

SHAREHOLDER ENGAGEMENT

POLICY AND APPROACH

August 2020

INTRODUCTION TO FORESIGHT

Foresight Group LLP (“Foresight”) is an investment manager specialising in investing in renewable energy, infrastructure and private equity in both listed and private markets. It is regulated by the Financial Conduct Authority.

Foresight Group¹ manages c. £6.6 billion for institutional investors, family offices, private and high net-worth individuals. Its investment strategies are underpinned by a strong environmental, social & governance (“ESG”) focus, which increasingly meets the demands of today’s investors and ensures we are consistently working towards creating a sustainable legacy for future generations.

As a UK authorised investment manager, Foresight is required to develop and publish a shareholder engagement policy under the Shareholder Rights Directive II (the “Directive”) in respect of any shares listed on a regulated market that are owned by any Foresight managed fund. This Shareholder Engagement Policy is designed to meet that requirement.

SCOPE AND APPLICATION OF THE POLICY

The vast majority of Foresight’s investments are in unlisted private equity and infrastructure assets. However, the open-ended investment companies (“OEICs”) managed by Foresight Capital Management²

(“FCM”) invest in shares of companies that are listed on regulated markets.

Until such time as any other Foresight team manages funds investing in listed securities, this policy shall apply to FCM only and references to Foresight contained in the Policy and the Policy Approach shall effectively be to FCM.

POLICY

Foresight shall:

- engage with investee companies as a key part of Foresight’s investment process in such a way as to have a beneficial impact on the performance of the company and their standards of ESG reporting;
- develop and execute attractive investment strategies for the long term;
- invest in a manner that supports sustainable economic and social development and enhances the contribution Foresight makes to society;
- monitor and assess the overall performance of each investee company covering factors such as financial performance, operational performance, strategy, ESG, key management personnel and stock market specific factors such as volatility, liquidity, dividend yield and correlations to ensure that the investment remains an attractive proposition, complies with the relevant fund’s

¹ Foresight Group (or “Group”) comprises Foresight Group Holdings Limited, the Group’s parent, and all direct and indirect subsidiaries including Foresight Group LLP and Foresight Group CI Limited.

² FCM is one of Foresight’s investment teams.

investment policy and contributes towards the fund achieving its investment objective;

- ensure each investment continues to comply with the ESG and sustainability considerations that were part of the initial investment process;
- take all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, manage, monitor and disclose those conflicts of interest in order to prevent them from adversely affecting the interests of any fund and its investors, and ensure that all funds are fairly treated;
- utilising each fund's right to vote as a shareholder to support improvements and drive change;
- collaborate with other shareholders when it is concluded that such collaboration will have a greater impact than acting individually; and
- disclose on an annual basis how the Policy has been implemented and the effect it has had. The disclosure to include a general description of voting behaviour, an explanation of the most significant votes and reporting on the use of the services of proxy advisers.

FORESIGHT'S APPROACH TO IMPLEMENT AND COMPLY WITH THE POLICY

Foresight's approach to ESG and sustainable investing

Foresight is focused on investing for a smarter future, which means seizing opportunities first, being flexible and innovative, adopting a clear and transparent approach and applying the expertise of our people.

Foresight's mission is to develop and execute attractive investment strategies over the long term. It aims to invest in a manner that supports sustainable economic and social development and enhances the contribution Foresight makes to society.

Foresight Group is a signatory to the Principles for Responsible Investment. As a signatory to this voluntary framework, which is backed by the United Nations, Foresight Group submits an annual report on its responsible investment activities. For the 2019 assessment period, it was awarded A+ for Strategy & Governance and Foresight Group's Infrastructure division was awarded an A+ rating.

Engaging with investee companies

Foresight considers engagement with companies a key part of its investment process and believes that it will be instrumental in improving their ESG standards.

Foresight will typically meet investee companies face to face, primarily during a one on one meeting but also as part of group events. Dialogue will take place over email and phone where necessary.

The level of engagement between Foresight and the investee company will vary depending on many factors. Meetings to carry out periodic monitoring will be the primary driver of engagement. Where Foresight believes that its engagement will have a beneficial impact on the performance of the company or the standards of their ESG reporting for example, it may increase its engagement with the management team and, where necessary, the board.

Monitoring of investee companies

Foresight will continually monitor and assess the overall performance of each individual fund's holding. This will cover factors such as financial performance, operational performance, strategy, ESG, key management personnel and stock market specific factors such as volatility, liquidity, dividend yield and correlations.

The purpose of the assessment is to ensure that the investment remains an attractive proposition, complies with the relevant fund's investment policy and contributes towards the fund achieving its investment objective.

Assessment is primarily based on data presented in or by company financial results; company presentations; third party data providers; and third-party research providers.

Furthermore, each investment will be assessed to ensure that it continues to comply with the ESG and sustainability considerations that were part of the initial investment process. All holdings must comply on an ongoing basis to be retained with the relevant fund's portfolio.

Handling conflicts of interest

Foresight takes all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, manages, monitors and discloses those conflicts of interest in order to prevent them from adversely

affecting the interests of any fund and its investors, and ensure that all funds are fairly treated.

Exercising voting and other relevant rights relating to our shareholding

Foresight's primary method of influencing change will be by direct engagement with the investee company through shareholder meetings with management and, if appropriate, boards. Where necessary, Foresight will actively use its right to vote as a shareholder to support improvements and drive change.

Liaising with other shareholders

Given active management is a core part of Foresight's investment process, it will typically interact directly with the management team and board.

Foresight will collaborate with other shareholders when it is concluded that such collaboration will have a greater impact than acting individually. This is assessed on a case by case basis and must be in compliance with the Shareholder Engagement Policy, relevant laws, rules and regulation and the relevant investment policy.

Significant votes / Annual disclosure

Foresight is required to make an annual disclosure in respect of the Shareholder Engagement Policy's application and implementation. This disclosure will be made following the first year of operation of the Shareholder Engagement Policy.

FORESIGHT GROUP

Foresight is a leading independent infrastructure and private equity investment manager which has been managing funds on behalf of institutions and retail clients for more than 35 years. Foresight has c. £6.6 billion of assets under management across a number of funds, including listed vehicles, Limited Partnerships, Enterprise Investment Schemes, Venture Capital Trusts, Inheritance Tax Solutions and Open-Ended Investment Companies.

Funds managed by Foresight include the ownership of more than 150 solar projects around the world, 26 onshore wind projects, 40 bioenergy and waste facilities in the UK and Europe and 26 reserve power assets. Foresight also invests in the wider infrastructure sector including hydro, battery storage and waste management, wastewater treatment projects, forestry, social infrastructure and energy efficiency. Together our projects have a generating capacity of over 2.5GW, with the potential to produce enough clean renewable electricity to power more than a million UK homes every year. Headquartered in London with seven further UK regional offices, Foresight also has international offices in Rome, Seoul, Sydney, Luxembourg and Madrid.

IMPORTANT INFORMATION

This has been approved as a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Foresight Group LLP (“Foresight Group”). Foresight Group is authorised and regulated by the Financial Conduct Authority (FRN 198020). Its registered office is The Shard, London SE1 9SG. FundRock Partners Limited is the authorised corporate director of the FP Foresight OEIC (the “Fund Group”) and Foresight Group is the investment manager. We recommend investors seek professional advice before deciding to invest. Investors must read the Prospectus (“Prospectus”) and relevant Key Investor Information Document (“KIID”), before making an investment decision. The opportunities described in this document may not be suitable for all investors. Attention should be paid to the risk factors set out in the Prospectus. Words and expressions defined in the Prospectus shall have the same meaning in this Investor Factsheet. Foresight Group does not offer investment or tax advice. The value of an investment in any of the funds within the Fund Group, and any income from it, can fall as well as rise. Investors may not get back the full amount they invest. Past performance is not a reliable indicator of future results. Personal opinions may change and should not be seen as advice or a recommendation. There are a number of other risks connected to an investment in a fund within the Fund Group, including (but not limited to) counterparty risk, liquidity risk and volatility. These risks are explained in the Prospectus. The Fund Group focuses on the global renewable energy and infrastructure sector only and will have a less diverse portfolio than the average OEIC. We respect your privacy and are committed to protecting your personal data. If you would like to find out more about the measures we take in processing your personal information, please refer to our privacy policy, which can be found at <http://www.foresightgroup.eu/privacycookies/>. **Capital is at risk. August 2020.**

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Foresight
FOR A SMARTER FUTURE

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