

# Sustainability governance

This section sets out the processes and controls put in place to monitor, manage and oversee sustainability matters.

## Board

The Board of Foresight Group Holdings Limited (“FGHL”) has ultimate responsibility for sustainability for the Group, including climate-related issues. The Board is kept informed on sustainability matters via the Board reporting provided by the Sustainability team as well as other teams across the Group. This helps to ensure the Board is kept up to date on the Group’s sustainability work, including its resilience and responsiveness to evolving sustainability challenges and opportunities. Alison Hutchinson, who is the Senior Independent Non-Executive Director, is the Board’s sustainability representative and liaises regularly with the Group’s Sustainability Leads.

## Audit & Risk Committee

In accordance with the terms of reference for the Board’s Audit & Risk Committee, the Sustainability team provides it with reports for consideration at its meetings. The Audit & Risk Committee reports to the Board on such matters, making recommendations, where appropriate, for the Board’s decision and direction.

## Executive Committee

The Group’s Executive Committee provides strategic oversight of the Group’s sustainability activities, ensuring alignment with broader business objectives and climate related commitments. Elizabeth Scorer, Head of Corporate Affairs, holds the overall responsibility for the Group sustainability function, to whom the Group’s Head of Sustainability Operations reports. Both also have direct access to Alison Hutchinson.

## Sustainability Committee

The Executive Committee appointed the Sustainability Committee to undertake the following key responsibilities:

- Recommend and oversee the implementation of Foresight Group’s sustainability strategy
- Guide and advise Foresight Group’s approach to sustainable investing (also known as “responsible investment”) and corporate social responsibility (also known as “responsible business”)
- Identify, review and manage the outputs of the Committee and working groups
- Monitor performance of key material topic areas in regard to materiality evaluation and reporting. This includes climate-related matters, such as overseeing the development of effective systems to monitor and report on risks and opportunities arising from climate change

The Sustainability Committee reports directly to the Executive Committee via its Chair and Vice Chair, and operates both independently and through working groups appointed to undertake certain work/tasks. During the financial year, the Committee appointed a new Chair: Group Chief Investment Officer and a new Vice Chair: Head of Corporate Affairs. The remaining members, all Director level and above, represent key areas of the business including the Infrastructure, Private Equity and FCM Divisions, Marketing, Governance, Risk, Sustainability and People and Sustainable Culture.

## Working groups

Since the end of the financial year, a review of the permanent working groups was undertaken. This resulted in streamlining the number of working groups down to three and updating their respective mission statements and memberships. Each working group consists of representatives from various business areas within Foresight as relevant to the purpose of the Group.

To ensure the performance of the working groups is monitored and reported to the Sustainability Committee, they are each chaired by the Group Head of Sustainability Operations.

- **Environmental:** focusing on climate and nature-based activities of the investment divisions and corporate business
- **Social:** working to better understand human rights and labour rights in the value chain in relation to the activities of the investment divisions and corporate business
- **Sustainability Reporting and Regulations:** focusing on compliance with laws and regulations, including requirements for sustainability communication and recommending opportunities for enhancing our reporting strategy

The Sustainability team is responsible for co-ordinating the strategic and operational sustainability work within Foresight Group.

## Sustainability team

The Sustainability team is comprised of a number of sustainability professionals, including the Head of Sustainability Operations, who manage the day-to-day sustainability operations. The Team has close contact with the Group’s Governance, Risk and Compliance teams, and provides support to the Group’s sales/fundraising activities. The team provides written reports directly to the Board and the Head of Sustainability Operations may at times present directly to it.

## Sustainability governance

### Policies

During FY25 we established four new policies and refreshed two existing policies. These updates take account of the output of our double materiality analysis and investor demands, as well as changes in regulatory and voluntary frameworks. These are:

- Sustainability Policy
- Responsible Investment Policy
- Sustainable Sourcing Policy
- Environmental Policy
- Human Rights Policy
- Group Code of Conduct

Our policies cover the jurisdictions in which we operate and set out our baseline approach to the respective subjects. Where required, we will develop tailored approaches to allow for nuances across the jurisdictions and investment strategies at Foresight.

The **Sustainability Policy** sets out Foresight Group's high-level vision and commitment to identify and take steps to address material sustainability matters across our business operations. We are committed to take actions that decrease negative impacts, mitigate risk and capture opportunities.

To achieve this goal, this policy sets out the minimum standards for how we identify and manage these matters, across all our divisions, aligning with our strategic priorities and long-term objectives.

These standards cover our approach to mitigating the environmental impact of our operations; promoting the wellbeing, safety, equity and inclusion of our employees, workers across our value chain and the communities we operate in or influence; working towards positive outcomes for our customers and end-users; and upholding strong governance practices throughout our organisation.

The **Responsible Investment Policy** sets out Foresight Group's high-level vision and commitment to integrating material environmental, social and corporate governance issues into the full lifecycle of our investment decision-making processes including due diligence, portfolio management and exit processes. Where consistent with our fiduciary responsibilities, we apply the six UN Principles for Responsible Investment, recognising this as part of our duty to act in the best long-term interests of our investors and Shareholders. This policy integrates with the divisions' investment processes and includes a Group-wide investment exclusions list.

The **Sustainable Sourcing Policy** sets out Foresight Group's approach to sustainable sourcing by taking steps towards ensuring sourcing is from suppliers aligned with the standards of labour, human rights, environmental and sustainable conduct set out by the UN Global Compact. The policy implementation will prioritise suppliers based on their contract size, our overall spend and risk profile.

### Principles of Responsible Investment

Signatory of:  Principles for Responsible Investment

As a globally recognised benchmark for responsible investing, our PRI scores demonstrate the importance of integrating environmental, social and governance ("ESG") factors across all facets of our investment processes. Strong scores increase our credibility with investors, Stakeholders and regulators, enabling us to attract capital, while remaining accountable for our sustainability commitments.

#### Our results:

We were delighted with our results from the latest PRI assessment which showed 5 star scores across all modules completed, demonstrating our robust approach to responsible investing.

- Policy Governance and Strategy: 93% (★★★★★)
- Direct – Listed Equity (Active Fundamental): 96% (★★★★★)
- Direct – Private Equity: 95% (★★★★★)
- Direct – Infrastructure: 96% (★★★★★)
- Confidence-Building Measures: 100% (★★★★★)

#### PRI look-ahead:

While we are proud of these results, we anticipate changes in the PRI question set and weightings and will work to adapt to these changes and position ourselves as a leader in responsible investing. Robustness in data collection will be a key factor in this as the industry moves rapidly towards greater levels of assurance. We remain committed to maintaining our reputation by ensuring transparency and integrity in our approach to reporting.

## Sustainability governance

### Policies

The **Environmental Policy** outlines the measures Foresight is implementing to manage environmental risks and opportunities within our investment processes and operations. The policy focuses on addressing environmental matters that were identified as material in our double materiality analysis. These include climate change, pollution, water, biodiversity and resource use and the circular economy.

Foresight's **Human Rights Policy** outlines our commitment to respecting human rights, including labour rights and those of our value chain workers. It promotes mitigating negative impacts, ensuring due diligence processes are based on the UNGPs and OECD Guidelines for Responsible Business Conduct and emphasises the importance of working with suppliers to ensure that workers in our value chain also have safe, healthy and supportive work environments.

In addition, Foresight has adopted a **Group Code of Conduct**. Foresight is committed to act in a responsible manner and this Code describes the manner in which we want and expect our business to be conducted, and how our Stakeholder relationships are to be managed. To achieve that, this Code:

- Describes our culture, purpose and values as well as the standards for our behaviour and how we should make decisions
- Serves as our main policy on ethics and by complying with its principles, provides an ethical compass
- Provides general principles and guidance on how we should act and what we should do when we undertake our business activities

Furthermore, Foresight's Infrastructure division requires that new contracts adhere to an infrastructure-specific supplier code of conduct.



Members of the Foresight team