

Sustainability-Related Disclosures

24/10/2023

Foresight

Introduction

Foresight Group Luxembourg S.A. (the “AIFM”) takes potential sustainability risks and/or opportunities into consideration in its analysis of investment opportunities and the investment decision-making process 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”).

Infrastructure and natural capital investing

Investments made by the Foresight Infrastructure Team support the global decarbonisation agenda, in particular the energy transition. Before any investment is made, and throughout the investment cycle, the project's sustainability credentials are evaluated and scored against a number of sector-specific assessment parameters underlying five predetermined criteria. This forms part of the Manager's proprietary Sustainability Evaluation Tool (“SET”), which takes into account a wide variety of Sustainability and ESG factors.

Sustainability monitoring and optimisation of investments is continuous throughout their life. The monitoring processes begin with regular site visits, which are conducted by members of Foresight Group's Asset Management team and frequently include Board representatives. These visits help ensure an asset's day-to-day performance and sustainability performance are as expected and prepare the asset for the third party environmental, governance and health and safety audits that the Manager conducts annually. Additionally, sustainability KPIs and any incidents are recorded and regularly reviewed against targets set in line with industry standards and best practice.

The parameters used during pre-investment as part of scoring against the SET are periodically re-assessed as a means of monitoring the performance of an asset. Any decline in scores is reviewed and remedial measures implemented in order to bring the asset's overall Sustainability and ESG performance either equal to or above the minimum threshold and, at the very least, in line with the pre-investment scoring.

No consideration of adverse impacts of investment decisions on sustainability factors

The AIFM does at present not consider and disclose adverse sustainability impacts in accordance with point (a) of Article 4(1) of SFDR on a “Financial Market Participant” basis.

However, the Manager tracks and reports a number of principal adverse impact (“PAI”) metrics for many of its funds. PAI reporting and statements for certain funds managed by the AIFM may be produced and made available to investors where relevant.

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 mandate.

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