing commercial success, as noted in this Governance section, the Company's short-term succession planning will be amended to acknowledge the need to split the roles.</p> <p>Additionally, to ensure sufficient Board independence, certain additional duties are undertaken by the Senior Independent Director. These are set out in the document "Division of Responsibilities between the Executive Director and the Senior Independent Director".</p>
26	During the year, progress was made on the establishment of an internal audit function at Group level and recruitment will commence in FY26.

Examples of how the Company has complied with the Code can be found in the pages listed below:

Board Leadership and Company Purpose	Pages
<ul style="list-style-type: none"> <li>Effective and entrepreneurial board</li> <li>Company's value, purpose and strategy</li> <li>Risk management</li> <li>Stakeholder engagement</li> <li>Workforce policies (remuneration)</li> </ul>	116 to 118 and 126 and 127 IFC 36 to 46 48 to 53 140 to 149
Division of Responsibilities	
<ul style="list-style-type: none"> <li>Responsibilities of the Chair and the SID<sup>1</sup></li> <li>Executive versus Non-Executive Directors</li> <li>Time commitment</li> <li>Board effectiveness and efficiency</li> </ul>	121 121 124 126 and 127
Composition, Succession and Evaluation	
<ul style="list-style-type: none"> <li>Appointments and succession</li> <li>Skillset, knowledge and experience</li> <li>Evaluation</li> </ul>	130 117 and 118 126 and 127
Audit, Risk and Internal Control	
<ul style="list-style-type: none"> <li>Independence and effectiveness of audit functions and integrity of the financial statements</li> <li>Fair, balanced and understandable assessment of the Company's position and prospects</li> <li>Risks and internal controls</li> </ul>	132 to 139 132 to 139 132 to 139
Remuneration	
<ul style="list-style-type: none"> <li>Remuneration policies and practices</li> <li>Formal and transparent procedure for executive and senior management remuneration policies</li> <li>Exercise independent judgement and discretion</li> </ul>	140 to 149 140 to 149 140 to 149

1. The responsibilities of the Executive Chair and SID are detailed in the document "Division of Responsibilities between the Executive Chair and the Senior Independent Director".