Foresight Environmental Infrastructure Limited

Sustainability and ESG Report 2026

Sustainability and ESG

In this section:

ESG Committee Chair's foreword	2
At a glance	3
Climate-related risks and opportunities	6
Progress against targets	10
Environmental and health and safety incidents	12
GHG emissions performance	13
GHG emissions avoided	14

Awards

FGEN was shortlisted for the following awards in the period:

edie Awards 2025

Sustainability reporting and communications project of the year

AIC Shareholder Communication Awards 2025

Best ESG Communication

Investment Week – Sustainable Investment Awards 2025

Best Sustainable Investment Fund

ESG Committee Chair's foreword

Jo Harrison
Chair, ESG Committee

"This year has seen a structural shift from sustainability screening to fully integrated decision intelligence."

This year has marked further progress in our environmental, social and governance ("ESG") journey, as we continue to embed sustainability into our strategy, operations and decision-making. We remain committed to transparent, credible and decision-useful disclosures, while evolving our approach in line with emerging best practice and a shifting external environment, including ongoing market uncertainty.

Reflecting this, we have restructured this year's report to bring key developments, updates and performance highlights to the forefront, with supporting process detail provided in the appendix. We have also deepened our alignment with the International Financial Reporting Standards ("IFRS") S1 and S2, integrating previously separate ESG and Taskforce on Climate-related Financial Disclosures ("TCFD") reporting into a more streamlined framework.

The primary development this year saw the enhancement of our approach to risk assessment and due diligence through a new framework aligned with evolving global standards. This includes further development of the Frontierra platform, supported by the UK Space Agency, to incorporate "value at risk" capabilities. This strengthens the integration of climate and nature-related risks into portfolio valuation and investment decision-making and represents a structural shift from sustainability screening to dynamic, fully integrated decision intelligence – embedding climate and nature considerations into investment strategy, risk management and long-term portfolio resilience.

We have also taken an important step towards science-based net-zero targets, with our Investment Manager developing targets across the wider Group that will cascade to fund level and be integrated into our plans.

Nature and biodiversity remain a core focus. This year, our revolving credit facility biodiversity target evolved to focus on active interventions – the first of its kind for a Foresight-managed fund. Supporting this, we have delivered initiatives including biodiversity planting, invasive species management, enhanced grazing regimes and installation of nesting boxes. We have also renewed our partnership with the Eden Project and continued to support biodiversity research, including acoustic monitoring across our sites.

At the asset level, we continue to advance decarbonisation initiatives, including progress on carbon capture at anaerobic digestion sites.

Looking ahead, our ambition remains clear: to build a resilient portfolio aligned with a net-zero future while contributing positively to the natural environment and local communities.

Jo Harrison
Chair, ESG Committee

17 June 2026

At a glance

FGEN's Strategic Ambition

"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."

The Strategic Ambition informs FGEN's transition plan, published in 2025.

Evolving the due diligence process

During the period, the Investment Manager transitioned pre-investment due diligence to an updated sustainability and climate risk framework aligned with evolving global standards, including the Sustainability Accounting Standards Board ("SASB") and the EU Taxonomy. Sustainability assessments are embedded into investment processes and formally incorporated into Investment Committee materials, supported by enhanced counterparty and value chain due diligence using third-party platforms.

The Frontierra platform, described further on page 9, has also been integrated into pre-investment due diligence and asset-level risk registers, providing the Asset Management team with greater visibility of identified risks and potential mitigation requirements, while also supporting clearer planning of required works and enabling appropriate budget allocation.

While this process is still at an early stage, it is expected to evolve and further strengthen FGEN's approach to climate resilience and adaptation over time. The platform was further enhanced during the year to quantify value at risk associated with climate and nature-related risks, strengthening investment and portfolio management decision-making.

Biodiversity interventions supported by RCF

FGEN is the first fund in the Foresight portfolio to include an active biodiversity intervention target within its sustainability-linked revolving credit facility. Following the achievement of the initial biodiversity management plan target last year, the Company achieved its new target of biodiversity interventions, being undertaken across 20% of wholly owned operational UK sites.

Renewed partnership with the Eden Project

Foresight renewed its partnership with the Eden Project following three years of collaboration, including development of the Nature Recovery Blueprint. The renewed partnership strengthens stakeholder engagement and includes plans to extend activity across additional regions.

Progressing emissions reduction

FGEN continues to progress its long-term ambition to achieve net-zero GHG emissions by 2050. During the year:

- carbon capture technology was approved for implementation at three AD sites in Norfolk and Lincolnshire, converting captured CO_2 into food-grade product while significantly improving emissions intensity;
- FGEN's carbon forecasting model informed development of a Group-wide forecasting approach, the outputs of which will be integrated into investment decision-making; and
- the Investment Manager also identified division-level emissions reduction targets, supporting development of fund-level targets and progression towards Scope 1, 2 and 3 reduction objectives.

Castle Pill wind farm

Sustainability metrics

Total emissions

128,308* tCO_2e

2026 128,308 tCO_2e
2025 166,748 tCO_2e

Fully owned operational UK sites with a biodiversity management plan in place

84%*

2026 84%
2025 84%

In scope sites with biodiversity interventions in the period[2]

27%

2026 27%
2025 n/a

RIDDOR reportable accidents[2]

7*

2026 7
2025 10

Contributed to community funds[1, 2]

£614,491*

2026 £614,491
2025 £587,440

Assets with cyber security policies in place

51%*

2026 51%
2025 57%

1. FGEN's Community Funding guidance, published in May 2024, outlined the priority themes for community funded projects for FY24 and FY25 and has been carried through to FY26. These themes are: biodiversity projects and sustainability-focused educational opportunities.
2. KPIs associated with FGEN's revolving credit facility ("RCF").

Renewable energy generated

1,338,420*MWh

2026 1,338,420MWh
2025 1,272,038MWh

Waste diverted from landfill

653,464* tonnes

2026 653,464 tonnes
2025 703,470 tonnes

Wastewater treated

35.84* billion litres

2026 35.84 billion litres
2025 34.66 billion litres

Full-time equivalent jobs supported

508

2026 508
2025 426

* Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 35.
FGEN's full sustainability-related reporting metrics can be found in the supporting information on pages 16 to 18.

Branden solar project

ESG objectives

Promote the efficient use of resources

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.

Example criteria:

- Resource management
- Life on land/below water
- Climate change and resilience

Develop positive relationships with the communities in which FGEN operates

To encourage positive relationship-building between portfolio assets and the communities in which they sit.

Example criteria:

- Health and wellbeing
- Local economic impact – job creation
- Local social impact
- Community engagement and benefit

Ensure effective and ethical governance across the portfolio

To manage portfolio assets in a way that promotes ethical and effective governance.

Example criteria:

- Anti-bribery and corruption
- Modern slavery
- Audit and tax practices
- Cyber security
- Health and safety practices
- Board composition

Case study

Llynfi Afan Renewable Energy Park community benefit milestone

Overview

Llynfi Afan Renewable Energy Park is a 24MW onshore wind farm in South Wales that is wholly owned by FGEN. The wind farm has been operational since 2017 and produces enough energy each year to power approximately 17,900 homes. Alongside its contribution to renewable energy generation, the project's community benefit fund has been focused on delivering long-term value to local communities.

£1 million community investment milestone

This year marks a significant milestone for the project, with the community benefit fund surpassing £1 million in funding made available to local initiatives since it began operating. The Fund provides ongoing financial support to communities in Neath Port Talbot and Bridgend throughout the life of the wind farm, helping ensure that the benefits of renewable energy are shared locally.

Delivering tangible local impact

The funding has supported a wide range of projects that enhance community wellbeing and resilience, including:

- redevelopment of children's playgrounds;
- installation of outdoor community gyms;
- development of school allotments;
- support for local sports clubs and facilities;
- maintenance of libraries and swimming pools;
- refurbishment of community spaces, including the Miners' Welfare Hall; and
- purchase of defibrillators for a number of villages.

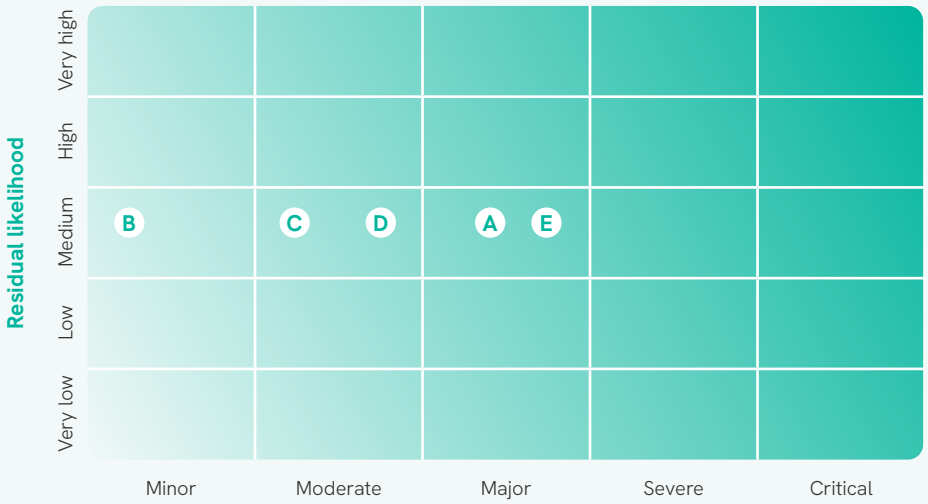
Bleaengwynfi Play Park, Neath Port Talbot

Climate-related risks and opportunities

FGEN's methodology and approach to identifying and managing climate-related risks and opportunities is set out on pages 28 and 29.

Portfolio-level climate-related risks

Portfolio-level climate-related risks are considered by the Investment Manager and mitigation options are discussed as part of FGEN's comprehensive risk management framework.
The climate-related risks associated with the portfolio are illustrated below. A detailed account of the material climate-related risks that have been identified, as well as their impacts and mitigation, can be found on pages 19 and 20.

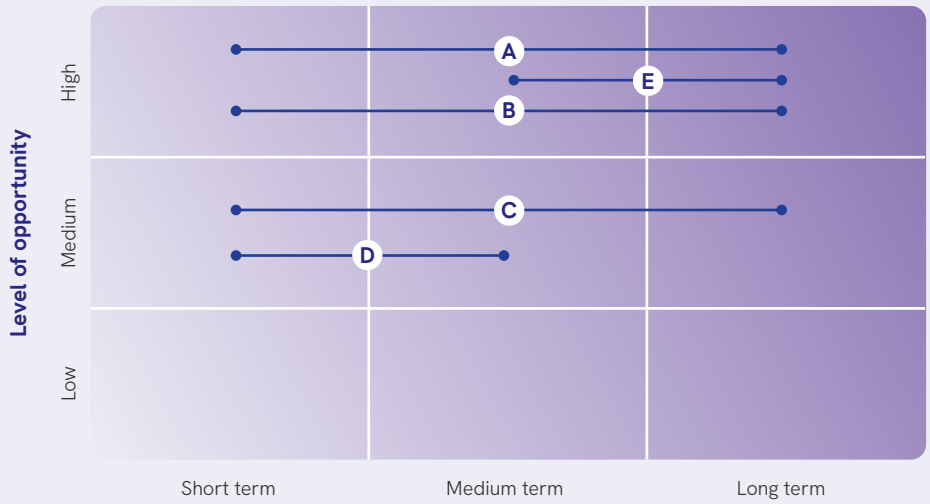


Key: **Residual impact**

- **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

Portfolio-level climate-related opportunities

In addition to risk, portfolio-level climate-related opportunities are considered and mapped by the Investment Manager. The climate-related opportunities identified for the portfolio are illustrated below. A detailed account of the material climate-related opportunities can be found on pages 21 and 22.



Key: **Timescale**

- **A** Increased demand for environmental infrastructure and low-carbon transition businesses
- **B** Changes to energy pricing and market pricing of GHG
- **C** Increased government support for environmental infrastructure
- **D** Technological developments and buildouts in environmental infrastructure
- **E** Changes in weather patterns leading to environmental infrastructure buildout

Disaggregating physical climate impacts

FGEN's portfolio is influenced by physical climate risks, as noted in the risk chart above (extreme weather events).

All assets were assessed for nine physical climate hazards, with individual hazard risks. These include coastal flooding, drought, fluvial flooding, pluvial flooding, landslide, temperature extremes, tropical cyclone, water stress and wildfire.

The assessment calculated relative average annual loss for each asset as a percentage of the asset value. The following thresholds for value impact were applied:

- 0-5% – Minimal
- 5-10% – Moderate
- >10% – High

All assets are subject to minimal loss of value as a result of physical climate impacts. Water stress and temperature extremes are the most significant physical risks to individual assets within the portfolio, including FGEN's hydro and wastewater treatment assets; however, they still have a less than 5% impact on asset value. For these assets, the highest projected physical risks at 2050 are again temperature extremes and water stress. Information on the top physical risks to each of FGEN's investment sectors is set out in the table below.

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 • Assess and identify technical climate resilience measures, e.g. cooling for inverters
	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
Wildfire	Damage to equipment		✓		• Implement appropriate prevention measures e.g. fire-resistant design, vegetation management • Implement monitoring and early warning systems • Investigate potential adaptation measures

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
					• Implement monitoring to manage water usage and detect stress.

Fluvial and pluvial flooding	Reduced performance due to water damage	✓		✓	• Review flood risk management plans • Evaluate the suitability and effectiveness of site-specific adaptation measures already in place, e.g. larger drainage channels on solar farms
Inconsistent water availability (flood and drought)	Volatile generation profile driven by excess rainfall and/or drought conditions	✓			• Evaluate alternative water sourcing options, including storage and closed loop cooling systems • Integrate climate risk in forecasting and annual budgets

Scenario analysis results

	NAV per share	Difference (p)	% Difference
Base case SSP 2 – 4.5	105.20	0	0
SSP 1 – 2.6	106.18	0.98	0.93
SSP 3 – 7.0	105.69	0.49	0.46
SSP 5 – 8.5	103.77	-1.43	-1.38

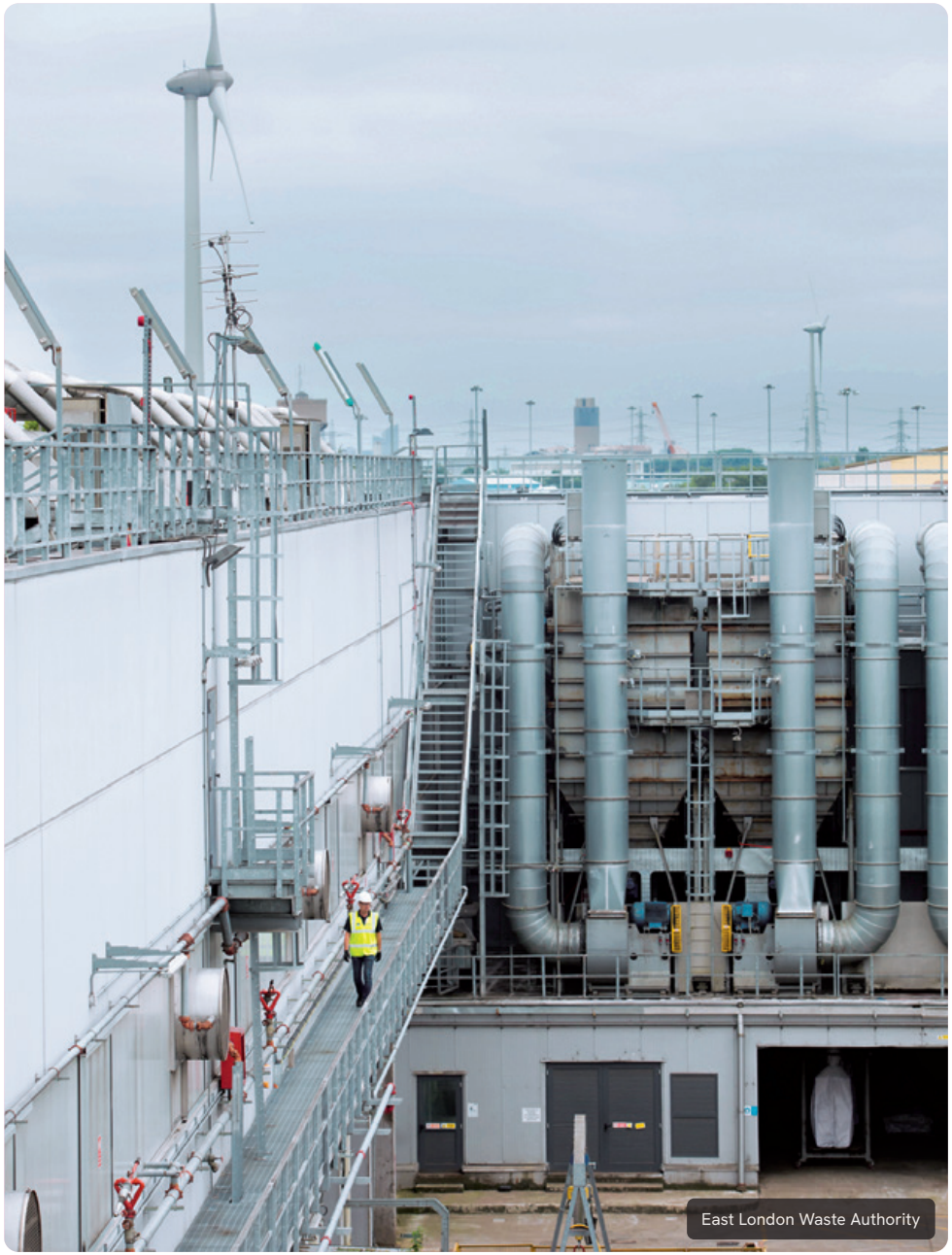
The Investment Manager uses the Climanomics platform to undertake scenario analysis. Further information on the methodology applied is set out on page 29.

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 associated impacts, with this year's analysis showing a slight widening of the range of projected impacts across all scenarios.

- Exposure to the modelled transition risks (including litigation, market shifts, reputational damage and technological disruption) remains negligible across all scenarios under the base case by 2050.
- Under the base case, SSP 2-4.5, the portfolio is assessed to maintain resilience when considering both more and less severe climate futures.
- Under the less severe SSP1-2.6 scenario, now considered increasingly unlikely, the model indicates a positive impact on NAV of 0.93% by 2055 relative to the central case. This represents an increase compared to the 2025 scenario analysis results.
- The SSP3-7.0 scenario follows a similar trajectory, with a net positive impact on NAV of 0.46% by 2055. This is a smaller increase compared to the uplift observed under the SSP1-2.6 scenario.
- Under the most severe scenario (SSP5-8.5), which is also currently viewed as unlikely based on prevailing estimates, the analysis indicates a negative impact on NAV of 1.38% by 2055 relative to the central case. This represents a deterioration compared to the -1.16% impact projected for 2054 in last year's analysis.

Improving asset-level resilience

As part of our ongoing efforts to embed climate adaptation measures across the portfolio, we are implementing initiatives to enhance overall resilience. This year the Investment Manager implemented drainage improvements at solar sites. At both Crug Mawr and Branden Victoria, drainage works have been completed to mitigate flood risk, including the installation of French drains to address seasonal flooding around combiner boxes, helping to reduce the likelihood of technical issues and minimise site downtime.



East London Waste Authority

Case study

Climate & Nature Insights Platform

The Investment Manager partnered with Frontierra, supported by a second round of UK Space Agency funding, to further develop its Climate & Nature Insights Platform – delivering a step change in how climate and nature-related risks are assessed and managed across the portfolio.

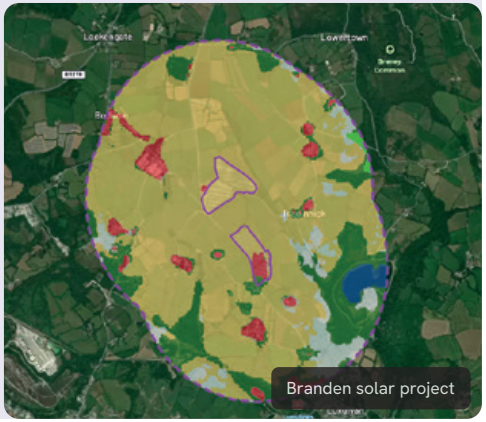
The enhanced platform integrates analysis of physical climate hazards, transition risks and opportunities, and nature-related factors within a single, satellite-enabled system. This provides asset-level visibility of exposures across global portfolios and, critically, enables these risks to be translated into decision-useful financial metrics.

A key advancement is the introduction of a climate and nature value at risk module, which quantifies potential financial impacts under forward-looking scenarios to 2050. By linking environmental exposures to sector sensitivities and aggregating results at asset and portfolio level, the platform enables prioritisation of risks and opportunities and supports more informed capital allocation decisions. The platform also aligns with leading regulatory and disclosure frameworks, including the Taskforce on Nature-related Financial Disclosures ("TNFD"), International Sustainability Standards Board ("ISSB") and the EU Taxonomy, ensuring outputs can be directly integrated into due diligence, portfolio monitoring and reporting processes.

This capability represents a structural shift from sustainability screening to fully integrated decision intelligence – embedding climate and nature considerations into investment strategy, risk management and long-term portfolio resilience.

Over time, the Investment Manager intends to use Frontierra to inform identification and management of climate and nature-related risks and opportunities.

Branden solar project



Branden solar project

Case study

Acoustic monitoring for biodiversity

Overview

Acoustic monitoring is an emerging technique that uses sensors to capture real-time data on wildlife activity. While still in its early stages, it offers a scalable way to support biodiversity measurement and respond to evolving regulatory expectations.

Application and insights

This year, bird and pollinator monitoring was deployed across AD sites, including Grange Farm and Egmere Energy. Bird recorders have identified several UK Red List species, such as Eurasian Skylark, House Sparrow and Yellowhammer, with the presence of species like Hawfinch highlighting strong habitat value. Data is shared with the British Trust for Ornithology to support wider conservation efforts. Pollinator sensors at Grange Farm have captured extensive data, including identifying peak activity times for bees and clear links between habitat interventions and biodiversity uplift. Initiatives such as "No Mow May" and species-rich planting have already demonstrated measurable increases in activity.

Looking ahead

As datasets grow, acoustic monitoring is expected to support more data-driven habitat management. The activity has already been expanded across additional assets with the intention of strengthening biodiversity interventions reporting and outcomes over time.

Egmere Energy

Progress against 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. FGEN's full table of sustainability-related metrics are provided on pages 16 and 17. 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 28.

Category	Target	Target timescale	Progress in the period	Overall progress
Environmental: biodiversity	***NEW*** Undertake biodiversity interventions on >=20% of fully owned, UK-based operating assets[1, 2]	FY26	Active biodiversity interventions were undertaken covering 27% of the portfolio. This included: • avoidance of any intrusive works during breeding bird season; • changes to grazing regimes to allow for better sward recovery; • installation of nest boxes; and • management of invasive species.	✓ Complete
Social: community funding contributions	Provide £600,000 in community benefit through asset-level community benefit fund[1]	FY26	Over 50% of assets have a community fund in place, committing a total of £614,491 to community projects in the period	✓ Complete
Governance: health and safety performance	>=87% of assets having conducted an annual health and safety audit in the period, while maintaining the number of reportable health and safety incidents at or below three[1]	FY26	Health and safety audits: 91% of assets were subject to health and safety audits in the period Reportable health and safety incidents: 7 RIDDOR reportable accidents in the period	Partially achieved
Governance: cyber security	Produce and roll out cyber security policy across the portfolio by FY25	Short term	Initial drafts of the cyber security policies have been completed, with review by portfolio managers underway to identify required mitigation actions and associated budgets	🟡 Minor delay
Environmental: biodiversity	100% of fully owned, UK-based operating assets to have biodiversity management plans in place[1, 2]	Medium term	84% of fully owned operational UK sites have a biodiversity management plan in place, equal to FY25. The final sites are CNG locations where the opportunity to develop biodiversity management plans and install biodiversity interventions is very limited. Consideration will be given next year to editing this target to reflect further opportunities in the portfolio	Under review
Environmental: biodiversity	Implement biodiversity enhancement at FGEN's anaerobic digestion sites	Medium term	This target has been expanded to cover all FGEN sites with an active biodiversity management plan in place. See below for an update on activities undertaken	Superseded, see below
Environmental: biodiversity	***NEW*** Implement biodiversity enhancement at sites with a biodiversity management plan in place[1]	Medium term	This target is linked to, and informs, FGEN's RCF target of achieving active biodiversity interventions each financial year. See above for more information. Biodiversity enhancements and works included: • wildflower planting on AD sites; • rotational grazing on solar sites; • invasive species treatment on solar sites; and • installation of ecological acoustic monitoring.	🟢 On track

Category	Target	Target timescale	Progress in the period	Overall progress
Environmental: transition	Integrate transition plan reporting into Board papers	Short term	Progress reporting against the transition plan targets and workstreams was integrated into ESG Committee papers and updates are routinely reported to the Board	✓ Complete
Environmental: GHG	Integrate carbon intensity benchmarking into annual target review process	Short term	Work was undertaken to identify the carbon intensity of the AD portfolio, and to calculate improvements to that intensity following the installation of carbon capture technology. Further work on benchmarking is ongoing and will be informed by the Investment Manager's planned carbon reduction targets	On track
Environmental: GHG	Embed forecast asset acquisitions into FGEN's carbon forecast model	Short term	Pipeline functionality has been embedded into the tool	On track
Environmental: GHG	Integrate carbon forecast model into investment proposals	Short term	FGEN's carbon forecast model has been used by the Investment Manager to inform the development of a Group-wide carbon forecast model which will include Fund-specific functionality. This model will be intended for use in forecasting the impact of investment decisions on Fund and Group-level GHG emissions	On track
Environmental: GHG	Review Scope 1 emissions sources and identify sector or portfolio-wide opportunities for improvement	Short term	The most carbon-intensive assets have been identified and particular focus is being paid to the AD portfolio due to fugitive emissions. A carbon capture initiative has been approved for implementation at three AD sites and is anticipated to result in an emissions intensity of >-100g CO_2e/kWh	On track
Environmental: GHG	Develop short and medium-term targets for emissions reduction	Short term	The Investment Manager identified a series of carbon reduction targets for its activities, including targets for the Real Assets Division, which includes FGEN. These targets are being analysed and mapped across individual funds and will inform FGEN's target setting in the next year	On track
Environmental: GHG	Engage with relevant portfolio companies to implement Scope 1 reductions	Short term	An engagement letter has been sent to Future Biogas to identify FGEN's carbon reduction commitments	On track
Environmental: GHG	Achieve net-zero Scope 1, 2 and 3 emissions by 2050	Long term	A carbon capture initiative has been approved for implementation at three AD sites and is anticipated to result in an emissions intensity of >-100g CO_2e/kWh	On track

1. These targets are associated with FGEN's revolving credit facility.
2. 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.

Environmental and health and safety incidents

Reportable environmental and health and safety incidents

The following RIDDOR reportable and environmental incidents were recorded for FGEN's portfolio in the period.

Asset class	Reportable health and safety incidents	Reportable environmental incidents

Renewable energy generation	• Two dangerous occurrences reported across two solar sites caused by electrical overload, resulting in fire damage to equipment. In both cases, the area was made safe and follow-up tests were carried out.
	• Three lost time incidents reported by waste and bioenergy assets.
	  • A back injury resulted in an employee requiring significant time off work. Safety and operating procedures were reviewed and mitigation was put in place to prevent further injury.
	  • A broken hand caused by a faulty vehicle door. Safe operating procedures have been tightened and all vehicles are subject to more frequent inspection.
	  • A team leader fell, injuring their elbow. The incident was reviewed and no remedial actions were required.
		• Four pollution incidents were reported to the Environment Agency by waste and bioenergy assets. These were caused by membrane damage and eventual failure, a split feedline and a planned degritting operation.
		• 14 incidents that had the potential to cause environmental pollution were reported to the Scottish Environmental Protection Agency and Scottish Water by the Fund's wastewater treatment plant. Of those, five led to pollution events and are recorded as environmental incidents in the sustainability-related performance metrics table on page 16. Four of the five incidents were caused by pump failure at stations and one was due to repair of a leaking fitting, requiring shutdown of a station. All events were within permit limits.

Other energy infrastructure	• One lost time incident as a driver fell from his vehicle, resulting in a back injury. Training and safety procedures were reviewed and reiterated.	
Sustainable resource management	• A serious injury incident resulted in an employee suffering burns caused by an explosion while working on an oxygen line. Root cause analysis and other safety investigations have been undertaken and recommended improvement measures are being implemented.	

GHG emissions performance

Metric	Description	Units	FY26	FY25	FY24	FY23 (baseline)
Weighted average carbon intensity ("WACI")[1]	Portfolio's exposure to carbon-intensive assets	tCO_2e/£m revenue	**163.82**	146.06	231.6	339.9
Total carbon emissions[2]	Absolute greenhouse gas emissions associated with the portfolio	tCO_2e	**64,848.56***	84,754.90	79,637	91,653
Carbon footprint	Portfolio carbon emissions, normalised by the market value of the portfolio	tCO_2e/£m invested	**98.94***	124.9	106.0	112.5
Carbon intensity	Portfolio carbon emissions per million pounds of revenue	tCO_2e/£m revenue	**253.32**	216.9	280.7	349.9
Exposure to carbon-related assets	Percentage of carbon-related assets in the portfolio	%	**13**	14.0	14.6	17.0

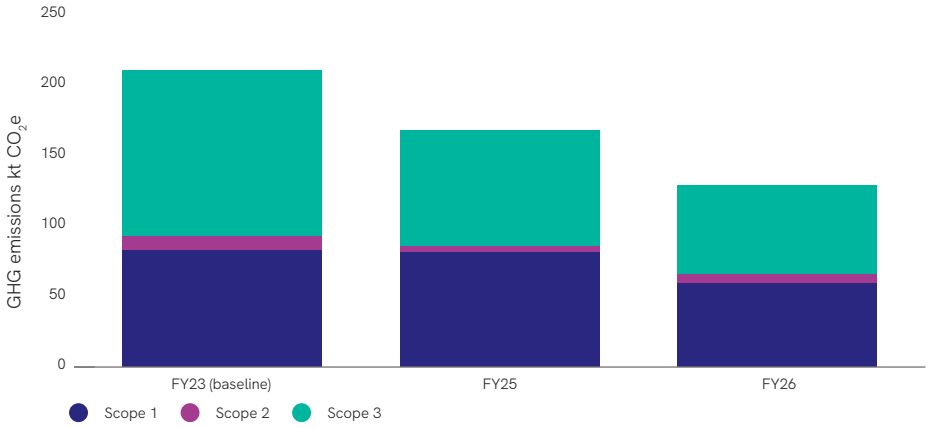
1. The Investment Manager is committed to working with third-party MSA providers to continually improve data quality.
2. In accordance with TCFD methodology, these calculations are undertaken using Scope 1 and Scope 2 emissions only.

* Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 35.

Performance to date

Scoped emission figures can be found on page 16. FGEN's GHG emissions decreased during the period compared with the previous year. This was affected by the following:

- a decrease in scope 1 emissions was largely a consequence of Energie Tecnologie Ambiente being offline for the first half of the financial year, as previously reported, resulting in a corresponding reduction in scope 1 emissions;
- an increase in scope 2 emissions was driven by improvements in reporting of emissions at Cramlington. Previous years have applied pro-rated estimates based on a small number of months of data availability. More accurate information is now available and has been wrapped in to the scope 2 calculations; and
- decrease in scope 3 emissions (see sustainability-related performance metrics on page 16) is driven by revenue data.



GHG emissions avoided

A summary of the greenhouse gas benefits delivered by the portfolio is provided in the table below. FGEN invests into a broad range of environmental infrastructure technologies and the total GHG emissions avoided takes into account any assets that are net emitters. Further detail on the process is set out on page 35.

	GHG emissions avoided (tCO_2e)		
Asset portfolio by sector	**FY26**	FY25	FY24
Wind	**121,530***	107,949	120,321
Solar (including rooftop)	**18,973***	17,588	19,983
AD	**84,186***	70,216	74,481
Hydro	**473***	747	987
Biomass	**-1,632***	-2,157	-2,167
Energy-from-waste	**-389***	-680	-688
Total	**223,140***	193,663	212,917

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

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 UN SDG performance table on page 18. The remaining disclosures are summarised below:

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.

* Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 35.

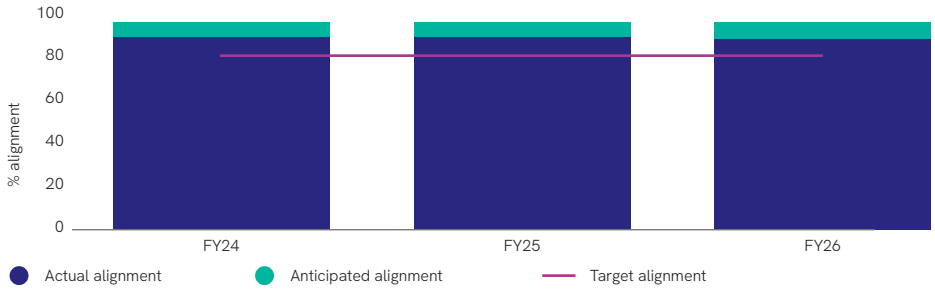
The Company's activities will contribute materially towards the emissions reduction objectives set out under the Paris Climate Agreement. By way of example, FGEN has invested into a portfolio of diversified renewable energy assets, clean fuel distribution assets and other assets that contribute to decarbonising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

SFDR disclosures

The following disclosures are available on the Company's website:

- Principal Adverse Impact reporting, set out in the Annex V disclosure document;
- Annex III Pre-Contractual Disclosure;
- Article V Periodic Disclosure; and
- RTS Website Disclosure.

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.

Unaudited supporting information: Sustainability and ESG

In this section

Sustainability-related performance metrics	16
Alignment against disclosure standards	23
ESG methodology and process information	25

Sustainability-related performance metrics

Topic	Metric	Units	FY26	FY25	FY24	FY23 (baseline)
Environmental						
Greenhouse gas emissions	Scope 1 emissions	Tonnes carbon dioxide equivalent (tCO_2e)	**58,877**[*1]	80,651	77,017	82,314
	Scope 2 emissions	Tonnes carbon dioxide equivalent (tCO_2e)	**5,971**[*2]	4,104	3,490	9,338
	Scope 3 emissions[3]	Tonnes carbon dioxide equivalent (tCO_2e)	**63,460***	81,993	63,100	117,843
	Total emissions	Tonnes carbon dioxide equivalent (tCO_2e)	**128,308***	166,748	143,607	209,495
	GHG emissions avoided (calculated based on 100% ownership)	Tonnes carbon dioxide equivalent (tCO_2e)	**223,140**[*4]	193,663	212,917	212,263
	GHG emissions avoided (calculated based on actual ownership)	Tonnes carbon dioxide equivalent (tCO_2e)	**187,395**	Not reported	Not reported	Not reported
Environmental performance	Alignment with EU Taxonomy (internal assessment)	%	**97***	97	97	97
	Renewable energy generated (calculated based on 100% ownership)	Megawatt-hours (MWh)	**1,338,420***	1,272,038	1,357,805	1,325,132
	Renewable energy generated (calculated based on actual ownership)	Megawatt-hours (MWh)	**1,019,140**	Not reported	Not reported	Not reported
	Waste diverted from landfill	Tonnes (t)	**653,464**[*5]	703,470	680,825	684,181
	Wastewater treated	Litres	**35,837,259,000***	34,656,822,800	40,213,501,000	35,586,057,000
	Environmental incidents	Count	**9***	5	2	3
Energy procurement	Total purchased energy in the portfolio originating from renewable sources	%	**55***	39	39	21
	Assets in the portfolio sourcing purchased energy from renewable tariffs	%	**84***	76	77	45
Biodiversity	Fully owned, operating UK sites in the portfolio with biodiversity plans	%	**84**[*6]	84	69	42
	Fully owned, operating UK sites in the portfolio with biodiversity interventions in the period	%	**27**	n/a	n/a	n/a

Topic	Metric	Units	FY26	FY25	FY24	FY23 (baseline)
Social						
Health and safety	RIDDOR reportable accidents	Count	**7***	10	4	3
	Other material accidents	Count	**3**	3	—	1
Jobs supported	FTE jobs supported	Count	**508**[7]	426	467	347
Community	Funding provided to community projects	£	**614,491***	587,440	655,076	432,756
	Assets in the portfolio with a clear, easily accessible complaints handling mechanism in place[8]	%	**70**	84	76	81
	Community funds that are easily accessible and signposted for local communities	%	**91***	84	84	83
Governance						
Gender diversity	Assets with at least one female board member	%	**26***	6	Not reported	7
Performance audits	Assets audited for health and safety practices	%	**91***	96	89	84
	Assets audited for tax and financial practices	%	**78***	96	87	89
	Assets with cyber security policy in place	%	**51***	57	n/a	n/a

*Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 35.

1. Scope 1 emissions decreased significantly due to Energie Tecnologie Ambiente being offline for the first half of the financial year, as previously reported.
2. Scope 2 emissions increased due to improvements in data reporting at Cramlington. See page 13 for further detail.
3. Scope 3 emissions are calculated using the Partnership for Carbon Accounting Financials ("PCAF") methodology, which is based on asset revenues.
4. This increase is driven by biomass and EfW comprising 15% of total generation in FY26, compared with 23% in FY25. Additionally, wind and AD generation were strong in FY26.
5. As previously reported, Energie Tecnologie Ambiente was offline for the first half of the financial year, resulting in a corresponding drop in waste diverted from landfill.
6. Remaining assets are CNG sites with limited opportunity for biodiversity management and improvement.
7. Methodology changed this year to include estimates for months where data gaps exist. Previous years did not include these estimates.
8. Methodology updated from FY25. In FY25, this was based on whether the asset had a website; from FY26 onward, it is based on whether the site explicitly describes the complaints process.

Performance of sustainability indicators

FGEN discloses under Article 9 of the SFDR and the latest disclosures can be found on FGEN's website. 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 assurance process is set out on page 35.

Contribution to the Sustainable Development Goals

SDG	Target	Metric	Units	FY26	FY25	FY24
6	**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.	Wastewater treated	Billion litres	**35.84***	34.66	40.21
7	**7.2** Increase substantially the share of renewable energy in the global energy mix.	Renewable energy generated	GWh	**1,338***	1,272	1,358
		Homes powered by renewable energy per year (excludes AD portfolio)	Count	**248,389**	264,844	284,167
8	**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 the FGEN portfolio	Count	**508**	426	467
9	**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 generation capacity	MW	**362.2***	409	422
12	**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Waste diverted from landfill	Tonnes	**653,464***	703,470	680,825
13	**13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	GHG emissions avoided	tCO_2e	**223,140***	193,663	212,917
15	**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")	**115,083***	109,376	116,771
		Active biodiversity management plans in place	%	**84***	84	69

Risks and opportunities

The sustainability-related risks and opportunities identified in the tables below are illustrated in the charts on page 6. This section is intended to be read in conjunction with the principal risk register on pages 49 to 54 of the Annual Report 2026.

Risk	Description	Investment Manager's response	Area of impact
A Changes to power prices as a result of climate change			
Risk Type Transition (market) **Time period** S M L **Financial impact** ££ **Main risk register reference** 8	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.	• The majority of 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. • Arguments for supporting less sustainable alternatives to manage short-term power price shocks are, on the whole, not supported by society although sometimes short-term pragmatism overrides this when combined with security of supply needs.	Strategy, financial planning, Company's investments
B Extreme weather-related events			
Risk Type Physical **Time period** S M L **Financial impact** ££ **Main risk register reference** 7 9	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).	• Having conducted a review of the physical risks to the portfolio, the physical risks are largely localised and the impact of a single event or limited set of events is considered to have a negligible impact to the overall portfolio; nevertheless, this is kept under close review by the Investment Manager.	Strategy, financial planning, Company's investments

Key to timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+years) **Key to financial impact:** £ Moderate financial impact ££ Major financial impact £££ Severe financial impact

Key to risk register: 1 Fund performance and investor sentiment 4 Changes in regulation and government support 5 Capital recycling and liquidity investments 7 Asset exposure to weather resource 8 Exposure to market power prices 9 Operational risk

Risk	Description	Investment Manager's response	Area of impact
C Changes to sustainable investment criteria			
Risk Type Transition (regulation, market) **Time period** M L **Financial impact** £ **Main risk register reference** 1 4	• 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.	• FGEN invests in assets that contribute to the acceleration of the energy and sustainability transition and have strong transition characteristics. Third-party expert validation of the sustainability credentials of assets is sought where appropriate. Meanwhile, 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 Fund against overexposure to any one sector. If considered appropriate in the future, FGEN would review a phase-out of EfW from the Fund's investment strategy.	Strategy, Company's investments
D Changes in regulation and government support for sustainable infrastructure			
Risk Type Transition (market, regulation, reputation) **Time period** S M **Financial impact** £ **Main risk register reference** 4	• 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.	• 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
E Displacement of existing assets with new or other technologies			
Risk Type Transition (technology) **Time period** M L **Financial impact** £ **Main risk register reference** 5	• 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.	• It is considered more likely that new technologies would 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 energy needs, but if it were, this would necessitate considerable buildout beyond the lifetime of FGEN's assets.	Strategy, financial planning

Key to timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+years) **Key to financial impact:** £ Moderate financial impact ££ Major financial impact £££ Severe financial impact

Key to risk register: 1 Fund performance and investor sentiment 4 Changes in regulation and government support 5 Capital recycling and liquidity investments 7 Asset exposure to weather resource 8 Exposure to market power prices 9 Operational risk

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	Description	Investment Manager's response	Area of impact
Increased demand for environmental infrastructure and businesses which support the transition to a low-carbon economy **Opportunity type** Transition (market) **Time period** S M L **Level of opportunity** ★★★	• 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.	• FGEN is already well positioned to invest in environmental infrastructure sectors that support the transition to a low-carbon economy, as demonstrated in the markets and opportunities section on pages 15 to 18 of the Annual Report 2026.	Strategy, financial planning
Changes to energy pricing and market pricing of GHGs **Opportunity type** Transition (regulation, market) **Time period** S M L **Level of opportunity** ★★★	• 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.	• 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 **Opportunity type** Transition (policy and legal) **Time period** S M L **Level of opportunity** ★★	• 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.	• 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

Key to 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

Opportunity	Description	Investment Manager's response	Area of impact
Technological developments and buildouts in environmental infrastructure **Opportunity type** Transition (technology) **Time period** S M **Level of opportunity** ★★	• 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.	• 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 **Opportunity type** Physical **Time period** M L **Level of opportunity** ★★★	• 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.	• The Investment Manager reviews over 1,000 opportunities a year in the environmental infrastructure sector, which ensures FGEN can respond as these arise.	Strategy, financial planning, Company's investments

Judgements and uncertainties

Judgements		Uncertainties	
Scope 3 emissions	Partnership for Carbon Accounting Financials ("PCAF") emission factors have been used to calculate Scope 3 emissions. This is calculated from asset revenue data.	Lack of specific data	Where it has not been possible to collect specific data, assumptions have been made using appropriate proxy technologies, sites and time periods.
		Fugitive emissions from AD plants	Fugitive emissions from AD plants have been calculated by applying an emissions factor per unit of production that has been calculated by Future Biogas based on ongoing analysis of their portfolio. This emissions factor may evolve over time.

Key to 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

Alignment against disclosure standards

FGEN, as an investment company domiciled in Guernsey, is not required to include full climate-related disclosures (aligned with TCFD, IFRS or UK SRS) under the Listing Rules of the FCA. Nevertheless, 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 such disclosures to be a positive tool for driving accountability and change. In considering disclosures, the Company notes that, in July 2025, the Guernsey Financial Services Commission published the following policy positions:

- the Commission confirms that supervised entities are permitted to make disclosures in compliance with ISSB Standards on a voluntary basis; and
- the Commission has no plans to implement mandatory sustainability disclosure standards applicable to the regulated financial services sectors in the foreseeable future.

As a result, FGEN has again voluntarily included climate-related financial disclosures in these financial statements. This year's report has fully integrated its ESG and TCFD reporting and has made further steps towards aligning with the IFRS S1 and S2 disclosure protocols. This process will continue in subsequent years.

Framework area	Disclosure summary	IFRS disclosure	TCFD disclosure	Page reference
Governance	Board oversight of sustainability and climate-related risks and opportunities, including integration into governance structures and delegated committee responsibilities	S1 and S2 – Sustainability and climate-related governance	Governance (a, b)	25 to 27
Strategy	Identification of material sustainability-related risks and opportunities and their impact on business model, strategy and financial planning	S1 – Sustainability-related strategy	Strategy (a, b)	6, 19 to 22, 28
	Assessment of climate-related risks and opportunities across the short, medium and long term, including alignment with the transition plan	S2 – Climate strategy	Strategy (a, b)	6 to 7, 19 to 22, 29
	Analysis of portfolio resilience under different climate scenarios, including physical and transition risks	S2 – Climate resilience	Strategy (c)	8, 29
Risk management	Processes for identifying, assessing and managing sustainability risks, integrated into enterprise risk management and investment processes	S1 – Risk management	Risk management (a, b, c)	30 to 34
	Climate-specific risk identification and mitigation, including use of tools and data (e.g. geospatial analysis) to assess asset-level exposure	S2 – Climate risk	Risk management (a, b, c)	6 to 7, 32
Metrics and targets	Disclosure of key ESG metrics used to monitor performance and progress against strategic objectives	S1 – Sustainability-related metrics	Metrics and targets (a)	10 to 11
	Disclosure of Scope 1, 2 (and relevant Scope 3) emissions, carbon intensity and other climate-related indicators	S2 – Climate metrics	Metrics and targets (b)	13, 16
	Net-zero ambition and development of science-based targets, including progress tracking and integration into business planning	S2 – Targets	Metrics and targets (c)	3, 10

Basis of preparation and limitations of the disclosure

The disclosures are intended to provide material information about sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, including its cash flows, access to finance and cost of capital over the short, medium and long term.

In preparing these disclosures, we have applied a materiality-based approach, focusing on those sustainability matters most relevant to our business model and stakeholders. The report reflects an integrated approach, connecting sustainability-related information with financial and strategic reporting where relevant.

Where appropriate, we have drawn on established frameworks and methodologies, including climate-related disclosures aligned with IFRS S2 and consistent with recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), to support completeness and comparability. Comparative information has been included where available.

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

This report has been prepared, to the extent possible for this year, applying IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures on a voluntary basis. The Company continues to work on developing its future disclosures.

Both the Investment Manager and the Board of FGEN are fully supportive of the goals of IFRS S1 and S2 in bringing climate change considerations into mainstream reporting. However, analytical frameworks for evaluating the complex impacts that climate change might have on the markets in which FGEN operates are still evolving rapidly. As a result, there is currently no standardised way of assessing climate change risks and opportunities and how these are managed by the Company. Estimation uncertainty remains inherent in certain metrics, particularly in relation to the emerging areas of climate and nature-related risk assessment. We continue to refine our data, methodologies and controls in line with evolving best practice and regulatory expectations.

ESG methodology and process information
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.

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 83 and 84 of the Annual Report 2026 and on FGEN's website.

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; and
- 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 the Committee's duties, including any area where action or improvement is required. Information on the Committee membership can be found on FGEN's website.

The FGEN ESG Committee is held at 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 19 to 21 of the Annual Report 2026.

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.

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 Strategic Ambition, ESG objectives, KPIs and associated targets. Any initiatives to better the performance and responsible management of assets are agreed in those committee meetings.

Investment Manager PRI scores

Foresight Group is a signatory to the UN 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 UN PRI website. In summary, the Investment Manager achieved 5 star ratings as shown below:

Category	Module score	Star score
Policy Governance and Strategy – Group	91%	★★★★★
Direct – Infrastructure	96%	★★★★★
Confidence Building Measures	100%	★★★★★

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. The Board did not undertake any specific sustainability-related training this year.

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 emphasises 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."

FGEN's full transition plan can be found on the Company's website.

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.

The Board specifically notes the Investment Manager's Modern Slavery 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.

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;
- Sustainability policy;
- Modern Slavery Statement; and
- Code of Conduct (includes Greenwashing, DE&I, Bribery and Corruption, Money-Laundering, Tax Evasion and Whistleblowing).

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 inform 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 47 to 54 of the Annual Report 2026. This section provides additional detail to expand on the risks and risk management section.

Climate-related risks

FGEN considers the following types of climate-related risks and opportunities in its assessments. Each risk identified informs FGEN's principal risk register. The risks and opportunities identified are set out in the tables on pages 19 to 22 and illustrated in the charts on page 6. 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, as identified by the EU Taxonomy. These fall into two core categories: • Acute: extreme weather events • Chronic: changes to climate patterns over time

Climate-related opportunities

There are two key opportunities that the Investment Manager considers:

1. **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.
2. **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.

Timescales

Climate-related risks are assessed using timeframes that align with the organisation's overall risk management framework and apply the same impact and probability definitions as 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

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 30 to 34 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 levels and identify opportunities for mitigation or, if necessary, disposal of assets.

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 SSP 2, SSP 3 and SSP 5 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, the results of which are set out on page 8.

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.

Asset-level resilience

The risk assessments, including the scenario analysis, are undertaken at the asset level. This allows the Company to identify priority areas for resilience and adaptation measures. The Investment Manager is working on improving the resilience of assets that have higher vulnerability to physical climate risks. Further information on sector-level risks is set out on page 7, with information on resilience activities in the period on page 8.

Risk management

This section describes the Investment Manager's approach to identifying and managing climate and sustainability-related risks on behalf of the Company.

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 55 to 60 of the Annual Report 2026. 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 14 of the transition plan.

Materiality assessment

Foresight Group's double materiality assessment was first undertaken, and reported on, in FY24. While the Investment Manager is beginning to align its sustainability-related activities with ISSB requirements, which focus solely on financial materiality, the decision has been taken to maintain a double materiality assessment as it is considered the most effective tool for identifying material sustainability topics.

The double materiality assessment was refreshed in the period. Materiality definitions were refined to strengthen clarity and focus. Impact materiality was narrowed to topics with high significance and financial materiality remained unchanged.

The refresh resulted in a reduction of material topics from 27 to 10. This will facilitate greater focus on issues of the highest significance and the outputs will guide the Investment Manager in prioritising actions and allocating resources to address key sustainability-related risks and opportunities.

Sustainability-related risks identified through this refreshed process have been recorded in the enterprise risk management system.

Early adopter

A watching brief is maintained on evolving and forthcoming disclosures frameworks. The Company seeks to be an early adopter of core elements of those frameworks where possible and is committed to taking a transparent approach to its management of sustainability-related risks and opportunities. This year, the Company has voluntarily disclosed against most of the IFRS S1 and S2 standards. Work will continue next year to further align with the disclosure standards.

Monitoring future standards

The Investment Manager proactively monitors and engages on a series of evolving regulations and 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 Standard on Sustainability Assurance ("ISSA") 5000

From December 2026, the ISAE 3000 standard will be superseded for sustainability and ESG assurance by the ISSA 5000 standard. ISAE 3000 (Assurance Engagements Other Than Audits or Reviews of Historical Financial Information) has been applied as a catch-all standard for non-financial reporting including ESG and sustainability-related assurance. However, as ESG and sustainability disclosures have grown in complexity, a more tailored standard has been developed to address issues such as value-chain transparency, materiality and forward-looking data. ISSA 5000 has been purpose-built for ESG and provides specific, detailed parameters for assuring sustainability topics such as carbon emissions, human rights and governance data. FGEN currently voluntarily assures its metrics against ISAE 3000 and is monitoring the requirements of ISSA 5000 to understand the impacts of the change on the current assurance process.

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

In April 2026, the ISSB confirmed its intention to develop an IFRS Practice Statement to guide nature-related disclosures, building on existing requirements under IFRS S1 and S2 rather than introducing a new standalone standard. This reinforces that nature-related risks and opportunities are already expected to be disclosed where material, while providing additional clarity on how to apply these requirements in practice.

Importantly, the proposed guidance will draw heavily on the TNFD framework, signalling increasing alignment towards a global baseline for nature-related reporting. The ISSB is expected to publish an exposure draft in October 2026, marking a key milestone in the evolution of regulatory expectations in this area.

UK Green Taxonomy

In July 2025, the UK Government confirmed its decision not to proceed with a UK Green Taxonomy, concluding after extensive consultation that it would not represent a proportionate or effective tool to support the transition to net zero. While a taxonomy could provide a classification system for sustainable economic activities, feedback highlighted concerns around complexity, ongoing maintenance requirements and limited influence on real-world investment decisions.

The government's assessment also noted that a taxonomy would be unlikely to materially improve capital allocation or significantly reduce greenwashing risks compared to existing and emerging measures. Instead, policy focus is shifting towards initiatives considered more impactful, including the UK Sustainability Reporting Standards, transition planning frameworks and strengthened disclosure and anti-greenwashing rules.

This direction reflects a more flexible and disclosure-led approach, with emphasis on decision-useful information and alignment with international frameworks, rather than prescriptive activity-level classification systems.

UK Sustainability Reporting Standards ("UK SRS")

The UK SRS were published in February 2026 and established the UK framework for sustainability-related (S1) and climate-related (S2) disclosures. The UK SRS are closely aligned with IFRS S1 and S2, with only minor UK-specific amendments, signalling strong international consistency and reinforcing the ISSB standards as the global baseline for sustainability reporting. While currently voluntary, the government has indicated its intention to introduce mandatory reporting requirements for certain entities through future regulatory changes, including updates to the Companies Act 2006 and FCA Listing Rules. In this context, UK SRS S2 disclosures are expected to satisfy existing UK climate reporting requirements for public companies. Overall, this represents a significant step towards a more standardised and decision-useful sustainability reporting framework in the UK.

Taskforce on Inequality and Social-related Financial Disclosures ("TISFD")

During the year, the Investment Manager monitored the release of the TISFD draft framework, marking an important step towards more structured reporting on social and people-related risks and opportunities. The framework aligns with ISSB, GRI and ESRS, and mirrors the structure of TCFD and TNFD, signalling continued convergence towards integrated sustainability disclosures across climate, nature and social factors. With consultation underway and a final framework expected by 2027, TISFD highlights the growing importance of social factors as financially material considerations.

Other European disclosures frameworks

The Investment Manager recognises that EU reporting requirements also have significant influence on the investment markets and notes that, despite a significant reduction in mandatory reporting coverage of European companies under the Omnibus, there is a clear trend towards voluntary disclosures due to stakeholder and investor demand.

Management of ESG and climate-related risks and opportunities

The Board of Directors holds ultimate responsibility for risk management activities. Where material risks are identified by the Investment Manager, they are considered by the Company's Risk Committee on a quarterly basis. Mitigation options are discussed and the relevant Committee will determine whether the risk is acceptable under the FGEN risk management framework. Where the risk is material to one or more assets but not to the broader portfolio, it will sit on the relevant asset-level risk register. Where a risk is applicable to multiple assets, or if it is otherwise material to the portfolio, it will be added to the Fund-level risk register. The Risk Committee will advise the FGEN Board on the results of their findings.

The identification, assessment and management of risks are necessarily managed by the Investment Manager. They 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. Foresight applies a series of measures to identify, assess, prioritise and monitor risks and opportunities. Assessment of ESG and climate-related risks is incorporated into the Investment Manager'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. Climate risks are incorporated into fund- and division-level risk registers with assigned ownership, mitigation plans and regular reporting to the Investment Manager's senior management and Board of Directors. The risk team meets periodically with risk owners and escalates material changes to the appropriate decision-makers. Enhanced key risk indicator functionality in the Investment Manager's risk system supports better monitoring of potentially material risks, including climate-related exposures. This strengthens the Investment Manager's ability to respond to climate-related challenges and improves overall resilience. The framework will naturally evolve as climate-related risks evolve.

Investment teams, supported by the Sustainability team, apply scenario analysis and materiality assessments to evaluate physical and transition risks, although capabilities and tools continue to mature. The climate risk matrix introduced in FY25 is now more widely used to assess likelihood and impact at the asset or portfolio level. While these assessments involve uncertainty due to evolving policy, technology and climate conditions, the matrix helps distinguish between routine, lower impact risks and less frequent but potentially severe events. This has improved understanding of how climate risks could affect operations, revenues or reputation.

More information about FGEN's approach to risks and risk management is set out in pages 47 to 54 of the Annual Report 2026.

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.

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

Assess	Monitor	Engage
The investment Manager undertakes due diligence on each of its asset acquisitions, including assessing a range of ESG criteria. This is governed by a structured sustainability and ESG risk assessment framework that is aligned with recognised standards, including SASB and the EU Taxonomy. Sustainability considerations are embedded into the investment decision-making process, starting with high-level screening and progressing to detailed analysis during due diligence, with outputs informing Investment Committee papers. Ongoing monitoring is supported by third-party counterparty and value chain screening to identify, escalate and manage material risks.	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, which are managed using a data platform. These metrics, collected monthly and reported quarterly, allow for detailed performance comparisons and accurate reporting on Foresight's investments, including those of the Company.	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 55 to 60 of the Annual Report 2026. 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.

Asset-level risk management activities

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

Pre-investment due diligence

- Assets assessed using sustainability frameworks
- Conclusions and recommendations integrated into Investment Committee documents as part of the investment appraisal process

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

Pre-investment due diligence

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

Sustainability considerations are embedded throughout the investment lifecycle, beginning at the pre-investment stage. Prospective investments are assessed against the Fund's mandate and sustainable investment objectives using defined criteria aligned with recognised external standards. The outcomes of this initial assessment are formally incorporated into Investment Committee materials to support decision-making.

Following progression beyond the non-binding offer stage, investments are subject to more detailed and structured analysis as part of advanced due diligence. The Investment Manager's approach to pre-investment due diligence is aligned with global best practice risk management frameworks, including:

- Sustainability Accounting Standards Board ("SASB") Standards (as incorporated into IFRS), which provide sector-specific guidance to identify and assess financially material sustainability risks and opportunities that may impact cash flows, cost of capital and long-term value creation; and
- EU Taxonomy, which supports the classification of environmentally sustainable economic activities, including assessment of substantial contribution to climate and environmental objectives, alongside the identification and mitigation of potential adverse impacts.

Climate and nature-related risks and opportunities are identified using a range of measures including the Frontierra platform, and the results are integrated into Investment Committee materials as part of the investment appraisal process.

Asset management

Ongoing portfolio monitoring is conducted in line with these frameworks, ensuring consistent identification, measurement and management of ESG risks over time. This framework is further supported by enhanced counterparty and value chain due diligence processes using third-party platforms, including Ethixbase. These tools facilitate the identification of potential risks across supply chains and counterparties beyond traditional financial and regulatory checks.

Material risk alerts are subject to internal review, with escalation to Compliance and, where required, the Money Laundering Reporting Officer ("MLRO"), ensuring appropriate governance and follow-up actions. This process operates alongside standard KYC procedures, including AML and anti-bribery and corruption checks, providing a comprehensive and integrated approach to risk management.

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.

Management of human rights risks

FGEN is aware that the renewable energy value chain carries the risk of significant impacts on human rights, as identified by the Business and Human Rights Resource Centre. The FGEN Board of Directors necessarily relies on the Investment Manager's approach to managing human rights risks, as set out in its Human Rights Policy.

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.
- 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.

Management of cyber security risk

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.

FGEN is advancing a portfolio-wide cyber security enhancement programme to strengthen resilience and align with upcoming regulatory requirements, with cyber security policies being updated accordingly.

Sites are undergoing structured assessments and categorisation into tiers based on the significance of their potential cyber security risk. This approach enables a targeted mitigation plan that deploys appropriate solutions to each site's risk profile, such as firewalls and varying degrees of monitoring.

Additionally, the Investment Manager is working with external cyber security specialists to identify vulnerabilities and prioritise remediation actions. Progress is being made on closing identified gaps on a site-by-site basis, balancing risk mitigation with operational and financial considerations.

Management of supply chain risks

FGEN began implementing its Supplier Code of Conduct in FY23 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.

Metrics and targets

Baseline year

FGEN's baseline year is set as FY23, 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 below.

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

Aardvark Certification was again engaged 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 sustainability-related metrics marked with an asterisk 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.

This year, Aardvark provided the following conclusion:

"Based upon the procedures completed during this assurance engagement, nothing has come to our attention that causes us to believe that the sustainability and ESG metrics completed for the FY26 reporting period for FGEN are not correct in all material respects unless specifically noted as an exception below.

Exceptions: No evidence was provided to support the equivalent number of full time jobs created or the metric for 'Homes Powered' for those assets which generate energy. 69% of the assets sampled were verified as having a Cyber Security Policy in place."

Foresight Environmental Infrastructure Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL
Channel Islands

fgen.com