Environment: TCFD

TCFD Compliance statement

As per UKLR 6.6.6R(8) our climate-related financial disclosures are consistent with the TCFD recommendations issued in June 2017 and recommended disclosures, except for the 'partial compliance' areas outlined in the summary table below. Where we identify gaps in the depth and maturity of our disclosures and implementation efforts we have provided explanations and outlined the actions we are taking to close these gaps. Our aim is to provide a meaningful insight into how climate-related considerations are being fully embedded across our business.

Thematic area	Recommended disclosure	Planned Implementation Enhancements	Location
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities	Climate-related matters are currently addressed within the broader context of sustainability. Management's role in assessing and managing climate risks is similarly embedded within wider environmental initiatives. We are now taking steps to strengthen and formalise climate governance, in line with TCFD expectations. Planned actions include delivering targeted training for Board members, formalising climate-related responsibilities within management, enhancing Board oversight through regular updates supported by relevant metrics and introducing climate as a standalone item on the Board agenda.	Section: Sustainability Governance pages 58 to 60 and 68
	Describe management's role in assessing and managing climate-related risks and opportunities		
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Foresight made significant progress in FY25 by conducting quantitative scenario analysis for its Infrastructure and FCM portfolios, as well as qualitative scenario analysis for a portion of the Private Equity portfolio. Building on these efforts, we are now advancing the integration of these insights into investment decision-making, risk management frameworks and strategic planning. Planned actions include identifying how climate-related variables influence key financial drivers – such as revenues, operating costs, capital expenditure, and asset valuations – and incorporating these factors into our valuation and forecasting models. We anticipate continued progress towards full alignment with TCFD recommendations between FY26 and FY28.	Section: TCFD Report – Strategy pages 69 to 83
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning **(partial compliance)**		
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario **(partial compliance)**		

Environment: TCFD

Thematic area	Recommended disclosure	Planned Implementation Enhancements	Location
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks	We have made meaningful progress in FY25 with the incorporation of climate risks into risk registers and enhancements to risk classification tools. The focus now is on embedding these practices more consistently across all divisions and throughout the investment lifecycle, making them a practical and routine part of how investment and portfolio managers assess and manage risk. Integration of climate risks into the Enterprise Risk Management ("ERM") framework is ongoing, with continued efforts to align risk registers and processes across funds and business units to support effective Group-level oversight.	Section: TCFD Report – Climate Risk Management page 84
	Describe the organisation's processes for managing climate-related risks		
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management		
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Foresight Environmental Infrastructure ("FGEN") became the first fund to voluntarily set a net zero emissions target in FY25, marking an important step in our climate commitments. We continue to evaluate the feasibility of Group and fund-level carbon reduction, net zero or other climate-related targets. Currently, climate-related KPIs are not incorporated into Board or Executive remuneration policies. For areas where alignment is still partial, we expect to make further progress toward full TCFD alignment between FY26 and FY28.	Section: TCFD Report – Metrics and targets pages 85 to 89
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks		
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets **(partial compliance)**		

Environment: TCFD

Climate risks and opportunities

Foresight recognises that climate change presents both risks and opportunities that can have a material impact on our business.

While we do face some physical climate-related risks to our own operations – such as potential disruption to our offices from coastal flooding risk, particularly in London and Sydney – these are limited and less significant than the climate risks we are exposed to through our investment portfolios.

Physical and transition climate risks have the potential to materially impact the financial performance and long-term resilience of our investment portfolios. Physical risks can directly damage assets, disrupt operations or increase maintenance and insurance costs. Transition risks can alter the competitive landscape and render certain business models obsolete. These risks can influence valuations, increase operational costs or reduce future growth potential, ultimately affecting investor returns.

Conversely, the transition to a low-carbon economy creates opportunities for value creation through innovation, efficiency and investment in climate solutions.

Given Foresight's strong focus on climate solutions and renewable energy assets, we are well positioned to capitalise on emerging opportunities while also reducing vulnerability to transition risks.

Understanding and managing climate risks and opportunities is crucial for safeguarding the long-term value of our portfolio.

In the following sections, we outline our approach in accordance with the TCFD framework, covering governance, strategy, risk management and the relevant metrics and targets related to climate change.

Governance

Board governance

The Board's oversight of climate-related issues, including how relevant Committees and working groups contribute to informed decision-making, is addressed in detail in the Sustainability Governance section earlier in this report. That section outlines the structured processes in place to keep the Board regularly informed and engaged on climate-related risks and opportunities, ensuring effective integration of these considerations into the Company's broader governance framework.

While the Group has not yet set formal net zero targets, the Board remains engaged in evaluating evolving regulatory, market and investor expectations around decarbonisation.

Role of investment managers

Investment managers are playing an increasingly important role in integrating climate considerations into investment analysis and decision-making. The Sustainability team continues to lead the day-to-day management of climate-related issues, with a focus on strengthening processes, identifying gaps and leveraging emerging data and tools. These efforts are designed to support and empower investment managers to take on greater responsibility for managing climate-related risks and opportunities over time.

While data availability and methodologies continue to evolve – and investment teams are at varying stages of integrating climate into their workflows – the Sustainability team continues to support and collaborate with them to deepen understanding of climate impacts and enhance portfolio resilience.

As the Group's climate strategy matures, governance arrangements will continue to evolve to support clearer accountability, cross-functional co-ordination and integration of climate considerations into investment and risk oversight practices.

"At Foresight Group, we recognise that understanding and managing climate risk is not only a regulatory imperative, but a strategic priority. As the Board's sustainability representative, I see increasing momentum in how climate considerations are being incorporated into decision-making across the business. While this is an ongoing journey, we are taking important steps to strengthen our governance and risk frameworks in response to climate challenges. These risks – and the opportunities they bring – can affect all three of our divisions, and staying ahead of them is essential to protecting long-term value for our investors and contributing meaningfully to the low-carbon transition."

Alison Hutchinson, CBE
Senior Independent Non-Executive Director

Environment: TCFD

Strategy

Introduction

Foresight's climate strategy reflects the diverse nature of our business. While all divisions share a common commitment to understanding and managing climate-related risks and opportunities, they adopt different climate risk strategies and scenario analysis methodologies. This tailored approach ensures that the outputs are decision-useful and aligned with the specific characteristics of each asset class.

Infrastructure assets often have long lifespans and are more exposed to physical climate risks requiring location specific and longer-term physical risk assessments. In contrast, listed equities are more sensitive to market dynamics, regulatory shifts and investor sentiment, making transition risk scenarios – such as changes in carbon pricing or policy – potentially more relevant. Due to data limitations[1], varying equity stakes and levels of influence, private equity investments in small and medium-sized enterprises often call for more qualitative or tailored approaches.

The following tables present the key physical and transition risks and opportunities identified. These manifest in different ways and over different time horizons and sectors. The tables have been completed based on the results of risk assessments and scenario analyses. Methodologies and detailed findings are explored in detail in the following pages.

1. These include limited data on geolocations for all company sites and limited public disclosure from investee companies on climate risks and opportunities.

Glendevon Battery Storage, Scotland, Part of Foresight's portfolio

Environment: TCFD

Strategy

Overview of Group's exposure to physical risks

Physical risks						
Division	Main hazard/risk	Vulnerable geographies and sectors	Methodology and risk range	How the risk could manifest	Time horizon	Mitigation and resilience
Infrastructure	Water stress and temperature extremes	Risks concentrated in a subset of assets in the Australian portfolio and our very small agriculture portfolio (less than 0.1% of the divisional AUM).	**S&P Climanomics, Relative Annual Average Loss ("RAAL")** Assets subject to high aggregated physical risk (>10% in the central scenario by 2050) account for 4% of the portfolio's value, based on weighted average exposure. This number increases to 11% when adding assets subject to moderate physical risk (>5%), driven primarily by water stress and temperature extremes.	• Australian assets, primarily hydropower and natural gas plants, are exposed to water stress and extreme temperatures due to the country's inherently dry climate, high baseline temperatures and increasing variability in rainfall. • Agriculture assets are more sensitive to changes in water availability and heat extremes, which can reduce crop yields, strain irrigation systems and increase maintenance and insurance costs.	M L	• Despite moderate to high exposure for a subset of assets, the portfolio shows a low aggregated RAAL in the central scenario, with AUM-weighted financial losses equivalent to 1.27% per year between 2050 and 2059. • Geographic and technology diversification across the division, including within the Australian portfolio, helps mitigate exposure to localised physical climate risks.
FCM	Droughts and prolonged river low flow	Physical risks concentrated on infrastructure and real estate assets in GRIF and FIIF. Geographically diversified: Europe, the UK, the US and the Asia-Pacific region.[1]	**MSCI, Climate Value-at-Risk ("VaR")** Physical Risk Climate VaR of -7.3% for FIIF, and -9.9% for GRIF in the central scenario (funds cumulative loss in value by 2100 due to physical climate risks).	• Prolonged droughts and reduced river flow can lead to operational disruptions and increased costs in industries reliant on water for cooling, agriculture and manufacturing.	S M	• Exposure is counter-balanced by positive technology opportunities VaR (valuation impact due to exposure to low-carbon technologies). • Portfolio diversification across geographies and technologies reduces exposure to localised climate events and sector-specific vulnerabilities.
Private equity	Flooding (fluvial, pluvial and coastal) and droughts	UK and Ireland.	In-house qualitative assessment.	• More frequent and intense storm events can impact SMEs in low-lying or urban areas, leading to damage to premises, stock or equipment, loss of access for staff and customers, and increased insurance costs. • Summer droughts can cause water shortage, reduce agricultural yields, affect power generation and cooling processes.	S M	• Most of our VC and PE investments are in SMEs, where most value lies in intellectual property, human capital, relationships with customers and suppliers, resulting in limited direct exposure to physical climate risks.

1. GRIF stands for Foresight Global Real Infrastructure Fund and FIIF stands for Foresight UK Infrastructure Income Fund.

Key: S Short (0-5 years) M Medium (5-10 years) L Long (+10 years)

Environment: TCFD

Strategy

Overview of Group's exposure to transition risks and opportunities

Transition risks and opportunities | Group (Infrastructure, FCM, Private Equity)			
Risk/opportunity type	How the risk/opportunity could manifest	Time horizon	Mitigation and resilience
Regulation	**Opportunities:** A supportive policy environment to renewables and climate solutions helps to de-risk investment, lower financing costs and expand market opportunities. **Risks:** Higher-carbon parts of the portfolio face increased regulatory risk from tightening climate policies. Simultaneously, inconsistent climate and energy policies (including subsidy cuts, delays in grid reforms or shifts in direction following changes in government) can disrupt revenue models and investment planning for renewables.	S M	• Low exposure to carbon-intensive assets as percentage of AUM reduces exposure to regulatory risks and stricter climate policies (e.g. carbon taxes, emissions limits, clean energy mandates). • EU policy support continues to drive the expansion and competitiveness of renewable energy across the region.[1]
Litigation/Reputation	**Opportunities:** Proactive alignment with emerging climate and nature regulations can build trust, reduce risk and improve access to capital if disclosures are accurate, transparent and aligned with best practices. **Risks:** New regulatory frameworks and stringent reporting requirements raise expectations for transparency and increase compliance costs, as well as reputational or litigation risks if disclosures are perceived as insufficient or inaccurate.	S M	• Recent growth of the Sustainability team allows us to strengthen internal processes, review new standards and frameworks, monitor regulatory developments and improve data quality.
Market (e.g. carbon pricing and fluctuating energy prices)	**Opportunities:** Carbon pricing and high energy prices can boost the competitiveness and profitability of renewables, increasing demand for stable and flexible renewable energy assets. **Risks:** Low energy prices directly reduce revenues for renewable assets operating under a merchant model or selling into wholesale markets. Volatile prices make investment planning and forecasting more difficult, increasing perceived risk for investors overall. The most carbon-intensive parts of the portfolio may see rising operational costs and shrinking margins as carbon pricing increases.	S M	• Proactive use of power price forecasting alongside a diversified approach to energy offtake and procurement (PPAs, merchant, subsidy support, etc.) across the Infrastructure portfolio limits over-exposure to market fluctuations. • Low exposure to carbon-intensive assets as a percentage of AUM reduces exposure to carbon pricing risk.
Technology	**Opportunities:** Climate transition accelerates innovation in energy storage, grid integration and digital optimisation. **Risk:** The development and rapid deployment of more efficient technologies at scale may reduce the competitiveness of older assets, potentially diminishing their value, shortening their operational life or increasing the risk of stranded assets.	S M L	• A renewable-focused infrastructure portfolio is well positioned to benefit from technology-driven opportunities. • Our listed and private equity funds are equipped to invest across a broad range of opportunities, including early-stage technology companies.

1. https://europa.eu/newsroom/ecpc-failover/pdf/ip-25-1337_en.pdf.

Key: S Short (0-5 years) M Medium (5-10 years) L Long (+10 years)

Environment: TCFD

Strategy

Infrastructure

ESG due diligence pre and post investment

The Infrastructure division is strengthening its approach to climate risk and sustainability by aligning more closely with the emerging set of widely accepted investor, regulatory and sustainability frameworks. Meanwhile, the division's proprietary Sustainability Evaluation Tool ("SET"), which historically supported the evaluation of ESG and climate-related factors as part of pre-investment due diligence, has been re-designed to act primarily as a tool for ongoing monitoring of these considerations within portfolio management.

Where appropriate, alignment with these frameworks may require the engagement of third-party service providers. As an example, as of FY26, climate-related due diligence and monitoring will be conducted using a third party that applies advanced climate models and datasets to assess both acute and chronic physical risks in alignment with the EU Taxonomy's Climate Risk and Vulnerability Assessment ("CRVA").

These assessments are intended to form the basis for long-term climate risk monitoring and will serve as a reference point for ongoing risk management. They will be owned by Portfolio Managers, who also work closely with site operators and counterparties to monitor climate-related impacts on asset performance and develop mitigation plans.

To strengthen internal capabilities, the division is also piloting a new geospatial risk platform developed with Frontierra, designed to generate location-based insights into climate and nature-related risks. Following development, the platform is now undergoing initial testing and implementation across the Infrastructure Investment and Portfolio Management teams in FY26.

Infrastructure climate risk framework

Since 2022, Foresight has undertaken scenario modelling of its Infrastructure portfolio. In FY25, the Infrastructure Division once again used the Climanomics platform, which relies on the Shared Socioeconomic Pathways ("SSPs") generated by the Intergovernmental Panel on Climate Change ("IPCC") as the basis for its analysis[1].

The methodology uses asset-level geographic co-ordinates, emissions, asset type, valuations and sector classifications to evaluate the exposure of each asset to eight climate hazards (coastal, pluvial and fluvial flooding, drought, temperature extreme, tropical cyclone, water stress, wildfire and landslide) and five transition risks (carbon pricing, litigation, technology, reputation, market).

Geolocation is essential for infrastructure, as similar assets can face vastly different climate risks depending on where they are situated. Their long lifespans also increase exposure to cumulative impacts like water stress, temperature extremes and coastal flooding, making location-specific insights vital for targeted adaptation.

Core results are presented in terms of relative risk: the percentage of an asset's value that is estimated to be at risk from physical or transition risks. For instance, a relative risk of 5% by 2050 means that, on average, the expected financial loss from climate risk is equivalent to 5% of the asset's value across the decade (e.g. 2050-2059).

In our assessment, SSP2-4.5 is chosen as the central scenario as it reflects the most probable pathway based on current policies, commitments and climate trajectories.

Results are presented with a particular focus on the 2050-2059 period, reflecting both global net zero commitments by mid-century and the expected lifespan of many of our assets[2].

1. SPG_S1_Climanomics_Methodology.pdf.
2. The Climanomics assessment covered 547 assets, including those in development, pre-construction, construction, commissioning and operational stages, with a total asset value of $9.84 million. Including assets at all stages is essential for a comprehensive climate risk assessment, which explains the higher asset count compared to earlier figures in this report. The total asset value cited here – as a proxy for AUM – is lower than the previously reported division AUM, primarily because it excludes fund-level debt, reflects proportional ownership rather than full asset value for managed assets, and uses Net Asset Value (excluding investor commitments) for certain funds.

Environment: TCFD

Strategy | Infrastructure

Overview of climate scenarios

Scenario	Description
SSP1-2.6 (Low climate change scenario)	Aggressive mitigation in which total GHG emissions reduce to net zero by 2050, resulting in a global average temperature increase of 1.3–2.4°C by 2100. This is consistent with the goals of the Paris Agreement.
SSP2-4.5 (Medium climate change scenario)	Aggressive mitigation in which total GHG emissions stabilise at current levels until 2050 and then decline to 2100, resulting in a global average temperature increase of 2.1–3.5°C by 2100.
SSP3-7.0 (Medium-high climate change scenario)	Limited mitigation scenario in which total GHG emissions double by 2100, resulting in a global average temperature increase of 2.8–4.6°C (this averages to 3.6°C).
SSP5-8.5 (High climate change scenario)	Low mitigation scenario in which total GHG emissions triple by 2070 and global average temperatures increase by 3.3–5.7°C ("worst-case" scenario).

Climate resilience

Physical risks

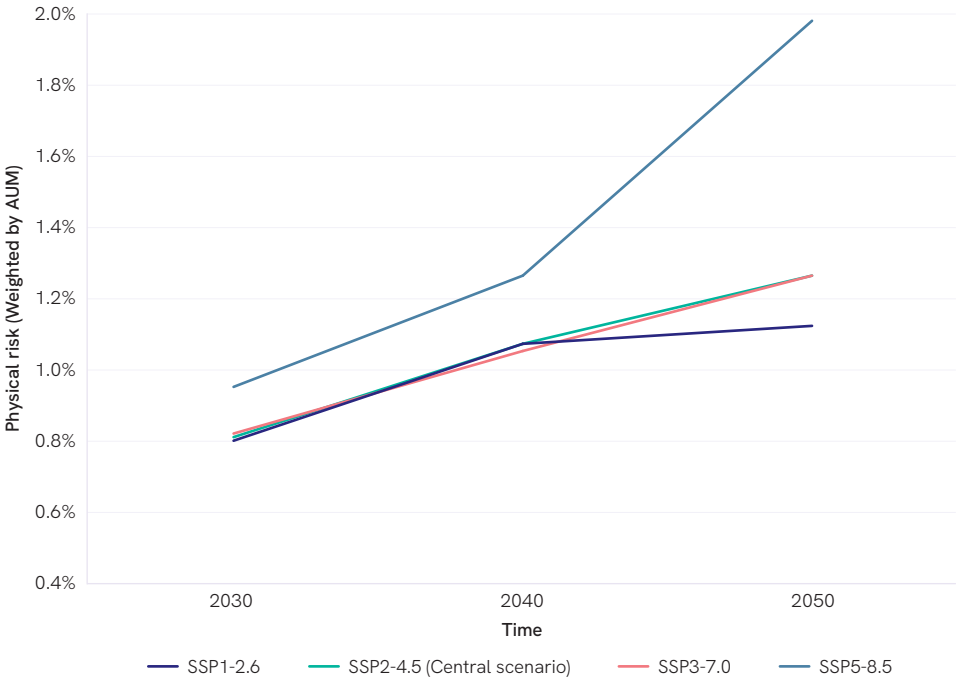
All assets were assessed for eight physical climate hazards, with individual hazard risks combined into a single % at risk per asset. These were then weighted by each asset's share of total AUM to calculate a portfolio-level average, ensuring larger assets have a proportionally greater impact.

The following thresholds for the combined percentage of risk were applied:

- 0-5% – Minimal
- 5-10% – Moderate
- >10% – High

The chart opposite shows the resulting total physical risk (AUM weighted) across three decadal time horizons. In this aggregated view, physical risk remains low across all scenarios.

Infrastructure portfolio – aggregated relative physical risk (in %)



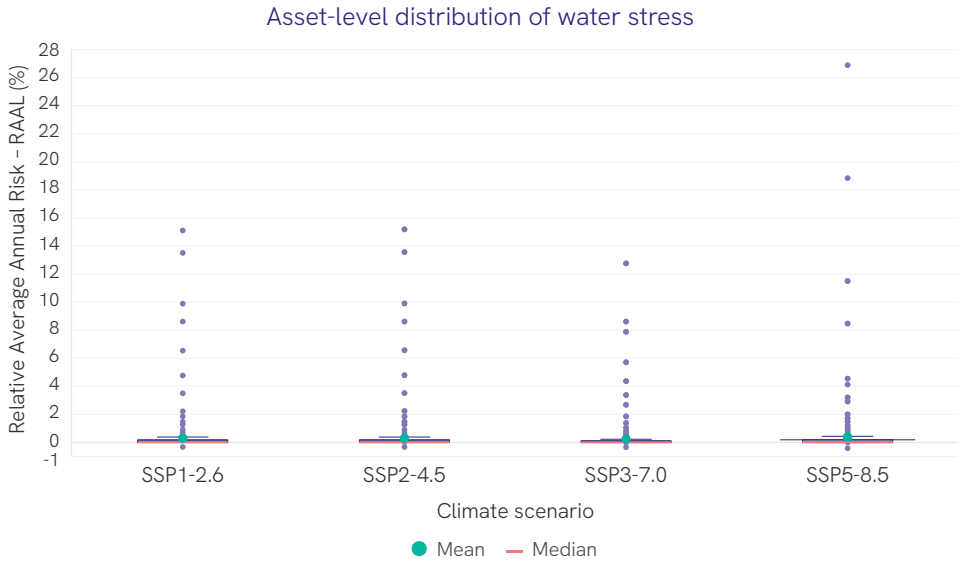
Under the central SSP2-4.5 pathway, risk increases moderately to 1.27% by 2050. This means that, on average, the expected yearly financial loss from climate risk is equivalent to 1.27% of the whole portfolio value between 2050–2059. The high-emissions SSP5-8.5 scenario shows a steeper rise, though total portfolio risk still remains below 2% by 2050.

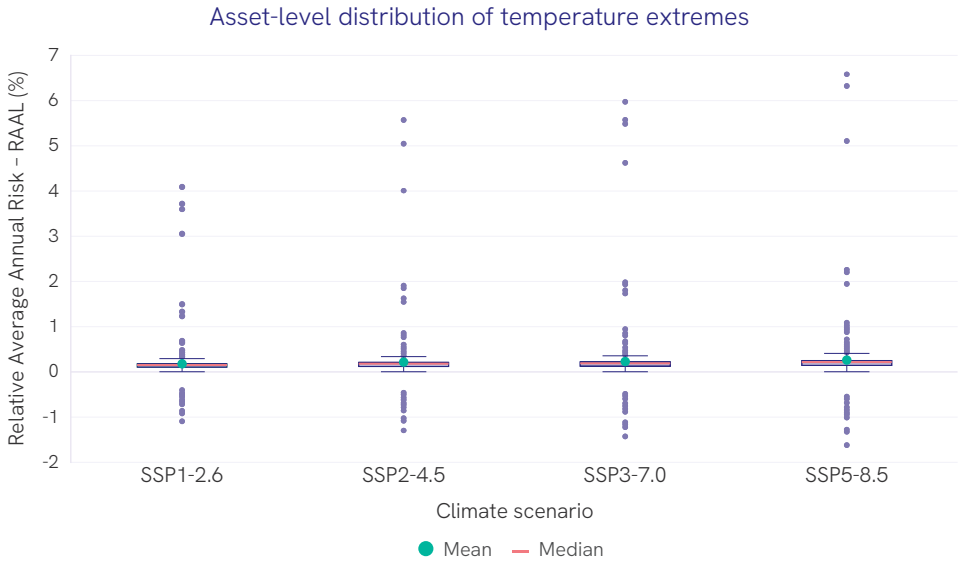
While the aggregated view offers a useful high-level perspective on overall portfolio exposure, it can obscure significant variations in risk at the asset level. Certain assets or sub-sectors may be disproportionately exposed to specific physical hazards, even when total portfolio risk appears modest.

Environment: TCFD

Strategy | Infrastructure

The box charts below help us visualise this concentration of risk at the asset level for the two most significant physical hazards for our portfolio: water stress and temperature extremes.





In both charts, the median and mean values are both near zero across all scenarios, suggesting that most assets in the portfolio are minimally affected by these hazards. However, the presence of outliers with risk exceeding 5% in the case of temperature extremes, or 10% in the case of water stress, indicates that some assets face significant exposure. The average remains low, but targeted mitigation might be needed for higher risk assets.

Impacts from water stress and temperature extremes are concentrated in a subset of assets in the regenerative agriculture sector and our Australian portfolio, underscoring the importance of targeted mitigation strategies.

Our regenerative agriculture portfolio is currently small, representing less than 0.1% of total AUM. In contrast, our Australian portfolio represents approximately 35% of the divisional AUM, making risks in that region more financially significant. Australia's geographic location and exposure to climate patterns like El Niño make it particularly vulnerable to prolonged dry spells, heatwaves and shifting precipitation patterns.

Environment: TCFD

Strategy | Infrastructure

Australian assets with moderate or higher physical risk (above 5%) – including a hydropower plant, natural gas facilities and a road transport asset – make up about 11% of the division's weighted asset value, highlighting the need for close monitoring of climate risks in the Australian portfolio. This risk is partially mitigated by our diversified exposure within Australia across a range of sectors and asset types – including over 20 wind and solar plants – many of which face lower physical climate risks.

Conversely, as seen in the box chart, temperature extremes show a limited but concentrated positive impact on certain asset types, particularly solar battery storage and anaerobic digestion facilities in the UK and Europe. This is largely due to the improved efficiency of microbial processes in anaerobic systems at higher temperatures, and the potential for increased solar generation in regions with moderate warming – though these gains remain modest, never exceeding 1.3% per asset by 2050 in the central scenario.

Although water stress and temperature extremes stand out as key risks that require ongoing attention, the overall portfolio demonstrates strong resilience to most climate hazards.

Notably, our solar and wind assets – which account for 56% of all infrastructure assets and approximately 50% of the division's AUM – perform well under the central scenario (SSP2-4.5), with no individual asset facing more than 2.8% annual risk on average from any single hazard.

For the portfolio as a whole, our sectoral and geographic diversification enhances resilience by limiting exposure to any single physical climate risk, lowering the chance that one event or hazard will have a disproportionate financial impact on the overall portfolio.

Transition risks

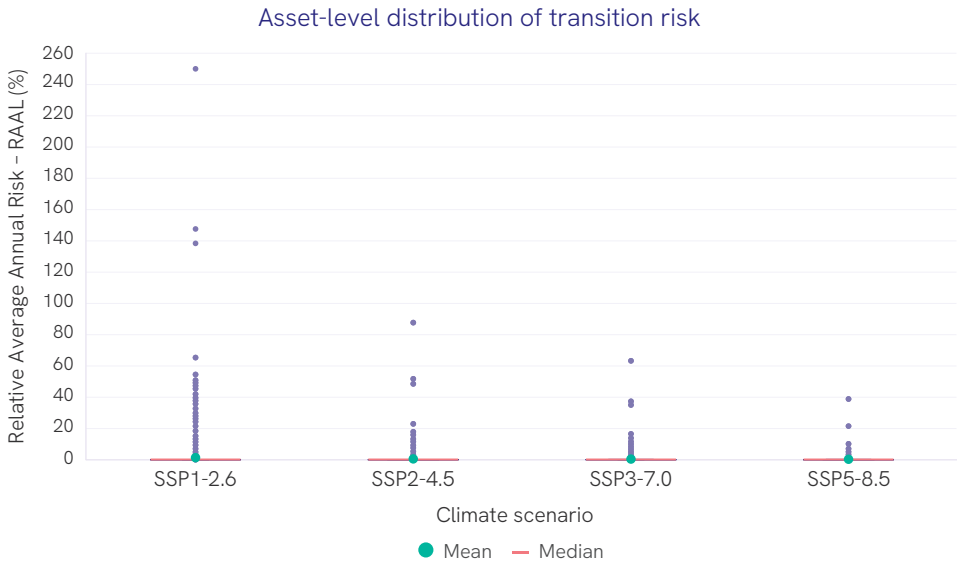
Assessment of transition risks is limited by the necessary simplification of sector-specific assumptions and the challenges of accurately modelling the net present impact of carbon pricing while accounting for regional differences. Carbon price estimates across scenarios vary widely, ranging from approximately $20 to over $200 per tonne of CO_2e by 2050.

These limitations provide useful context in explaining the results in the chart opposite, with modeled carbon pricing responsible for the wide variation across the portfolio. Points in the chart correspond to individual assets' risk exposure to each transition risk category (carbon pricing, litigation, technology, reputation and market risk).

For certain gas-fired power plants, including reserve power, future carbon costs (expressed in net present value) can approach 50% by 2050. This estimate is subject to considerable uncertainty due to the compounding effect of long-term discounting and inflation assumptions.

Exposure to other transition risks (litigation, market shifts, reputational damage and technological disruption) is minimal, consistently below 1% across all assets and all scenarios.

Across all four SSP scenarios, both the mean and median cluster near zero, indicating that the majority of assets carry negligible aggregated transition risk, and that the overall portfolio average risk is not disproportionately influenced by extreme outliers.



Environment: TCFD

Strategy | Infrastructure

While recognising the limitations of the model's simplified assumptions, results align with expectations in the sense that higher-carbon segments of the portfolio are subject to elevated transition risks. These risks are largely concentrated in our natural gas-fired power plants, which, while responsible for 69% of total infrastructure emissions, comprise less than 10% of the division's AUM.

Given that our portfolio is primarily composed of renewable energy assets, our overall transition risk remains relatively low. Renewables are less exposed to carbon pricing and market shifts associated with decarbonisation pathways, providing us with a more resilient position as the energy transition progresses.

Opportunities

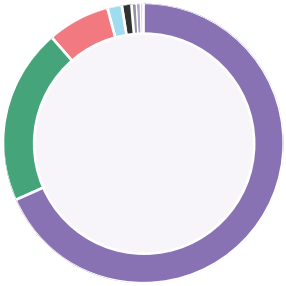
While the TCFD framework is primarily focused on climate-related risks, our portfolio is uniquely positioned within the opportunity segment of the energy transition. As an infrastructure investor focused on renewable energy assets, particularly wind and solar, we see climate change mostly as a catalyst for long-term value creation.

With 7.6 TWh of renewable electricity generated and 3.9 GW of installed renewable energy capacity in FY25[1], the portfolio is well positioned to benefit from increasing demand for clean energy. In the UK alone, renewable generation from the portfolio powers the equivalent of 2.8 million homes annually.

Overall, our portfolio results in the avoidance of approximately 2.8 million tonnes of CO_2e emissions per year compared to the grid[2], making a significant contribution to climate mitigation goals.

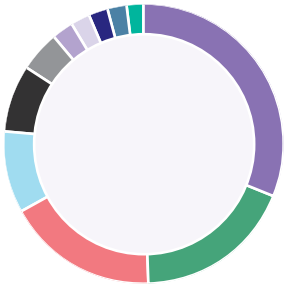
Beyond wind and solar, our investments in anaerobic digestion facilities, forestry and regenerative agriculture expand our climate positive impact. Anaerobic digestion not only reduces landfill use and methane emissions but also creates reliable baseload power, complementing intermittent renewables. Our natural capital investments, although still a small part of our portfolio, present a compelling nature-based solution to climate change by sequestering carbon in soil and trees while enhancing long-term soil productivity and biodiversity.

Infrastructure – By technology[3]



- Gas generation | 68.4%
- Energy from waste + biomass | 20.3%
- Transport | 7.2%
- Social infrastructure | 1.7%
- Non-energy waste | 1.0%
- Wind + solar | 0.5%
- Anaerobic digestion | 0.5%
- Others | 0.3%

Infrastructure – Technology allocation by AUM[3]



- Wind | 31.3%
- Solar | 18.3%
- Transport | 17.5%
- Natural gas | 9.4%
- Social infrastructure | 7.8%
- Waste energy + biomass | 4.7%
- Hydro | 2.4%
- Anaerobic digestion | 2.4%
- CNG refuelling station | 2.3%
- Forestry | 2.1%
- Other | 1.8%

1. This figure includes wind and solar, solar batteries, hydropower, geothermal, biomass and anaerobic digestion facilities (operational assets only) and covers the period April 2024-March 2025.
2. This figure includes wind and solar, solar batteries, hydropower, anaerobic digestion, biomass and energy-from-waste facilities (operational assets only) and covers the period April 2024-March 2025.
3. Encompassing 420 operational assets with a total asset value of $8.38 billion. Gas generation includes power plants, reserve power and gas pipeline. Wind includes onshore and offshore, and solar includes farms and rooftops. Non-energy waste includes wastewater treatment and waste management. Transport includes airport, electric buses, ferry, port and roads. In the second chart, others also include non-energy waste. Social infrastructure includes hospitals, schools, social housing and student accommodation. Others include forestry, hydropower, CNG refuelling stations, agriculture, street lighting, storage (battery), glasshouse & vertical farms and anaerobic digestion. Emissions chart excludes Scope 3 emissions which are currently estimated.

Environment: TCFD

Strategy

Foresight Capital Management

ESG due diligence pre and post investment

In FY25, we began restructuring the division's processes and aligning with the IFRS S2 framework to enhance the assessment of climate-related disclosures from individual listed companies.

Data is predominantly sourced from investee companies' publicly available disclosures – such as Annual Reports, sustainability or TCFD Reports and CDP questionnaires – supplemented with key metrics and peer comparisons from Bloomberg's ESG datasets. Together, these sources provide a comprehensive understanding of how companies are managing climate-related risks and opportunities, and the potential implications for long-term performance and risk exposure.

To support appropriate monitoring, the Lead Sustainable Investment Manager attends weekly investment meetings with equity analysts and portfolio managers. Climate-related matters are considered as part of these meetings, though they are not yet a standing agenda item. In FY26, the Sustainability team will further enhance the monitoring process to ensure that company assessments are formally reviewed and updated on a quarterly basis.

Further, the Sustainability team engages with investee companies to advocate for enhanced disclosure of climate-related information and encourage sustainable practices. Updates on these efforts are provided in the FCM Annual Stewardship Report, ensuring transparency and accountability.

FCM climate risk framework

Foresight Capital Management's approach to scenario analysis involves applying MSCI's Climate Value-at-Risk (Climate VaR) model to our equity holdings.

This enables us to assess the potential business impacts of risks and opportunities under different climate scenarios to 2100. The aggregated company Climate VaR is calculated as a percentage of market value (from -100% to +100%) for a series of climate scenarios and includes the valuation impacts arising from technology opportunities, policy risks and physical risks.

MSCI's climate scenarios are built on standardised pathways developed by the Network for Greening the Financial System ("NGFS") and the International Energy Agency ("IEA").

The assessment was conducted for four FCM funds[1] using the following scenarios:

- **2°C NGFS Orderly (baseline):** A well co-ordinated and gradual transition to a low-carbon economy, with policies and measures implemented in a timely manner to limit global temperature rise to 2°C above pre-industrial levels
- **1.5° REMIND NGFS Orderly:** A well co-ordinated and ambitious transition to limit global temperature rise to 1.5°C, with rapid and far-reaching changes in all aspects of society
- **1.5° REMIND NGFS Disorderly:** A less co-ordinated and more disruptive transition to limit global temperature rise to 1.5°C, with significant economic and social impacts
- **3° REMIND NGFS NDC:** Current policies and Nationally Determined Contributions ("NDCs") are implemented. Significant variations between jurisdictions, insufficient at scale and leading to a global temperature rise of 3°C above pre-industrial levels

It is important to note that FIIF's portfolio includes a significant allocation to UK investment trusts, which are not comprehensively captured by MSCI's methodology. As a result, MSCI's climate risk assessments are less representative for FIIF than for FCM's other funds.[2]

1. The four FCM funds are: Foresight UK Infrastructure Income Fund ("FIIF"), Foresight Global Real Infrastructure Fund ("GRIF"), Foresight Sustainable Real Estate Securities Fund ("REF") and Foresight Sustainable Future Themes Fund ("SFT").
2. FIIF's MSCI methodology coverage is 32.3%; GRIF 71.6%; SFT 93.7%; REF 98.3%. The UK investment trusts held by FIIF primarily invest in clean energy infrastructure and core infrastructure assets. These holdings are considered to have minimal exposure to transition risks, given their alignment with low-carbon objectives. However, they may still face exposure to physical risks, particularly extreme weather events. As a result of these data limitations, there is a risk that FIIF's climate-related exposures are being underestimated.

Environment: TCFD

Strategy | Foresight Capital Management

Climate resilience

Snapshot on transition risks and opportunities

	Green revenue exposure	Renewable power generation exposure	Thermal coal exposure (any tier)	Thermal coal (apportioned fuel mix, % of generation)	Fossil fuel-based revenue exposure
REF FP Foresight Sustainable Real Estate Securities Fund	22.9%	100.0%	4.1%	—	0.1%
SFT FP Foresight Sustainable Future Themes Fund	22.5%	82.5%	5.7%	3.6%	0.2%
GRIF FP Foresight Global Real Infrastructure Fund	22.4%	70.7%	—	—	1.6%
FIIF FP Foresight UK Infrastructure Income Fund	5.1%	47.2%	—	—	0.4%
Benchmark (MSCI AC WORLD INDEX)	8.8%	12.4%	3.8%	22.3%	3.2%

All four funds have minimal exposure to thermal coal power or revenue from activities related to fossil fuels (including extraction, production, distribution and usage). This is in line with the funds' mandates and reflects a strong alignment with low-carbon transition goals.

Simultaneously, REF, SFT and GRIF have considerably higher exposure to green revenues (a weighted average of revenue exposure to alternative energy, energy efficiency, green building, pollution prevention, sustainable water and sustainable agriculture). All portfolios are overweight in terms of exposure to renewable power generation relative to the MSCI AC World Index, with REF having 100% exposure.

The minimal exposure to fossil fuels, coupled with the high exposure to renewable power generation and green revenue, indicates the funds are well positioned for a low-carbon future economy and have low exposure to transition risks.

Financed carbon emissions (tonnes CO_2e/GBP million invested)

	Scope 1+2 (direct + purchased energy)	Scope 3 upstream (supply chain emissions)	Scope 3 downstream (product use emissions)
REF FP Foresight Sustainable Real Estate Securities Fund	12.1	29.6	22.7
SFT FP Foresight Sustainable Future Themes Fund	38.5	180.1	101.6
GRIF FP Foresight Global Real Infrastructure Fund	25.4	39.3	10.5
FIIF FP Foresight UK Infrastructure Income Fund	27.3	27.2	21.3
Benchmark (MSCI AC WORLD INDEX)	52.3	98.8	255.8

All funds have significantly lower Scope 1 and 2 and Scope 3 downstream emissions compared to the benchmark.

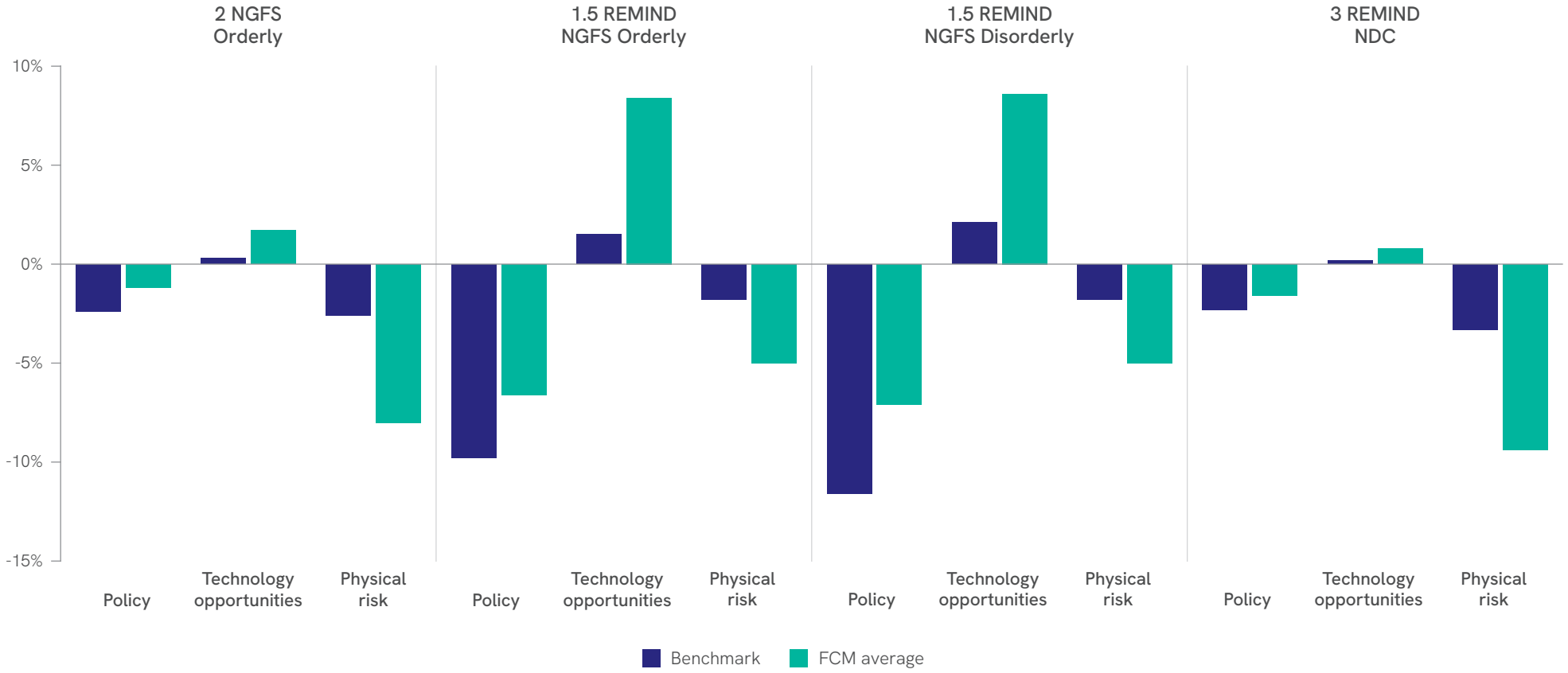
Scope 3 upstream emissions are lower for all funds except the FP Foresight Sustainable Future Themes Fund. This fund targets businesses aligned with key sustainability themes including clean energy, resource efficiency and digital infrastructure. By focusing on companies providing sustainable solutions to environmental and societal challenges with strong potential to reduce emissions in the future, the Fund is currently exposed to industries that inherently have higher upstream emissions at present. For example, the manufacturing and construction of wind turbines or electrical cables – crucial to the energy transition – tend to have higher upstream emissions due to the energy and materials required in their supply chains.

Environment: TCFD

Strategy | Foresight Capital Management

The chart below shows the Value-at-Risk for the whole division across the different scenarios. The aggregate number reflects the funds' weighted average for each category: physical risk, transition risk and technology opportunities. A negative Physical Climate VaR indicates a potential downside (value loss) due to physical impacts. In the same way, a negative Policy Climate VaR means that future climate policies – such as carbon taxes, stricter emission regulations or other government actions – are expected to reduce the value of the portfolio, and vice-versa. As for the Technology Opportunities Climate VaR, a positive number indicates expected financial gain from climate-related technology innovation and adoption.

Climate Value-at-Risk



Environment: TCFD

Strategy | Foresight Capital Management

Key findings are outlined below. Assumptions about future climate policies, technological developments and physical climate impacts are unable to fully capture the complexity of future scenarios. Instead of focusing on individual numerical results, we focus on trends and differences between scenarios as the best way to gain insights into potential future risks and opportunities.

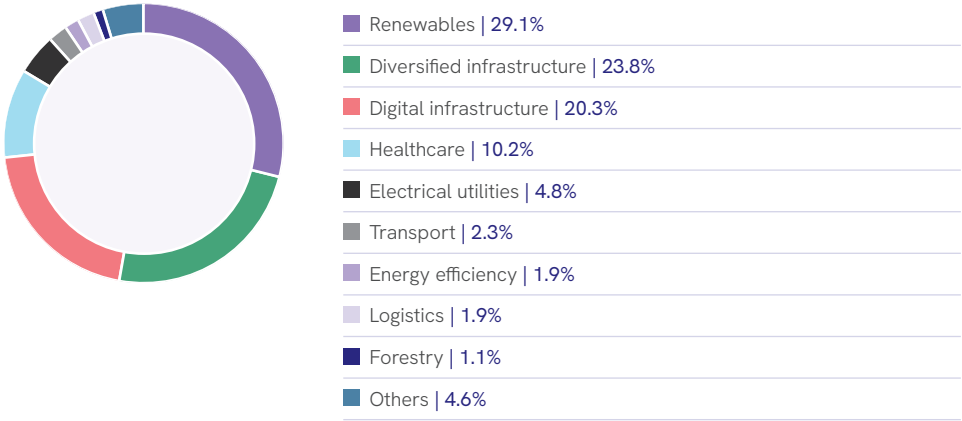
Physical and transition risks

- Due to the funds' strong focus on infrastructure assets, the division has a higher weighted average value at risk ("VaR") from physical risks relative to the benchmark. This is more pronounced in the 3°C scenario, which reflects insufficient global action to reduce emissions. This is to be expected given that real assets have fixed locations and long lifespans, which exacerbates their exposure to localised physical hazards.
- River low flow caused by prolonged drought is identified as the biggest physical risk for the FCM portfolio. It can lead to operational disruptions and increased costs in industries reliant on water for cooling, agriculture and manufacturing. Extreme heat emerges as the second biggest physical risk.

Opportunities

- Across all scenarios, the division's weighted average value at risk ("VaR") outperforms the benchmark in relation to climate-related opportunities – such as renewable energy and sustainable infrastructure – and transition risks, including the impacts of stricter climate policies like carbon pricing. This outperformance is particularly notable in the 1.5°C scenario, highlighting the fact that FCM stands to benefit from robust climate mitigation efforts.
- In relation to the baseline, all funds individually show an increase in Technology Opportunities Climate VaR in the 1.5°C scenarios. SFT (14.1%) and GRIF (17.7%) are particularly well positioned to benefit from a rapid decarbonisation of the global economy.

FCM's sectoral distribution[1]



- The results are consistent with the expectations for the FCM funds as these are specifically designed to capitalise on long-term sustainability trends and the transition to a low-carbon economy. These funds have minimal or non-existing links to fossil fuels and high exposure to low-carbon economy-aligned sectors such as renewable energy, clean industry and resource efficiency, which are expected to thrive under stricter climate policies. Their positive Technology Opportunities VaR indicates that they stand to gain from the growing adoption of low-carbon technologies.
- SFT is particularly well positioned to benefit from the transition to a low-carbon economy, with high green revenue exposure and strong resilience to climate-related risks across all scenarios. This is consistent with SFT's mandate to build a portfolio that is positioned to benefit from the growing demand for sustainable solutions.

1. Based on weighted average calculated using fund holdings as of 22/05/2025.

Environment: TCFD

Strategy

Private Equity

ESG due diligence pre and post investment

Foresight's Private Equity division is committed to ongoing ESG improvement and incorporating these considerations throughout the investment lifecycle, especially for Growth Private Equity assets. The process is regularly reviewed and updated to incorporate evolving best practices.

Three core enhancements took place in FY25: the review and expansion of the ESG due diligence questionnaire, the enhancement of the Sustainability Software Platform – including the ability to calculate portfolio company Scope 3 emissions alongside usability and output data – and the introduction of a new qualitative climate risk assessment.

Investment Managers are responsible for conducting ESG due diligence on each potential new investment, as part of the overall due diligence process, tailoring it where necessary to the scale and nature of each investee company's operations, the type of investment and maturity of the investee company.

Important to our ESG due diligence on most of our investments is the Foresight ESG questionnaire, which was updated this reporting period to support TCFD-aligned recommendations, address double materiality topics, evaluate good governance (for SFDR funds) and reinforce our commitment to the UN Global Compact's ten principles.

The questionnaire is completed via the online Foresight Sustainability Platform, which feeds into the ESG risk assessment matrix used in Investment Committee submissions. These submissions include an evaluation across five ESG principles (Awareness, Environmental, Social, Governance and Third-Party Interactions) and a defined action plan. Progress on these actions is monitored through the 100-day plan process and quarterly portfolio reviews. In FY25, Investment Committee submissions templates were, where relevant, updated to cover key double materiality topics and include results from the new qualitative climate risk assessment, outlined in the next section.

Foresight actively engages with portfolio companies, holding non-executive directorships on most company boards within the Growth Private Equity portfolio, and usually taking observer roles on the remaining investee companies. Investment Managers drive engagement to promote sustainable practices, with progress reviewed quarterly to ensure risks are mitigated and value creation opportunities realised.

Annually, all Growth Private Equity portfolio companies are asked to complete the ESG questionnaire on the online Foresight Sustainability Platform, which now features an updated, streamlined carbon questionnaire. This enables comprehensive tracking of Scope 1, 2 and 3 emissions, calculated using GHG Protocol-aligned methodologies. The platform identifies any major emitters and emission hotspots, providing companies with the tools and insight to better understand and manage their emissions, and enabling targeted engagement as this process evolves.

Private Equity climate risk framework

Private Equity is focused mainly on SMEs based in the UK. Data on these companies is limited, and external data providers that are able to capture physical and climate risks for SMEs accurately are limited. For these reasons, the division focused on enhancing in-house processes to increase our understanding of exposure to physical and transition risks.

In FY25, we have put in place a qualitative climate risk assessment for companies above a defined investment threshold, currently totalling 66 of the existing portfolio companies across all funds and sectors. The evaluation accounts for transition and physical risks based on sectoral and geographic exposure. On investment and then annually, investment managers will complete this risk evaluation outlined below and note any material change. Key steps include:

- **Transition risks:** qualitative assessment based on sectoral exposure, using the NACE codes classification (European statistical classification of economic activities[1]) and mapping them against the CPRS list (Climate Policy Relevant Sector[2]). This allows us to identify companies particularly exposed to transition risks, including policy and legal, technology, market and reputation risks
- **Physical risks:** qualitative assessment based on geographic location and using open-source, science-based tools[3]. The assessment accounts for the localised long-term risk from flooding caused by changes in rainfall, river levels and sea level, and prolonged dry weather and drought caused by dry summers and low river flows

1. dd5443f5-b886-40e4-920d-9df03590ff91.
2. Climate Policy Relevant Sectors | Department of Finance | UZH.
3. For flooding risk in the UK we use: "https://www.gov.uk/check-long-term-flood-risk" and for the Republic of Ireland we use: "https://www.floodinfo.ie/map/floodmaps/". For drought we use international maps from "https://www.drought.gov/international".

Environment: TCFD

Strategy | Private Equity

This risk assessment is primarily informed by our current understanding of material exposures, based on present day data, operations and the regulatory environment. To ensure our strategy remains resilient over time, we complement this assessment with forward-looking scenario analysis, using narrative-based descriptions of two possible future outcomes:

- **A 1.5°C world (rapid decarbonisation):** Governments take aggressive climate action, leading to policy shifts, green investments and rapid decarbonisation. Potential for higher transition risks but lower physical risks as a consequence
- **A 3°C+ world:** Weak policies result in escalating climate disasters, supply chain disruptions and increased insurance costs. Potentially lower transition risks but high physical risks

Based on these findings, portfolio managers use a proprietary framework to determine the risk materiality based on a combination of (i) the magnitude of impact and (ii) the likelihood of occurrence over the short, medium and long term. The framework evaluates the potential impacts on portfolio companies' financials (loss of revenue), operations (generation, output or service delivery disruptions), reputation (damage to reputation, brand, ability to sell or procure) and legal (sanctions, class action, fines or penalties).

This process has enhanced our awareness of exposure to climate-related risks and ongoing monitoring of any change in risk materiality.

Climate resilience

Key findings from the qualitative risk assessment are outlined below.

Physical risks

- The portfolio is concentrated in the UK and Ireland, with flooding and drought identified as the most significant physical climate hazards. Currently, the climate-related hazards assessed were determined to be not financially material for the companies reviewed. We acknowledge that these risks can intensify over the medium to long term, underscoring the need for ongoing monitoring.
- Mitigating factors are in place in many cases, including the possibility to relocate with minimal interruptions to operations.
- Although the portfolio is primarily composed of SMEs based in the UK and Ireland, some companies operate international sites or rely on key international suppliers. Since physical climate risks are location-dependent, our current focus on domestic sites due to availability of open-source, science-based tools means that risks associated with overseas operations or supply chains are not yet captured, potentially leading to an underestimation of overall climate risk exposure.
- The nature of venture capital and private equity investments means that investments are typically made at the early stages of their growth cycle, where most of the value is in the Intellectual Property Rights and the entrepreneurs, innovators and support staff themselves. For this reason, physical climate risks – such as damage to physical assets – are generally less relevant, as these companies often have limited fixed infrastructure and derive their value primarily from human capital and innovation potential.

Transition risks and opportunities

- Sectoral diversification within Foresight's private equity portfolio helps lower exposure to climate transition risk by spreading investments across industries with varying sensitivities to policy, technology and market changes associated with the low-carbon transition.
- Companies in the industrials sector, including manufacturing, may be more energy-intensive and therefore more exposed to transition risks. More stringent regulation to meet emissions reduction targets and carbon pricing mechanisms could increase operating costs and impact net profits if their energy sources or production methods are carbon-intensive. Increased power prices due to short-term shocks could also increase operating costs for these companies. Our enhanced Foresight Sustainability Platform, with detailed carbon emissions tracking, will improve our ability to identify and assess transition risks in energy-intensive companies, building on our existing efforts to mitigate these risks through ongoing engagement to help companies lower their emissions.

Foresight works closely with its portfolio companies to unlock value through operational improvements and strategic guidance, fostering long-term growth and resilience.

The findings from our comprehensive risk assessment will play a crucial role in informing our engagement with portfolio companies, enabling us to address potential vulnerabilities, guide climate resilience strategies and identify new opportunities for value creation aligned with the transition to a low-carbon economy.

Environment: TCFD

Strategy

General limitations of scenario analysis assessment

While scenario analysis is a valuable tool for assessing climate-related financial risks, it has important limitations that can lead to the underestimation of risks:

- **Linear economic assumptions:** Scenarios do not adequately capture abrupt market corrections, policy shocks or technology disruptions, underestimating abrupt or systemic risk amplification
- **Mismatch between scenario and investment time horizons:** Scenarios often project out to 2050 or 2100, while investor decision-making focus on three to ten-year horizons, making alignment and risk attribution difficult
- **Focus on direct impacts:** Models assess direct impacts on sectors or assets, without capturing indirect effects transmitted through global supply chains. This is especially relevant for globalised supply chains – common in manufacturing, electronics and food sectors – where disruptions upstream can significantly affect downstream financial performance, input costs and inflation risk
- **Lack of climate tipping points:** Scenarios do not model non-linear, irreversible events like ice sheet collapse, permafrost thaw or ocean circulation changes, particularly relevant for infrastructure projects with long lifespans
- **Limited sector/regional granularity:** Scenarios tend to oversimplify sector-level exposure, assuming that entire industries will be equally affected and relying on global/regional averages
- **Failure to account for tail risks:** rare, high-impact events that have a low probability but could have devastating consequences are often not accounted for

Recognising these limitations is crucial for interpreting scenario outputs with appropriate caution and for ensuring that risk assessments are continuously updated in line with the latest climate science, emerging tools and evolving market conditions.

Financial position, financial performance and cash flow

Given the nature and composition of the Group portfolio, we expect Foresight's financial position to improve alongside the transition to a low-carbon economy. The transition away from fossil fuels is expected to drive increased demand for renewable energy investments, enhancing our ability to attract capital and grow our investor base. There are no plans to diversify into carbon-intensive sectors as this would be contrary to our strategy. We acknowledge the risk that a shift in government policy or legislation away from established climate science could adversely impact the profitability of our renewable energy assets in the UK, Europe and Australia. Such a development could also hinder our fundraising efforts in private markets and limit our ability to effectively execute our strategy.

Foresight has not yet developed an organisation wide quantification of the financial impacts of climate-related risks and opportunities on our valuations, performance or cash flows. The quantification of climate-related risks and opportunities within the Infrastructure and FCM divisions allows us to evaluate the potential materiality of climate risks on assets under management ("AUM"). The use of different climate scenario methodologies across business units makes it challenging to aggregate results at the Group level in a meaningful and comparable way.

We recognise that understanding and disclosing the financial implications of climate-related risks and opportunities is an evolving area and that further work is needed to consistently integrate these insights into financial valuations, cash flow projections and overall financial planning. As methodologies mature and internal capabilities strengthen, we aim to improve the clarity and consistency of our climate-related financial assessments, reflecting our broader commitment to aligning financial resilience with the transition to a low-carbon economy.

Environment: TCFD

Climate risk management

Comprehensive risk management requires proactive identification, assessment and mitigation of present and future threats. In FY25, we have focused on integrating climate risks into our Enterprise Risk Management ("ERM") framework to ensure that these risks are identified, assessed, monitored and managed alongside traditional financial and operational risks.

With support from the Sustainability team, investment managers are increasingly equipped to evaluate both physical and transitional climate-related risks, using scenario analysis and materiality assessments to understand their potential impact on investment portfolios. This capability is still evolving, and we recognise it as a work in progress as we continue to build tools, processes and expertise across the investment teams.

Our new and enhanced risk matrix enables risk owners to classify climate-related risks for each asset or portfolio company based on both the probability of occurrence (likelihood) and the potential damage or effect (impact) on investments. For example, a flood event might be classified as having a very high probability of severely impacting revenue and operations for an asset in the next ten years.

The evaluation of impacts and likelihoods has a high degree of estimation uncertainty, with a wide range of possible outcomes. Things like policy shifts and technological developments can influence the likelihood of different climate outcomes and impact on future risk exposures. Accounting for different scenarios enables us to assess how, and under what circumstances, the impacts from climate change may emerge.

This bottom-up approach helps us distinguish between **highly probable but low impact risks** (like minor regulatory changes) and **low probability but high impact events** (such as extreme weather damaging critical assets). It also aids in understanding how transition risks (e.g. policy shifts, carbon pricing, technology disruption) and physical risks (e.g. heatwaves, floods, sea level rise) could affect operations, revenues or reputation. We will continue to refine and embed the matrix across our processes.

Identified climate risks can now be incorporated into risk registers, with assigned ownership, mitigation strategies and regular reporting to Senior Management and the Board – marking an important step in building a more systematic and structured approach to climate risk management. Each division is responsible for maintaining its own risk register and for updating it on a regular basis with oversight by the Risk Team. In addition, the Risk team holds a formal annual meeting and informal periodic meetings with risk owners to review and discuss key risks, including climate-related exposures, and to ensure alignment on mitigation strategies and priorities.

Any important change to the impact and/or likelihood of climate-related risks will be presented to the Audit & Risk Committee. Those risks considered most material are presented to the Board via papers reviewed by the Audit & Risk Committee, as well as through ad hoc reports issued in response to emerging or critical risk events. Risks which exceed the Group's risk appetite will have action plans developed to mitigate their impact.

Enhanced Key Risk Indicator functionality has been implemented in the Group's risk management software that will enable Foresight to better track and monitor risks considered to be potentially material. The initial KRIs have been identified using a combination of best practice and topics highlighted as part of the double materiality assessment and will include climate risks where appropriate. The enhanced functionality allows for greater oversight by key Stakeholders and better identification and implementation of mitigation plans where necessary.

This enhanced risk management framework will enable us to better respond to climate-related challenges and improve Foresight's resilience. It sets the foundation for continuous improvement in addressing climate risks going forward.

Given the ever-evolving climate risk landscape (e.g. dynamic interplay of environmental changes, scientific advancements, policy developments, shifting market expectations, etc.) we will continue to regularly monitor and review the risk management framework.

Environment: TCFD

Metrics and targets

Total emissions – operational and financed

Carbon emissions[1]	FY25 Total carbon emissions (tCO_2e)	FY25 Carbon footprint (tCO_2e/£m invested)	FY25 Weighted Average Carbon Intensity ("WACI") (tCO_2e/£m revenue)	FY24 Total carbon emissions (tCO_2e)	FY24 Carbon footprint (tCO_2e/£m invested)	FY24 Weighted Average Carbon Intensity ("WACI") (tCO_2e/£m revenue)	Year-on-year Total carbon emissions (tCO_2e)	Year-on-year Carbon footprint (tCO_2e/£m invested)	Year-on-year Weighted Average Carbon Intensity ("WACI") (tCO_2e/£m revenue)
Scope 1	10.7	0.0008	0.069	13.6	0.0011	0.09	(21.3%)	(26.3%)	(22.8%)
Scope 2 (location based)	137.7	0.0104	0.89	158	0.013	1.10	(12.8%)	(19.7%)	(18.7%)
Scope 2 (market based)	92.5	0.007	0.60	113	0.009	0.79	(18.1%)	(22.1%)	(24.0%)
Scope 3 (excluding Category 3.15)	4,389.2	0.333	28.50	1,116	0.092	7.79	293.3%	261.6%	265.9%
Category 3.15 - Financed emissions[2]	1,941,996	147	12,611	1,998,250	165	13,940	(2.8%)	(10.8%)	(9.5%)
Scope 3	1,946,385	148	12,640	1,999,366	165	13,948	(2.6%)	(10.6%)	(9.4%)
Total emissions (Scope 2 market based)	1,946,488	148	12,640	1,999,538	165	13,949	(2.7%)	(10.6%)	(9.4%)

1. Of the FY25 emissions, 0% of Scope 1, 56% of Scope 2 (market based) and 50% of Scope 1 and 2 (market based) relate to the UK. FY24 data was prepared based on the requirements for Large LLPs; therefore, UK and Global split was not calculated at the time.
2. A pro rata rate of WHEB's emissions were included in the above table.

Operational emissions

Foresight conducts an annual carbon assessment aligned with its financial year. Scope 1, 2 and 3 emissions for Foresight Group are calculated in accordance with the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard, as well as the Corporate Value Chain (Scope 3) Standard.

For operational emissions, we gather detailed consumption data across all offices, covering energy use, waste, water, business travel, employee commuting and purchased goods and services. The reduction in Scope 2 emissions is primarily due to the purchase of renewable energy contracts by our Manchester and Cardiff offices – a practice we aim to continue and expand where feasible.

We are continuously working on improving the data quality with emission factors updated to reflect the latest assumptions. Improvements this year included the addition of purchased services emissions and the 49% of spend on travel not booked through corporate traveller. This is part of a continued effort to improve the quality of our data as well as how we present it. Last year's numbers were not recalculated for the new methodology due to their immaterial impact (less than 5%) on Total Scope 3 footprint.

All emissions data – excluding Scope 3 financed emissions (Category 15) – are audited with limited assurance by Turley, an external consultancy specialising in carbon accounting.

Energy Efficiency Action

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

While Foresight does not have Group-level emission reduction targets, we have renewed the "Carbon Neutral Certification" by offsetting our Scope 1, Scope 2 and Scope 3 (excluding financed emissions) emissions. In February 2025, Foresight purchased 100% avoidance offsets through Climate Impact Partners to renew our Carbon Neutral Certification.

Environment: TCFD

Metrics and targets

	FY25			FY24			Year-on-year	
Energy consumption	Unit	Usage	% of UK	Unit	Usage	% of UK	% Change in usage	% of UK
Gas	kWh	59,022	0	kWh	74,226	0	0	0
Electricity	kWh	464,854	69	kWh	722,044	83	(36)	(17)

Emissions scope	Subcategory	tCO_2e
Scope 1		
Stationary sources	Gas consumption	10.7
Mobile sources	—	0
		10.7
Scope 2		
Location based	**Electricity consumption**	**137.7**
Market based	**—**	**92.5**
Scope 3		
1. Purchased goods & services	Water supply and spend on goods and services	2,913.3
2. Capital goods		197.9
3. Fuel & energy (not Scope 1 or 2)	T&D losses	18.5
5. Waste	Wastewater and other waste	12.8
6. Business travel	Transport – air, ground, rental cars and hotels	1,025.5
7. Employee commuting	Employee transport and home working	221.2
15. Financed emissions		1,941,996.0
		1,946,385.2
Total emissions (Scope 2 location based)		**1,946,534.6**
Total emissions (Scope 2 market based)		**1,946,488.4**

Environment: TCFD

Metrics and targets

Financed emissions

Financed emissions – categorised under Scope 3, Category 15 – encompass the emissions associated with the companies and assets within our investment portfolio. These emissions far exceed direct operational emissions, making them a critical focus for climate risk management. Understanding and managing financed emissions is essential for aligning investment strategies with broader sustainability goals and mitigating long-term climate risks.

The following tables present our rate split between divisions and scopes, offering a detailed view of how these emissions are distributed across our investment portfolio.

Scope 1 – Financed emissions	tCO_2e FY24	tCO_2e FY25	% AUM covered in this data	AUM covered in this data (£m)	% data based on reported data	% data based on estimation
Infrastructure[1,2]	1,793,903	1,852,837	85	7,270	100	0
FCM[3]	(Only Scope 1 and Scope 2 total available) – 16,161	Scope 1 and 2: 16,258	57	319	87	13
WHEB[4]	N/A	697 (pro rata since acquisition)	100	787	95	0
PE[5]	46,576	12,407	100	1,761	19	81
Scope 2 – Financed emissions	**tCO_2e FY24**	**tCO_2e FY25**	**% AUM covered in this data**	**AUM covered in this data (£m)**	**% data based on reported data**	**% data based on estimation**
Infrastructure[1,2]	109,501	32,599	85	7,270	100	0
FCM[3]	(Only Scope 1 and Scope 2 total available) – 16,161	Scope 1 and 2: 16,258	57.05	319	87	13
WHEB[4]	N/A	435 (pro rata since acquisition)	100	787	95	0
PE[5]	32,109	26,763	100	1,761	19	81

1. Our assessment covers 420 operational assets (excluding those in development, pre-construction, construction and commissioning due to lower availability of data at these stages), with a total asset value of USD 8.38 million (£6.2 billion, USD:GBP 0.738758). This corresponds to 77% of all assets by number, and 85% of our total portfolio value of USD 9.8 billion (£7.3 billion). This portfolio value number is lower than the previously reported division AUM primarily because it excludes fund-level debt, reflects proportional ownership rather than full asset value for managed assets, and uses Net Asset Value (excluding investor commitments) for certain funds.
2. Scope 1 and 2 emissions have been calculated using operational fuel and electricity data provided by site management teams and third-party service providers. Estimates were used in some cases. The data reflects a full year of operations. For funds with formal emissions reporting processes, their specific reporting periods have been used; otherwise, the period from October 2023 to September 2024 applies. Scope 2 emissions are calculated using the market-based approach only. Fuel use from vehicle fleets operated by third-party contractors is accounted for in their own Scope 1 emissions.
3. Emissions data is calculated by FundRock Partners Ltd (FCM's ACD) which uses MSCI data for Scopes 1, 2 and 3. For Scope 1 and 2 where there is reported data, that is used. Otherwise, the MSCI model uses estimates for Scopes 1, 2 and all of 3. The methodology can be found here. Note, DRAF has not been included in the emissions due to the lack of data (this accounts for 6% of FCM's AUM).
4. Emissions data for WHEB is calculated by Net Purpose. Net Purpose do not estimate where data is not reported. The methodology can be found here. 6.6% of WHEB's emissions can be accounted for by Foresight in FY25, due to their date of acquisition.
5. Emissions data is calculated based on reported data (where available) and PCAF estimations for the rest of the portfolio. The methodology used by PCAF to estimate the financed emissions can be found here.

Environment: TCFD

Metrics and targets

Scope 3 – Financed emissions	tCO_2e FY24	tCO_2e FY25	% AUM covered in this data	AUM covered in this data (£m)	% data based on reported data	% data based on estimation
Infrastructure[1, 2]	805,931	240,346	85	7,270	0	100
FCM[3]	33,825	33,870	57	319	0	100
WHEB[4]	N/A	8,781 (pro rata since acquisition)	100	787	75	0
PE[5]	75,511	95,609	100	1,761	9	91

The following metrics are taken from KPIs required in the SASB standards for asset managers.

Description	Infrastructure investment division – Data		FCM (including WHEB) investment division – Data		PE investment division – Data	
	FY24	FY25	FY24	FY25	FY24	FY25
Climate-related opportunities – the amount and percentage of assets or business activities aligned with climate-related opportunities[6]	85% Amount of assets – £7,486 (£m)	84% Amount of assets – £10,244 (£m)	75% Amount of assets – 734 (£m)	80% Amount of assets – 1,068 (£m)	39% Amount of assets – 1,603 (£m) (with 32% undeployed)	35% Amount of assets – 1,761 (£m) (with 41% undeployed)
Avoided emissions vs grid[7]	N/A	2,845,244 tCO_2e	N/A	N/A	N/A	N/A
Capital deployment – the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Not currently tracked[8]					
Energy consumption intensity per high-impact climate sector[9]	0.12 GWh/EUR million of revenue	0.09 GWh/EUR million of revenue	N/A	N/A	N/A	N/A

1. Our assessment covers 420 operational assets (excluding those in development, pre-construction, construction and commissioning due to lower availability of data at these stages), with a total asset value of USD 8.38 million (£6.2 billion, USD:GBP 0.738758). This corresponds to 77% of all assets by number, and 85% of our total portfolio value of USD 9.8 billion (£7.3 billion). This portfolio value number is lower than the previously reported division AUM primarily because it excludes fund-level debt, reflects proportional ownership rather than full asset value for managed assets, and uses Net Asset Value (excluding investor commitments) for certain funds.
2. Scope 1 and 2 emissions have been calculated using operational fuel and electricity data provided by site management teams and third-party service providers. Estimates were used in some cases. The data reflects a full year of operations. For funds with formal emissions reporting processes, their specific reporting periods have been used; otherwise, the period from October 2023 to September 2024 applies. Scope 2 emissions are calculated using the market-based approach only. Fuel use from vehicle fleets operated by third-party contractors is accounted for in their own Scope 1 emissions.
3. Emissions data is calculated by Fund Rock (FCM's ACD) which uses MSCI data for Scopes 1, 2 and 3. For Scope 1 and 2 where there is reported data, that is used. Otherwise, the MSCI model uses estimates for Scopes 1, 2 and all of 3. The methodology can be found here. Note, DRAF has not been included in the emissions due to the lack of data (this accounts for 6% of FCM's AUM).
4. Emissions data for WHEB is calculated by Net Purpose. Net Purpose do not estimate where data is not reported. The methodology can be found here. 6.6% of WHEB's emissions can be accounted for by Foresight in FY25, due to their date of acquisition.
5. Emissions data is calculated based on reported data (where available) and PCAF estimations for the rest of the portfolio. The methodology used by PCAF to estimate the financed emissions can be found here.
6. This figure represents the Infrastructure portfolio's AUM that is assessed to come under the "List of activities considered universally aligned with the Paris Agreement's mitigation goals". Classification can be found here.
7. Avoided emissions calculated through life-cycle analysis between a baseline of fossil power generation and the actual emissions.
8. Information on capital deployments over the period into infrastructure that contributes towards climate change mitigation is available within the documentation of Foresight's individual infrastructure funds but is not yet calculated at an aggregated level.
9. The KPI is based on Principal Adverse Impact ("PAI") indicator identified in the EU SFDR regulation. Calculation conducted using available operational data on energy consumption across the portfolio. Where data has not been available or deemed inaccurate, proxy assets have been used to estimate energy consumption statistics.

Environment: TCFD

Metrics and targets

Targets

Foresight Group has not yet set carbon reduction or net zero targets at the Group level. This is due in part to the diverse nature of our investment strategies and the varying emissions profiles and data maturity across our divisions. Importantly, the nature of Foresight's investments – many of which are focused on renewable energy, energy efficiency and other transition-enabling assets – means we are predominantly positioned on the opportunity side of the climate transition and are much less exposed to carbon-intensive sectors.

While we are committed to managing and reducing climate-related impacts, our current focus is on building the necessary data infrastructure and capabilities to accurately measure and monitor emissions across all portfolios and operations.

For instance, Foresight Private Equity's Sustainability Platform rolled out in FY24 improves the accuracy of emissions data collection by supporting direct company disclosures rather than relying solely on PCAF estimates, while also empowering portfolio companies to take ownership of their carbon reporting and reduction strategies. This foundational work is essential to ensure that any future targets at Group level are robust, science-aligned and appropriate for the scale and nature of our business.

Our work on climate targets has begun at the fund level, with FGEN becoming the first fund to voluntarily set a net zero emissions target in FY25. As part of this commitment, FGEN has published a transition plan outlining interim targets and its methodology for aligning its portfolio with a net zero pathway by 2050.

FGEN's emissions profile has a positive downward trend, with a likely 50% emissions reduction by FY33, largely driven by planned exit dates. The Fund, which represents approximately 9% of Infrastructure's total AUM, has a short-term target to embed asset acquisitions into its carbon forecast model and to integrate this model into investment proposals.

FGEN's Fund-level targets represent an important step in operationalising climate ambition within our investment portfolio and provides a model for how such approaches could be expanded to other infrastructure funds and ultimately to the Group level.

Controlled Environment Glasshouse, UK, Part of FGEN's portfolio