

Sustainability-Related Disclosures

30/01/2025

Foresight

Introduction

Foresight Group Luxembourg S.A. (the “AIFM”), as a financial market participant and financial adviser, directly or through delegated activities, integrates sustainability risks into consideration in its investment decision-making process and in its investment advice, in accordance with the provisions set out in Regulation (EU) N°2019/2088 of the European Parliament and of the Council of 27 November 2019 (as amended) on sustainability-related disclosures in the financial sector (“SFDR”).

1 General

Foresight Group LLP, as parent company of the AIFM, conducted a double materiality analysis for the group and its three investment divisions (infrastructure, private equity and capital management) in 2024. A double materiality analysis examines how a company’s operations affect the environment and society (“impact materiality”) as well as considering how environmental and social factors can influence a company’s performance and reputation (financial materiality).

The financial materiality component of this double materiality assessment relates to sustainability risks as defined under SFDR.¹ The topics identified by this assessment as financially material at Group, Group operations, and each of the investment divisions are listed below. The double materiality analysis is primarily relevant to the investment decision-making process, however, through its review of the Infrastructure division also relates to the provision of investment advice which relates to activities of the Foresight Luxembourg S.A., Rome branch.

Topic / Division	Group	Group operations	Infrastructure	Private Equity	Foresight Capital Management
Climate change	✓	-	✓	✓	✓
Resource use and circular economy	✓	-	✓	✓	✓
Own workforce	✓	✓	-	-	-
Workers in the value chain	✓	✓	✓	-	-
Affected communities	✓	-	✓	-	-

¹ Point (22) of SFDR states that sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Consumers and end-users	✓	✓	✓	✓	✓
Business conduct	✓	✓	-	-	-

2 Infrastructure

For infrastructure, and private equity, the AIFM integrates sustainability risks in its investment decision-making process and investment advice either in-house through its branches in Europe, including Italy, or through delegation of such activities to Foresight Group LLP, which is based in the United Kingdom.

Foresight Group LLP

Sustainability risks are integrated in infrastructure funds in accordance with the Infrastructure Investment Process Manual, the Portfolio Incident Reporting Process Chart, and other relevant documentation.

During due diligence carried out prior to the investment decision, sustainability risks are typically integrated by the Investment Team through an assessment of material issues identified by the Sustainability Accounting Standards Board (SASB) standard relevant to the sector, as well as a basic assessment of physical climate risk.

Once invested, the asset is handed over from Investment Team to the in-house asset management team. Sustainability risks, such as those related to health and safety, environmental, and asset repair and maintenance incidents, are monitored by the asset management team.

Foresight Group Luxembourg S.A., Rome branch

Sustainability risks are integrated into investment processes in accordance with processes set out by Foresight Group LLP.

3 Private equity

The AIFM integrates sustainability risks in its investment decision-making process in-house through its branches in Europe. The AIFM does not currently provide investment advice for private equity.

Foresight Group Luxembourg S.A., Dublin branch

Sustainability risks are integrated in private equity funds in accordance with the Private Equity Practical Guide. This includes the consideration of materiality insights from the SASB Standard and climate-related risks with reference to the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). From March 2025 it will also include, at asset-level, the consideration of risks identified as material to the division in the double materiality assessment described above.

4 No consideration of adverse impacts of investment decisions on sustainability factors

As at the date hereof, the AIFM does not consider and disclose any adverse sustainability impacts in accordance with point (a) of Article 4(1) of SFDR on a “Financial Market Participant” basis. This applies both to the investment decision-making process and investment advice.

The reason adverse sustainability impacts are not considered at present is in light of the increased financial and personnel resources this would require – in particular to do so in line with the specific prescriptive requirements under SFDR – and prioritisation of compliance with mandatory aspects of new sustainability regulations in Europe and other jurisdictions in which we operate. In addition, Foresight Group Luxembourg S.A. is below the thresholds set out by SFDR for mandatory consideration of adverse impacts of investment decisions on sustainability factors. The ability to consider adverse sustainability impacts will be re-assessed in three years’ time.

However, at financial product level, Foresight Group LLP, as delegated portfolio manager, and specific products (SFDR Article 9) offered by Foresight Group Luxembourg S.A.’s branches track and report a number of principal adverse impact (“PAI”) metrics for many of their funds. PAI reporting and statements for certain funds managed by the AIFM may be produced and made available to investors where relevant.

5 Remuneration Disclosure

The remuneration policy adopted by Foresight Group Luxembourg integrates sustainability-related aspects. In particular, it is designed to ensure that remuneration practices are consistent with and promote effective risk management; and to ensure that remuneration practices do not encourage excessive risk taking with respect to each product and provision of investment advice.

As part of this, due account of present and future long-term sustainability-related risk factors are considered when making remuneration decisions.

This remuneration policy will be made available, upon request.