

# Sustainability Strategy



“Foresight is committed to the integration of sustainability into our products and into our management processes. We do this because we believe it adds value to how we manage our investments, helping us to identify and address new opportunities, manage risk, and embed resilience within our business. Sustainability is also a powerful motivator, helping us to attract and retain employees and to build strong relationships with key Stakeholders.”

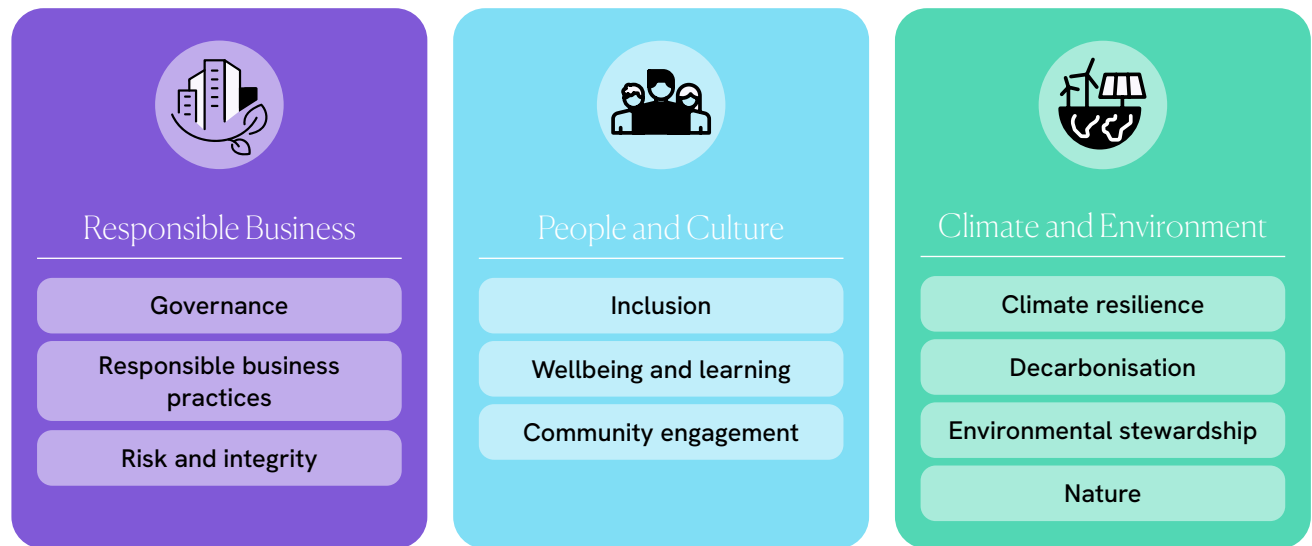
**Seb Beloe**

Managing Director, Group and Real Assets Sustainability

## Our Sustainability Strategy

This year marks a notable step forward in the evolution of our approach to sustainability. Building on our longstanding commitment to responsible investment and our heritage in renewable energy and sustainable infrastructure, we have developed a new Group-wide Sustainability Strategy that defines a clear direction for the years ahead. The Strategy reflects our ambition to look beyond capital – delivering long-term value for our investors, clients and the communities in which we operate.

The Strategy provides a unified framework for embedding sustainability across the business. It brings together our purpose, values and capabilities into a coherent set of priorities structured around three strategic pillars:



These pillars reflect the key sustainability priorities in our business and also represent areas where we believe Foresight can have the greatest impact.

The Strategy integrates the findings of our double materiality assessment (“DMA”) which we refreshed in FY26 and aligns with our approach to managing sustainability-related risks and opportunities. To measure progress and assist our Stakeholders in understanding our performance, we have identified a range of key metrics, which are set out on pages 64 and 65 of this report.

Overall, the Strategy provides a clear roadmap for how sustainability will continue to create value and support Foresight’s long-term growth.

## CASE STUDY

## Delivering our Sustainability Strategy through the power of partnerships

## Collaborating with Eden and our PE portfolio

The delivery of our Sustainability Strategy is supported by strong collaboration with external partners at Group level and within our investment divisions. These partnerships span themes including community engagement, nature recovery and social value creation, including our ongoing collaboration with the Eden Project, which began in 2022.

Our work with Eden has supported biodiversity enhancements across our Real Assets portfolio, while also giving us access to a highly respected educational charity with deep expertise in nature-positive practices. During the year, Eden began pilot projects with two companies in Foresight's Private Equity portfolio - Bloemteknik and Zayndu.

The Bloemteknik trial explored how its customisable lighting solutions can optimise crop yields, while the Zayndu trial focused on using its proprietary technology to enhance seed performance, particularly in extending the longevity of Eden's Wildflower Seed Bank. Results from both trials have been encouraging for Eden and the portfolio companies, with discussions now ongoing on how to progress these collaborations.

Together, these pilots demonstrate how Foresight can act as a convener - bringing together partners and portfolio companies to deliver both sustainability outcomes and commercial value.



## Sustainability Strategy

### Our Climate Alignment Plan

Over the past year, we have developed our first Climate Alignment Plan to strengthen how we manage climate-related risks and opportunities across the business. We recognise that a credible and transparent approach to the management of climate-related risk is increasingly important to our Stakeholders, and we have invested significant time in identifying the most appropriate framework for Foresight's diverse portfolio.

The Plan covers 96% of the Group's Scope 1-3 greenhouse gas emissions and is focused on the Real Assets division, reflecting its central role in shaping Foresight's overall climate profile.

The Plan is informed by recognised external frameworks, including the Science Based Targets initiative ("SBTi") Financial Institutions Net Zero ("FINZ") recommendations, which we have used to guide our approach<sup>1</sup>. The Climate Alignment Plan establishes a series of clear climate-related objectives. These cover climate-aligned assets, climate solutions, clean energy exposure and power generation emissions intensity, which we will monitor and report against over time.

We believe that these objectives are appropriate for our business and its investment strategy, which is already heavily weighted towards assets which are aligned with a future low carbon economy. They set a clear and credible direction for Foresight's climate ambition, one that we believe can be translated into practical action across the organisation.

➤ More detail on the underlying indicators, methodology and objectives for our Climate Alignment Plan can be found in the ISSB section later in this report on pages 87 and 88.

### Climate Alignment Plan

Metric	FY25 baseline	FY30 objective	FY40/50 objective
Climate alignment: Proportion of assets that have reached a Net Zero State <sup>2</sup>	49%	65%	FY40: 95%
Exposure to climate solutions: Proportion of assets invested in climate solutions	55%	≥58%	FY50: ≥70%
Clean energy to fossil fuel ratio: Ratio of investments in clean energy to fossil fuels	11:1	22:1	FY40: 100:1
Power generation emission intensity: Weighted average emissions intensity of power generation (tCO <sub>2</sub> /MWh)	0.13	TBD3	FY40: ≤0.001

### Update on progress against FY26 goals

In FY25 we set five goals for the year ahead. These were primarily focused on establishing the foundations to direct and co-ordinate sustainability work across the Group. The table below provides a summary of the key deliverables which have been achieved against each goal.

Goal	Update
1 Establish Key Sustainability Risk Indicators across Foresight Group to supplement our existing reporting	<ul style="list-style-type: none"> <li>Key Risk Indicators integrated into Risk Appetite Statement and tracked in our Enterprise Risk Management system</li> </ul>
2 Create a Sustainability Accountability Framework within the Group Sustainability Strategy	<ul style="list-style-type: none"> <li>Accountability Framework developed and implemented as a decision-making process for sustainability issues across the Group</li> </ul>
3 Enhance our process for regulatory horizon scanning to further build resilience across Foresight Group	<ul style="list-style-type: none"> <li>New process for regulatory horizon scanning implemented. Regulatory updates now circulated regularly to relevant Stakeholders</li> </ul>
4 Reinforce our commitment to DE&I by further embedding inclusive practices into our business operations	<ul style="list-style-type: none"> <li>Mandatory DE&amp;I e-learning course launched for all employees</li> <li>Launch of new employee management system to enable better tracking and monitoring against DE&amp;I targets</li> </ul>
5 Further develop and refine our approach to proactive management of climate and nature-related issues	<ul style="list-style-type: none"> <li>Climate Alignment Plan launched</li> <li>Work undertaken to prepare for preliminary assessment of nature-related risks and dependencies in FY27</li> </ul>

1. Source of guidance: SBTi FINZ standard, Version 1.0, July 2025. Foresight is not seeking validation from the SBTi for its Climate Alignment Plan.

2. Net Zero State is defined within the SBTi FINZ standard.

3. FY30 interim objective to be published in FY27 following analysis of restated FY25 carbon emissions data.

## CASE STUDY

## Renewable energy in the age of energy security

Geopolitical developments in recent years, including notably the war in Iran and severe disruption to shipping through the Strait of Hormuz, have underscored the critical role of renewable energy in supporting not only decarbonisation, but also long-term energy security. Europe's large wind and solar base, for example, has helped to moderate the impact of inflated gas prices on wholesale electricity prices. This is especially pronounced in economies that have built out their renewable capacity in the past few years<sup>1</sup>.

At Foresight, we are proud to be a significant investor in renewable power across Europe and Australia. These assets are now routinely the cheapest form of new energy, helping to insulate economies from fossil fuel energy shocks, while also dramatically reducing greenhouse gas emissions.



## Some key facts

90%

reduction in cost of solar cells and batteries over the last decade<sup>2</sup>

£7 million

per day saved by Britain in March 2026 in gas purchases as a result of new wind and solar, versus March 2021<sup>3</sup>

2.8 million

Equivalent to 2.8 million homes powered annually by renewable energy from our Real Assets portfolio<sup>4</sup>

1. This impact is particularly notable in Spain, but even in the UK electricity prices have increasingly been de-coupled from the price of gas. Source: Nesta analysis, May 2026, "The energy price cap: the post-Iran crisis is pushing up bills, but clean power may be lowering them".
2. Source: Our World In Data, "Solar panel prices have fallen by around 20% every time global capacity doubled".
3. Source: Ember Energy, "Clean power fortifies Britain against gas price shocks".
4. Calculated with Foresight's SDG calculator for objective 7.2 Affordable & Clean Energy, which divides renewable energy generated by the country-specific average household electricity consumption per year.

## Sustainability Strategy

### Our long-term objectives

As part of our strategy, we have set out seven long-term objectives which align with the three pillars of our Sustainability Strategy. These are designed to support the delivery of our ambitions across a range of focus areas and will shape our actions and decision-making across the Group. FY26 figures are shown in the table below.

We are also committed to reporting our progress towards the objectives of our Climate Alignment Plan. The metrics which underpin these objectives are also set out in the table below, including FY25 baselines.

Progress on the objectives will be monitored regularly and reported annually from FY27 onwards.

#### Responsible Business:

Ambition	Metric	Scope	Target	FY26
<b>Objective: Uphold high standards of ethics and governance</b>				
Zero tolerance for corruption and policy violations <sup>1</sup>	Number of detected issues addressed, including fines and convictions for violations	Group	100% of issues addressed as soon as practicable or failing that within 12 months	Zero reportable issues, fines or convictions during the year
<b>Objective: Align investment practices with global sustainability standards</b>				
Demonstration of Foresight as a responsible and sustainable investor	Maintain five-star PRI score	Group	Five-star scores across all questionnaires	Five-star scores across all questionnaires with the exception of listed equities (four-star)
Positively impact local communities through Real Assets projects	£ donations to local charities and community projects	Real Assets	No target	£2.7 million
Positively impact local communities through PE portfolio	£ invested in underserved regions since 2015 <sup>2</sup>	Private Equity	No target	£477 million

1. Policy violations refers explicitly to violations of bribery, corruption, discrimination, and severe human rights issues.

2. Figure relates only to investments through regional funds, with underserved regions defined as areas outside of London and the South-East of England. Foresight is currently working with the Good Economy to assess the direct and wider economic impacts of our investments.

## Sustainability Strategy

### People and Culture:

Ambition	Metric	Scope	Target	FY26
<b>Objective: Build a more equitable and inclusive workforce</b>				
Advance workforce diversity and inclusion with a focus on achieving gender balance in leadership	% of Senior Management roles filled by women <sup>1</sup>	Group	30%	23%
<b>Objective: Strengthen employee engagement and wellbeing</b>				
Boost employee engagement by achieving high levels of staff satisfaction	Engagement score from staff survey	Group	80%	79%

### Climate and Environment:

Ambition	Metric	Scope	Target	FY26
<b>Objective: Achieve climate alignment across our investments</b>				
Increasing our zero-emission power generation (Real Assets)	Gigawatt-hour ("GWh") of renewable energy generated	Real Assets	No target	7.6TWh <sup>2</sup>
<b>Objective: Reduce operational emissions</b>				
Reduce absolute and normalised Scope 1-3 (excl. financed) market-based emissions (Group)	Tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e) and Weighted Average Carbon Intensity (tCO <sub>2</sub> e per £ of revenue)	Group	See Climate Alignment Plan objectives	5,217.6 tCO <sub>2</sub> e 31.6 tCO <sub>2</sub> e/£m revenue
<b>Objective: Foresight to be recognised as a leader in sustainable investing</b>				
Positively impact biodiversity through the management of our assets	Hectares of assets covered under a biodiversity improvement plan	Real Assets	No target	8,100 Ha

1. Defined as Managing Director grade or above, plus Heads of Department.

2. Includes wind and solar, solar batteries, hydropower, geothermal, biomass and anaerobic digestion facilities (operational assets only) and covers the period April 2025-March 2026.