FGEN

Foresight Environmental Infrastructure Limited

Sustainability and ESG Report 2025

Sustainability and ESG

In this section:

Bilsthorpe wind farm

Sustainability and ESG

ESG Committee Chair's foreword

"This year we are proud to report strong progress across several key areas of our ESG agenda."

Jo Harrison
Chair, ESG Committee

This year has marked a significant step forward in our environmental, social and governance ("ESG") journey. We recognise the value of transparent, credible and decision-useful sustainability reporting for our stakeholders and continue to evolve our disclosures with that goal in mind. We are proud to report strong progress across several key areas of our ESG agenda.

This year's reporting has started our process of aligning with the International Sustainability Standards Board ("ISSB") Disclosure Standards, IFRS S1 and S2, which will be central to global sustainability-related financial disclosures going forward. In parallel, we have developed a set of voluntary disclosures under the UK's Sustainability Disclosure Requirements ("SDR"), in keeping with our approach of being an early adopter of ESG standards.

In a key milestone for the year, we published our first transition plan in line with the Transition Plan Taskforce ("TPT") Disclosure Framework. This plan is a critical part of our long-term net-zero strategy and underscores both our leadership and our willingness to contribute to the development of global best practice. Additionally, the transition plan is able to be expanded in future to cover other strategic targets, including biodiversity.

In partnership with environmental geospatial consultancy Frontierra and supported by a grant from the UK Space Agency, our Investment Manager developed a nature and climate reporting platform. FGEN's portfolio was used to inform development of the platform, which has been integrated across all of FGEN's assets. The platform provides real-time, location-specific insights into physical climate risks and nature-related factors, strengthening investment decisions and supporting long-term value creation. The insights produced have particular value during due diligence processes by identifying assets most exposed to physical risks such as flooding, drought or soil erosion, thereby supporting proactive mitigation strategies and effective budget setting.

To enhance the credibility of our ESG data, we have also commissioned third-party assurance of our core non-financial metrics, verified to the ISAE 3000 standard, as part of this reporting cycle. This reflects our commitment to high-quality, reliable disclosures that support stakeholder trust and informed decision-making.

Looking ahead, our ambition remains focused and has been clarified by this year's transition planning process. Our strategy is being shaped by our long-term Strategic Ambition: to be net zero by 2050, to be resilient to the changing climate and to contribute towards a more sustainable future. We are confident that the work undertaken this year lays a strong foundation for further progress and continued leadership in the years to come.

Jo Harrison
Chair, ESG Committee

23 June 2025

Sustainability and ESG continued

At a glance

Publication of FGEN's transition plan

In FY24/25, FGEN voluntarily published its first transition plan, prepared in line with the Transition Plan Taskforce ("TPT") Disclosure Framework. This transition plan sets out FGEN's approach to the low-carbon transition and achieving its net-zero target. Further information on the process followed is set out on page 8. In particular, the transition plan formalises two key areas:

FGEN's Strategic Ambition

FGEN's activities are aligned with the transition to a low-carbon economy by way of investing in a diversified portfolio of environmental infrastructure, including infrastructure assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally sustainable approaches to economic activity. The TPT Disclosure Framework requires entities to state their Strategic Ambition and describe how their activities align with, or promote, that Ambition. The Board of Directors considers FGEN's Strategic Ambition to be a complementary driver to delivering on its investment objectives in an evidenced and effective manner.

The Company's Strategic Ambition states:

"FGEN's portfolio of investments will be net zero by 2050 in line with the 1.5°C Paris Agreement objective, be resilient to the changing climate and contribute towards a more sustainable future."

Operational targets

The transition plan formalised a series of operational targets to facilitate further integration of GHG considerations into investment and portfolio decision-making. The short-term targets are shown in the table on page 26, with the full set of targets set out in the transition plan document, available on the Company's website[1], at pages 19 and 20 of the Annual Report 2025.

Voluntary publication of SDR disclosures

Although FGEN, as a Guernsey company, does not fall within the scope of the UK Sustainability Disclosure Requirements ("SDR") and investment labels, the Board made the decision to voluntarily determine an SDR equivalent label and publish associated disclosure documents. In FY24/25, FGEN finalised and published the documents that offer equivalence to the Sustainability Focus label. These disclosures are available on the Fund's website[1]. Further information is set out on page 8.

Data assurance for ESG metrics

This year, FGEN has obtained third-party assurance to verify a suite of key sustainability metrics in accordance with ISAE 3000. In the future, FGEN intends to undertake this third-party assurance each year to align with best practice in sustainability disclosure. Further information on FGEN's data assurance for FY24/25 is set out on page 31. All metrics marked with an asterisk from pages 4, 28 to 29 and 33 to 35 have been included in the assessment for limited assurance.

Developing understanding of nature-related risks and opportunities

Funded by a grant from the UK Space Agency, the Investment Manager has worked with a third party, Frontierra, to develop a platform to understand the portfolio's interface with nature, helping to better understand nature-related risks and opportunities across the portfolio. Further information is set out on page 22.

1. https://www.fgen.com/investors/reports-and-publications.

Sustainability and ESG continued

At a glance

Sustainability metrics

Renewable energy generated

1,272* GWh

FY24/25	1,272GWh
FY23/24	1,358GWh

Wastewater treated

34.7* billion litres

FY24/25	34.7 billion litres
FY23/24	40.2 billion litres

Full-time equivalent jobs supported

426

FY24/25	426
FY23/24	467

Waste diverted from landfill

703,470* tonnes

FY24/25	703,470 tonnes
FY23/24	680,825 tonnes

Percentage of fully owned operational UK sites with a biodiversity management plan in place

84%*

FY24/25	84%
FY23/24	69%

Contributed to community funds

£587,440*

FY24/25	£587,440
FY23/24	£655,076

* Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 31.

Awards

FGEN has been shortlisted for a number of awards this past year:

edie Awards 2024
Sustainability Reporting and Communications

IR Magazine Europe 2024
Best ESG Reporting (small cap)

IR Society Best Practice Awards 2024
Best Communication of Sustainability (mid cap)

Investment Week – Sustainable Investment Awards 2024
Best Sustainable Specialist Fund

2024 Investment Company of the Year Awards
Renewables and Energy Infrastructure

AIC Shareholder Communication Awards 2024
Best ESG Communication

Sustainability and ESG continued

Governance

FGEN's governance of ESG and climate-related risks and opportunities is formalised through clear communication and information flows between its Board of Directors, ESG Committee and Investment Manager. Summaries of these information flows are set out below.

FGEN Board

FGEN's Board holds overall responsibility for decision-making in relation to ESG, including topics such as climate-related risks and opportunities, transition planning and the Company's Strategic Ambition. Information on FGEN's Board of Directors can be found on pages 116 and 117 of the Annual Report 2025 and on FGEN's website[1]. The Board meets quarterly and is advised by the Chairpersons of both the ESG Committee and Risk Committee at each meeting. Among its other responsibilities, the Board conducts an annual review of the performance of the Company's Investment Manager, as well as other service providers and professional advisers.

ESG Committee

The Board delegates the detail of its ESG oversight to the ESG Committee, which holds responsibility for a range of ESG-related duties in its mandate including, but not limited to:

- Guiding, supervising and supporting the Investment Manager in the drafting and periodic review of the Sustainability and ESG strategy.
- Overseeing the Company's ESG strategy and Strategic Ambition, including key objectives and key performance indicators ("KPIs"), and working with the Audit Committee to monitor progress against KPIs.
- Assessing and prioritising ESG risks and opportunities, including climate change risks, and liaising with the Risk Committee to integrate relevant material risks into the Company's risk register.
- Overseeing the selection of any external service providers to audit the Company's ESG-related performance.

The ESG Committee Chair is responsible for formally reporting to the Board after each meeting on all matters within its duties, including any area where action or improvement is required. Information on the committee membership can be found on FGEN's website[1].

The FGEN ESG Committee is held as a minimum twice a year, with the Investment Manager presenting an ESG Committee paper for their review and consideration. The Committee and the FGEN Board review performance against the Fund's ESG objectives, the stipulated KPIs and other sustainability and ESG metrics.

Decisions made by the ESG Committee and the Board in relation to ESG strategy are communicated to the Investment Manager, which integrates these decisions into its management of the Fund, including transaction decisions and risk management.

Investment Manager

FGEN does not have any direct employees and, instead, actively engages with its Investment Manager, Foresight Group, to deliver on its ESG commitments. The investment management team is responsible for overall oversight of the FGEN portfolio.

The Investment Manager role includes a mandate to progress the sustainability and ESG objectives of the Fund, including the Strategic Ambition, as well as to identify, assess and manage ESG and climate-related risks and opportunities. The Investment Manager's Portfolio Lead for the Company is responsible for both ensuring that appropriate governance and policies are in place across the portfolio of assets, and for tracking the ESG KPIs, which include carbon metrics. Further information on the Investment Manager's skills and experience can be found on pages 9 to 11 of the Annual Report 2025.

The Investment Manager's management team works directly with, and is advised by, Foresight Group's sustainability team, which comprises sustainability professionals who hold responsibility for ESG and sustainability across Foresight Group. Further information on the sustainability team can be found on Foresight's website[2].

The Investment Manager's management team, Portfolio Lead and members of the Sustainability team attend the ESG Committee meetings to report on progress against FGEN's stated ESG objectives (including the Strategic Ambition). Any initiatives to better the performance and responsible management of assets are agreed in those committee meetings.

1. https://www.fgen.com/about-us/people.
2. https://www.foresight.group/about-us/people.

Sustainability and ESG continued

Governance

Investment Manager PRI scores

Robust integration of ESG into the investment lifecycle: Foresight Group is a signatory to the Principles for Responsible Investment ("PRI"), a set of voluntary guidelines that help companies to address social, ethical, environmental and corporate governance issues as part of the investment process. The scorecard for Foresight Group's latest annual assessment is available via the PRI's assessment portal and on Foresight Group's website. In summary, the Investment Manager achieved 5 star ratings as shown below:

Category	Module score	Star score
Policy Governance and Strategy – Group	92	★★★★★
Direct – Infrastructure	96	★★★★★
Confidence Building Measures	100	★★★★★

The latest assessment transparency report is available on Foresight Group's website[1].

PRI Principles for Responsible Investment

★★★★★

Skills and training

Through the governance approach described above, FGEN's Board of Directors is supported and advised by a broad team of people with significant experience across the environmental infrastructure and wider sustainability landscape.

In order to ensure continuous improvement in FGEN's ESG and climate-related processes, the Board is provided with training on a range of relevant topics. Training is provided periodically and the topic is informed by current and future activities.

Training could include updates and information on subjects such as regulation and policy changes, climate science and developments in specific sectors. In FY24/25, the focus was on transition planning and the Board of Directors received training on the TPT Disclosure Requirements to launch the development of FGEN's transition plan.

Sustainability-linked objectives

Entity	Sustainability-linked objectives
FGEN Board of Directors	FGEN's primary objective is to attain its goals by investing in a diversified portfolio of environmental infrastructure projects that support more environmentally friendly approaches to economic activity whilst generating a sustainable financial return. FGEN's Board of Directors is mandated to ensure that the Company achieves its primary objective. Directors receive a fixed fee per annum based on their role and responsibility within the Company and the time commitment required. It is not considered appropriate that Directors' remuneration should be performance related.
Investment Manager	Foresight is required by FGEN to help the Company achieve its primary objective. All Foresight employees are obliged to incorporate one or more sustainability-related objective(s) as part of their annual appraisal. Failure to achieve those objectives will result in an impact to the overall performance grade of the individual. This commitment by Foresight Group ensures that there is a mechanism in place for inclusion of specific climate-related performance targets in future.

Policies

Investment policy

FGEN's investment policy is grounded in ESG principles and prioritises environmental, social and governance considerations. Its primary objective is to attain its goals by investing in a diversified portfolio of environmental infrastructure. Environmental infrastructure, as defined by FGEN, encompasses infrastructure assets, projects and asset-backed businesses that leverage natural or waste resources, promote environmentally friendly economic activities, facilitate the transition to a low-carbon economy or mitigate the impacts of climate change.

Strategic Ambition

The Strategic Ambition was developed and agreed by the Board of Directors as part of the transition planning process. This ambition incorporates FGEN's net zero commitment as well as its core ESG principles from the investment policy and states:

"FGEN's portfolio of investments will be net zero by 2050 in line with the 1.5°C Paris Agreement objective, be resilient to the changing climate and contribute towards a more sustainable future."

1. https://www.foresight.group/news/foresight-receives-top-pri-scores.

Sustainability and ESG continued

Governance

Modern slavery and human trafficking

FGEN does not provide goods or services in the normal course of business and has no customers, employees or turnover. As a result, FGEN does not fall within the scope of the UK Modern Slavery Act 2015 (the "Modern Slavery Act"). However, the Directors recognise the critical importance of preventing modern slavery and have chosen to develop a voluntary statement as part of the Company's ongoing commitment to high standards of business conduct and in recognition of the importance of the issues which the Modern Slavery Act seeks to address. This statement is published on the Company's website[1].

The Board specifically notes the Investment Manager's Modern Slavery Act statement which sets out the Investment Manager's approach to matters such as services and supply chain due diligence and training of employees, recruitment and welfare. The Investment Manager's policy and practices in relation to modern slavery and human trafficking are included in the Foresight Group's Modern Slavery Act statement[2].

1. https://www.fgen.com/sustainability.
2. https://www.foresight.group/modern-slavery-statement.

Investment Manager policies

The Board acknowledges that, as non-executive Directors of an externally managed investment company, their influence is necessarily limited and will be significantly informed by the approach and policies of the Investment Manager. Foresight, as FGEN's Investment Manager, applies a series of policies in the management of the Company's assets. These policies include:

- Human Rights policy and approach;
- Sustainability and ESG policy;
- Modern Slavery policy;
- Approach to diversity, equity and inclusion;
- Anti-bribery and corruption policy;
- Anti-money laundering policy;
- Anti-tax evasion policy; and
- Whistleblowing policy.

ESG objectives

FGEN applies the following ESG objectives to its investment and portfolio management activities.

Promote the efficient use of resources	Develop positive relationships with the communities in which FGEN operates	Ensure effective and ethical governance across the portfolio
To invest in projects that manage the availability of natural resources, whether through utilisation of renewable resources, increasing resource or energy efficiency, or reusing or recovering waste.	To encourage positive relationship-building between portfolio assets and the communities in which they sit.	To manage portfolio assets in a way that promotes ethical, effective governance.
Example criteria: • Resource management • Life on land/below water • Climate change and resilience	**Example criteria:** • Health and wellbeing • Local economic impact – job creation • Local social impact • Community engagement and benefit	**Example criteria:** • Anti-bribery and corruption • Modern slavery • Audit and tax practices • Environmental impact • Health and safety practices • Board composition

Sustainability and ESG continued

Governance | Case study

Voluntary disclosures

Development of FGEN's first transition plan

The TPT's voluntary Disclosure Framework was published in October 2023 and has been designed to integrate with and build from the approach to transition plans found in both the UK regulations and FCA rules that implement the TCFD recommendations, as well as the ISSB Standards and guidance from the Glasgow Financial Alliance for Net Zero ("GFANZ") on transition plans.

During the reporting period, FGEN developed and published its first transition plan, marking a key milestone in its sustainability journey. The development process was collaborative and iterative and included a series of internal workshops designed to gather input from, and align expectations across, the Investment Manager's teams.

This approach formed a central component of the plan's development and included in-depth discussions focused on identifying opportunities for improvement, and aligning on realistic and measurable operational targets.

The draft plan and its proposed targets were reviewed with the Board of Directors, who provided strategic input and formally approved the final approach in March 2025. The plan has been designed as a live document, with updates planned from time to time in line with the recommendations of the TPT Disclosure Framework.

A key challenge in the process was ensuring the plan integrated effectively with existing governance and risk management frameworks. This focus was essential to avoid setting targets that were unachievable or disconnected from operational realities, and to ensure long-term credibility and impact. Development of the transition plan provided a formal space within which to have those detailed discussions, and to set pragmatic operational targets that will allow FGEN to progress its long-term net-zero target going forward.

Voluntary disclosure against the UK Sustainability Disclosure Requirements ("SDR")

In November 2023, the FCA published the final rules on Sustainability Disclosure Requirements ("SDR") and investment labels, with the first requirement, the FCA's anti-greenwashing rule, taking effect from May 2024. The SDR enables in-scope UK domiciled funds to apply the FCA's sustainability investment labels from 31 July 2024. At present, the SDR and investment labels only apply to UK domiciled funds; however, the UK Government is considering how the regime can be extended to apply to overseas-domiciled funds.

Although FGEN, as a Guernsey-domiciled company, does not fall within the scope of the SDR and investment labels, the Board and the Investment Manager believe that the nature of FGEN's business and strategy is intrinsically aligned to the goal of a greener and less carbon-intensive future.

FGEN is already positioned under Article 9 of the EU's SFDR, as a Company that has sustainable investment as an objective, and the Board and Investment Manager consider that the FCA's SDR is a key step to enable UK investors to have greater confidence with respect to sustainable investment products. As a result, in FY24/25 FGEN voluntarily disclosed consumer-facing and pre-contractual disclosures to demonstrate alignment with the SDR's "Sustainability Focus" investment label and in accordance with the requirements and timeframes under the SDR.

The Investment Manager continues to monitor the development and implementation of the SDR and investment labels, including the government's consultation on overseas funds.

Amber Fryingdown solar site

Sustainability and ESG continued

Strategy

By virtue of its investment policy, FGEN aims to make a significant contribution to reducing global GHG emissions and mitigating climate change. This goal is embedded into horizon-scanning activities that the Investment Manager undertakes on behalf of the FGEN Board of Directors – seeking to identify risks and opportunities for the portfolio. The results of these activities feed into regular communications with the Board of Directors and informs strategic decision-making including, for example, target investment sectors and budget planning.

As part of this horizon scanning, the Investment Manager applies and maintains a risk management framework, as set out in the risks and risk management section on pages 53 to 64 of the Annual Report 2025. This section provides additional detail to expand on the risks and risk management section and is intended to be read in conjunction with the principal risk register.

Climate-related risks and opportunities

The tables on the following pages identify the top climate-related risks and opportunities and FGEN's response to them, demonstrating the impact that the risks and opportunities identified have on FGEN's business, strategy and financial planning. Each of these risks inform FGEN's principal risk register and, where direct linkages exist, those have been cross-referenced in this section.

Broadly, climate-related risks and opportunities are split into two categories:

Transition	Physical
These are risks related to the transition to a net-zero or low-carbon future. These risks fall into four categories: • Policy and legal • Technological • Market • Reputational	These are risks associated with physical impacts of weather and climate on asset operations and performance. These fall into two core categories: • Acute: extreme weather events • Chronic: changes to climate patterns over time

Timescales

In last year's Annual Report, FGEN piloted assessing climate-related risks over a longer time horizon than that used in the main risk register, to reflect extended objectives such as net-zero targets. During the development of the transition plan, this misalignment was identified as a potential source of confusion when assessing risks. Consequently, the Board of Directors approved realigning the timeframes with the organisation's overall risk management framework. Climate-related risks continue to be assessed using the same impact and probability definitions as those applied across the broader risk register.

Climate-related risks and opportunities are assessed against the following timescales:

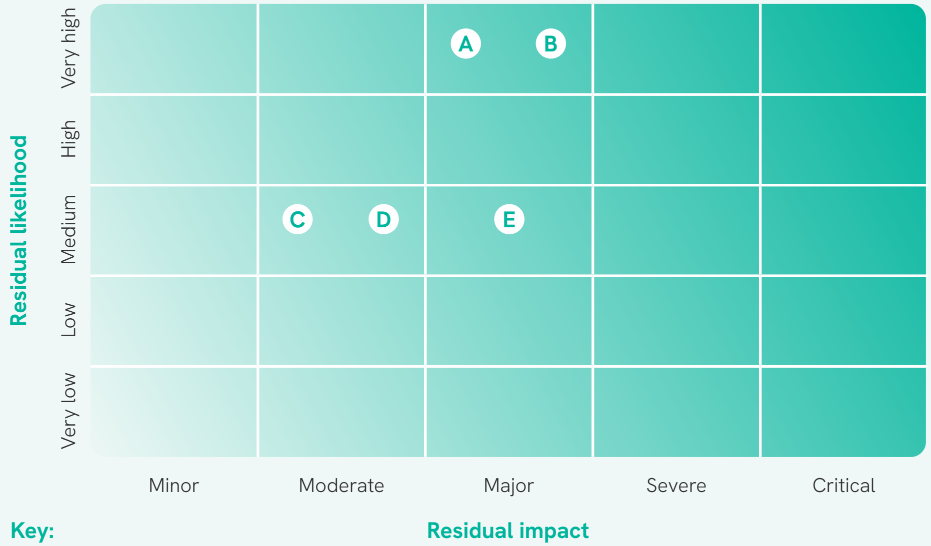
Category	Period	Justification
Short term	0-3 years	Aligns with business planning and the recommendations of the Transition Plan Taskforce Disclosure Framework
Medium term	4-10 years	Encompasses a period of significant transition risk resulting from decarbonisation targets
Long term	10+ years	A period typically longer than the FGEN investment lifecycle, this encompasses the typical design life of environmental infrastructure assets as well as 2050, a key date for delivering net-zero carbon emissions

Sustainability and ESG continued

Strategy

Portfolio-level climate-related risks

Sector and portfolio-level risks are considered by the Investment Manager and mitigation options are discussed as part of FGEN's comprehensive risk management framework. A detailed account of the material climate-related risks that have been identified, as well as their impacts and mitigation, can be found in the table below.



Key:

- **A** Changes to power prices as a result of climate change
- **B** Extreme weather-related events
- **C** Changes to sustainable investment criteria
- **D** Changes in regulation and government support for sustainable infrastructure
- **E** Displacement of existing assets with new or other technologies

Grange Farm AD site

Sustainability and ESG continued

Strategy

Risk type	Description	Time period	Financial impact	Investment Manager's response	Area of impact	Main risk register reference
A Changes to power prices as a result of climate change						
Transition (market)	Power price volatility will continue to be a feature of energy systems as they transition. Risks include: • lower-than-forecast power prices driven by increased renewables deployment; • power price cannibalisation; • climatic changes resulting in demand dynamic changes; • higher-than-forecast power prices driven by short-term shocks such as decreased supply from lower-than-anticipated renewables resource; and • higher-than-forecast power prices driven by longer-term impacts such as government reviews of energy pricing.	S, M, L	££	• Many of the assets in the portfolio earn revenues that are not dependent on merchant power sales and various mechanisms are in place to help mitigate the risk of lower power prices (see principal risks on pages 55 to 64 of the Annual Report 2025). • FGEN employs contractual mechanisms such as PPAs which provide price certainty and limit exposure to power price volatility. • FGEN's portfolio of assets is diversified across sectors and geographies as a means of limiting exposure to power price variation.	Strategy, financial planning, Company's investments	5 6 7 9
B Extreme weather-related events						
Physical	Weather-related catastrophic events have the capacity to negatively impact assets and their operational effectiveness. These events can be either: • chronic (e.g. changing wind patterns, heat stress, rising sea levels); or • acute (e.g. storms, heat wave, drought, floods). Weather events have the potential to cause disruption to the Fund's business model by negatively impacting the production output of operational assets or delaying construction timelines (e.g. weather events disrupting global supply chains or making sites inaccessible).	S, M, L	££	• Physical risks to the portfolio are largely localised to individual assets and the impact of a single event or limited set of events is deemed to have a negligible impact on the overall portfolio; nevertheless, this is an area kept under close review by the Investment Manager. • Portfolio assets are subject to climate risk analysis and stress testing under different climate scenarios. As such, the Investment Manager has confidence in the portfolio's resilience to changing weather patterns.	Strategy, financial planning, Company's investments	5 6 7 8

Timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+ years)

Financial impact: £ Moderate financial impact ££ Major financial impact £££ Severe financial impact

Risk register key: 4 Changes in regulation and government support 5 Reputational 7 Asset exposure to weather resource 8 Climate change – physical risk 9 Volume and cost of feedstock resource 11 Exposure to market power prices

Sustainability and ESG continued

Strategy

Risk type	Description	Time period	Financial impact	Investment Manager's response	Area of impact	Main risk register reference
C Changes to sustainable investment criteria						
Transition (regulation, market)	• As the energy transition proceeds, and scientific knowledge regarding the consequences of particular courses of action increases, there is a risk that activities and assets that were once classified as "sustainable" become reclassified as "unsustainable" with consequences for FGEN's ownership of such assets. • Risk if the EU and financial institutions continue to turn away from the energy-from-waste ("EfW") sector and policy developments penalise EfW assets. This could limit future deployment and impact lifecycle emissions for EfW assets in FGEN's portfolio.	M, L	£	• FGEN invests in assets that contribute to the acceleration of the energy and sustainability transition and have strong transition characteristics. The Investment Manager assumes an active role in policy discussions and remains abreast of sustainable investment changes and reviews its strategy accordingly. • The diversified nature of FGEN's portfolio protects the Company against overexposure to any one sector. If deemed appropriate in the future, FGEN would review portfolio construction to further address these issues.	Strategy, Company's investments	4 5
D Changes in regulation and government support for sustainable infrastructure						
Transition (market, regulation, reputation)	• Changes in regulation of sectors in which FGEN is already invested, e.g. EfW not meeting criteria to be considered aligned to the EU Taxonomy. • Changes in farming regulation which impact the agri-AD portfolio. • Government support for short-term energy solutions that negatively impact the transition to a low-carbon future, e.g. support of coal.	S, M	£	• Given the diversified nature of the assets, the impact is likely to be limited to a single asset or small part of the portfolio. • The risk over the long term is considered negligible as other avenues or solutions would be found for the asset or technology affected, such as selling an asset or finding alternative sources of feedstock.	Strategy, financial planning	4 5 9

Timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+ years)

Financial impact: £ Moderate financial impact ££ Major financial impact £££ Severe financial impact

Risk register key: 4 Changes in regulation and government support 5 Reputational 7 Asset exposure to weather resource 8 Climate change – physical risk 9 Volume and cost of feedstock resource 11 Exposure to market power prices

Sustainability and ESG continued

Strategy

Risk type	Description	Time period	Financial impact	Investment Manager's response	Area of impact	Main risk register reference
E Displacement of existing assets with new or other technologies						
Transition (technology)	• As more resource and scientific-backed research is dedicated to achieving net-zero goals, technologies could be developed that make current clean energy infrastructure technologies obsolete, resulting in lower profitability within the existing portfolio.	**M, L**	£	• It is considered likely that new technologies will be developed and FGEN is well positioned to invest in new energy solutions once they become proven at scale. It is unlikely that a single solution would be found for all the energy needs, but if it were, this would necessitate considerable buildout beyond the lifetime of FGEN's current portfolio.	Strategy, financial planning	n/a

Timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+ years)

Financial impact: £ Moderate financial impact ££ Major financial impact £££ Severe financial impact

Risk register key: 4 Changes in regulation and government support 5 Reputational 7 Asset exposure to weather resource 8 Climate change – physical risk 9 Volume and cost of feedstock resource 11 Exposure to market power prices

Sustainability and ESG continued

Strategy

Disaggregating physical climate impacts

FGEN's portfolio is influenced by physical climate risks, as noted in the risk table above (extreme weather events). The Investment Manager has been working to disaggregate those key risks, and associated mitigants, by sector and geography. This year, the asset-class analysis undertaken in FY23/24 has been mapped against FGEN's three key pillars of environmental infrastructure (see page 2 of the Annual Report 2025 for more information). Information on the top physical risks to each of FGEN's investment sectors is set out in the table below. The Investment Manager continues to work to further FGEN's understanding of the materiality of these risks and the relevant time horizons.

Physical risks	Impact	Renewable energy generation	Other energy infrastructure	Sustainable resource management	Mitigation
Temperature extremes	Increased technology and equipment degradation	✓		✓	Ongoing assessment of equipment degradation
	Exceedance of threshold for safe operating conditions	✓	✓	✓	• Ongoing assessment of technology-specific thresholds for safe operating temperatures • Apply mitigation measures e.g. retrofit cooling mechanisms
Drought/water stress	Impact on performance due to lack of water e.g. to generate steam for turbines or grow crops	✓			Assessment of: • Ability to hold additional water reserves • Water recycling opportunities • Ability to store additional feedstock
Fluvial and pluvial flooding	Reduced performance due to water damage		✓		Review flood risk management plans
Inconsistent water availability (flood and drought)	Volatile generation profile driven by excess rainfall and/or drought conditions	✓		✓	Minimal mitigation available – the Investment Manager can consider climate risk in forecasting and annual budgets

Sustainability and ESG continued

Strategy

Climate-related opportunities

In addition to its risk management activities, the Investment Manager, on behalf of FGEN, applies climate-related scenarios to identify opportunities for the Company. The primary climate-related opportunities identified for the Company are set out below.

Opportunity	Opportunity type	Description	Time period	Level of opportunity	Investment Manager's response	Area of impact
Increased demand for environmental infrastructure and businesses which support the transition to a low-carbon economy	Transition (market)	• Increased demand for infrastructure which helps to balance the intermittent generation profile of renewables – e.g. battery storage. • Increased demand for shorter-term solutions to reach net zero by 2050, e.g. CNG refuelling stations and synthetic low-carbon fuels as a low-carbon transport option, while other solutions are further developed.	S, M, L	★★★	• FGEN is already well positioned to invest in environmental infrastructure sectors that support the transition to a low-carbon economy, as can be demonstrated in the market and opportunities section on pages 12 to 15 of the Annual Report 2025.	Strategy, financial planning
Changes to energy pricing and market pricing of GHGs	Transition (regulation, market)	• The market pricing of GHG emissions begins to increase, which in turn drives the competitiveness of renewables. • Future changes to energy prices spurred by a clampdown on fossil fuels. Longer-term view on building out clean energy generation capacity when markets are supportive of renewables and prices are competitive.	S, M, L	★★★	• FGEN is positioned to benefit from future increases in carbon pricing and cost competitiveness of renewables. • FGEN is positioned to benefit from future increases in energy pricing and the increased buildout of renewables capacity.	Strategy, financial planning
Increased governmental support for environmental infrastructure projects	Transition (policy and legal)	• Government policies aimed at facilitating the transition to a net-zero carbon economy may subsidise certain technologies to increase their uptake or buildout, creating further opportunities for investment by FGEN. • Government policies aimed to help the transition to reduce the impact on natural resources, e.g. Norway's resource rent tax rate in sea aquaculture.	S, M, L	★★	• Government support of emerging sectors will change the risk profile and may open up areas that would otherwise be insufficiently attractive for FGEN investment.	Strategy, financial planning

Timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+ years) **Level of opportunity:** ★ Low opportunity ★★ Medium opportunity ★★★ High opportunity

Sustainability and ESG continued

Strategy

Opportunity	Opportunity type	Description	Time period	Level of opportunity	Investment Manager's response	Area of impact
Technological developments and buildouts in environmental infrastructure	Transition (technology)	• As new technologies become better developed, the Company is well positioned to invest in a diversified range of projects. • Examples of new technologies may include environmental or sustainable infrastructure related to fuels, controlled environment or energy production.	S, M	★★	• FGEN is ideally positioned to invest in a diversified range of projects and to benefit from such advances in environmental or sustainable infrastructure related to fuels, controlled environment or energy production in the future.	Strategy, financial planning
Changes in weather patterns leading to buildout of certain types of environmental infrastructure or business	Physical	• Changes in weather patterns could lead to opportunities for new types of infrastructure or further investment into existing categories. An example of this could be flood defence infrastructure in response to increased rainfall or sea level rise or controlled environment agriculture facilities in response to higher temperatures.	M, L	★★★	• The Investment Manager reviews over 1,000 deals a year in the environmental infrastructure sector, which allows it to take advantage of these opportunities as they arise.	Strategy, financial planning, Company's investments

Strategic resilience

FGEN's primary approach to resilience is focused on owning a portfolio of assets that is diversified by geography, technology, resource use and revenue composition. The Investment Manager engages with a range of specialists across different areas of expertise and levels of the business to help drive and maintain a resilient portfolio. Risks and opportunities are also assessed within the framework discussed on pages 19 and 20 and on an ad hoc, day-to-day basis.

As new investment opportunities such as emerging sectors evolve, FGEN will consider these as part of its investment strategy. Likewise, if new risks emerge for existing investment sectors, or if the impact of existing risks increases, FGEN will consider this at the Risk Committee, ESG Committee and Board level and identify opportunities for mitigation or, if necessary, disposal of assets.

Timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+ years) **Level of opportunity:** ★ Low opportunity ★★ Medium opportunity ★★★ High opportunity

Sustainability and ESG continued

Strategy

Company-level resilience

Overview

The Investment Manager works with third-party service providers to analyse the FGEN portfolio across the climate scenarios published in the Intergovernmental Panel on Climate Change's ("IPCC") sixth Assessment Report. The Shared Socioeconomic Pathways ("SSPs") are an evolution of the earlier Representative Concentration Pathways ("RCPs") and represent a range of possible outcomes including future anthropogenic greenhouse gas emissions, their effects on atmospheric concentrations of CO_2 and their potential societal, demographical and economic impacts.

The consequences of the SSP2, SSP3 and SSP5 scenarios set out below, with rising oceans and alternate climate patterns, could be devastating for humanity. FGEN currently analyses the potential impacts of these scenarios on portfolio value using the Climanomics platform, and the results are set out below.

The scenarios are best summarised as:

- **SSP 1 — 2.6** assumes aggressive mitigation and total GHG emissions reducing to net zero by 2050, resulting in a global average temperature increase of 1.3°C to 2.4°C by 2100.
- **BASE CASE: SSP 2 — 4.5** implies aggressive mitigation with total GHG stabilising at current levels until 2050 and then declining to 2100. This results in a global average temperature increase of 2.1°C to 3.5°C by 2100.
- **SSP 3 — 7.0** estimates limited mitigation with total GHG emissions doubling by 2100 and global average temperatures increasing by 2.8°C to 4.6°C.
- **SSP 5 — 8.5** assumes low mitigation, total GHG emissions tripling by 2075 and global average temperatures increasing by 3.3°C to 5.7°C.

Methodology

In analysing the SSPs, the following risks and opportunities are applied:

1. **Physical risk** – Analysing atmospheric data related to acute and chronic climate hazards across temperature, precipitation, drought, wildfire, coastal flooding, tropical cyclones, water stress and fluvial-basin flooding to provide a rigorous estimate of risk under various conditions.
2. **Transition risk** – Incorporating modelling of hazards associated with a global transition to a low-carbon economy via litigation, reputational, technology and market.
3. **Opportunity modelling** – Calculating opportunities derived from resource efficiencies, energy sourcing, changing markets and resilience.

An estimate of direct financial impacts for each asset type is calculated based on the hazards identified. Each technology's vulnerability is characterised by the specific ways in which it is likely to be impacted by a given climate-related variable. An asset type's overall "impact function" comprises these individual impact pathways.

The science of scenario analysis is evolving quickly, and current assessments are made with the most credible existing frameworks and input data available. Given the nature of these estimates, limitations remain. However, the Company is committed to using best-in-class methodologies to accurately estimate its performance under different climate futures and will continue making the necessary adjustments as the methodologies progress.

Scenario analysis results

	NAV per share	Difference (p)	% Difference
Base case SSP 2 — 4.5	106.50	0	0
SSP 1 — 2.6	107.15	0.65	0.61
SSP 3 — 7.0	106.84	0.34	0.32
SSP 5 — 8.5	105.28	-1.22	-1.16

Based on the analysis produced by the Climanomics platform, the portfolio continues to show a good level of resilience across a wide variety of climate scenarios and resultant impacts, with this years analysis showing a slight narrowing of the perceived impacts across all scenarios.

- Under the base case, SSP 2-4.5, the portfolio is assessed to maintain resilience when considering both more and less severe climate futures.
- A less severe SSP 1-2.6 scenario, which now appears unlikely to be achieved, would result in a positive impact on NAV of 0.61% by 2054 when compared with the central case.
- SSP 3-7.0 follows the same trajectory, with a net positive impact on NAV of 0.34% by 2054.
- Under the most severe scenario of SSP 5-8.5, one which is also currently assessed to also be unrealistic given current estimates, the analysis indicates a negative impact on NAV of 1.16% by 2054 when compared with the central case.

Climate-related scenario modelling continues to be an evolving discipline and the Investment Manager continues to evaluate the landscape of service providers in this space.

Sustainability and ESG continued

Strategy | Case study

Inspiring the next generation of workers

One of FGEN's ESG objectives is to foster positive relationships between its portfolio assets and the surrounding communities. As part of this, FGEN aims to inspire the next generation to join the renewable energy sector and help to address the industry's growing workforce requirements. To achieve this, FGEN has partnered with Earth Energy Education ("EEE"), which empowers and educates young people about the energy transition and encourages careers in renewable energy. FGEN's Investment Manager has collaborated with EEE across its UK portfolio since 2018.

This year, FGEN planned five local group visits to their solar sites and five in-school workshops. To date, FGEN and EEE have facilitated three school groups from within three miles of FGEN assets to visit their local renewable energy site. In total, over 75 children aged seven to ten and nine teaching staff attended. Attendees also participated in an in-school workshop that explored the site's impact, the workings of solar energy, and the biodiversity present on solar farms. The remaining visits are scheduled for later in the year.

Nine sessions have been delivered so far, including two sessions at each site visit – the EEE "Solar Farm Challenge"; and "Biodiversity Study"; and three additional in-school sessions covering "Solar Power Investigations"; "Wind Turbine Investigations"; and the EEE "Power Your School" investigation.

This initiative not only sparks students' interest but also boosts teaching staff's confidence as climate change solutions become increasingly important in the schools curriculum.

Earth Energy Education solar site visit

Sustainability and ESG continued

Risk management

FGEN applies a series of measures to identify, assess, prioritise and monitor risks and opportunities. Assessment of ESG and climate-related risks is incorporated into FGEN's comprehensive risk management framework and risk register, which assesses:

- a measure of the probability of each identified risk materialising; and
- the potential impact the risk event may have on the asset and, ultimately, its impact on the Company.

For each risk, mitigation actions are developed to reduce the likelihood of it occurring and to minimise the severity of its impact in the event that it does occur.

More information about FGEN's approach to risks and risk management is set out in pages 53 to 64 of the Annual Report 2025.

ESG considerations, including analysis of climate-related risks and opportunities, are embedded throughout the Investment Manager's investment and asset management processes, from initial investment screening through due diligence and into ongoing monitoring and reporting. Where material risks are identified, they are considered by the Risk Committee. Mitigation options are discussed and the Committee will determine whether the risk is acceptable under the FGEN risk management framework. The Risk Committee will advise the FGEN Board on the results of their findings.

FGEN approaches management of ESG and climate-related risks and opportunities via the following principles:

Assess

The Investment Manager undertakes due diligence on each of its asset acquisitions, including assessing a range of ESG criteria.

Previously, the Investment Manager has structured its due diligence processes around use of its proprietary Sustainability Evaluation Tool ("SET"). From inception, the tool was designed as a means of aggregating the wide array of differing sustainability frameworks, allowing Foresight to interrogate material sustainability and ESG factors across both its existing portfolio and prospective investments, in alignment with differing investor preferences.

Foresight's Infrastructure division is enhancing its approach to climate risk and sustainability by increasing its alignment with the narrower and more universal set of frameworks that the investor, sustainability and regulatory landscapes are starting to coalesce around.

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

Monitor

Third-party service providers, with the help of technical advisers, monitor and manage the performance of each asset in the FGEN portfolio, reporting periodically to the Investment Manager. The Investment Manager conducts site visits to ensure assets are operating as expected and third-party audits maintain visibility over ESG performance.

ESG updates are provided biannually to the ESG Committee, informing FGEN's risk management and strategy evolution.

The primary tool for monitoring, improving and reporting on sustainability and ESG is Foresight Infrastructure's Portfolio Sustainability Metrics, managed within the Sennen data platform. These metrics, collected monthly and reported quarterly, allow for detailed performance comparisons and accurate reporting on Foresight's investments.

The SET has been redesigned to integrate data from Sennen, facilitating asset and fund-level analysis and supporting decision-making to enhance performance and mitigate risks.

Engage

Stakeholder engagement is an important part of FGEN's approach. Engagement with stakeholders occurs through a combination of formal (e.g. contractual obligations or industry events) and informal channels (e.g. ongoing meetings and discussions). Further information on stakeholder engagement can be found on pages 65 to 70 of the Annual Report 2025.

Reporting is an essential part of FGEN's stakeholder communication and the Investment Manager works to ensure its ESG reporting is continually improving and meeting the highest standards to support that.

Sustainability and ESG continued

Risk management

Portfolio-level risk management activities

Horizon scanning

The Investment Manager, on behalf of FGEN, undertakes continuous market research and horizon scanning to identify risks and opportunities for the portfolio.

Stakeholder engagement

In addition to horizon scanning activities, the Investment Manager undertakes stakeholder engagement to understand stakeholder needs and the options for responding to those needs.

Information on different stakeholder types, how the Company has engaged and the key strategic decisions impacting the various stakeholder groups in the year, is set out on pages 65 to 70 of the Annual Report 2025. Further information on FGEN's approach to engaging with stakeholders on its net-zero target and the low-carbon transition is set out on pages 12 to 15 of the transition plan[1].

Materiality assessment

Foresight Group's materiality assessment was reported on in last year's Annual Report.

In FY24/25, the Investment Manager has integrated the results of the double materiality assessment into its Enterprise Risk Management Framework and is focused on progressing solutions and processes around the material risks identified. This includes:

- establishing a series of Group-level working groups;
- publication of five policies which address the material topics (Sustainability; Environmental; Human rights; Responsible investment; and Sustainable sourcing);
- ensuring alignment of the sustainability strategy with the material risk topics; and
- integration of the material risk topics into Foresight Group's annual Sustainability Report.

Early adopter

The Investment Manager maintains a watching brief on forthcoming disclosures frameworks and seeks to be an early adopter of core elements of those frameworks where possible, including voluntarily disclosing information such as through its voluntary TCFD reporting. In FY24/25 FGEN voluntarily published two disclosures in addition to its TCFD report:

- documents that offer equivalence to the Sustainability Focus label under the UK Sustainability Disclosure Requirements ("SDR"); and
- its first transition plan, developed in alignment with the Transition Plan Taskforce Disclosure Framework.

Both of these disclosure documents are available on the Fund's website[1].

1. https://www.fgen.com/investors/reports-and-publications.

Monitoring future disclosures

The Investment Manager proactively monitors and engages on a series of evolving disclosures standards. This approach helps FGEN and its Investment Manager to develop its strategy in line with emerging regulations and standards, helping to reduce risks but also helping to identify opportunities for the Company to improve its stakeholder communication and approach to investment management.

International Financial Reporting Standards Foundation's International Sustainability Standards Board

In FY23/24 the International Sustainability Standards Board ("ISSB") issued its inaugural standards – IFRS S1 and IFRS S2 – with the aim of helping to improve trust and confidence in company disclosures about sustainability to inform investment decisions.

The standards create a common language for disclosing the effect of climate-related risks and opportunities on a company's prospects. IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. Both fully incorporate the TCFD recommendations.

Monitoring responsibilities for TCFD transferred to ISSB in FY23/24. With the ISSB's standards already outlined, it is now up to jurisdictional authorities to make the guidance mandatory and in the UK the mechanism will be through the UK Sustainability Reporting Standards. It is still considered best practice to follow the TCFD format until the new regulatory framework is implemented.

Sustainability and ESG continued

Risk management

CNG Corby

UK Sustainability Reporting Standards ("UK SRS")

The UK Government's framework to create a UK-based mechanism that endorses and governs the global corporate reporting baseline of IFRS Sustainability Disclosure Standards (IFRS S1 and S2). Development of the standards is ongoing.

The Taskforce on Nature-related Financial Disclosures ("TNFD")

The TNFD has developed a set of disclosure recommendations and guidance that encourage and enable business and finance to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. The recommendations and guidance are designed to enable businesses and finance to integrate nature into decision-making.

It is anticipated that TNFD will be integrated as "Standard 3" (IFRS S3) under the ISSB framework, although specific timelines for this incorporation have not been confirmed.

Draft guidance has been released by TNFD on nature transition plans, which closely mirrors the structure and content of the TPT Disclosure Framework. The Investment Manager continues to closely monitor developments in this space and anticipates being able to expand its transition plan in future to incorporate nature-related actions and activities.

UK Green Taxonomy

In its 2023 Green Finance Strategy, the UK Government reiterated its commitment to developing a UK Green Taxonomy. Between November 2024 and February 2025, the UK Government issued a consultation to gather views on the value case for a UK Green Taxonomy as part of the UK's wider sustainable finance framework.

The reasoning behind this consultation was that "taxonomies can be complex in practice, and feedback on their value is mixed. This consultation is therefore seeking views on whether a UK Green Taxonomy would be additional and complementary to existing sustainable finance policies."

The Investment Manager, alongside peers and working groups, broadly supports the development of a UK Taxonomy and has provided feedback to that effect via the UK Sustainable Investment and Finance Association. In the absence of a UK specific framework, the EU Taxonomy continues to serve as the de facto authoritative Taxonomy for sustainable finance in the UK.

The Investment Manager continues to monitor progress in this area, and any implications it may have on the FGEN portfolio of assets.

Developing European regulations

The Investment Manager monitors other recently implemented and developing ESG frameworks closely, such as the European Sustainability Reporting Standards ("ESRS") drafted by the European Financial Reporting Advisory Group ("EFRAG") as part of the Corporate Sustainability Reporting Directive ("CSRD"). In February 2025, the EU published an Omnibus of proposed changes to CSRD as well as two other sustainability-related regulations. The Investment Manager continues to monitor progress in this space.

Sustainability and ESG continued

Risk management | Case study

Evolving nature and climate-related risk assessments

In partnership with environmental geospatial consultancy Frontierra, the Investment Manager has developed an integrated nature and climate reporting platform designed to enhance investment due diligence, portfolio management and disclosure across its activities. The project, supported by the UK Space Agency's Unlocking Space for Business grant programme, ran for nine months and concluded in March 2025, building on an earlier pilot focused on selected assets.

Project overview

The platform leverages satellite data, geospatial analysis, climate modelling and proprietary algorithms to evaluate nature and climate-related risks and opportunities at both asset and portfolio levels. It delivers decision-ready insights aligned with disclosure frameworks such as the Task Force on Climate-related Financial Disclosures ("TCFD") and the Taskforce on Nature-related Financial Disclosures ("TNFD").

Key features

- Geospatial risk analysis: Incorporates diverse satellite and environmental datasets.
- Automated assessment: Site and portfolio-level evaluations delivered in real time.
- Standard-aligned metrics: Outputs structured to meet recognised reporting standards.
- Asset-level insights: Tailored risk reports identify site-specific hazards and opportunities.
- Long-term planning: Climate scenario modelling up to 2100.

Integration and impact

All of the Investment Manager's infrastructure assets, including the FGEN portfolio, are now integrated into the platform. The insights produced will inform investment decisions going forward and have particular value during due diligence processes. For example, the platform identifies assets most exposed to physical risks such as flooding, drought or soil erosion, supporting proactive mitigation strategies and effective budget setting.

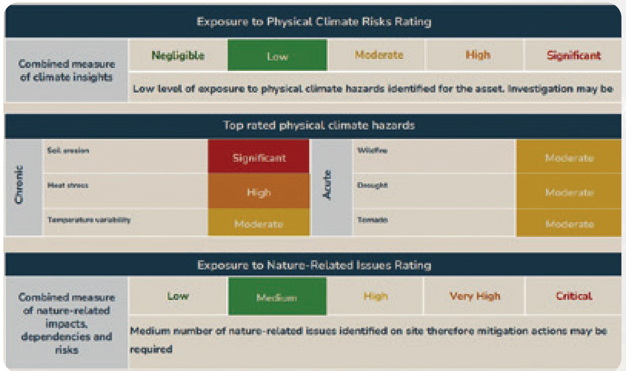
Risk categories assessed

- Physical climate hazards, including water stress, temperature extremes, wildfire and storm events.
- Nature-related aspects, such as protected areas, biodiversity hotspots and habitat connectivity.

Portfolio and asset-level outputs

The platform generates fund-level reports ranking assets by exposure and identifying the top five most at-risk sites. These insights guide portfolio-level risk management. At the asset level, reports highlight climate and nature-related risks, nature-positive opportunities, and key mitigation needs. A mapping function further visualises land use, ecological features and biodiversity indicators.

This platform provides a robust, location-based approach to identifying and managing environmental risks, enabling the Investment Manager to protect and enhance long-term asset value while supporting improved climate and nature-related reporting.



Exposure to Physical Climate Risks Rating					
Combined measure of climate insights	Negligible	Low	Moderate	High	Significant
	Low level of exposure to physical climate hazards identified for the asset. Investigation may be				

Top rated physical climate hazards					
Chronic	Soil erosion	Significant	Acute	Wildfire	Moderate
	Heat stress	High		Drought	Moderate
	Temperature variability	Moderate		Tornado	Moderate

Exposure to Nature-Related Issues Rating					
Combined measure of nature-related impacts, dependencies and risks	Low	Medium	High	Very High	Critical
	Medium number of nature-related issues identified on site therefore mitigation actions may be required				

Example analysis for Amber Five Oaks solar site from the Frontierra platform

Sustainability and ESG continued

Risk management

Asset-level risk management activities

The Investment Manager applies the following risk management process to its investment and portfolio management activities:

Investment due diligence

- Assets assessed using sustainability frameworks
- Conclusions and recommendations integrated into Investment Committee documents

↓

Asset management

- ESG is a mandatory agenda item for asset-level SPV board meetings
- ESG KPIs include ongoing monitoring and improvement of asset-level ESG performance

Investment due diligence

Environmental, social and governance criteria are integral in any investment assessment. The Investment Manager undertakes a thorough analysis for every asset.

Previously, the Investment Manager structured its due diligence processes around use of its proprietary Sustainability Evaluation Tool ("SET"). From inception, the tool was designed as a means of aggregating the wide array of differing sustainability frameworks, allowing Foresight to interrogate material sustainability and ESG factors across both its existing portfolio and prospective investments, in alignment with differing investor preferences.

As both the investor and sustainability landscapes start to coalesce around a narrower and more universal set of frameworks, the Fund Manager's processes around sustainability are continuously being evolved to reflect this. As a result, the SET has been redesigned to act primarily as a portfolio management tool. Pre-investment due diligence and ongoing requirements for monitoring of sustainability and ESG factors will move towards being structured around both regulatory requirements and three key frameworks. An example of these frameworks includes the EU Taxonomy eligibility – interrogating the investments against the stringent screening criteria to highlight an investment's substantial contribution to climate change mitigation and driving focus on the minimising of adverse impacts.

Where appropriate, alignment with these frameworks may require the engagement of third-party service providers. As an example, as of FY25/26, climate-related due diligence and monitoring will be conducted using a third party that is in alignment with the Climate Risk and Vulnerability Assessment ("CRVA") guidance outlined in Annex A of the EU Taxonomy. This new process involves engaging third-party service providers to apply advanced climate models and datasets to assess both acute and chronic physical risks at the asset level, in alignment with the CRVA. These assessments are intended to form the basis for long-term climate risk monitoring once implemented.

Processes for assessing and managing climate-related risks and opportunities

Climate-related risks

While the Board of Directors holds ultimate responsibility for risk management activities, the identification, assessment and management of risks are integral aspects of the Investment Manager's work in both managing the existing portfolio on a day-to-day basis and pursuing new investment opportunities.

The Investment Manager has established internal controls to manage risks and the management team reviews and considers the Company's key risks with the Risk Committee, on a quarterly basis. This includes consideration of climate-related risks and will cover new risks arising as well as changes in the likelihood or impact of any particular risk. Further information on the approach to managing climate-related risks can be seen on pages 10 to 14.

Emerging transition risks are also considered by the Investment Manager's valuation team and, if they present a material financial risk, are escalated to the Company's risk register and the Board. Further details of Foresight's approach to sustainability and how this is carried through practically to assessing climate-related risks and opportunities are set out in the risks and risk management section of this report on pages 53 to 64 of the Annual Report 2025.

The Investment Manager considers those physical risks identified by the EU Taxonomy, and incorporates processes for identifying and assessing climate-related risk as part of its standard due diligence and portfolio management practices.

Sustainability and ESG continued

Risk management

Climate-related opportunities

There are two key opportunities that the Investment Manager considers:

Sector opportunities – the Investment Manager frequently evaluates opportunities for infrastructure investments that generate lower GHG emissions than earlier infrastructure or that support the transition to a low-carbon economy. These opportunities are discussed with, and considered by, the FGEN Board.

Value-enhancing opportunities – the Investment Manager assesses existing portfolio assets for opportunities to enhance climate-related performance and discusses assessment findings with the FGEN Board where appropriate, which holds responsibility for authorising significant proposed enhancements.

At investment level, consideration of the sustainability credentials of environmental infrastructure and their resilience to climate-related physical risks is undertaken.

Management of environmental and health and safety risks and incidents

FGEN takes its environmental and health and safety ("EHS") responsibilities very seriously, and seeks to ensure effective management of these issues in both its own operations and in its investment portfolio. FGEN aims to manage risks and incidents in a fair and transparent manner with appropriate action to reduce risk wherever practicable.

Third-party asset managers are responsible for the day-to-day management of EHS issues and are required to report incidents to the Investment Manager, which are recorded through their portfolio management software.

The software can deliver either a high degree of granularity on individual assets or an aggregated snapshot of the portfolio's performance as a whole. This allows the Investment Manager to monitor and report individual asset performance as well as sector and portfolio-level performance to a range of internal stakeholders.

The Investment Manager periodically contracts third parties to conduct comprehensive health and safety audits of each site. This serves both to encourage best possible working practices and acts as a means of highlighting areas for development. The Investment Manager's team also performs spot auditing and reporting functions on selected assets on an ongoing basis. Any recommendations from the audits are allocated to the Investment Manager's asset management team, which then becomes responsible for ensuring the recommendations are actioned as necessary. These tasks are tracked through the Investment Manager's portfolio management software and monitored to ensure they have been resolved in a timely manner. All audit results, shortfalls and recommendations are included on the agenda of the asset's board meetings.

Human rights processes

FGEN is aware that the renewable energy value chain carries the risk of significant impacts on human rights, as discussed in a recent report by the Business and Human Rights Resource Centre.

Following the OECD Guidelines for Multinational Enterprises, and the EU Taxonomy's Minimum Social Safeguards requirements, the Investment Manager takes a multi-layered approach to mitigating supply chain risk as follows:

Internal activities

- The Company specifically targets investment opportunities in European countries with strong regulatory frameworks around human rights and labour standards. This approach means that there are no investment activities in any countries named in the Conflict Affected and High-risk Areas list[1].
- Key counterparties' governance frameworks are assessed during due diligence.
- The Investment Manager's Supplier Code of Conduct references the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.
- The Investment Manager also undertakes direct engagement with suppliers where there are specific areas of concern.

External activities

- In 2022, the Investment Manager engaged the Ethixbase platform to undertake a supply chain interrogation across regulatory and ESG risk criteria. This included an assessment of a supplier's capacity to scrutinise aspects such as Modern Slavery risk. Detail on this review was reported in FGEN's 2023 Annual Report.
- Enhanced due diligence, using specialist third parties, to conduct in-person audits of higher-risk counterparties and their facilities.
- Collaboration with industry partners (e.g. Solar Power Europe) and peers to deliver more effective engagement with key suppliers.

1. Conflict Affected and High-risk Areas list – https://www.cahraslist.net/.

Sustainability and ESG continued

Risk management

Supplier Code of Conduct

FGEN began implementing its Supplier Code of Conduct in FY22/23 with the aim of further embedding ESG considerations into procurement practices. The Code was well received by both existing and potential suppliers, fostering greater engagement on sustainability issues.

Where a supplier identifies a requirement they cannot meet, this is reviewed in consultation with the Investment Manager's sustainability team. Any deviations deemed to fall within acceptable risk tolerances are clearly documented in the supplier contract, ensuring transparency and consistency in ESG risk management across the supply chain. If the deviations exceed acceptable risk tolerances, further discussions are held with the supplier to reach a suitable solution. The Investment Manager assesses the risk of these deviations in accordance with the contract scope.

Cyber security

The Board of Directors is highly aware of the risks posed by cyber attacks and has been working with the Investment Manager to develop and implement a cyber security strategy for the portfolio.

The Investment Manager has partnered with a third party, a specialist in securing critical renewable energy infrastructure against evolving cyber threats, to conduct a comprehensive assessment of all portfolio assets for potential vulnerabilities. To date, the majority of assets in FGEN's portfolio have undergone an assessment. Implementation of the tailored recommendations from these assessments is underway across the portfolio including adding bespoke network monitoring tools managed by a third party to assess network threats. Alongside this work, the asset-level cyber security policies are being updated to incorporate the insights and requirements identified through the assessment process. This dual-track approach ensures a more robust, consistent and proactive cyber risk management framework across the entire portfolio.

Yorkshire Hydropower site

Sustainability and ESG continued

Metrics and targets

The ESG targets currently applied to the portfolio are set out in the table below. Performance against all targets is reviewed at least annually by the ESG Committee and by the FGEN Board. The associated KPIs, as well as additional metrics collected in relation to the portfolio, are set out in the subsequent table on page 28. The Investment Manager continues to consider additional targets across the ESG metrics. The timescales against which targets are set are aligned with the risk management timescales set out on page 9.

Category	Target	Target timescale	Progress in FY24/25	Overall progress
Governance: data	***New*** Data assurance for ESG metrics	Short term	In FY24/25 FGEN obtained third-party assurance to verify a suite of key sustainability metrics	Complete
Governance: supply chain	Roll out Ethixbase due diligence checks across the FGEN supply chain	Short term	FGEN's Investment Manager undertakes Ethixbase screening and due diligence against tier 1 suppliers	Complete
Governance: cyber security	Produce and roll out cyber security policy across the portfolio in FY24/25	Short term	An SPV-level cyber policy has been drafted and is undergoing revisions to better align with regulatory requirements and recommendations from a third-party specialist. The updated policy is on track to be published in 2025	Minor delay
Environmental: biodiversity	100% of fully owned, UK-based operating assets to have biodiversity management plans in place[1]	Medium term	84% of fully owned operational UK sites now have a biodiversity management plan in place, up from 69% in FY23/24 An ecological consultancy has been instructed to undertake biodiversity assessments for the Fund's hydro assets and one further asset	On track
Environmental: biodiversity	Implement biodiversity enhancement at FGEN's anaerobic digestion sites	Medium term	Planting was carried out on four AD sites during this period, taking the total number of AD assets with biodiversity enhancement to six out of nine (66%). Further enhancement work is planned for the upcoming period	On track
Environmental: transition	Review requirements for completion of a transition plan in line with the Transition Plan Taskforce Disclosure Framework	Short term	FGEN's first transition plan was published in March 2025	Complete
Environmental: transition	***New*** Integrate transition plan reporting into Board papers	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	***New*** Integrate carbon intensity benchmarking into annual target review process	Short term	Progress to be reported in 2026	Early stage

1. The scope of the biodiversity surveys undertaken is intended to be in addition to standard planning and pre-construction surveys. As such, it is not suited to pre-operational sites. Additionally, the survey methodology is specific to UK sites, in that it applies the Defra biodiversity metric, therefore it is not appropriate for use on non-UK sites at present.

Sustainability and ESG continued

Metrics and targets

Category	Target	Target timescale	Progress in FY24/25	Overall progress
Environmental: GHG	***New*** Embed forecast asset acquisitions into FGEN's carbon forecast model	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	***New*** Integrate carbon forecast model into investment proposals	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	***New*** Review Scope 1 emissions sources and identify sector or portfolio-wide opportunities for improvement	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	***New*** Develop short and medium-term targets for emissions reduction	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	***New*** Engage with relevant portfolio companies to implement Scope 1 reductions	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	Achieve net-zero Scope 1, 2 and 3 emissions by 2050	Long term	FGEN's first transition plan was published in March 2025, identifying a series of short-term operational and data targets to help facilitate and accelerate carbon reduction measures	Early stage
Environmental: GHG	95% of assets to purchase energy from renewable tariffs	Medium term	This target is not material to FGEN's GHG emissions and is no longer being prioritised. Further information can be found in FGEN's transition plan at page 17 of the Annual Report 2025. Energy purchased from renewable sources will continue to be monitored as part of Scope 2 GHG data collection processes, and assets will be strongly encouraged to purchase energy from renewable tariffs	Removed

Sustainability and ESG continued

Metrics and targets

Consolidated baseline

FGEN began calculating and reporting GHG and other ESG data in FY21/22 and previously applied a split baseline, between FY21/22 and FY22/23, for its reporting activities. This reflected the evolving maturity of data collection and reporting. In order to drive clear progress, FGEN's baseline year has been consolidated and is set as FY22/23, when a full set of ESG data was collated and calculated for the first time. Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 31. FGEN's ESG key performance indicators are highlighted in bold text in the tables below.

Aspect	Metric	Measurement	FY24/25	FY23/24	FY22/23 (revised baseline)
Environmental	Scope 1 emissions[1]	Tonnes carbon dioxide equivalent (tCO_2e)	80,651*	77,017[2]	82,314
	Scope 2 emissions	Tonnes carbon dioxide equivalent (tCO_2e)	4,104*	3,490[3]	9,338
	Scope 3 emissions	Tonnes carbon dioxide equivalent (tCO_2e)	81,993*	63,100	117,843
	Total emissions	**Tonnes carbon dioxide equivalent (tCO_2e)**	**166,748***	**143,607[3,4]**	**209,495**
	Renewable energy generated	Megawatt-hours (MWh) renewable energy generated[5]	1,272,038*	1,357,805	1,325,132
	GHG emissions avoided	Tonnes carbon dioxide equivalent (tCO_2e) avoided	193,663*	212,917	212,263
	Waste treatment	Tonnes waste diverted from landfill (t)	703,470*	680,825	684,181
	Water treatment	Wastewater treated (l)	34,656,822,800*	40,213,501,000[6]	35,586,057,000
	Environmental incidents	Reportable environmental incidents[7]	5*	2	3
	Purchased energy originating from renewable sources	% of total purchased energy[8] in the portfolio originating from renewable sources	39*	39	21
		% of assets sourcing purchased energy from renewable energy tariffs[9]	76*	77	45
	Management of biodiversity	**% of assets with biodiversity plans[10]**	**84***	**69**	**42**

1. GHG emissions are calculated in line with the GHG Protocol.
2. Biomass waste emission factors was updated from 588 to 1,093 $kgCO_2e$/tonne to align with the Institute for Environmental Protection and Research ("ISPRA") factors.
3. Scope 2 emissions revised upwards following a time lag in data availability.
4. Ownership was incorporated into the emissions calculations.
5. For assets which have a dual generation profile of both electricity and heat, energy is converted and measured in the energy profile that is predominant.
6. The increased water treated in FY23/24 was due to significantly increased rainfall in that year compared with the previous year.
7. More information on environmental incidents is set out on page 30.
8. Purchased energy refers to the fact that all assets have their own energy requirements and where these requirements are not met in full by an asset's own generation, energy is purchased from energy suppliers for delivery via the grid.
9. Excludes development and construction assets.
10. This figure includes only fully owned operational sites within the UK. The metric used to establish the baseline is currently applicable solely to UK sites. Assets in the construction and development phases will have distinct requirements for habitat management plans to fulfil planning obligations.

Sustainability and ESG continued

Metrics and targets

Aspect	Metric	Measurement	FY24/25	FY23/24	FY22/23 (revised baseline)
Social	**Health and safety incidents**	**RIDDOR reportable accidents**[1]	**10 ***	**4**	**3**
		Other material accidents	3	0	1
	Jobs supported	Number of "full-time equivalent" ("FTE") jobs supported[2]	426	467	347
	Community funding	**£ provided to community projects**	**587,440***	**655,076**	**432,756**
	Community engagement procedures	% of assets with a clear, easily accessible complaints handling mechanism in place	84*	76[3]	81
	Accessibility of community fund documents	% of community funds that are easily accessible and signposted for local communities[4]	84	84	83
Governance	Diversity of SPV directors	% of assets with at least one female board member	6*	n/a	7
	Portfolio audits of health and safety practices	% of assets audited[5]	96*	89	84
	Portfolio audits of tax and financial practices	% of assets audited	96*	87[6]	89
	Cyber security	**% of assets with cyber security policy in place**	**57**	**n/a – new KPI**	**n/a – new KPI**

1. More information on health and safety incidents is set out on page 30.
2. FTE jobs are calculated using total hours worked over the course of the year.
3. Decrease in performance was attributed to new construction assets in the portfolio.
4. Metric excludes development and construction phase assets.
5. Excludes development assets.
6. Number decreased as four of the audits fell into the first week of April.

Caveats to the data

- Where it has not been possible to collect specific data, assumptions have been made using appropriate proxy technologies, sites and time periods.
- During this reporting period, several AD sites have begun disclosing their fugitive emissions. To enhance the completeness of emissions reporting across the portfolio, the emissions factor derived from these sites has been applied to the remaining AD sites.
- Partnership for Carbon Accounting Financials ("PCAF") emission factors have been used to calculate Scope 3 emissions. This is calculated from asset revenue data.

Sustainability and ESG continued

Metrics and targets

Reportable environmental and health and safety incidents

The following RIDDOR reportable and environmental incidents were recorded for FGEN's portfolio during FY24/25. In each case, the incidents were investigated swiftly and repairs or retrofits undertaken where the incident was caused by mechanical or equipment failure. Where the incident was caused by human error, additional training and protocols were implemented to reduce the risk of a repeat event.

Asset class	Reportable health and safety incidents	Reportable environmental incidents
Anaerobic digestion	• Foaming incident resulted in a roof tear and the uncontrolled release of >500kg biogas into the atmosphere. No injuries occurred. Also reported as an environmental incident. • Driver twisted his ankle while unloading a trailer.	• Foaming incident resulted in a roof tear and the uncontrolled release of >500kg biogas into the atmosphere. Although no injuries occurred, this was also reported as a RIDDOR incident.
Waste processing and recycling	• Member of the public was struck by a reversing vehicle on site (driven by another member of the public), causing them to fall and resulting in a head injury.	• Leachate spill resulted in the escape of some leachate down a surface water drain. A third-party contractor transported the leachate offsite by tanker and undertook maintenance and repair of the pump and associated infrastructure. • Moped vehicles were incorrectly delivered to a recycling facility without the operator's knowledge. The vehicles tipped, resulting in a fuel spill. The vehicles were recovered and stored safely until they could be removed to a different site and discussions have been undertaken with the client to ensure no vehicles are delivered to the site again.
Wind	• Technician fractured two fingers when his hand was trapped between two hatches. The hatches have been retrofitted to prevent such an incident occurring again.	
CNG	• Driver trapped their finger in a vehicle door, resulting in dislocation. • Technician received two broken fingers when unloading a vehicle.	
Aquaculture	• Sub-contractor's knife broke and struck him in the eye, resulting in a need for surgery. • Sub-contractor slipped on ice caused by a leak from a nearby water hose and fractured his ankle. • Worker fractured his finger when a pallet fell on his hand. • Sub-contractor sustained a broken finger when a pipe fell on his hand.	
Water		• Sewer transfer main burst and the pumping station was shut down during repairs, resulting in screened, settled sewage being discharged to storm outfall pumps in compliance with the environmental licence. The Scottish Environment Protection Agency ("SEPA") was notified.
Energy-from-waste		• Half-hourly limit for total organic carbon emissions was breached and exceeded the half-hourly limit for carbon monoxide. The Italian Environment Agency was notified in line with regulation, despite not being material.

Sustainability and ESG continued

Metrics and targets

Internal controls and collection and verification of data

The following steps have been taken to validate the data presented in this Sustainability and ESG report, which is accurate to the best of the Investment Manager's knowledge.

In order to generate the metrics reported here, the Investment Manager receives data from two primary sources:

- front-line site managers and asset operators; and
- independent sustainability advisers (principally for climate-related disclosures).

Whilst some reliance is placed on externally generated data, the Investment Manager performs the following steps to assess its validity:

- following submission, data is reviewed for completeness by the Foresight portfolio management team prior to upload onto the Investment Manager's custom-built data management platform, Sennen;
- the data is then processed and analysed by the Foresight sustainability team, including assessment of anomalies and outliers; and
- material metrics, such as those associated with FGEN's sustainability-linked loan facility, are further subject to third-party assurance.

ESG performance is also presented and discussed with the FGEN ESG Committee on a bi-annual basis.

Despite best intentions to design a robust internal control framework, there remains scope for error in collation of underlying data and therefore the Investment Manager is committed to continuous enhancement of data collection and validation processes. FGEN recognises that methodologies for collection and reporting of data evolve over time and, therefore, data may not always be comparable year-on-year.

Data assurance

In FY24/25, the Investment Manager, on behalf of FGEN, worked with Aardvark Certification to undertake independent, third-party limited assurance of the processes in place to collect sustainability data and analyse the validity of the information being presented in accordance with ISAE 3000. All metrics marked with an asterisk from pages 4, 28 to 29 and 33 to 35 have been included in the assessment for limited assurance.

This process aims to verify the inputs and outputs of FGEN's environmental, social and governance reporting and ensure the information is accurate, reliable and consistent. Going forward, FGEN plans to undertake this process each year to align with best practice guidance for sustainability disclosures.

Task Force on Climate-related Financial Disclosures

Although FGEN, as an investment company, is not required to include a full TCFD disclosure under the Listing Rules of the FCA, the Board and the Investment Manager believe that the nature of FGEN's business and strategy is intrinsically aligned to the goal of a greener and less carbon-intensive future and consider TCFD to be a positive step in driving that direction.

As a result, FGEN has again voluntarily included climate-related financial disclosures in these financial statements. This year's report is more closely integrated with the wider ESG report and has made steps towards aligning with the IFRS S1 and S2 disclosure protocols and this process will be continued next year.

Limitations of the disclosure

Both the Investment Manager and the Board of FGEN are fully supportive of the TCFD's goals in bringing climate change considerations into mainstream reporting. However, analytical frameworks for evaluating the complex impacts that climate change will have on the markets in which FGEN operates are still in their infancy. As a result, there is currently no standardised way of assessing climate change risks and opportunities and how these are managed by the Company.

The disclosures in this report comply with the TCFD recommendations. Further information on where each disclosure can be located is set out in the following table. FGEN continues to work on developing its approach to climate-related issues and this will be reflected in future disclosures.

TCFD disclosures table

The table overleaf sets out the TCFD recommendations, a summary of activities in FY24/25 and a reference to where the information can be found in this report.

Sustainability and ESG continued

Metrics and targets

Recommended disclosure	Page reference	Activities in FY24/25
Governance a. Describe the Board's oversight of climate-related risks and opportunities	5	FGEN voluntarily published its first transition plan, including a series of operational targets to further integrate carbon reduction planning into its activities.
b. Describe management's role in assessing and managing climate-related risks and opportunities	5	
Strategy a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	10 to 18	During the year the Investment Manager identified the level of financial impact that each climate-related risk might have on the portfolio. FGEN voluntarily published its first transition plan and the Board of Directors agreed a Strategic Ambition which explicitly refers to the resilience of FGEN's portfolio of investments: "FGEN's portfolio of investments will be net zero by 2050 in line with the 1.5°C Paris Agreement objective, be resilient to the changing climate and contribute towards a more sustainable future."
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	10 to 16	
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	17	
Risk management a. Describe the organisation's processes for identifying and assessing climate-related risks	19 to 25	Climate risk is embedded in FGEN's risk management framework and climate-risk analysis is included within due diligence process. During the year, the Investment Manager worked with an environmental geospatial consultancy to develop a platform for assessing nature-related and physical climate risks across infrastructure assets, using FGEN's portfolio as a pilot.
b. Describe the organisation's processes for managing climate-related risks	19 to 25	
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	19 to 25	
Metrics and targets a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	26, 28	FGEN voluntarily published its first transition plan, including a series of short-term operational targets to facilitate the development of specific Scope 1 and Scope 3 emissions reduction targets in future. Scope 2 emissions are not material to FGEN's total emissions and the target for assets to purchase energy from renewable sources is no longer a key performance indicator. The data will continue to be collected as part of Scope 2 calculations and FGEN will continue to encourage assets to purchase energy from renewable sources.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks	28, 33	
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	26, 27	

Sustainability and ESG continued

Metrics and targets

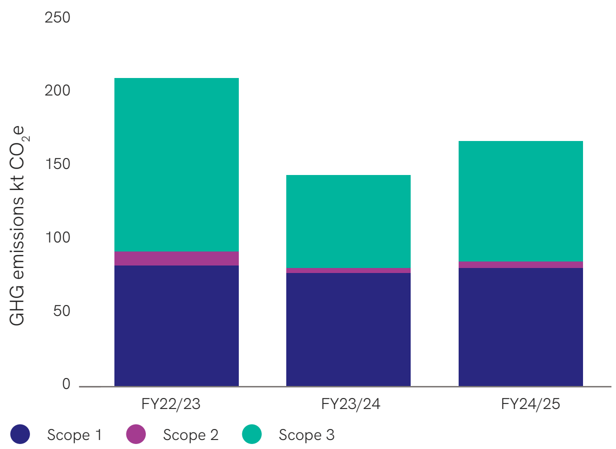
TCFD core metrics

Metric	Description	Expressed as	FY24/25	FY23/24	FY22/23 (revised baseline)
Weighted average carbon intensity[1]	Portfolio's exposure to carbon-intensive assets	tCO_2e/£m revenue	**146.06***	231.6	339.9
Total carbon emissions[2]	The absolute greenhouse gas emissions associated with the portfolio	tCO_2e	**84,754.9***	79,637	91,653
Carbon footprint	Total carbon emissions for a portfolio normalised by the market value of the portfolio	tCO_2e/£m invested	**124.9***	106.0	112.5
Carbon intensity[1]	Volume of carbon emissions per million pounds of revenue	tCO_2e/£m revenue	**216.9***	280.7	349.9
Exposure to carbon-related assets	The amount or percentage of carbon-related assets in the portfolio	%	**14%***	14.6%	17%

1. The Investment Manager is committed to working with third-party MSA providers to continually improve data quality.
2. In accordance with TCFD methodology, these calculations are undertaken using Scope 1 and Scope 2 emissions only.

* Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 31.

Performance to date



FY24/25 saw an increase in Scope 1 emissions as fugitive emissions from AD sites was brought into the calculations for the first time. Increased activity across the CNG portfolio also resulted in an increase in biomethane usage. Conversely, there has been a reduction in diesel, petrol, and natural gas consumption across the portfolio.

Scope 2 emissions have decreased across the portfolio as a higher percentage of assets purchase electricity from renewable sources. Despite the increase in renewable tariff adoption, overall Scope 2 emissions have been affected by higher energy consumption at sites not yet transitioned to renewable sources. It's also important to note that the Scope 2 emissions figure for FY23/24 has been revised upward to 3.49ktCO_2e due to a time lag in data availability.

Scope 3 emissions are calculated using the PCAF methodology, which is based on asset revenues. In FY24/25, portfolio revenues increased compared to FY23/24, and several PCAF emissions factors also rose. The combination of these two factors has resulted in a higher Scope 3 emissions figure for FY24/25.

Overall, FGEN's total GHG emissions have reduced from the baseline, which is largely driven by a change in calculation methodology. GHG emissions are now calculated by applying ownership percentages to FGEN's assets, allowing for a more accurate overview of the emissions directly attributable to the Company.

Sustainability and ESG continued

Metrics and targets

Portfolio electricity and carbon avoidance

A summary of the greenhouse gas benefits delivered by the portfolio is provided in the table below. As FGEN invests into broader environmental infrastructure technologies, the Company anticipates that the GHG emissions avoided will reduce as some assets are net emitters. Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 31.

Asset portfolio by sector	FY24/25 GHG emissions avoided (tCO_2e)	FY23/24 GHG emissions avoided (tCO_2e)	FY22/23 GHG emissions avoided (tCO_2e)
Wind	**107,949***	120,321	118,385
Solar (including rooftop)	**17,588***	19,983	20,725
AD	**70,216***	74,481	74,918
Hydro	**747***	987	752
Biomass	**-2,157***	-2,167	-1,859
Energy-from-waste	**-680***	-688	-659
Total	**193,663***	**212,917**	**212,263**

The calculation methodology follows the International Financial Institutions ("IFI") Approach to GHG Accounting for Renewable Energy Projects and uses the Harmonised IFI Default Grid Factors for calculation.

Sustainable Finance Disclosure Regulation

The Sustainable Finance Disclosure Regulation ("SFDR") is a European regulation introduced to improve transparency in the market for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants.

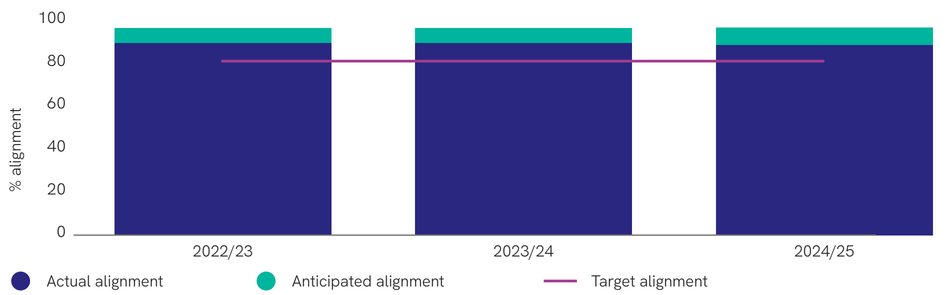
FGEN discloses under Article 9 of the SFDR, defined as "a fund that has sustainable investment as its objective". Pursuant to Article 11 of the SFDR, certain disclosures relating to the overall sustainability-related impact of the Company are set out in the disclosures below, and summarised here:

Sustainable investment objective of the Company

The Company's objective contributes to the climate change mitigation objective and supports the transition to a low-carbon economy by investing in a diversified portfolio of environmental infrastructure, including infrastructure assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally friendly approaches to economic activity whilst generating a sustainable financial return.

The Company's activities will contribute materially towards the emissions reduction objectives set out under the Paris Climate Agreement. By way of example, FGEN has invested into a portfolio of diversified renewable energy assets, clean fuel distribution assets and other assets that contribute to decarbonising both the national energy mix and other emissions-intensive activities.

Alignment with EU Taxonomy (internal assessment)



- FGEN commitment: minimum proportion of 80% of investments aligned with EU Taxonomy by value.
- Current alignment: 97%*.
- Greenhouses and other indoor food production systems, inclusive of aquaculture, have not yet had Technical Screening Criteria ("TSC") developed. However, the proposed text for the remaining four Environmental Objectives of the EU Taxonomy clearly stipulates that both greenhouses and other indoor food production systems are to be prioritised for development in the next iteration. Using the TSC for other food production systems as a baseline, FGEN is confident that its assets in these sectors will satisfy the stipulated criteria as and when they are developed. As such, within this disclosure the Company has chosen to account for these assets as being Taxonomy aligned.

Sustainability and ESG continued

Metrics and targets

Performance of sustainability indicators

FGEN discloses under Article 9 of the SFDR. The impact element of FGEN's SFDR reporting aligns against the UN Sustainable Development Goals ("UN SDGs").

The SDGs are a set of 17 goals for sustainable development. To be achieved by 2030, they recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection and job opportunities, while tackling climate change and environmental protection. The Investment Manager has mapped FGEN's portfolio against the SDGs and the table below records performance against the selected SDGs over the past three years. Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 31.

Contribution to the Sustainable Development Goals

SDG	Target	Metric	FY24/25	FY23/24	FY22/23
6 CLEAN WATER AND SANITATION	**6.3** Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	Billion litres of wastewater treated	**34.7***	40.2	35.6
7 AFFORDABLE AND CLEAN ENERGY	**7.2** Increase substantially the share of renewable energy in the global energy mix.	GWh renewable energy produced	**1,272***	1,358	1,325
		Number of homes powered by renewable energy per year (excludes AD portfolio)	**264,844***	284,167	252,025
8 DECENT WORK AND ECONOMIC GROWTH	**8.5** Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	FTE jobs supported by FGEN portfolio	**426**	467	347
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.	Total MW generation capacity	**409***	422.4	359.5
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Tonnes waste diverted from landfill	**703,470***	680,825	684,181
13 CLIMATE ACTION	**13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Greenhouse gas emissions avoided (tCO$_2$e)	**193,663***	212,917	212,263
15 LIFE ON LAND	**15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	Annual avoidance of fossil fuels (tonnes oil equivalent ("TOE"))	**109,376***	116,771	113,941
		Active biodiversity management plans in place (%)	**84***	69	42

Sustainability and ESG continued

Metrics and targets

Principal Adverse Impact reporting

FGEN's Principal Adverse Impact reporting for SFDR is set out in the Annex V disclosure document which is available on the Company's website[1].

SFDR RTS Website Disclosure, Annex III and Annex V

FGEN's Annex III Pre-Contractual Disclosure is available on the Company website[1], as is the RTS Website Disclosure[1].

FGEN's Article V Periodic Disclosure is available on the Company's website[1].

1. https://www.fgen.com/sustainability.

Case study

Cancer screening

In November 2024, the ETA Manfredonia site hosted a successful event in collaboration with Susan G. Komen Italia, an organisation dedicated to the fight against breast cancer. The event offered two types of cancer screenings for employees, with a total of 65 appointments available. The services were divided as follows:

- 35 endocrinological screenings
- 30 dermatological screenings

This event follows a previous collaboration in 2023, where breast cancer screenings were offered to women in the Manfredonia city centre, all sponsored by the site. The initiative aims to promote health awareness and provide much-needed support to the community.

Susan G. Komen Italia was established in 2000 in Rome as the first European affiliate of the Susan G. Komen organisation from Dallas, USA.

Susan G. Komen Italia focuses on effective breast cancer prevention, emphasising early diagnosis to reduce mortality rates. As a volunteer-based organisation, it has been working since 2000 to protect women's health by offering free screening activities (such as mammograms and ultrasounds) through the "Carovana della Prevenzione" programme.

This National Traveling Program for the Promotion of Women's Health utilises special mobile units equipped with the latest diagnostic equipment and the expertise of medical specialists. The primary objective is to provide free cancer prevention opportunities (e.g. mammograms, specialist visits, gynaecological ultrasounds) to women from disadvantaged socio-economic backgrounds who do not qualify for the free screening programmes offered by the National Health System (SSN).

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