

Sustainability strategy

FY25 commitment review

Foresight made 18 formal sustainability commitments for FY25¹, as outlined in the FY24 Sustainability Report. Progress on the commitment themes is as follows:

Investment processes

These commitments focused on enhancing due diligence processes across our three investment divisions and the corporate function. They primarily address improvements in response to the outputs of the double materiality analysis conducted in 2024, regulatory requirements and human rights considerations across the portfolio. During the year we made progress including updating our approach to materiality assessment, the development of a human rights action plan through our human rights working group and updates to our investment processes.

Risk

This commitment required the integration of the double materiality analysis into the Group Enterprise Risk Management framework ("ERM"). The risks identified as material have been integrated into the Group's ERM software solution and allocated a specific individual risk owner. Risk owners will be provided with training on the ERM software and, where appropriate, follow up training on risk identification and assessment. This will enable each risk owner, with support from the Risk team, to effectively monitor, manage and mitigate the risks for which they are responsible.

Governance

Throughout the year, we have significantly enhanced the Group's sustainability resources and published a Group Code of Conduct. In March 2025, we introduced our inaugural Responsible Investment Policy, which spans all three investment divisions. This policy integrates our investment processes and includes a Group-wide investment exclusions list.

Our people

The Group has continued to work towards our diversity and inclusion objectives within our own workforce. To further support the business as it continues to grow, the Group has expanded the Executive Committee and now includes female representation.

Climate

In FY25 we delivered against three key commitments covering climate scenario analysis, fund-level TCFD reporting and assessing the feasibility of carbon reduction targets and transition plans. Different methodologies are used for each asset class and results are presented separately within our climate disclosure (TCFD Report). Our Infrastructure division continued with their existing methodology, working with S&P Climanomics on annual TCFD-related climate risk and scenario analysis. We utilised climate risk assessment reports for four FCM funds using the MSCI Climate Value at Risk methodology and we plan to improve coverage where we can for our investment trusts. A process to assess climate risk and financial materiality has been incorporated in the investment process for our Private Equity division, enabling managers to evaluate physical and transition risks and assign impact scores.

All funds were assessed to identify those in scope of full public disclosure or "on demand". For the "on demand" funds, a TCFD reporting template has been developed.

FGEN has committed to net zero and has developed a transition plan which is now publicly available. This is currently Foresight's only fund with such a commitment. At the Group level, we continue to assess and compare net zero methodologies, with the intention to initiate and develop our Group-wide approach to net zero. This is likely to be a phased approach, beginning with our operational Scope 1 and 2 emissions. External investor groups are providing guidance, though the Net Zero Asset Managers Initiative has paused activities for a programme review. Inclusion of climate-related KPIs in remuneration strategies is linked to establishing carbon reduction targets, which will be detailed as part of our net zero recommendations.

Regulatory

These relate to the review and enhancement of investment due diligence processes and specific sustainable finance requirements (UK SDR, EU SFDR and sustainability claims rules).

Progress has been made in the Private Equity division's investment process. Additionally the FCM division received UK SDR Focus Labels.

We will continue to hold ourselves to account, ensuring we build in resilience for our business through effective regulatory horizon scanning.

1. For full list of commitments see page 242.

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Value chain overview

Foresight Group operates across three investment divisions and a corporate business, each with its distinct value chain. Key participants involve investors, assets, sub-contractors, suppliers of equipment and raw materials, purchasers and users of products. Our value chains are integral to our operations and were considered in our double materiality analysis. This analysis emphasised the importance of our value chains throughout the investment lifecycle.

Investment lifecycle and human factors

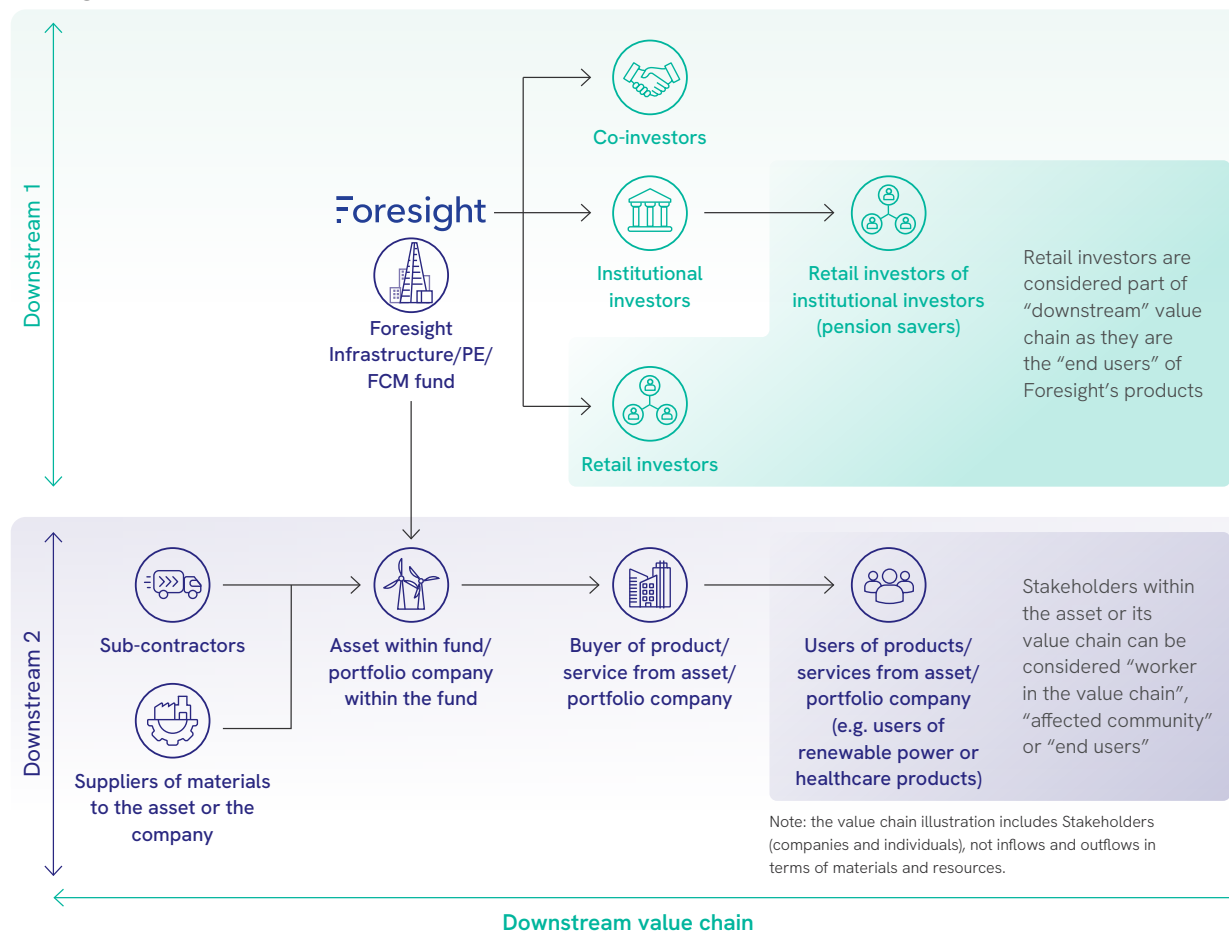
As part of our double materiality process last year, an independent third-party adviser evaluated our value chains focusing on the investment lifecycle and on human factors such as workforce and community impacts. This evaluation is a critical component of our due diligence processes which is supported by multiple tools and platforms to ensure a comprehensive review:

- **World Check:** Utilised across the business for standard due diligence checks
- **Ethixbase:** Specifically used by our Infrastructure division for enhanced ESG due diligence on higher-risk counterparties
- **Third-party DD:** Enables us to deep dive into risks and impact areas further down the value chain

Continuous improvement and future goals

We recognise there is much more to do to fully understand Foresight Group's value chain across our tier 1 and tier 2 suppliers. By gaining deeper insights into these areas, we aim to better identify and address potential risks, ensuring a more sustainable and responsible approach to our business operations.

Foresight investment streams' downstream value chain



Sustainability strategy

Double materiality analysis

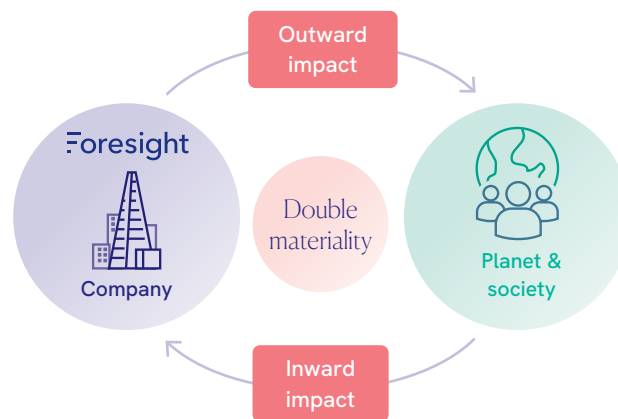
As reported in our last Sustainability Report, Foresight conducted a double materiality analysis in FY24. Our double materiality analysis approach is based primarily on the European Sustainability Reporting Standards ("ESRS") and also meets International Sustainability Standards Board ("ISSB") requirements.

The analysis was completed for each of the investment divisions, as well as the corporate entity. This process included assessing our own activities and considering our value chains.

The first step of the double materiality analysis involved a high level mapping exercise of our value chain and identifying our key Stakeholders, such as investors and employees.

With support from an independent third party, we conducted dialogues and surveys with key Stakeholders to understand their perspectives on sustainability. These dialogues were performed in accordance with the AA1000 Stakeholder Engagement Standard ("SES"). Understanding the concerns and priorities of our Stakeholders is important for determining which ESG factors are the most material.

We have assessed the environmental and social impacts based on both Foresight's internal operations as well as the geographical and sectoral exposure of our portfolio companies and assets, and their value chains. It involved analysing energy consumption, waste generation, greenhouse gas emissions, labour practices and community relations.



To conclude whether a sustainability topic was material from an impact perspective, we considered whether Foresight's impact is actual or potential, negative or positive, on people or the environment in the short, medium and long term. Additionally, for each identified impact, we have assessed the scale, scope, reversibility and likelihood over the short, medium and long term. We then assigned a total impact score to the topic.

The next step was evaluating the financial implications of ESG factors. This included assessing the magnitude of financial effects of the potential risks associated with climate change, resource scarcity, value chain workers or regulatory changes related to sustainability, among others.

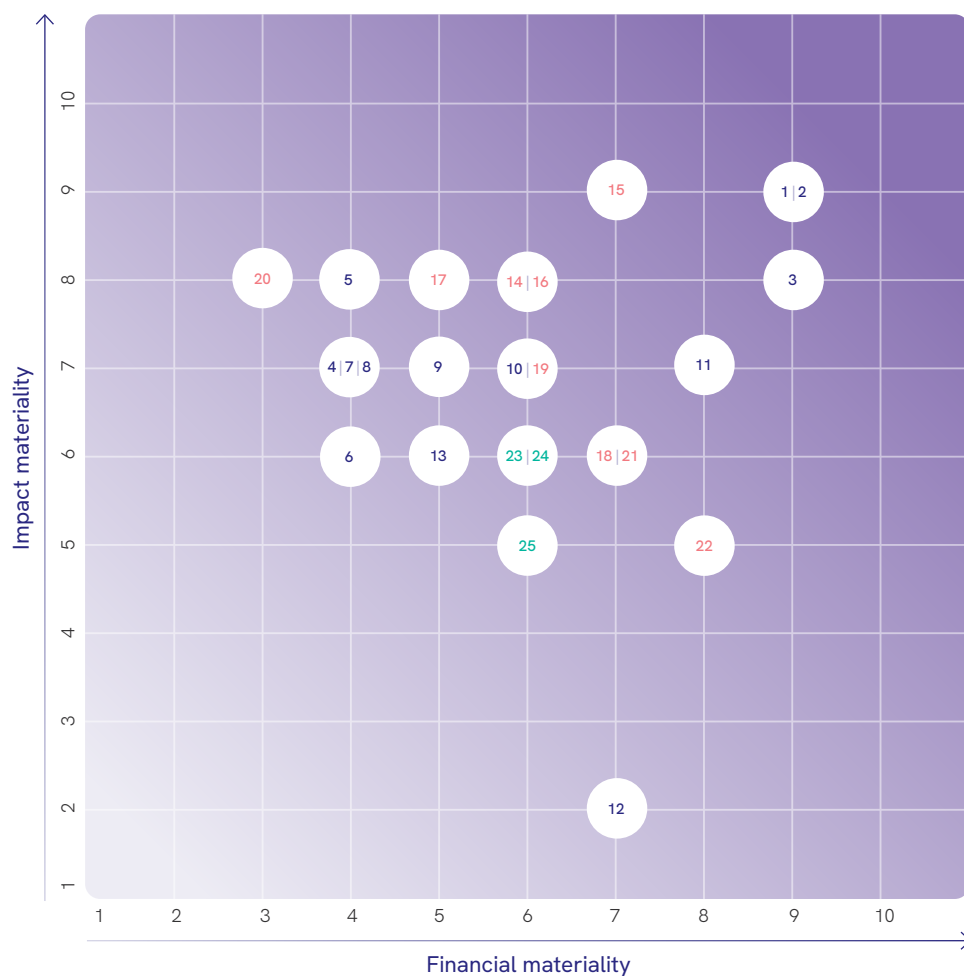
These were considered in the context of their likelihood. Furthermore, the assessment also involved identifying opportunities to improve efficiency, reduce costs and gain a competitive advantage through sustainable practices. We then assigned a total financial materiality score to the matter.

The results were presented to the Executive Committee, highlighting the sustainability topics most relevant for the Group, our portfolio companies and assets, their value chains and our investors. The key issues that emerged from the analysis have been taken into account during the formulation of our FY26 sustainability strategy.

The final outputs are shown on the heatmap on page 64, clearly identifying the most material matters.

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Double materiality analysis heatmap



Key: ● Environmental ● Social ● Governance

Environmental

Climate Change

- Climate change adaptation
- Climate change mitigation
- Energy

Impact: + - -
Risk/Opportunity: R O R

Pollution

- Pollution of air
- Pollution of water
- Pollution of soil
- Substances of concern
- Substances of very high concern

Impact: - - - - -
Risk/Opportunity: - - - - -

Water and marine resources

- Water

Impact: -
Risk/Opportunity: -

Biodiversity and ecosystems

- Impacts on the extent and condition of ecosystems

Impact: -
Risk/Opportunity: R

Resource use & circular economy

- Resources inflows, including resource use
- Resource outflows related to products and services
- Waste

Impact: - - -
Risk/Opportunity: R R -

Social

Own Workforce

- Working conditions
- Equal treatment and opportunities for all

Impact: + - +
Risk/Opportunity: R O R O

Workers in the value chain

- Working conditions
- Equal treatment and opportunities for all
- Other work-related rights

Impact: + - +
Risk/Opportunity: R - R

Affected communities

- Communities' economic, social and cultural rights
- Rights of indigenous communities

Impact: + - +
Risk/Opportunity: R O -

Consumers & end-users

- Information-related impacts for consumers and/or end-users
- Social inclusion of consumers and/or end-users

Impact: + - +
Risk/Opportunity: R - R

Governance

Business conduct

- Corporate culture
- Protection of whistle-blowers
- Corruption and bribery

Impact: + - +
Risk/Opportunity: R O R O

Key: Impact: + Positive - Negative Risk/Opportunity: R Risk O Opportunity

Sustainability strategy

FY26 goals for the strategy

Foresight has reviewed its sustainability strategy and set the following priorities designed to enhance our resilient and responsible business model:

1. Establish Key Sustainability Risk Indicators across Foresight Group to supplement our existing reporting
2. Create a Sustainability Accountability Framework within the Group Sustainability Strategy
3. Enhance our process for regulatory horizon scanning to further build resilience across Foresight Group
4. Reinforce our commitment to DE&I by further embedding inclusive practices into our business operations
5. Further develop and refine our approach to proactive management of climate and nature-related issues

Building on the progress we have made over the past year, our goals for the year ahead will continue to shape our actions and decisions, reinforcing our commitment to responsible investment and sustainable growth. By advancing key themes across our operations, we aim to further embed resilience and sustainability into our business model, helping us to remain adaptive to emerging challenges and opportunities.

This ongoing evolution reflects our belief that long-term success is rooted in continuous improvement and accountability. As we continue to align with global standards and to meet Stakeholder expectations, we are committed to maximising our positive impact – both environmentally and socially – while upholding the principles of responsible business conduct.



The opening ceremony of Skaftåsen Wind Farm, Sweden, Part of Foresight's portfolio