

Governance

Business conduct

Our material impacts, risks and opportunities

The double materiality analysis concluded that business conduct and its sub-topics of corporate culture, bribery and corruption and protection of whistleblowers are material for the Foresight Group.

Business conduct: Sub-topic	Material impact	Positive or negative	Risk or opportunity
Corporate culture	Yes	⊕ ⊖	Risk and opportunity
Protection of whistle-blowers	Yes	⊕ ⊖	Risk and opportunity
Corruption and bribery	Yes	⊕ ⊖	Risk and opportunity

Corporate culture

Foresight Group's corporate culture is deeply intertwined with its sustainability and governance efforts, reflecting a commitment to creating a positive impact on both people and the planet. Our Company's evolved values – Ambition, Integrity, Impact and Collective Success serve as the foundation for our corporate culture, guiding employees in their daily actions and long-term goals.

Ambition at Foresight Group is about investing in our employees and aiming high together, building a successful and sustainable business, and growing our entrepreneurial culture. This ambition drives us to continuously innovate and strive for excellence, ensuring that sustainability underpins our business practices.

Integrity involves being wholly invested in all commitments, building relationships with honesty and transparency, and growing professionally and responsibly. This value ensures that our governance practices are ethical and transparent, fostering trust with Stakeholders and promoting sustainable growth.

Impact focuses on contributing to people and the planet, building a sustainable future, and achieving positive growth for everyone. Our sustainability initiatives are designed to create meaningful change, from reducing our impact on biodiversity and ecosystems to supporting community engagement programmes.

Collective Success emphasises being invested in each other's successes, building an accessible, approachable, collaborative and respectful culture, and growing together. This value highlights the importance of employee investment, fostering a positive work environment where everyone can thrive and contribute to the Company's sustainability goals.

Our DE&I strategy, THRIVE, further supports our corporate culture by actively cultivating a diverse, equitable and inclusive environment, ensuring equal treatment and opportunities for all. This strategy empowers colleagues, drives innovation and builds a better future for us as a company and for the communities we serve.

Bribery and corruption

Group-level strategy

The cornerstone of Foresight's mitigation strategy against bribery and corruption is our comprehensive Anti-Bribery and Corruption Policy, which sets the approach at the Group level. This policy is based on expectations set for regulated firms and sets the tone. It applies to all Foresight entities Worldwide, ensuring consistency across the Group while adhering to stricter local regulations where applicable.

The risks identified at the Group level filter into the individual investment divisions and the portfolio companies and assets that we manage. Each jurisdiction has built risk assessment that includes anti-bribery and corruption measures. Where the risk is assessed as high, more enhanced monitoring is instituted. To mitigate risks related to bribery and corruption, Foresight equips its staff with regular anti-bribery and corruption training, ensuring that the workforce is aware of the relevant policies and procedures. Furthermore, regulated firms within the Group have implemented risk-based compliance monitoring programmes.

Foresight fosters a culture of transparency through its reporting practices. Foresight Group LLP receives periodic reports on both bribery and corruption risks and the outcomes of compliance monitoring efforts. Overseas subsidiaries follow a similar model, reporting to designated compliance officers and local governing bodies. This focus on risk assessment, staff training, compliance monitoring and transparent reporting demonstrates Foresight Group's commitment to preventing bribery and corruption within its business operations. By proactively addressing these risks, Foresight safeguards its reputation, protects its investments, and contributes to a more ethical and sustainable business environment.

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Business conduct

Bribery and corruption

Jurisdictions and investment divisions

Foresight understands the significant risks that bribery and corruption pose to our organisation and investments. Such illegal activities could result in a series of negative outcomes, fines and potentially expensive litigation. To mitigate these risks, we regularly assess the risks associated with our investments, considering factors such as the size and structure, the nature and scale of their activities and their risk profiles, especially any involving public officials.

In our pre-investment processes, we incorporate anti-bribery and corruption considerations to identify companies with higher risk profiles. Incidents of corruption or bribery could severely damage our reputation, eroding investor confidence and potentially lead to a decline in share price, hindering future fundraising efforts, and jeopardising our ability to attract and retain top talent. This risk is relevant in the short, medium and long term. To address this risk, our investment divisions require portfolio companies to implement essential policies within six months. These policies cover the environment, anti-bribery and corruption, and diversity and inclusion. Our annual assessments then evaluate the presence and effectiveness of such policies, ensuring adherence to high ethical standards. This not only safeguards our portfolio companies and assets but also promotes responsible business conduct.

Ultimately, bribery and corruption could negatively affect the profitability and value of our assets. Decreases in the Net Asset Value ("NAV") of our funds could directly impact our funds' revenue streams and potentially impact returns generated for investors. To mitigate this risk, we gather corruption and bribery risk data from various sources, including company policies, Bloomberg data and assessments of alignment with the UN Global Compact principles, specifically those related to anti-bribery. This comprehensive data is then integrated into our investment divisions' risk management processes, allowing for proactive mitigation and safeguarding of the portfolio against adverse events.

Protection of whistleblowers

Whistleblowing

Foresight prioritises conducting business with the highest ethical standards. Our Whistleblowing policy ensures a safe and transparent method for reporting suspected misconduct. The Company encourages all staff to promptly report any potential wrongdoing. Foresight Group Risk oversees the process, with regional teams adhering to their respective jurisdictional policies and compliance requirements. A Key Risk Indicator ("KRI") dashboard tracks whistleblower incidents for ongoing monitoring and improvement. This risk is relevant in the short, medium and long term.

Our staff have multiple channels for reporting concerns, including their line manager, the Compliance Officer and/or the Group Finance Director. The policy also provides external reporting options for those uncomfortable with internal reporting channels. These external organisations include whistleblowing charity Protect, the Serious Fraud Office and the Financial Conduct Authority in the UK. The policy aims to:

- Encourage openness and confirm that we will support whistleblowers who raise genuine concerns under this policy, even if they turn out to be mistaken
- Provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace
- Convey the seriousness and importance that we attach to identifying and remedying wrongdoing
- Confirm that concerns will be taken seriously, investigated appropriately and that the whistleblower's confidentiality will be protected wherever possible
- Reassure employees that they can raise a genuine concern if they believe disclosure is in the public interest

The policy encompasses a broad range of potential issues, such as bribery, fraud, miscarriages of justice, health and safety risks, environmental damage, and breaches of legal or regulatory obligations. The Whistleblowing policy applies to all Foresight Group entities, including subsidiaries worldwide. It serves as a minimum standard, and local regulations may impose stricter requirements. In such cases, local regulations should take precedence.

Foresight Group has zero tolerance for retaliation against whistleblowers who raise concerns. The policy outlines robust procedures to ensure the legal protection of whistleblowers throughout the reporting process. Regular training equips staff with knowledge of the Whistleblowing policy as well as reporting procedures.