

Stewardship Report 2025

Policy and Context Disclosure

Foresight Group LLP

30.04.2026

Contents

A.	Our Organisation and Investment Beliefs: How They Shape Our Stewardship Approach.....	3
A.1	About us.....	3
A.2	The clients we serve	5
A.3	Foresight’s investment beliefs.....	5
A.4	Foresight’s stewardship approach.....	7
A.5	Report Scope.....	10
B.	Resources for Effective Stewardship	11
B.1	Governance and oversight	11
B.2	Stewardship resources	13
C.	Our Stewardship Policies and Processes	15
C.1	Policy framework	15
C.2	The Stewardship Engine: A framework for effective engagement	16
C.3	Stewardship Processes by Division.....	20
C.4	Collective engagement	23
C.5	Escalation.....	23
C.6	Systemic or ‘macro’ stewardship	24
D.	Managing Conflicts of Interest	25
E.	Maintaining Dialogue with Clients and Beneficiaries	28
E.1	Informing clients about our stewardship approach.....	28
E.2	How client views shape our approach	28

A. Our Organisation and Investment Beliefs: How They Shape Our Stewardship Approach

A.1 About us

Founded in 1984, Foresight is a leading investment manager in real assets and capital for growth, operating across the UK, Europe and Australia.

Across our three divisions - Real Assets, Private Equity (PE) and Foresight Capital Management (PE) - we invest to power the energy transition, decarbonise industry and unlock the economic potential of ambitious businesses. Our diversified investment platform spans both private and public markets and is underpinned by market leading capabilities in UK tax efficient investing. With decades of hands on investment and asset management experience, we originate, build and actively manage portfolios that deliver strong financial performance and positive environmental, social and economic outcomes.

This diversified model, together with our track record of innovation, scaling funds and driving profitable growth, has demonstrated resilience and efficiency through multiple economic cycles. Today, we manage £14 bn¹ in assets under management (AuM) and

support over 250 portfolio companies and more than 440 real assets, including 5.0GW of green energy infrastructure capacity. United by a shared commitment to build a sustainable future, we aim to grow thriving economies and deliver long term value for our institutional and retail investors

A.1.1 Our three business divisions

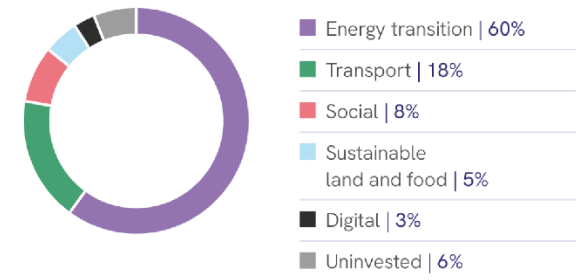
A.1.1.1 Real Assets

AuM: £11.1 bn²

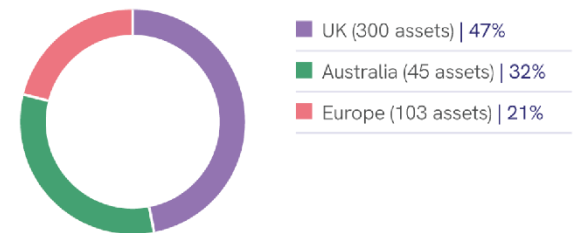
Products offer direct access to a diverse range of real assets, focusing on opportunities driven by energy capacity, global decarbonisation, rising electricity demand and energy security initiatives such as solar, wind, batteries and interconnections. These investments are sourced, developed, operated and managed by an experienced in-house global team on behalf of fund investors, with the Real Assets team managing private market funds for institutional and retail clients (Figure 1).

Figure 1: Real Assets serves a mostly institutional client base across the UK and Australia³

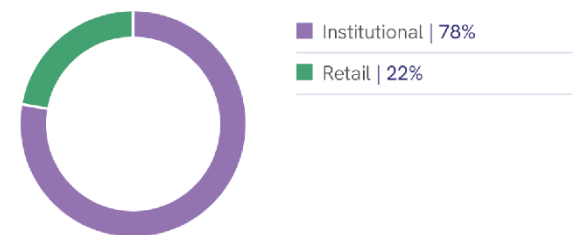
Infrastructure AUM by theme



Infrastructure AUM by geography



Infrastructure AUM by client type



¹ AuM figures are based on unaudited AuM as of 31 March 2026 (trading update RNS released on 9 April 2026)

² See footnote 1

³ As of 30th September 2025

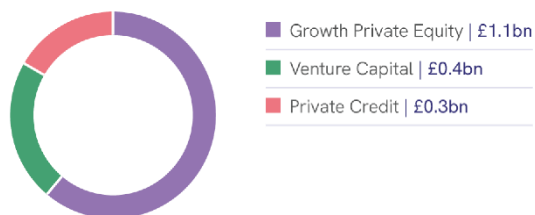
A.1.1.2 Private equity

AuM £2.0 bn⁴

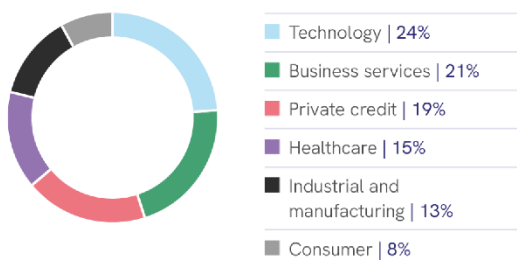
Foresight remains one of the most active small-medium enterprise (SME) investors addressing the SME equity gap in the UK and Ireland, with a focus on transactions up to £15 million. The team leverages deep regional relationships and strong management capabilities to support and create value across a diverse portfolio of over 250 small and medium enterprise (SME) investments (Figure 2).

Figure 2: Foresight’s Private Equity division specialises in growth private equity⁵

Divisional AUM split



Portfolio split by carrying value



⁴ See footnote 1

⁵ As of 30th September 2025

A.1.1.3 Foresight Capital Management

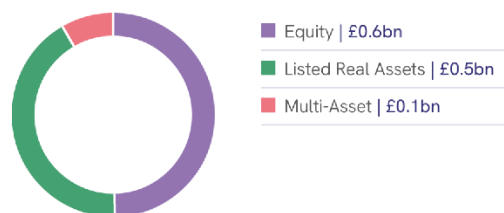
AuM: £0.9 bn⁶

Foresight Capital Management (FCM) gives retail and institutional investors access to sustainable listed equities and real assets investments through actively managed open-ended funds offering daily liquidity and applying Foresight’s private markets expertise to listed markets (Figure 3).

In March 2025, FCM acquired WHEB Asset Management LLP, a pioneer in listed equities impact investing, strengthening our leadership in sustainability and impact investing as well as further enhancing stewardship practices.

Notably, around 94% of FCM’s AuM is in sustainability and impact-focused investments, with several funds carrying the UK’s ‘Sustainability Focus’ label and the FP WHEB Sustainability Impact Fund being the first to achieve the ‘Sustainability Impact’ label under the Financial Conduct Authority’s (FCA) Sustainable Disclosure Regulation (SDR).

Figure 3: FCM AuM by investment strategy⁷



⁶ See footnote 1

A.1.2 Purpose & Values

Foresight Group’s purpose is to purpose is to invest to build a sustainable future and grow thriving economies. Under our *Invest. Build. Grow.* framework, Foresight operates as one team across its offices in the UK, Europe and Australia, guided by the following core values:

Ambition



- Investing in ourselves and aiming high together
- Building a successful and sustainable business legacy
- Growing an entrepreneurial culture and delivering with pride

Impact



- Contributing to people and the planet
- Building a sustainable future
- Achieving positive growth for everyone

Integrity



- Being wholly invested in all commitments
- Building relationships with honesty and transparency

⁷ As of 30th September 2025

Collective Success



- Growing professionally and responsibly
- Supporting each other's achievements
- Fostering an accessible, collaborative, and respectful culture
- Growing together as a team

These values shape Foresight's culture and decision-making, promoting positive behaviours and ethical standards. They provide clear guidance on identity, direction, focus, unity, ethics, and character, ensuring that the firm's actions align with its purpose and stewardship responsibilities.

A.2 The clients we serve

Foresight Group manages approximately £14 billion in assets under management⁸ with 66% managed on behalf of institutional clients and the remaining 34% on behalf of retail clients (Figure 4).⁹ We provide a range of investment management services, offering pooled and segregated investment accounts across all divisions.

Figure 4: Institutional clients remain the cornerstone of Foresight's AuM, but retail has grown to represent a third¹⁰



Our client base has grown significantly, with institutional clients remaining the cornerstone of AuM, including the British Government through the British Business Bank, local government pension schemes (LGPS) and Australian and European pension funds, national and supranational bodies such as the European Investment Fund (EIF), foundations, non-profits, specialist impact/sustainability wealth managers, religious orders, family offices and committed sustainability-focused investment groups. Retail investor participation has also surged, driven by record fundraising in tax-efficient products and through the growth of digital retail investment platforms.

Recent acquisitions, notably WHEB, and new offerings in natural capital and private credit have broadened our product range to meet varying investor needs.

We continue to monitor emerging trends: LGPS consolidation reshaping capital flows and governance, growing demand for bespoke solutions, and rising expectations for stewardship reporting across asset classes. This reflects a clear shift towards integrated sustainability, regional investing and effective stewardship, all of which Foresight is well positioned to contribute to.

In the UK, our regional private equity capabilities and local business relationships enable us to support clients as LGPS consolidation and Mansion House reforms drive pooling and greater focus on supporting long-term economic growth over short-term, lower risk investments. This positions us to deliver tailored solutions aligned with local priorities and evolving governance and sustainability requirements.

A.3 Foresight's investment beliefs

At Foresight Group, we believe sustainability and growth are mutually reinforcing across all our asset classes. Our investment approach is built on a commitment to responsible investing, which is applied as the minimum standard across all investment strategies and products (Figure 5). These investment strategy categories are separate from stewardship, which applies consistently across all

⁸ See footnote 1

⁹ As of 30th September 2025

¹⁰ As of 30th September 2025

strategies. Foresight’s investment beliefs are underpinned by the following key factors:

- **Integration of financially material ESG factors:** Foresight systematically incorporates financially material environmental, social, and governance (ESG) factors into every stage of the investment lifecycle, from due diligence to portfolio management and exit¹¹. This ensures that sustainability risks and opportunities are considered in all investment related decisions. Double materiality analysis (DMA) identifies sustainability factors that are both financially material to Foresight and impactful on the environment and society.
- **Alignment with International Standards:** As a long standing signatory to the UN Principles for Responsible Investment (PRI) and the UN Global Compact, Foresight aligns its practices with globally recognised frameworks, reflecting a strong commitment to sustainable business conduct.
- **Clear Exclusions and Negative Screening:** Foresight applies a Group-wide exclusions list¹², avoiding investments in sectors such as

controversial weapons, tobacco, gambling, adult entertainment and companies with significant exposure to thermal coal, crude and refined petroleum oil and oil sands.

- **Transparency and Accountability:** The Group reports in line with the Task Force on Climate-related Financial Disclosures (TCFD) and regularly reviews its policies and practices to ensure ongoing alignment with best practice.

Sustainability and Stewardship: distinct, overlapping concepts

Stewardship often draws on sustainability insights, and many processes rely on sustainability frameworks and teams. However, it is a distinct function focused on exercising influence, oversight and escalation on behalf of clients. By contrast sustainability provides the data, frameworks and strategic context that inform these stewardship decisions. In this report, we use the terms consciously and consistently according to these definitions:

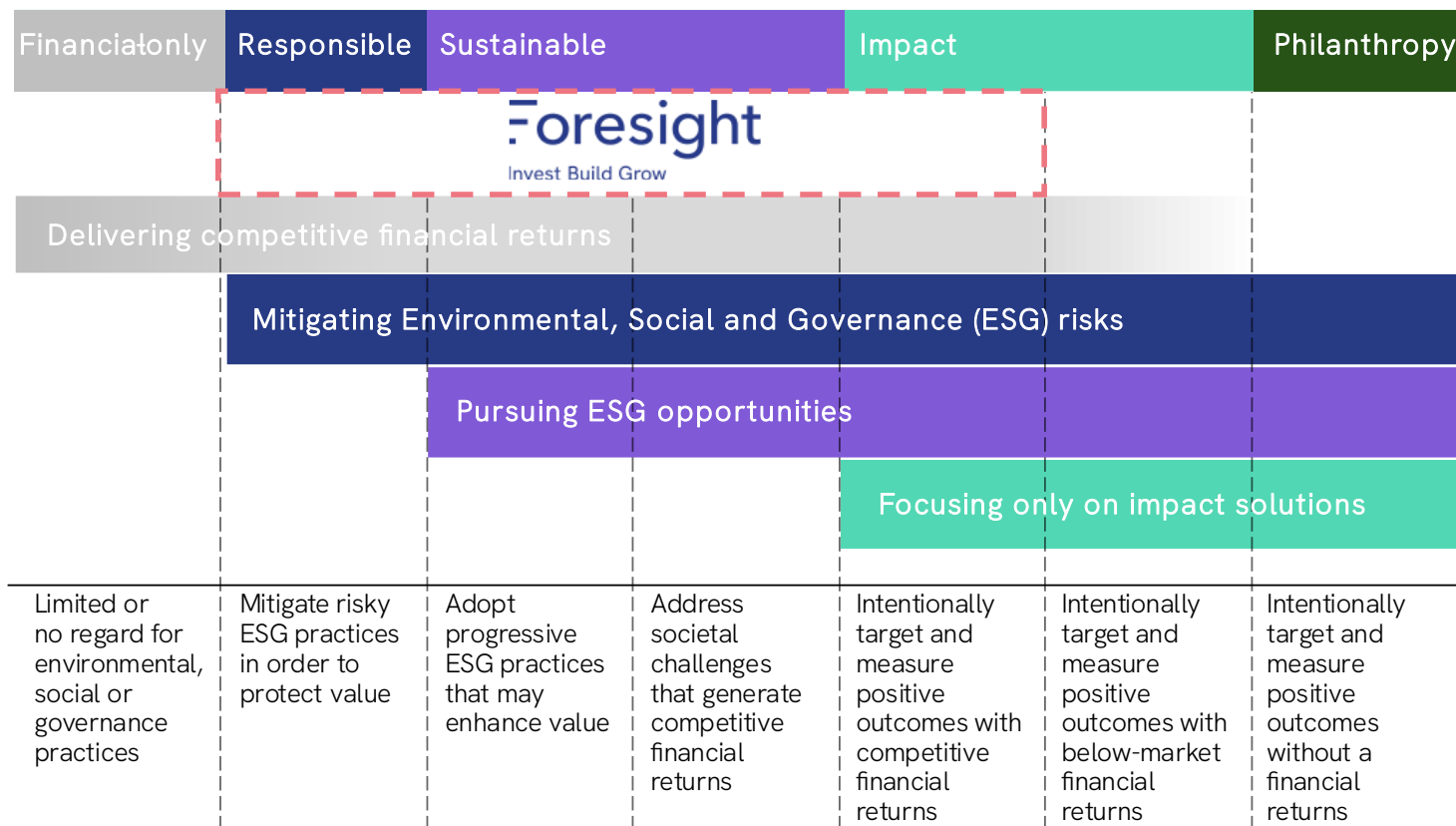
- **Sustainability:** *The state of the global system, including environmental, social and economic aspects, in which the needs of the present are met without compromising the ability of future generations to meet their own needs (BSI PAS7340)*
- **Stewardship:** *the responsible allocation, management and oversight of capital to create long-term sustainable value for clients and beneficiaries. (FRC)*

¹¹ For the relevant funds

¹² Outlined in the Foresight Group Responsible Investment Policy

<https://www.foresight.group/media/nx2b2idi/responsible-investment-policy-2025.pdf>

Figure 5. Foresight manages responsible, sustainable and impact strategies across a range of funds



A.4 Foresight’s stewardship approach

Stewardship is a key tool for delivering attractive long-term returns across all Foresight’s divisions. Our approach is built on five components across the investment value chain (Figure 6):

Upstream:

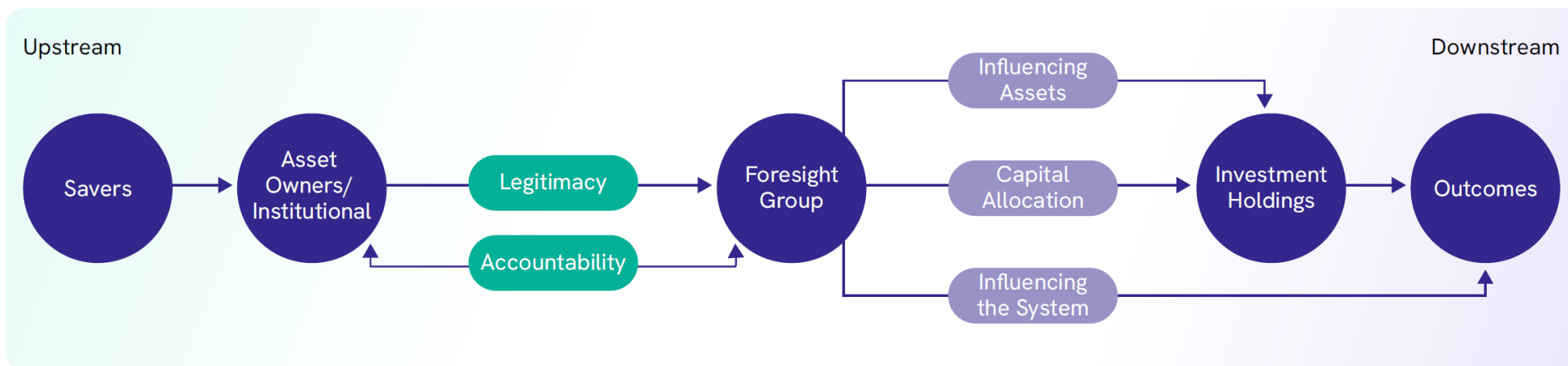
1. **Legitimacy:** The legitimacy of investor stewardship activities hinges on activity and objectives that are aligned with client mandates.
2. **Accountability:** Reporting back to clients upstream is the mechanism through which we are held accountable for this activity.

Downstream:

3. **Capital allocation:** investment decisions aligned with long-term value creation
4. **Influencing assets:** via direct and collaborative engagement and voting
5. **Influencing the system:** engaging with policymakers, NGOs, standard-setters and the broader industry, also known as ‘macro stewardship’.

At Foresight, we believe we have a responsibility to address issues that pose a clear risk to long-term sustainable value. We hold our investments to robust governance standards, for example on leadership, board

Figure 6. Stewardship fundamentals at Foresight Group¹³



composition, risk management and responsible practices, which we believe support their long-term success. Stewardship applies across Foresight's range of responsible, sustainable and impact

strategies, with the level of influence and tools uses differing to suit the relevant asset class and each fund's investment objective.

Typically, client expectations around stewardship, particularly in terms of transparency and disclosures, have been more developed within public markets than private markets. This pattern has historically been reflected in stewardship disclosures across Foresight Group's investment portfolio. For example, FCM has published Stewardship Reports aligned with the UK Stewardship Code since 2024 and its WHEB Strategy held

UK Stewardship Code Signatory status from 2012¹⁴. That said, investors, especially institutional asset owners, are increasingly recognising stewardship as a lever of influence for long-term value creation in private markets. The result is a renewed expectation for transparency and disclosures related to stewardship across all asset classes.

Stewardship has, for a long time, been firmly embedded in Foresight's private markets portfolios. In the spirit of continual improvement, we are also committed to further strengthening these practices by leveraging public markets expertise, particularly around disclosure. By applying proven frameworks from listed equities, we aim to enhance governance, transparency and deliver better outcomes and enhanced values

¹³ <https://www.whebgroupp.com/assets/files/uploads/20241030-wheb-stewardship-white-paper.pdf>

¹⁴ Until its acquisition in March 2025

to meet rising client expectations across public and private markets.

A.4.1 FCM

FCM's stewardship philosophy holds that responsible investment practices protect and enhance long-term value while contributing to broader societal goals. This underpins all strategies through tailored approaches reflecting each fund's objectives. Stewardship activities include those considered most effective in public markets, such as engagement dialogue, proxy voting, collaboration through 'collective engagement' and engaging in macro-stewardship (also known as 'systems-level influence' or influencing 'the system', Figure 6) through involvement in industry associations and collective initiatives as well as transparent reporting with independent oversight.

The WHEB Strategy illustrates this approach, investing in companies delivering sustainability solutions and embedding stewardship as part of our positive impact. In addition to having held Stewardship Code signatory status from 2012¹⁵, the WHEB team recently published a white paper¹⁶ on advancing engagement effectiveness in listed equities. A structured approach to voting and

engagement and adapting practices to meet beneficiary needs is applied by all FCM funds.

A.4.2 Real Assets

In private markets, especially infrastructure, stewardship is delivered through direct ownership, embedded in governance structures and ongoing management. Foresight adopts a 'hands-on' approach to its real asset investments, appointing directors to the board and engagement intensity is largely influenced by the level of control we exercise over the asset.

Funds like Foresight Energy Infrastructure Partners (FEIP) I & II, Foresight Environmental Infrastructure (FGEN), Foresight Solar Fund (FSFL) and Foresight Natural Capital (FNC) typically acquire majority or outright ownership, enabling full control over sustainability objectives, risk management and value enhancement. Teams are active in their management of assets throughout the investment lifecycle, focusing on value-enhancement, integration of sustainability and ESG factors, and industry engagement and using a variety of tools (covered in more detail under Section B.2.2).

Where funds hold minority or debt positions (e.g. Italian Green Bond (IGB) fund) stewardship relies on contractual rights,

monitoring and engagement rather than direct control. Influence is exercised through board positions, dialogue, reporting and advocacy, ensuring Foresight's approach remains effective and proportionate across all asset types (Table 1).

Stewardship also focuses on interactions with third-party service providers and broader stakeholder groups. Through these engagements, the team sets clear expectations on sustainability, guiding fund value chains toward better performance, for example through strong management of sustainability factors to further enhance environmental social and financial outcome

A.4.3 Private Equity

Foresight Private Equity embeds stewardship across its portfolio of over 250 SMEs in the UK and Ireland, integrating ESG considerations throughout the investment lifecycle. Detailed pre-investment analysis and continuing review and monitoring identifies governance, climate, social and material ESG priorities that shape ongoing engagement strategies.

The approach is built on active investment, with legal rights, majority stakes and board representation all applied to ensure ESG oversight is embedded in governance

¹⁵ Until its acquisition in March 2025.

¹⁶

<https://www.whebgroup.com/assets/files/uploads/2024/1030-wheb-stewardship-white-paper.pdf>

structures. Engagement priorities and KPIs are aligned with Foresight's Outcome Themes (Employment at scale; Health; Research innovation; Sustainable and inclusive local infrastructure and environment), with progress monitored and escalation managed through established governance channels.

In its £250m Private Credit portfolio, Foresight funds are primarily the regional leaders and

so carry considerable influence. Where ownership rights are limited, stewardship focuses on contractual monitoring and collaborative engagement to drive ESG improvements utilising creditor influence.

A.5 Report Scope

Foresight Group LLP is an indirect subsidiary of Foresight Group Holdings Limited and is the

principal alternative investment fund manager within the Group. Foresight Group LLP is authorised and regulated by the UK Financial Conduct Authority under firm reference number 198020¹⁷. Foresight's registered office is at The Shard, 32 London Bridge Street, London, SE1 9SG.

Table 1. Real Assets funds under management as of January 2025

Fund	Ownership Approach
Foresight Solar Fund Limited (FSFL)	Some minority positions
Foresight Natural Capital Limited (FNC)	Majority or outright ownership
Foresight Environmental Infrastructure (FGEN)	May include minority positions
Foresight Energy Infrastructure Partners I (FEIP I)	Majority or outright ownership
Foresight Energy Infrastructure Partners II (FEIP II)	Majority or outright ownership
ForVEI II	Joint ventures; not always full control
Italian Green Bond (IGB)	Debt positions only
Inheritance Tax Solutions (ITS)	Board control
Pensions Infrastructure Platform (PiP)	Mixed equity/debt; not always majority
Australian Renewables Income Fund (ARIF)	Majority or outright ownership
Energy Infrastructure Trust (EIT)	Majority or outright ownership
Diversified Infrastructure Trust (DIT)	Majority or outright ownership

17

<https://register.fca.org.uk/s/firm?id=001b000000MfJhCAA>

B. Resources for Effective Stewardship

At Foresight, stewardship is embedded across our investment processes, reflected in how we organize teams, allocate resources and empower individuals to act on behalf of clients and stakeholders.

Effective stewardship requires alignment, clear objectives, defined responsibilities and transparent decision-making. We have invested in specialist expertise, robust governance frameworks and technology that enable consistent action across diverse strategies.

B.1 Governance and oversight

Foresight's stewardship governance ensures robust oversight and accountability. Ultimate responsibility lies with the Group Board, which receives regular updates from the Group Sustainability Committee, chaired by the Chief Investment Officer and comprising senior

leaders from across the business such as the Head of Group Sustainability, with input from divisional sustainability leads (Figure 7).

The Head of Group Sustainability drives stewardship standards, supports divisional teams, and reports to the Board and Executive Committee which has overall responsibility for managing the group. The Executive Committee also oversees Foresight's Sustainability Accountability Framework which defines roles, escalation pathways, and aligns divisional advocacy practices for sustainability governance with Group objectives and may inform stewardship where sustainability-related objectives are relevant.

Divisional Investment Committees oversee stewardship activities and, report to the Executive Committee.

Within FCM, the Investment Performance & Risk Oversight Committee (which meets quarterly) and Independent Advisory Committee (WHEB strategy only; meets three times annually, with published minutes¹⁸)

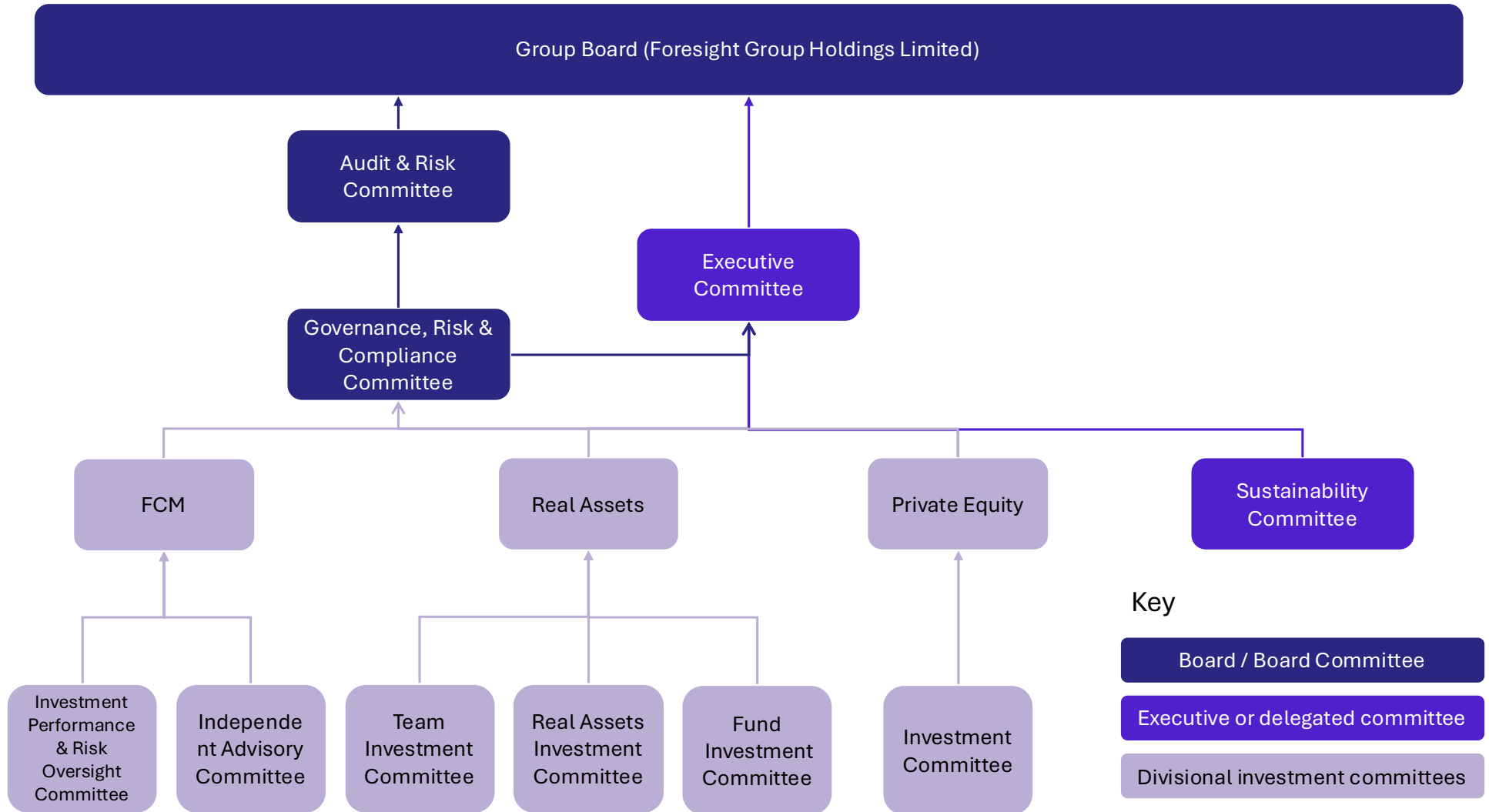
ensure that the funds each meet their sustainability objectives, including those related to stewardship and engagement.

Foresight's Real Assets division applies a multi-tiered governance model across its Team Investment Committee, Fund Investment Committee and the divisional, Real Assets Investment Committees (Figure 7), embedding increasing sustainability and ESG requirements, risk management and transparency at all stages from pre-investment decision making through to portfolio management.

In Private Equity, the Investment Committee embeds sustainability into approvals and processes. One of the Co-Heads of PE leads on sustainability with the PE Sustainability Lead and PE Partners, supported by standardised templates, portfolio reviews and regular sustainability meetings, ensuring stewardship is integrated, monitored and continuously improved.

¹⁸ <https://www.whebgroupp.com/reporting-impact-investment/advisory-committee-minutes>

Figure 7: Foresight group governance structure for stewardship and engagement



B.2 Stewardship resources

B.2.1 Personnel

Foresight Group's stewardship activities are delivered by investment teams and supported by sustainability specialists who provide research, data and thematic insight.

FCM's stewardship is driven by a dedicated sustainability and investment team, supported by WHEB's impact expertise and its "Stewardship Engine" approach, detailed under Section C. Key roles include the Managing Director, FCM and Group Sustainability (oversight and systemic stewardship), the Stewardship & Climate Manager (coordinating strategic prioritisation and leading on collaborative initiatives), and investment analysts (leading company engagement and voting for WHEB Strategy). Analysts across FCM funds work closely with the FCM Sustainability Team to ensure alignment with mandates, prioritisation and integration of ESG and impact considerations into investment decisions.

Stewardship in the Real Assets team is led by the Sustainable Investment Lead who, in collaboration with the Real Assets Sustainable Investment team, prioritises and coordinates stewardship and engagement activities across the Real Assets funds. This activity is supported by the Investment and Asset Management teams and is accountable to a

tiered governance structure of Investment Committees to ensure ESG integration and oversight throughout the investment lifecycle.

Stewardship in Foresight's Private Equity team is led by a Co-Head of PE, who is also a member of the Executive and Sustainability Committees, bringing extensive experience in private equity and governance. They are supported by the PE Sustainability Lead, with deep expertise in ESG integration and responsible investment. Together, they oversee sustainability through structured processes including regular data collection and integrates, portfolio reviews and regular meetings, ensuring stewardship principles are consistently applied and continuously improved.

To maintain and advance our ongoing capability, Foresight invests in continuous professional development. The Group delivers regular internal insights sessions, such as the Foresight Connect Sustainability Series which has covered stewardship, and is launching a group-wide e-learning module on ESG and sustainable investing. A sustainability training hub on the intranet provides access to recommended courses and a directory of colleagues with relevant expertise. This commitment to training ensures that stewardship knowledge is widely shared and that staff remain up to date with the latest developments.

B.2.2 Systems: Internal and third party

Foresight Group's stewardship oversight (e.g. engagement tracking, voting) and sustainability oversight (e.g. sustainability data) relies on comprehensive internal and third-party systems, tailored by division and supported by group-wide governance frameworks. These systems ensure activities are consistently recorded, monitored and reported. A comprehensive list of current internal and third-party systems is shown in Table 2.

Table 2: Internal and third-party systems underpinning stewardship and sustainability oversight

Division	System/Tool Name	Internal / Third-Party	Purpose & Function
FCM	FactSet / Internal Research Note (IRN) platform	Internal	Supports stewardship by providing access to investment research, ESG, sustainability and impact analysis and records stewardship activities, engagement objectives and outcomes for listed assets.
	Bloomberg	Third-Party	Bloomberg enables access to real-time market data, news, BNEF and performance & portfolio analytics
	Net Purpose	Third-Party	Provides impact data and analytics for sustainability reporting.
	Impact Cubed	Third-Party	Delivers sustainability analytics for listed investments.
	Canalyst	Third-Party	Supplies financial data and analytics for stewardship analysis.
	Clarity AI	Third-Party	Provision of Principle Adverse Indicator (PAI) data
Real Assets	Glass Lewis	Third-Party	Manages proxy voting, provides research and tracks voting decisions against internal policies. ¹⁹
	Sennen platform	Internal	Real-time tracking of investment pipeline, asset management, incident logging, and data collection.
	Portfolio Sustainability Metrics (PSMs)	Internal	Captures ESG and sustainability data for each asset; supports ongoing monitoring and reporting.
	Sustainability Evaluation Tool (SET)	Internal	Analyses asset and fund-level sustainability data; supports regulatory and investor reporting.
	Engagement Tracker	Internal	Acts as a repository of engagements with regulators, policymakers, industry bodies and service providers
	Carbon Metrics Calculator	Internal	Processes and analyses data captured in Sennen to identify decarbonisation priorities across the portfolio
	Tableau	Third-Party	Visualises data from Sennen and other sources for internal dashboards and external reporting.
	Ethixbase	Third-Party	Conducts enhanced ESG and compliance due diligence on suppliers and counterparties.
	Frontierra geospatial platform	Third-Party	Assesses nature and climate risks and opportunities using geospatial data; supports TCFD- and TNFD-aligned reporting.
	Private Equity	Salesforce Net Zero Cloud Sustainability Platform	Internal
Standardised templates & questionnaires		Internal	Ensures consistent ESG data collection and assessment across the portfolio.
Open-source climate risk tools		Third-Party	Supports qualitative climate risk assessment for portfolio companies.

¹⁹ The services of specialist proxy voting agencies are used to facilitate voting shares listed on stock exchanges around the world and to provide research that enables us to vote in line with FCM’s rigorous Voting Policy, as detailed under Principle C. Whilst we consider the recommendations of advisory services in how we vote our shares, the Investment Team assesses each individual company vote against our own internal policies before agreeing on how to vote.

C. Our Stewardship Policies and Processes

C.1 Policy framework

As outlined in earlier sections, stewardship is embedded within investment processes across all of Foresight's divisions.

Engagement, voting and macro stewardship are considered as key tools to enable the long-term success of Foresight's investments.

Foresight's policy framework is designed to ensure clarity of roles, robust governance, and measurable outcomes for transparent, meaningful reporting for clients, support our commitment to long-term value creation.

While our full policies are not included here, they are publicly available on the Foresight website²⁰.

C.1.1 Policy Foundations

Foresight's Responsible Investment (RI) Policy sets out the principles of active ownership, defining stewardship as engagement, voting, and advocacy to influence positive change.

This is supported by Foresight Group's Stewardship & Engagement Policy²¹, which provides a consistent, group-wide framework

for the governance, resourcing and delivery of stewardship activity, including escalation, the exercise of rights and monitoring arrangements.

Together, these policies are aligned with relevant external standards, including the UK Stewardship Code.

Foresight Group's Conflicts of Interest Policy is covered under section D.

C.1.2 FCM's Voting Policy

Proxy voting is most relevant to FCM, as other divisions invest in private companies and real assets. FCM operates under its own Voting Policy²², designed to promote long-term shareholder value and effective global corporate governance. Voting rights are viewed as a key lever to influence investee company strategy and governance, complementing broader stewardship activities.

The policy is underpinned by four core principles: Accountability, Stewardship, Independence, and Transparency, and is modelled on the Association of Member Nominated Trustees' (AMNT) 'Red Lines', generally exceeding market standards²³. It applies globally and is supported by third-

party sources and proxy advisors (e.g., Glass Lewis).

Every vote recommendation is scrutinised internally, and where we vote against management, we communicate our rationale to the company and publish it on our website. Shareholder proposals are assessed case-by-case using our principles and guidelines. We do not undertake stock lending, and while clients in segregated accounts may direct voting, our policy meets and typically exceeds their requirements.

While applied consistently, voting decisions can be context dependent. In exceptional cases, analysts may override the policy with written agreement from the relevant Fund Manager. All overrides and justifications are recorded centrally by Compliance and reviewed annually to ensure the policy remains fit for purpose.

C.1.3 Exclusions

Foresight's exclusions policy, part of the Responsible Investment Policy, sets minimum standards for all investments aligned with the UN PRI and UN Global Compact. The policy includes a clear exclusions list and is regularly reviewed by the Group Sustainability Team and Executive Committee.

²⁰ <https://foresight.group/legal/policies/>

²¹ See footnote 20

²²

<https://www.whebgroup.com/assets/files/uploads/2024/0120-wheb-voting-policy.pdf>

²³ <https://www.amnt.org/red-line-voting>

Core exclusions cover controversial weapons, tobacco, gambling, adult entertainment and companies primarily engaged in thermal coal, oil sands or crude petroleum. Individual funds may adopt stricter strategy-specific exclusions as needed.

The policy applies across all divisions, with flexibility for companies demonstrating credible transition plans away from excluded activities.

C.1.4 Review and assurance processes

Foresight's Responsible Investment (RI) Policy and its group-wide Stewardship & Engagement Policy are subject to structured review and assurance processes to ensure they remain fit for purpose and aligned with regulatory requirements, client expectations and evolving best practice.

The RI Policy is reviewed periodically, typically in line with major reporting cycles such as PRI submissions, and in response to any material changes in investment approach or stewardship practices. Oversight is provided by the Group Sustainability Committee and the Risk Committee, with ultimate approval by the Executive Committee.

The Stewardship & Engagement Policy is reviewed at least annually, including consideration of any policy exceptions or enhancements arising from its application across the Group, to ensure its continued effectiveness and relevance.

These policies are supported by external review and benchmarking through participation in initiatives such as the UN PRI, reinforcing transparency, accountability and continuous improvement in stewardship governance.

Where relevant, supporting documents such as divisional voting policies set out more detailed operational procedures, while remaining aligned with the group-wide Stewardship & Engagement Policy.

C.2 The Stewardship Engine: A framework for effective engagement

The Stewardship Engine is a structured framework for delivering effective stewardship and engagement. Originally developed for application in the WHEB Strategy, it defines how investor influence, known as the investor contribution, is exercised to support long-term value creation, including where relevant positive

sustainability impact (in the case of the WHEB Sustainability Impact Strategy).

The Stewardship Engine is built on the idea of legitimacy (acting within client mandates) and accountability (evidencing alignment and impact through transparent reporting), ensuring stewardship activities create long-term value for clients and society (Figure 6). Core principles include linking clear engagement objectives to real-world outcomes (e.g. absolute emissions reductions), reporting contributions towards outcomes rather than claiming causation, and the use of tools such as active dialogue, collaborative initiatives, policy advocacy and proxy voting as means of influence.

As highlighted in WHEB's white paper *From Obstacles to Outcomes*²⁴, inconsistent terminology is an impediment to effective stewardship as it can create confusion, limits comparability and can lead to engagement-washing focused on activity rather than outcomes. To address this, the Stewardship Engine introduces clear terminology which, along with the core principles, are now being used as a basis to inform the evolution of Foresight's stewardship approach and strengthen transparency. These are outlined below:

24

<https://www.whebgroup.com/assets/files/uploads/2024/1030-wheb-stewardship-white-paper.pdf>

C.2.1 *Defining Engagement*

An **engagement activity** is an interaction either online, in person or through written correspondence that involves the clear communication of an objective aimed at addressing a material sustainability or governance risk or opportunity, with an identifiable outcome measure.

C.2.2 Objectives

For engagement to be effective, it must be anchored in a clear objective and a defined outcome.

- **Objective:** What we aim to achieve through the engagement.
- **Outcome:** The result of achieving - or not achieving - the stated objective.

C.2.2.1 *Investor-level*

All engagement objectives should align with the Fund's overarching objectives and therefore the delivery of long-term value. This alignment also ensures consistency with client mandates. For example, the WHEB Strategy categorises all engagements under five 'investor-level objectives' (Figure 8). These serve two key purposes:

1. Internally, they help ensure our engagements are aligned with each Fund's objectives and contribute to long-term client value.
2. Externally, they provide clients with a clear framework to understand how engagement supports the Fund's objectives.

C.2.2.2 *Company-level*

Effective engagement begins with a clear, context-specific objective that aligns with the investee company's commercial reality and supports the delivery of long-term value. The objective should articulate how a particular issue represents a material risk or opportunity to the company's sustained success and financial performance (Figure 8). We define an 'engagement activity' by the presence of such an objective²⁵.

C.2.2.3 *Fact-finding versus behaviour change*

Fact-finding objectives can be a helpful precursory stage in engagement, meeting a progress milestone, or are valuable in complex or opaque situations where understanding a company's position or constraints is an essential first step. However, our view is that engagement is most powerful

where it drives tangible company action. We therefore prefer behaviour change objectives that drive tangible shifts in company policy, governance or strategy to enable real-world impact.

Crucially, we consider that it is the effective communication of a well-defined objective that transforms a routine investor-company interaction into a meaningful engagement activity.

C.2.3 Outcomes and measuring effectiveness

We want the results, or outcomes, from our engagement to create lasting benefits for our clients. These outcomes should be clearly linked to the objectives we set²⁶. There are two levels of objectives:

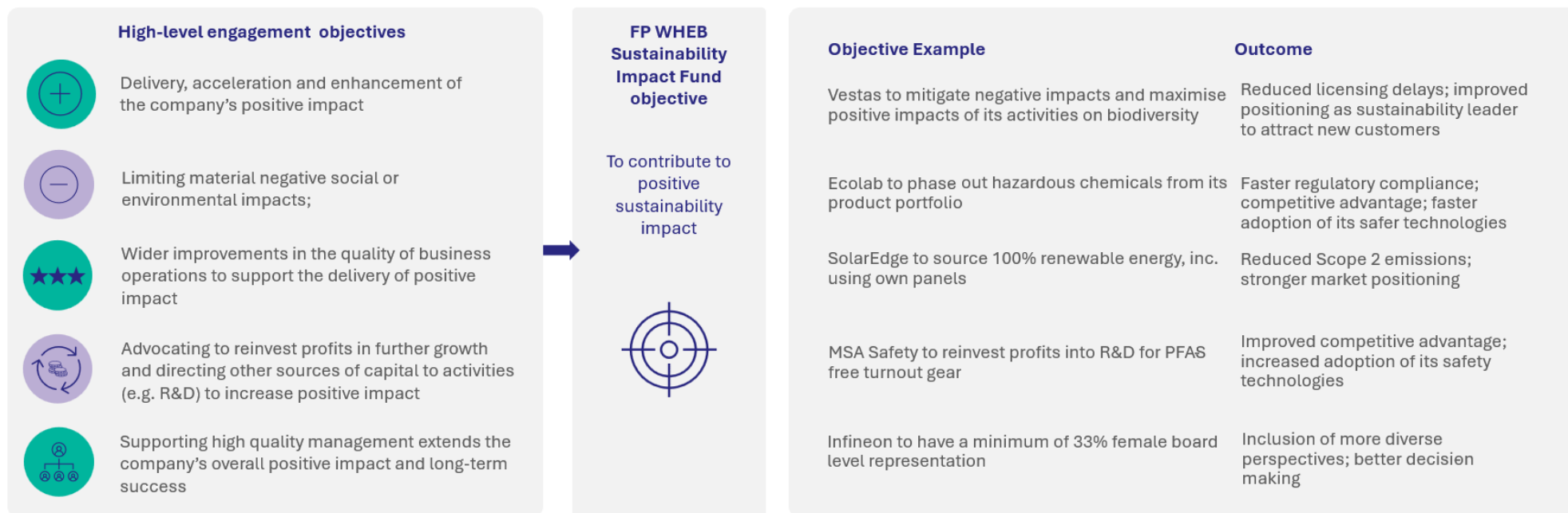
1. **Overall engagement strategy objectives** – the big-picture aims for how we engage across all companies (Figure 8).
2. **Company-specific engagement objectives** – the specific changes we want to see at an individual company (Figure 8).

Figure 8: Alignment of WHEB's investor-level objectives with fund objectives, including illustrative examples and observed outcomes

²⁵ We outline our reasons for defining and engagement in this way in our 2024 White Paper: *From Obstacles to*

Outcomes: Enhancing Effectiveness in Stewardship and Engagement

²⁶ See footnote 16



The difference between these two levels shows up in the types of outcomes we get (Figure 9):

- **Company-level outcomes:** Directly related to the specific goal for that company (e.g., improving its climate disclosure).
- **Portfolio-level outcomes:** How those changes affect our confidence in the company as an investment (e.g., stronger conviction because the company is managing risks better).

Outcomes should create long-term value for clients and should be articulated along with objectives. The difference between the overall

objectives of an engagement strategy and the specific objective for engaging individual companies is reflected in the types of outcomes each one produces (Figure 9). Outcomes can include:

- Those directly reflecting the company-level engagement objective.

Those that influence our investment conviction.

C.2.3.1 Reporting outcomes: Our view

Outcomes reflect the influence of many factors, including market conditions, regulation and other stakeholders. Our engagement is just one of these factors, particularly within public markets.

Consequently, we do not seek to attribute specific outcomes directly to our engagement activities. We do, however, believe it is important to report to clients in a way that enables them to assess and evaluate the effectiveness of our approach.

Our aim is not to demonstrate causation, but rather to provide transparency around the objectives we are actively pursuing, the engagement methods we consider most impactful and any observable outcomes. This allows clients to assess potential correlations between our stated intentions, our actions and the changes we see.

Through this approach, we aim to demonstrate our contribution to real-world outcomes, while acknowledging the inherent challenges in establishing direct attribution, especially in public markets stewardship.

C.2.3.2 Measuring effectiveness

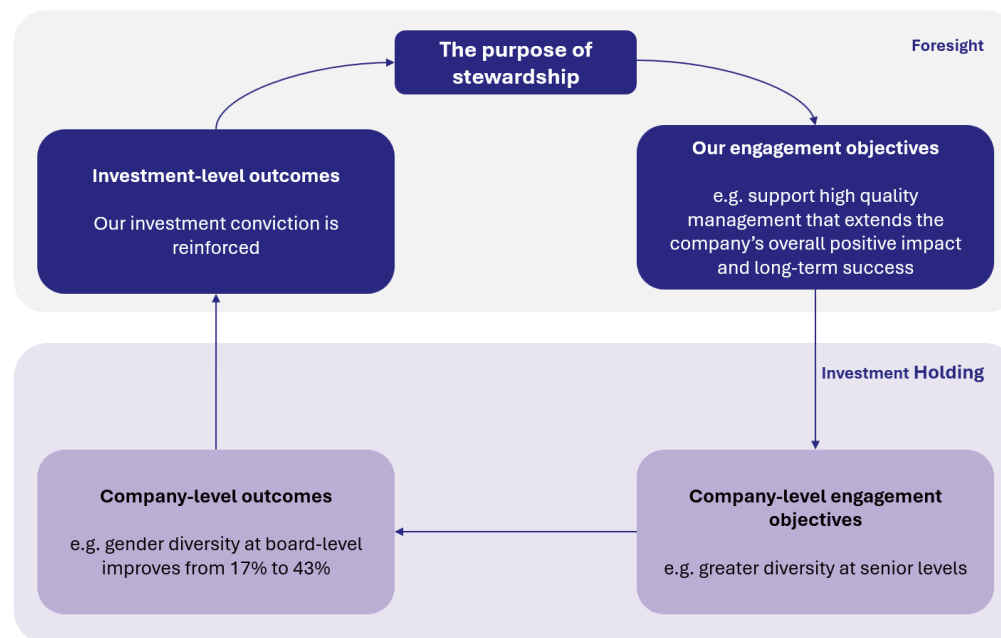
There is often a significant time lag between engagement work and the availability of outcome data to assess its effectiveness. To

address this, we use objective milestones (Figure 10) to track progress towards engagement objectives being achieved and to evaluate our efforts in real-time.

These milestones provide a generic, issue-agnostic framework for consistent measurement across different engagement themes.

Once a company has achieved an objective, in part or in full, Key Performance Indicators (KPIs) can be used to assess the relationship between our stewardship efforts and the resulting outcomes. We use methods such as benchmarking and trend analysis to evaluate these KPIs and quantify impact.

Figure 9: Objectives and outcomes²⁷



²⁷ <https://www.whegroup.com/smruft-kappa-engagement-case-study>

Figure 10: Objective milestones track progress towards the achievement of an engagement objective



C.3 Stewardship Processes by Division

Foresight implements a unified set of stewardship principles, as exemplified within the Stewardship Engine, across all divisions.

At the same time, Foresight recognises the importance of adapting these principles to suit the distinct objectives, asset classes, and investment philosophies of each strategy. Table 3 details how stewardship policies and

processes are applied within Foresight's divisions.

Table 3: Foresight’s stewardship approach adapts to suit the objectives, asset class and investment philosophy of each strategy

Stewardship Process Stage	FCM	Real Assets	Private Equity
Summary	Foresight Capital Management (FCM) applies stewardship as a core part of its listed equities strategy, integrating much of the WHEB approach.	Foresight’s Real Assets division embeds stewardship and engagement throughout the investment lifecycle. Sustainability and responsible investment considerations inform these activities at every stage.	Foresight’s Private Equity division embeds stewardship throughout the investment lifecycle. Responsible investment practices are applied systematically from initial screening through to exit and provide the sustainability and ESG insights that inform stewardship activities. The process is designed to drive ESG improvement and measurable outcomes, tailored to the needs and maturity of each portfolio company.
Pre-investment	<p>Rigorous ESG screening, (including sustainability and impact screening as appropriate) is integrated into stock selection.</p> <p>Stewardship considerations, such as a company’s governance, sustainability strategy, and stakeholder relationships, are assessed before investment.</p>	<p>All opportunities are screened for sustainability alignment and exclusions.</p> <p>ESG due diligence is rigorous, covering climate risks, supply chain standards and sectoral frameworks.</p> <p>These sustainability assessments inform stewardship planning, with the Sustainability tea contributing analysis to Investment Committee decisions while stewardship rights and expectations are considered through the investment governance process.</p>	<p>All opportunities are screened for sustainability alignment and exclusions.</p> <p>Engagement with management is central and Foresight conducts in-depth ESG due diligence, including site visits, interviews and structured assessments via the Sustainability Platform, to identify sustainability risks and opportunities.</p> <p>Stewardship and engagement plans are then developed as a separate step, using these insights to shape objectives, governance expectations and board engagement priorities and post-investment influence mechanisms. These stewardship actions are documented for Investment Committee approval and may influence deal structure or conditions.</p>
Ownership	<p>FCM exercises stewardship through active engagement with investee companies, bilaterally and through collective engagements.</p> <p>A combination of bottom-up (company-specific), top-down (investor-driven), and idiosyncratic (event-driven) methods are used to identify and prioritise engagement</p>	<p>Stewardship is exercised through active asset management, regular engagement with operators, monitoring of sustainability metrics and implementation of enhancement and improvement plans.</p> <p>Agreed stewardship initiatives are implemented by the Asset Management Lead and Managers, supported by their participation on the Boards of underlying</p>	<p>Stewardship is actively exercised through a 100-day plan post-investment, which mandates the adoption of core ESG policies and the setting of company-specific KPIs.</p> <p>Foresight typically takes a non-executive board or observer seat and appoints experienced chairs, ensuring ongoing engagement with management.</p>

	<p>objectives, ensuring both strategic alignment and responsiveness to emerging issues.</p> <p>Stewardship activities include regular dialogue with management, voting at meetings and AGMs, advocating for sustainability and governance practices and transparency.</p>	<p>SPVs, ensuring effective execution and alignment with objectives.</p> <p>Nature recovery and biodiversity are prioritised, with tailored site initiatives.</p>	<p>ESG and stewardship topics are standing items at board meetings, enabling regular, constructive dialogue and challenge to drive progress.</p>
Engagement	<p>FCM prioritises constructive, long-term engagement to influence positive change. The team sets clear engagement objectives, tracks progress and escalates where necessary, including by collaborating with other investors for greater impact.</p>	<p>Foresight maintains ongoing dialogue with asset operators, suppliers and communities to support sustainability improvements and manage environmental and social risks. Through this sustainability-focused engagement, we set clear expectations that guide value-chain performance, including adherence to the Foresight Supplier Code of Conduct.</p>	<p>Stewardship continues through structured, ongoing engagement focused on governance and long-term value.</p> <p>ESG performance is monitored through routine data collection, quarterly reviews and annual assessments. ESG risks are addressed through improvement plans agreed with management, while governance concerns are escalated through established stewardship channels.</p>
Monitoring and Reporting	<p>Stewardship activities are systematically tracked and progress is assessed using a milestone framework.</p> <p>Stewardship objectives, activities and outcomes are reported to clients to ensure accountability and transparency, separate from sustainability or ESG reporting.</p>	<p>Sustainability and ESG performance is monitored and transparently reported to investors through regular reviews.</p> <p>Any sustainability-related issues are identified and escalated through sustainability governance processes, distinct from stewardship oversight.</p>	<p>Foresight assesses stewardship progress and sustainability/ESG performance separately against the division's stewardship principles and Outcome Theme metrics annually.</p> <p>These assessments support transparent reporting to investors and inform both ongoing stewardship priorities and sustainability improvement plans across portfolio companies.</p>
Exit	<p>Where engagement does not yield sufficient progress, FCM may reduce or divest holdings, reinforcing the importance of stewardship in capital allocation. Our strong preference, however, is for constructive, long-term engagement.</p>	<p>Stewardship achievements and commitments are incorporated within exit processes where relevant, such as improvements in governance or oversight. Sustainability outcomes are documented as part of asset-level sustainability reporting. This supports continuity of sustainability performance beyond Foresight's ownership.</p>	<p>Stewardship is integral to exit planning. Governance enhancements, board effectiveness, ESG and sustainability achievements are evidenced through relevant data and statements provided by portfolio company boards, demonstrating the value created through responsible investment alongside active ownership.</p>

C.4 Collective engagement

As well as engaging underlying assets directly, Foresight also endeavours to influence them through collective, or 'collaborative' engagement via both formal and informal coalitions. Collective engagement pools ownership stakes across multiple investors, creating greater leverage and so makes company management more likely to respond. This is a particularly useful tool in public markets where individual investors typically hold small, minority ownership stakes in companies, potentially limiting their influence when engaging alone. Other benefits include:

- A unified investor voice carries more weight, which is important for escalating issues. For example, our work to engage Smurfit Westrock via the Nature Action 100 (NA100) underscored previous bilateral objectives to address biodiversity and nature loss²⁸.
- Expertise sharing, for instance, through our work engaging on hazardous chemicals benefits from ChemSec's technical expertise

- Efficiency, as joined up efforts reduce duplication and costs for investors and the companies being engaged. For example, our work engaging Schneider Electric on its NZC strategy²⁹.

When considering whether to join a collective engagement, we prioritise those that align with our investment objectives and policies and are mindful of the legal and regulatory considerations³⁰ during participation. It is also our policy to act as the lead investor wherever possible. Coordination efforts can make collective engagements resource intensive and so we sometimes choose to focus on bilateral dialogue initially and then escalate through collective engagement.

C.5 Escalation

Formal escalation mechanisms are especially helpful for our public markets strategies, where shareholder influence is weaker due to fragmented ownership. FCM's escalation policy is initiated where initial dialogue does not achieve sufficient progress on material issues. Our process follows a structured approach:

- Initiating Engagement: When a topic is identified, we set clear objectives and communicate them to company management. This may include explaining voting decisions to encourage further dialogue.
- Assessing Response: We review company responses and consider escalation if there is no reply within a reasonable period or if responses are inadequate.
- Escalation Decision: Decisions are made by the investment analyst in consultation with the sustainability team and, where appropriate, our Investment Advisory Committee.
- Escalation Tactics:
 - Stage 1: Raise the issue with senior management, often via formal correspondence.
 - Stage 2: Collaborate with other investors, often through collective industry initiatives. Typically, activities are structured around joint letters and meetings.
 - Stage 3: Use voting rights to effect change, including AGM attendance, voting against key

²⁸ See case study *Nature Calls: From Assessment to Action – Biodiversity and Nature Loss*, p. 33 WHEB 2024 Stewardship Report

<https://www.whebgroup.com/assets/files/uploads/2025/1202-wheb-2024-stewardship-report.pdf>

²⁹ <https://www.whebgroup.com/schneider-electric-q4-2024-engagement-case-study>

³⁰ Collaborative or collective engagement is undertaken solely to advance stewardship objectives aligned with our funds' investment objectives. We do not share competitively sensitive information, material non-public information or act in ways that create conflicts of interest or insider risks. No collective decisions on

acquiring, holding, disposing or voting securities are made. All actions remain independent and in line with fiduciary duties, client mandates and applicable laws. Materials are guidance only and not investment, legal or financial advice.

board members and filing or co-filing shareholder resolutions.

- Final Step: If escalation fails, we may reduce or divest holdings in the company.

In our private markets investments, the nature of the investment poses less of a challenge, and we typically also have board representation or contractual governance rights that provide direct influence. Escalation therefore involves engaging with Fund Management teams (and Fund Boards as applicable) who then determine the appropriate action, including whether the fund's investors need to be notified.

C.5.1 Decisions not to escalate

We prioritise escalation of issues with significant financial or systemic relevance, recognising that not all topics warrant resource-intensive escalation.

C.6 Systemic or 'macro' stewardship

Systemic sustainability challenges, such as climate change, biodiversity loss and social inequality, cannot be solved by individual company action alone. While direct engagement with underlying holdings is a core part of Foresight's stewardship across all divisions, we recognise its limitations in addressing issues that span entire industries, supply chains and policy environments.

To complement company-level engagement, Foresight actively seeks to shape the broader financial system to enable more sustainable outcomes, an approach often described as macro stewardship. This includes:

- Participating in collaborative investor initiatives and coalitions to amplify our influence on systemic issues.
- Working with industry groups and contributing to the development of best practice. Engaging with policymakers, regulators, and standard setters to advocate for effective sustainability policies and robust disclosure frameworks that enhance long-term value.
- Sharing our insights and approaches through conferences, working groups and published thought leadership, and engaging with clients and advisers to promote long-term, responsible investment.

Decisions on participation are made at the Divisional level and coordinated across the Group by the Sustainability Committee.

Through these activities, Foresight aims to drive positive change not only within individual assets and companies, but across the wider market and policy landscape, supporting the transition to a more sustainable economy.

D. Managing Conflicts of Interest

Given the diversity of Foresight’s investment solutions across public and private assets globally, conflicts of interest may arise. Our long established Group Conflict of Interest Policy governs our management of these issues. We proactively identify actual and potential conflicts, manage them transparently, and prioritise client interests and stewardship responsibilities.

Compliance with legal and regulatory obligations relating to conflicts of interest not only supports client interests but also supports protects Foresights reputation and our commitment to transparency for our clients and our sustainable investing approach and long-term business success.

D.1.1 Definition

A conflict exists when Foresight, its staff, or funds could benefit while a client is disadvantaged, or when one client benefits at another's expense. In stewardship, this includes situations where voting, engagement or asset allocation decisions could be influenced by competing interests.

D.1.2 Key Factors Considered

- Foresight gaining financially or avoiding loss at client expense

- Differing interests in transaction outcomes or stewardship activities
- Incentives favouring certain clients over others
- Providing stewardship services to clients with conflicting interests
- Receiving inducements that could influence stewardship actions
- Participation in collective engagements which could be inconsistent with our investment objectives and policies or applicable legal and regulatory requirements

We also consider conflicts involving delegates, sub-delegates, external valuers, counterparties, and other group entities.

D.1.3 Management Approach

Foresight prioritises preventing conflicts of interest in product design and management through careful structuring of products, processes and decision-making frameworks. When conflicts cannot be avoided, they are identified, managed, and mitigated with robust controls. Prevention takes precedence over post hoc management.

Where unavoidable, we focus on transparent conflict management and clear communication, always placing the interests of our clients and our stewardship responsibilities at the forefront of our decision-making. Foresight manages conflicts in the following ways:

- Recording and Monitoring: All potential and actual conflicts are documented in a central conflicts register, which is actively monitored by the Compliance Team
- Oversight Structure:
 - The Compliance Officer oversees conflict management and reports to the Risk Committee and Members’ Board.
 - The Risk and Compliance Committee holds ultimate decision-making authority for conflicts and the topic is a standing agenda item at quarterly meetings.
 - The Compliance Team acts as the central contact, maintains the register, and updates reports.
 - Team Heads are responsible for day-to-day conflict management within their business units.
- Disclosure: If a conflict cannot be fully mitigated, it is disclosed to affected clients or investors so they can make informed decisions.
- Declining to Act: In some cases, Foresight may decline to act or abstain from voting to avoid prejudicing any client’s interests.
- Policy Adherence: All conflicts are managed in accordance with Foresight’s Conflicts of Interest Policy, which is available upon request.

Table 4 outlines potential conflicts and how they are managed.

Table 4: Potential conflicts of interest and how they are managed.

Potential Conflict	Explanation	How it is managed
<p>Dual relationship: Investee company as an investor</p> <p><i>Relevant divisions: FCM</i></p>	<p>Where a company is both: included in a Foresight-managed investment strategy, and; is also an investor in the fund via a corporate investment vehicle, a potential conflict may arise. For example, if Foresight holds shares in Company X and Company X (or its pension fund) invests in the same Foresight fund, there is a risk that stewardship decisions (such as voting or engagement) could be influenced by the company's dual role as an investee and investor.</p>	<p>Fund management decisions and stewardship activities are undertaken independently of business development considerations.</p> <p>Within FCM, oversight is provided by the Investment Performance Risk and Oversight Committee and the Independent Advisory Committee (WHEB Strategy only).</p> <p>Any potential conflict is disclosed to the relevant parties, and preferential terms are not permitted.</p>
<p>Conflicts between client interests and voting policy</p> <p><i>Relevant divisions: FCM</i></p>	<p>A conflict may arise when the interests of a client (such as a corporate pension fund) may not align with Foresight's voting policy at the associated company's general meetings. For example, Foresight may be required to vote on a resolution at a company where a client has a direct interest.</p>	<p>In such cases, Foresight manages the conflict by monitoring, disclosing the conflict to the client, and, if necessary, declining to provide the service or abstaining from voting.</p>
<p>Overlapping mandates</p> <p><i>Relevant divisions: Real Assets, Private Equity</i></p>	<p>Overlapping fund mandates within the Real Assets and Private Equity divisions may give rise to conflicts when multiple funds managed by Foresight Group are eligible to invest in the same asset, requiring a decision on which vehicle gets access to the opportunity.</p> <p>If not appropriately managed, this can lead to misallocation, perceived favouritism, or misalignment with fiduciary duties if one fund is advantaged at the expense of another, and may have an adverse impact on the subsequent stewardship of the investment in question</p>	<p>The Foresight Real Assets Investment Allocation Policy (as amended from time to time) and the Foresight Private Equity Allocation Policy set out the policies and procedures of in relation to the allocation of investment opportunities among the managed funds and any other existing or future investment vehicles, funds, mandates and clients managed or advised by Foresight Group.</p> <p>Any investment opportunity sourced by Foresight and falling within the remit of more than one of the managed funds will be presented simultaneously to all such funds. The policy then follows a formal mechanistic approach for the allocation of the investment opportunities.</p>
<p>Conflicted Deals</p> <p><i>Relevant divisions: Real Assets, Private Equity</i></p>	<p>A conflict arises when Foresight is both the seller and buyer in a transaction between its own funds. This typically involves the Portfolio team (seller) and the Investment team (buyer), with involvement from Foresight Partners representing either fund.</p>	<p>To manage this, only essential deal team members are given access to conflicted deals. In Private Equity, a separate independent team is identified to look at the opportunity, provided with the same level of information as an external interested party.</p> <p>The matter may also be formally escalated to the fund's Limited Partner Advisory Committee (LPAC) or board, with Foresight providing a recommendation. The</p>

	In Private Equity, this occurs infrequently, in relation to companies transitioning from earlier stage venture, or seed funding to growth capital and equity release events.	independent body then reviews, challenges and approves the proposed approach to ensure investor interests are protected. In Real Assets, the “Private Deal” setting is used to restrict deal visibility to authorised individuals on related platforms such as Sennen. Strong information barriers (“Information-Walls”) are maintained physically, digitally, and in deal materials. Deal details are hidden from wider teams and reporting systems (e.g. Tableau). Executive Committee members not involved in the deal (“above-the-wall”) may access for oversight, but not for decision-making. These measures ensure confidentiality, limit access, and prevent undue influence in internal asset transfers.
Personal interests of staff	Staff may have personal investments or relationships that could influence stewardship decisions. For example, a staff member with a personal holding in a company subject to engagement or voting could face a conflict.	Foresight’s personal account dealing policy and compliance oversight are designed to identify and manage such risks.
<i>Relevant divisions:</i> All		
Transaction-related fees	A perception of reduced value for clients may arise where Foresight charges fees to buyers, sellers or portfolio companies in the context of transactions or service provision.	To address this, Foresight ensures full disclosure of fee structures, maintaining arm’s-length pricing. Any fees are contractually governed and transparently reported to clients.
<i>Relevant divisions:</i> All		
Sustainability-related conflicts	Potential conflicts may arise when integrating sustainability objectives into stewardship priorities.	At Foresight, these are managed by ensuring that all sustainability actions are consistent with the fund’s investment objectives and client mandates. This principle is embedded in our Sustainability Accountability Framework, which sets clear roles and escalation routes (refer to Section B.1). The Group Board has ultimate responsibility and receives updates from the Group Sustainability Committee, chaired by the Chief Investment Officer. The Head of Group Sustainability drives stewardship standards, oversees the Sustainability Accountability Framework, and reports to the Board and Executive Committee. Divisional Investment Committees manage stewardship activities and report outcomes upward, ensuring consistent sustainability integration aligned with fiduciary responsibilities.
<i>Relevant divisions:</i> All		

E. Maintaining Dialogue with Clients and Beneficiaries

Clear, effective communication with our clients is central to how Foresight delivers on its stewardship responsibilities (Figure 6). It also shapes the way we continue to develop our overall approach to stewardship. We do this by reporting back to clients and actively inviting their feedback.

E.1 Informing clients about our stewardship approach

This report marks a significant milestone for Foresight Group. Our decision to produce our inaugural Group-wide Stewardship Report reflects our commitment to meeting the needs of Foresight's clients, across public and private markets, for whom stewardship is considered a fundamental lever of influence and enabler of long-term value creation.

Complementary to this report, FCM continues to lead on public disclosures, including:

- Publishing its first stewardship report in 2024 for FY2024³¹.
- WHEB, acquired by FCM in March 2025, has been a Stewardship Code signatory since 2012, publishing stewardship reports since 2020³² and publicly provides full voting records with rationales³³, quarterly stewardship data³⁴ and detailed case studies³⁵.

In private markets, stewardship-related reporting is integrated into regular client communications. For example, Real Assets outlines its approach in the Foresight Energy Infrastructure Partners Sustainability Report 2024, and stewardship strategies for FSFL³⁶ and FGEN³⁷ are included in SDR pre-contractual disclosures^{38,39}.

Private Equity reporting includes quarterly investor updates, participation in Limited Partner Advisory Committees, ad hoc updates

on engagement activities and regular dialogue to gather client feedback.

E.2 How client views shape our approach

E.2.1 A mandate-led, fiduciary approach

Foresight integrates client and end-beneficiary needs into its stewardship approach through established processes. We treat client mandates as the primary source of legitimacy and authority for our stewardship activities, along with regulation. This is because we ultimately see our role as an agent, exercising stewardship rights and responsibilities on behalf of our clients in line with their investment objectives.

On this basis, we proactively review relevant client materials, including mandates, to inform our approach. Within FCM, for example, disclosures such as Statements of Investment Principles, Stewardship Reports, and Sustainability Reports directly inform engagement topic prioritisation.

³¹

<https://www.foresight.group/media/ebpjwsla/foresight-capital-management-stewardship-report-fy24.pdf>

³² <https://www.whebgroupp.com/reporting-impact-investment/stewardship-reports>

³³ <https://www.whebgroupp.com/investing-for-impact/stewardship/voting-records>

³⁴ <https://www.whebgroupp.com/investing-for-impact/stewardship/engagement-case-studies>

A full quarterly engagement record is published in quarterly reports available at:

<https://www.foresight.group/strategies-funds/public-markets/sustainable-impact-strategies/fp-wheb-sustainability-impact-fund/#reports>

³⁵ <https://www.whebgroupp.com/investing-for-impact/stewardship/engagement-case-studies>

³⁶ <https://media.umbraco.io/foresight/gxopiz33/fsfl-pre-contractual-disclosure-2024-disclaimer.pdf#page=5>

³⁷

https://media.umbraco.io/foresight/m5zlwipf/20240812-fgen_sdr_pre-contractual_disclosure_final.pdf#page=3

³⁸

https://media.umbraco.io/foresight/m5zlwipf/20240812-fgen_sdr_pre-contractual_disclosure_final.pdf#page=3

³⁹ <https://media.umbraco.io/foresight/gxopiz33/fsfl-pre-contractual-disclosure-2024-disclaimer.pdf#page=5>

We also believe that we have a fiduciary duty to address issues that pose a clear risk to long-term sustainable value creation. Effectively addressing these issues requires strategically prioritised stewardship that considers the way in which our investments are impacted by, and their impact on, risks.

The overall aim is to deliver targeted, proportionate and evidenced-based stewardship that is clearly aligned with client objectives. Legitimacy is further reinforced through transparent reporting of stewardship that allows clients to evaluate our effectiveness against their expectations.

E.2.2 Ongoing client feedback

Foresight continually integrates client feedback as macroeconomic geopolitical developments, evolving regulation, technological disruption and wider sustainability trends shape how client priorities and interests are reflected within our investment strategies.

Client feedback has been collected more recently in a structured format through a double materiality analysis (DMA). The insights gleaned resulted in updates to key policy documents⁴⁰ to ensure alignment with investor

expectations, regulatory developments and voluntary frameworks.

Each division manages ad hoc client feedback through a variety of existing channels. FCM maintains strong client relationships through regular reporting⁴¹, webinars, events such as the Annual Investor Conference, as well as direct client engagement⁴². Feedback has directly informed a decision to change controversy research provider.

In Private Equity and Real Assets, the evolving regulatory landscape and regular investor interactions inform client and beneficiary needs, helping evolve data collection and reporting (including emissions tracking) and assess engagement priorities through the various sustainability platforms and tools described above to advance core sustainability themes.

⁴⁰ These policies include Sustainability Policy, Responsible Investment Policy, Sustainable Sourcing Policy, Environmental Policy, Human Rights Policy and Group Code of Conduct.

⁴¹ Stewardship at FCM is reported through monthly, quarterly and annual cycles, with ongoing monitoring via periodic reporting and annual disclosure within fund-level Product Level Disclosures (PLDs).

⁴² <https://foresight.group/about-us/foresight-capital-management/>