

Responsible Investment and Impact Report

June 2025



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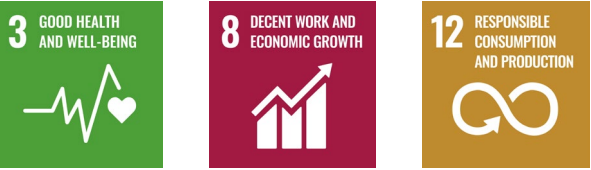
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OC0083

OHF has aligned its principles with the United Nations Sustainable Development Goals, in particular goals 3.8, 8.8 and 12.6



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About this report

This Responsible Investment and Impact report includes the actions that have been taken by Octopus AIF Management Limited (“the Manager”) regarding Octopus Healthcare Fund (“OHF” or “the Fund”). Unless otherwise stated, all data in this report is from 31 December 2024. The reporting extends to the real estate assets the Fund owns and where the operators have provided operational data. This report has been prepared in accordance with INREV Sustainability Reporting Guidelines, of which Octopus Investments is a member and aligns with best practices. The report and data included have been independently verified by Envision, OHF’s Sustainability Consultants.

About Octopus Capital

Octopus Capital, part of Octopus Investments, is a B Corp certified asset manager investing in the people, ideas and industries that will change the world. Backed by our rich heritage in pioneering new investment classes, we invest with purpose into the areas we believe can have the greatest impact for institutional investors and the world around us. We support our clients’ investment objectives with impact-focused strategies aligned to solving the world’s greatest challenges and centred on three vital asset classes: real estate, infrastructure and private debt.

About Octopus Healthcare Fund

OHF is one of the largest unlisted healthcare real estate funds in the UK, managing £1.64bn assets comprising of 92 trading care homes and 14 homes under construction with a total amount of beds including pipeline of 7,548.¹ The Fund works with 32 operators throughout the UK.

Social

99.7%
of full-time equivalent (FTE) staff are local²

87%
average employee satisfaction rate

100%
of permanent employees have access to a wellbeing and mental health programme

414
weeks of apprenticeships have been completed

15%
by value on average are contracts with local suppliers

40,929
hours of social activities provided for residents⁵

Environment

3,662
hours of activities with the public, community groups, and schools³

2,520
Emission per occupied bed

426,098
Total water m³

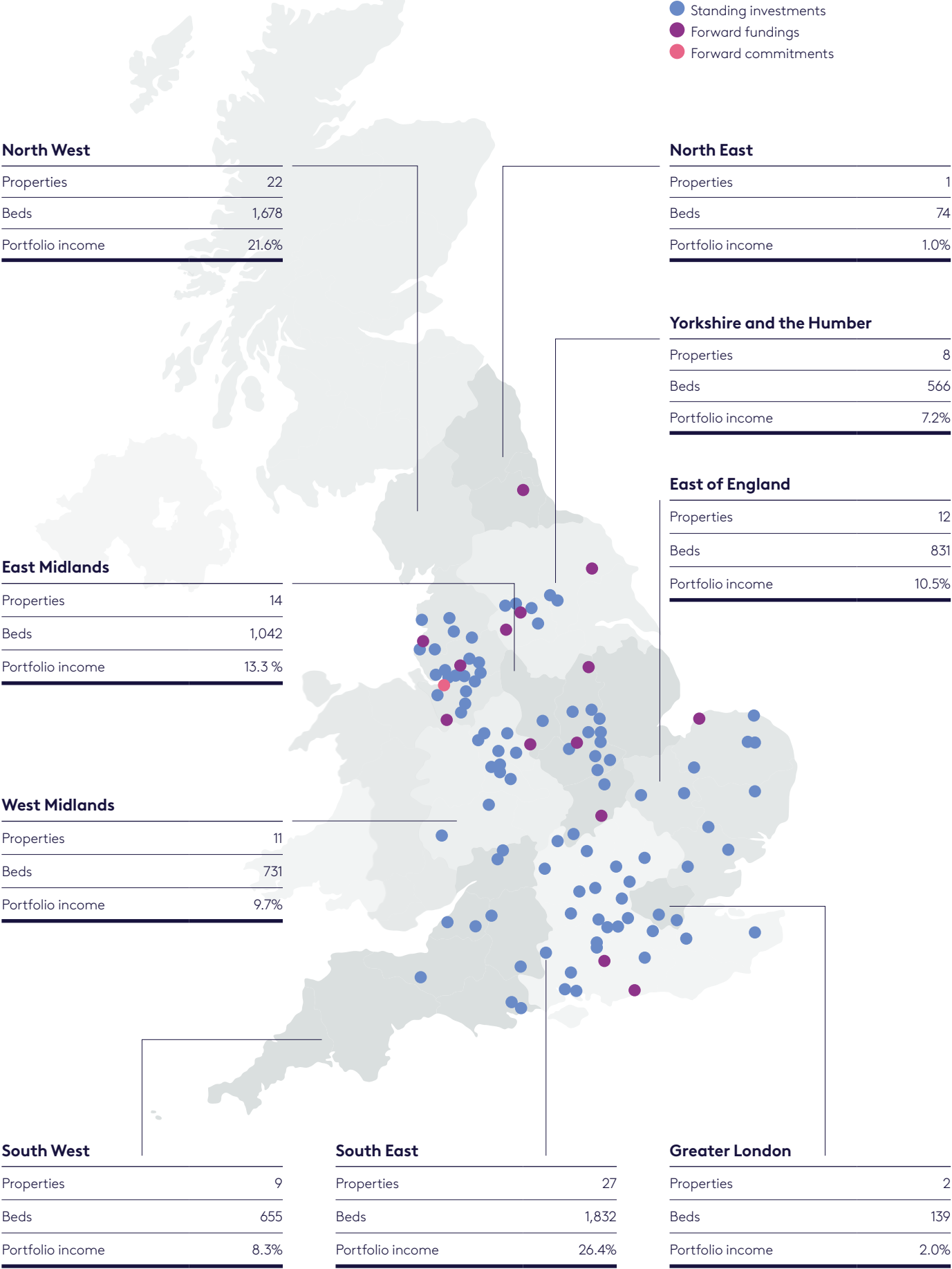
1:4.5
average daytime ratio of staff to residents⁶

32%
Percentage of renewable electricity contracts

1,467,899
Total waste in tonnes

¹13 homes forward funded and 1 home forward committed.
²Defined as within 30km of the site.
³Across 23 homes.
³The 2024 data is reported as of 30 June 2025 and may be revised in future reports as additional information becomes available. More details on emission methodological see page 16. Total energy and water data coverage, represented as a percentage of floor area (m²) for energy and cubic meters (m³) for water.
⁴Across 24 homes. For daily or weekly figures, these have been calculated based on 5 days a week for 52 weeks, or for the duration of the home’s operation.
⁵This varies between and within homes dependent on specific resident needs.

OHF portfolio map



Our approach

We follow a three-step approach to responsible investment which is aligned with **Octopus Investment’s Responsible Investment Policy**. The framework considers the following:

1 Mission: impact objective

Our mission is to provide quality care beds to address the UK’s growing care bed deficit. We strive to create exceptional facilities you’d choose for your loved ones, investing in high quality care homes that can catalyse positive change and impact communities.

2 Materiality: sustainability issues impacting Fund performance

We consider sustainability issues that could affect the performance of the Fund. Using guidance from the Sustainability Accounting Standards Board (“SASB”) for the ‘Real Estate’ sector. Please refer to **OHF’s Responsible Investment Policy** for details on how the team has identified the sustainability issues and considered their materiality and how they can be mitigated.

3 Responsibility: support offered to operators

We are committed to operating in a manner to minimise any adverse impacts of the Fund’s activities. By 2030, all newly developed assets will be net zero, with all existing assets achieving net zero by 2040.⁷

We have developed an engagement tool designed for operators, helping them assess whether they take into account a broad range of stakeholders—including employees, communities, customers, shareholders, and the environment. This tool offers guidance to support operators in managing homes more responsibly and efficiently.

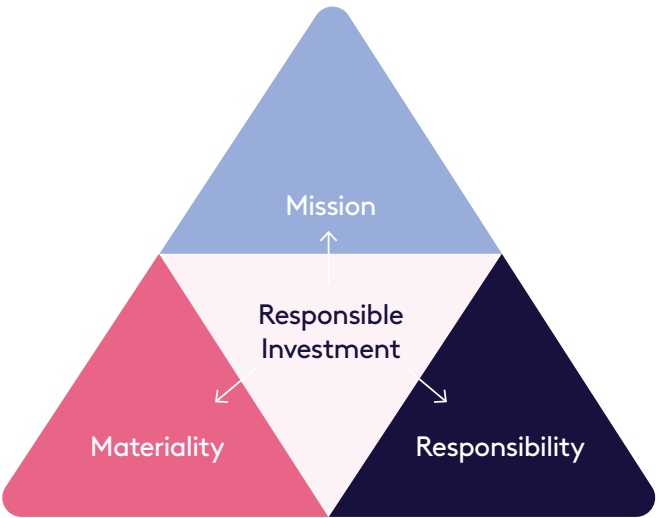
The Fund’s Responsible Investment Policy ensures that we comply with current ESG-related legislation and demonstrates our continuous improvement to performance.



Octopus was certified as a B Corp in 2021. The B Corp framework helps us create a simplified and standardised approach to doing business. It ensures we consider our wider stakeholders when making decisions. It has become a framework for us to convey performance (beyond simply financial metrics) and build trust amongst our stakeholders. This approach is embedded in how we run our business as well as how we manage our money. In 2021, Octopus scored 85.4 points, above the 80-point threshold that companies are required to reach to be certified B Corps™. Our target for the 2024 recertification was to be in the top 10% of large financial services (those with >250 employees). Upon recertification, Octopus scored in the top 10% globally, with a score of 122.7. Being a B Corp encourages transparency, requiring every company to showcase their progress and reaffirm their dedication to continuous improvement. Octopus has taken steps to make disclosures related to each of its stakeholders. More information can be found in our **Gender Pay Gap Report**.



Octopus Investments is a signatory of the UN PRI, committing to the integration of Environmental, Social, and Governance (“ESG”) factors into its investment analysis and decision-making processes, in line with global best practices promoted by the initiative. Octopus scored 4 out of 5 stars for Policy Governance and Strategy, and 4 out of 5 stars for the Real Estate module to which OHF contributed.



Impact

Since 1 January 2021, Octopus Investments Ltd has been a signatory of the Global Impact Investing Network’s Operating Principles for Impact Management (the Impact Principles), with the Fund committed to operating as a mainstream Impact Fund in line with the Impact Framework. The Fund monitors a set of core KPIs to track its performance:

KPI description	KPI calculation (Data Source)	Data Source
Number of quality care beds in OHF portfolio as % of all UK care beds	No. of quality care beds in OHF portfolio No. of UK care beds	Carterwood ⁸
Number of new quality care beds funded by OHF as % of all new care beds delivered in UK in period	No. of new quality care beds funded by OHF in period No. of UK new care beds delivered in period	Carterwood
Number of new quality care beds funded by OHF as % of UK shortfall of quality care beds	No. of new quality care beds funded by OHF in period Shortfall in UK care beds with en-suite wetrooms	Carterwood
Care quality	Care Quality Commission (“CQC”) Ratings; Octopus Clinical Assurance Team “Watch List”	CQC Octopus
Real estate quality	See ESG KPIs	

Octopus Investments published its first annual disclosure statement on 31 January 2022 in line with the Impact Principles requirements. During 2024, the Fund contributed 5.9% (439 beds) of all new quality care beds delivered in the UK.

Octopus Investments published its second externally assured **Impact Alignment Statement**, covering the 2024 calendar year. The statement has been externally assured by BDO, and is reassured every three years.



⁷Following the UK Green Building Council – Net Zero Carbon Buildings – A Framework Definition (April 2019).

⁸Carterwood is the recognised industry leader in providing market commentary and analysis for the care home sector.

KPI Description	KPI Calculation ⁹	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Cumulative 2024
Number of quality care beds in OHF portfolio as % of all UK care beds	No. of quality care beds in OHF portfolio No. of UK care beds	6,165 441,438	6,274 441,279	6,052 ² 440,130	6,529 443,309	6,529 442,039
		1.40%	1.42%	1.46%	1.47%	1.48%
Number of new quality care beds funded by OHF as % of all new care beds delivered in UK in the period	No. of new quality care beds funded by OHF in the period No. of UK new care beds delivered in period	0 1,447	108 1,268	187 2,248	144 2,425	439 7,388
		0.00%	8.52%	8.32%	5.94%	5.94%
Number of new quality care beds funded by OHF as % of UK shortfall of quality care beds	No. of new quality care beds funded by OHF in period Shortfall in UK care beds with en-suite wetrooms	0 233,034	108 231,833	187 228,955	144 226,221	439 230,011
		0.00%	0.05%	0.08%	0.06%	0.19%



Definitions:

“Quality care beds” is defined as:

Quality Care: those homes that are not rated “Inadequate” by the CQC and do not feature as high risk on the Octopus Quality Assurance Team “Watch List”.

Real Estate: Assets which meet the following criteria: (a) a bedroom with an en-suite wetroom in a care home built (or converted) to modern standards and (b) operated by a care provider delivering quality care.

Please note: an asset is included in the calculation at the point in time that it reaches Practical Completion, or at the point of acquisition for standing investments.

⁹UK data supplied by Carterwood. OHF data includes Specialist Healthcare beds.

Quality assurance

In the five years since the start of the COVID pandemic, the requirement for changes within care homes has been extensive.

There was a significant impact on staffing with many people deciding to leave the sector. Positively, a sense of stability within care homes has been palpable over the past year. Encouragingly, trust in the social care sector has regrown and as a result, local recruitment has seen an increase. International sponsorship has also added stability to the workforce and therefore there has been a notable reduction in agency use across the entire portfolio. Although recent news from the Government regarding the freeze on overseas sponsorship until 2028 has generated a lot of media attention, the operators within the Fund are seeing minimal impact on their staffing, as there has not been an over reliance on employing colleagues from overseas.

The stabilisation of the workforce has led to significant investments from operators implementing new ways to support their teams, ensuring that individuals feel valued and recognised for their hard work.

Across the portfolio, we have seen meaningful wellbeing initiatives introduced. Mental health first aiders are now core members of many teams, with some hosting weekly drop-in sessions to support extra wraparound care. This allows colleagues the safe space for free and open conversations. Some operators have implemented dedicated spaces within the care homes to ensure focus can be given to staff when required. In some cases, homes have seen a decrease in levels of sickness absence as they have been able to identify personal problems earlier and offer support when required.

One Fund operator supports a recognition scheme whereby a member of staff can be nominated for impactful practice by a visitor or resident of the home. Golden tickets are transferred into gifts and company-wide recognition, positively reinforcing colleagues’ efforts.

Notably, one operator is setting up a foundation for staff to give their teams access to charitable funds for additional unforeseen costs. The operator provides a real living wage, but is cognisant that pay levels within the care sector are low; operators have witnessed staff members struggle financially, adding further stress to the individual, and they wanted to be able to make an impact as soon as its needed to relieve as much stress as possible.

Many operators acknowledge the financial struggles of their staff and offer hot meals to all; some have set up food cupboards to allow staff to donate staple food items that are available to all of the team if required.

Overall, the operators within the Fund are committed to making a strong contribution to the wellbeing of their colleagues looking after their mental and physical health to allow them to provide the best possible care to the residents living within our care homes.



Carrie Pilgrim,
Clinical Assurance Director,
Octopus Capital

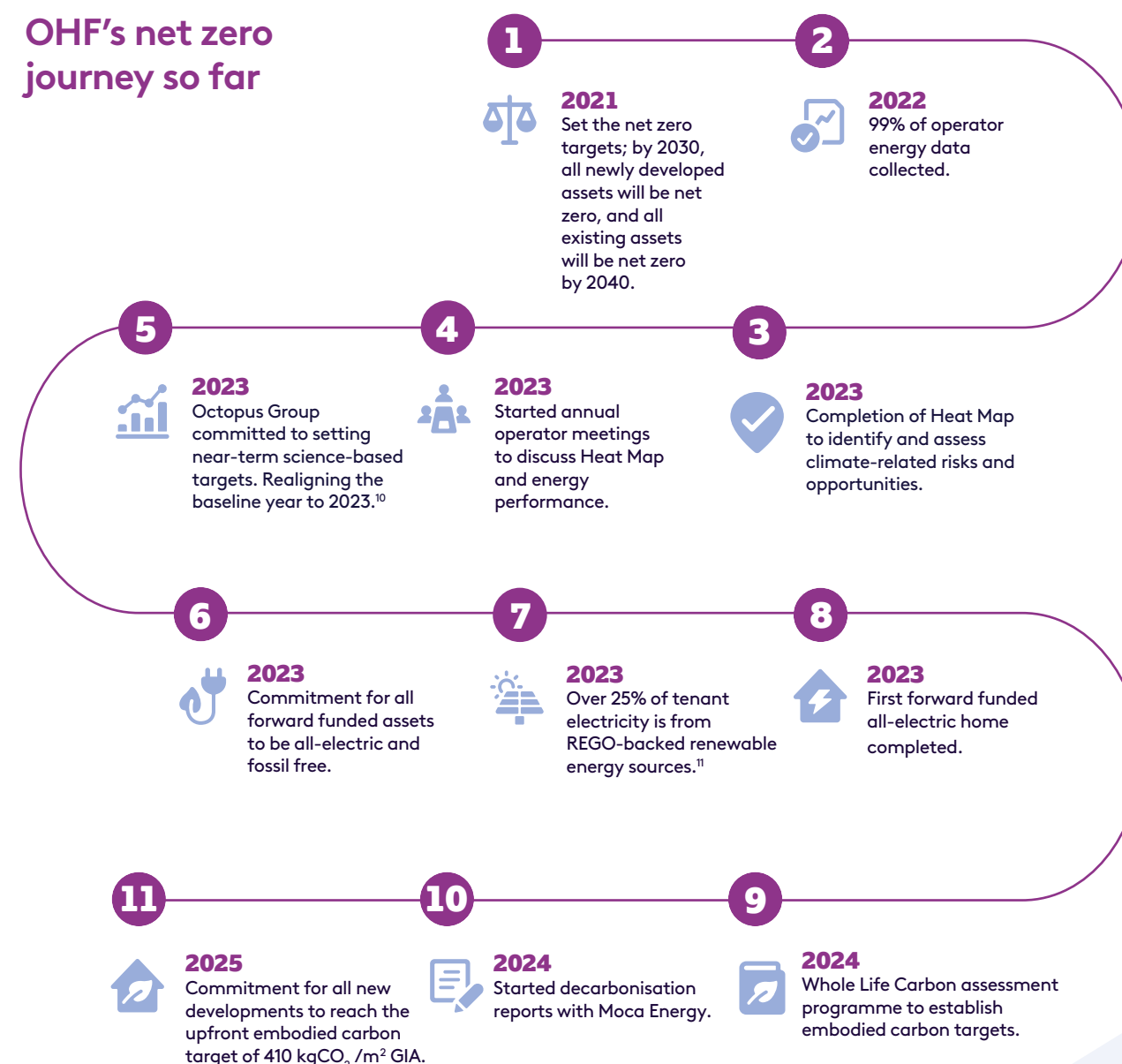
“The Fund’s operators are committed to supporting colleagues’ mental and physical wellbeing, enabling them to provide the best possible care to our care home residents.”

Targets

Net Zero carbon

Since the publication of our net zero carbon statement in November 2021, the Fund has been working to build its strategy to reach its 2040 net zero target. Over the past year, we've focused on understanding the whole-life carbon effects of the assets and reviewing the embodied and operational carbon produced.

OHF's net zero journey so far



Green book

The Green Book outlines the core requirements for assets entering the Fund and was updated towards the end of 2024. Engagement with the Fund's developers is key to meeting the 2030 target of all newly developed assets to be net zero. In 2024, we published the new Green Book requirements, which are highlighted in bold below;

- Achieve, or be predicted to achieve, BREEAM In Use Excellent
- Achieve a minimum BREEAM New Construction Very Good (Forward Fund only)
- Automatic metering system for all energy and water consumption

- Achieve a minimum EPC A rating
- No fossil fuels used on site
- On-site energy generation from photovoltaic panels maximised
- Energy purchased via green tariff
- **A-C whole life carbon emissions assessed¹²**
- **All new developments to reach the upfront embodied carbon target of 410 kgCO₂/m² GIA**
- **Achieve over 10% Biodiversity Net Gain on new construction**

¹⁰ Octopus Group is the parent company of Octopus Investments.

¹¹ Renewable Energy Guarantees of Origin ("REGO") are certificates issued in the UK to prove that a given share of electricity was generated from renewable source

¹² Whole life carbon stages refer to lifecycle modules defined by EN 15978: A1-A5 (Product and Construction), B1-B7 (Use), and C1-C4 (End of Life).

Embodied carbon

- 1 Reduce carbon
- 2 Optimise materials
- 3 Plan for the future
- 4 Carbon offset

2030

Net Zero
Whole Life
Carbon

2040

Operational carbon

- 1 Reduce the demand for energy
- 2 Use energy efficiently
- 3 Use renewable energy
- 4 Carbon offset

Embodied carbon

The Fund set upfront embodied carbon targets for 2025 and 2030. Notably, it addresses a gap in the industry, as no recognised embodied carbon targets currently exist specifically for care homes. Any remaining emissions will be fully offset through high-quality carbon sequestration projects. The table below outlines the Fund’s 2025 targets, as well as forward-looking goals for 2030, measured in kgCO₂/m² (GIA).

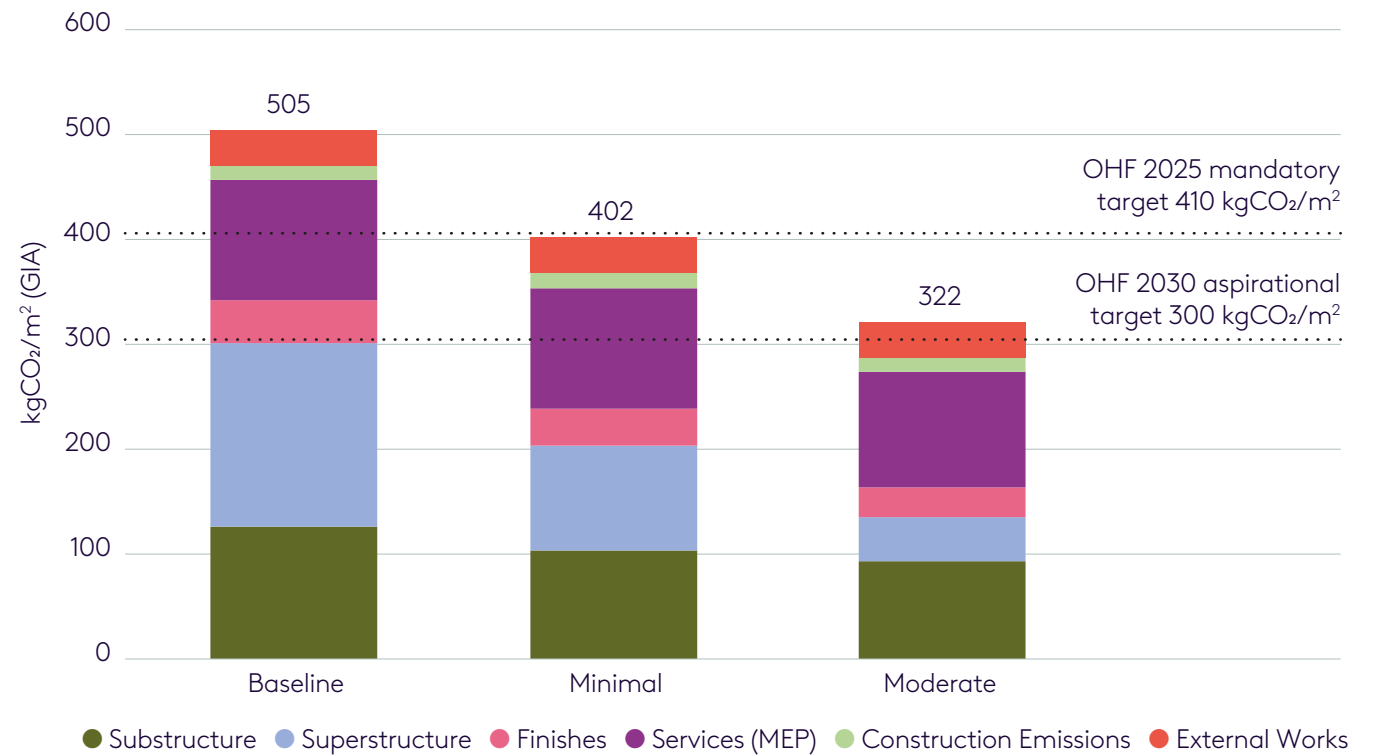
In addition, the Fund also published the first Embodied Carbon Guide that outlines the Fund’s targets. The guide aims to help developers on adopting a whole-life carbon approach to reducing

emissions in the built environment. The guide provides detailed carbon assessment requirements, practical reduction strategies (such as minimising material quantities and specifying low-carbon material solutions) and broader considerations, including type of refrigerants, durable finishes, and end-of-life design principles. The chart below shows three different pathways. The baseline represents a business-as-usual scenario, while the other two routes illustrate how embodied carbon can be reduced using either minimal or moderate wider-impact reduction strategies to meet the 2025 target. We continue to review routes for achieving the 2030 target.

Embodied carbon targets

		Minimum target (2025)	Future target (2030)
Upfront carbon (A1-A5)	Mandatory	410	300
Whole life Embodied carbon (A-C, excluding B6-B7)	Optional	810	620

Embodied carbon reduction routes



Embodied carbon emissions in 2024

The upfront embodied carbon target of 410 kgCO₂/m² was introduced at the end of 2024. Although not yet a requirement, three out of seven homes within the Fund completed that year met the target.

These homes incorporated timber roof structures, contributing a high proportion of biogenic carbon, and used strip foundations, reducing the amount of concrete required.

Developer engagement

In June, Octopus hosted an event at Octopus Energy's training and R&D center, to strengthen our connection with the Fund's developers. The event featured several presentations; Octopus Energy discussed renewables, electrification, solar power, battery storage, air source heat pumps, and available business tariffs. Kensa (a ground source heat pump provider) focused on ground source heat pumps, explaining the design, installation process

and financing options. The final presentation from Eclipse (a grid connection consultancy) covered best practices for designing, operating, and maintaining grid connections. The morning was concluded with a tour of the research centre, showcasing the research and training dedicated to renewable energy solutions in the UK. Several developers have continued product discussions with Kensa and Eclipse.



Case study: Downham Market

Kori, the main contractor for the Downham Market project, set clear targets to reduce operational emissions from site activities during the construction phase. Overall, the project achieved an 11.39% reduction in total carbon emissions compared to the original target—emitting 66.46 tCO₂e against a target of 75 tCO₂e.

This reduction was achieved through several key initiatives:

- **Travel Efficiency:** Car and van sharing were actively promoted, reducing travel by 188,577 miles.
- **On-Site Material Reuse:**
 - 800m³ of topsoil reused on site
 - 80m³ of 6F5 material from the piling mat repurposed for scaffolding¹³
 - 200m² of existing grass revitalised instead of re-turfed
- **Septic Tank Reuse:** The existing septic tank was repurposed for welfare facilities, saving £25,000, avoiding 3.32 tonnes of carbon, and eliminating the need for two weekly waste-removal journeys.
- **Waste Minimisation:** A total of 316 tonnes of material were reused, resulting in a low waste intensity of just 6.28 tonnes per 100m² of floor area.



¹³ 6F5 is a type of recycled aggregate, made from crushed concrete, brick, or demolition waste.

Operational Carbon: Pathway to Net Zero in operations

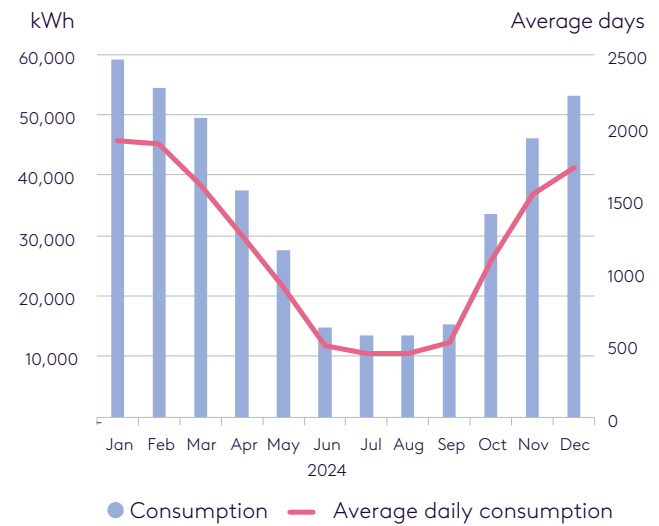
Improving data quality and coverage

We continued to improve our understanding of the Fund's assets' operational energy, water, and waste use by increasing the granularity of the portfolio's data coverage. To streamline data collection, we requested consent from all tenants and, where given, used the Perse Technology platform—a third-party data provider—to automatically collect electricity and gas meter consumption data. The platform collected 56% of the portfolios meter consumption, reducing the time taken to collect and process the data.

Operator engagement

Engagement with our operators is critical to the Fund's net zero strategy. For the second year running, we have met with operators to review the Fund's homes' operational energy performance and Heat Map score. Energy performance is assessed at the asset level against historical data, and then compared anonymously across the portfolio to evaluate relative performance and estimate the potential carbon savings from solar photovoltaic ("PV") panels installed. The Heat Map split the assets into quintiles and identified weighted risk attributes of homes, such as physical climate risk score, EPC rating, BREEAM In-Use, fuel type, stranding year, fuel use (kWh / filled bed) and electricity use (kWh / filled bed) and compared them against the anonymised portfolio.

Gas consumption

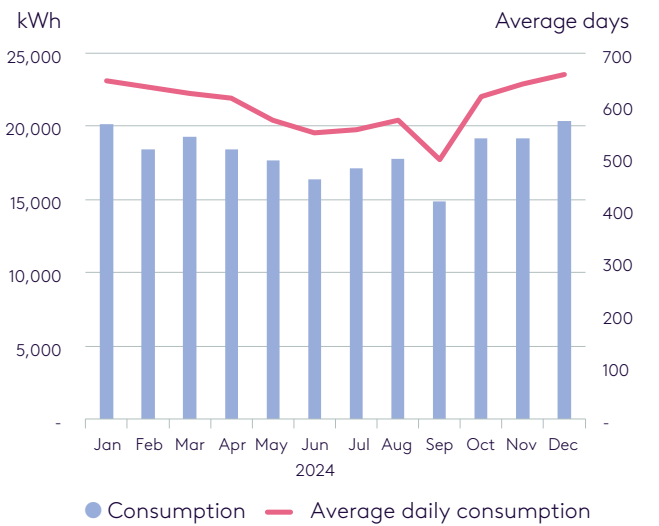


Portfolio decarbonisation

Towards the end of 2024, the Fund initiated a decarbonisation project with Moca Energy, which is part of Octopus Energy. This project involves collecting and analysing energy and building data from the homes, and producing decarbonisation reports that align with the Fund's net zero target. The reports outline potential carbon reduction strategies, expected annual payback, associated decarbonisation costs, and their effects on operators' operational expenses. In 2024, Moca Energy published 22 portfolio reports, and we have started to use the reports to conduct data-driven conversations with tenants to drive efficiency and optimisation, and discuss implementing optimisation changes that offer the quickest return on investment. In 2025, Moca will continue to run this analysis and share reports on the remaining portfolio.

The graphs below are taken from a Moca Energy report and demonstrate a home's typical gas and electricity usage. During the summer, heating is minimal, resulting in low gas usage only for the kitchen, laundry, and hot water. The general pattern shows consistent electricity usage, with some small increases in winter. The analysis below enables the Fund to track year-on-year energy usage, highlighting usage patterns and inefficiency areas.

Electricity consumption



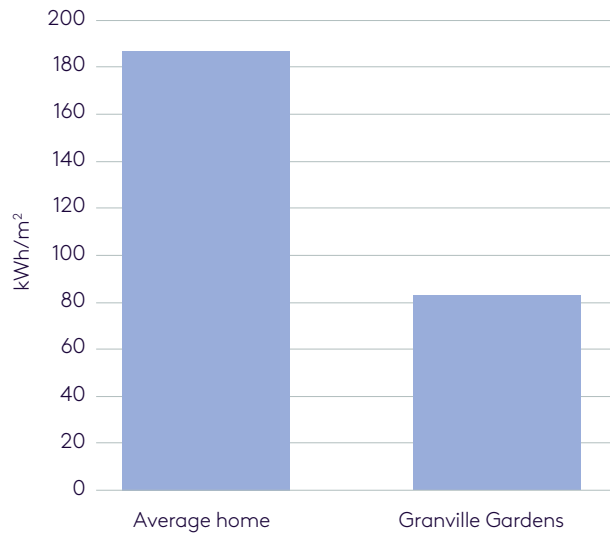
Electrification

Granville Gardens was the first all-electric care home in the Fund's portfolio, completed at the end of 2023. The property is heated using an air source heat pump ("ASHP") system: one ASHP provides underfloor heating and air conditioning, while a separate ASHP supplies hot water for showers, taps, and kitchen use. Compared to a conventional mixed-fuel home, the ASHP for space heating is approximately four times more efficient than a standard gas boiler, and the ASHP for hot water is around twice as efficient.

One key reason for the home's efficiency is that underfloor heating is delivered only to the areas that need it. Staff can turn off heating in parts of the building that are unoccupied or do not require warmth. The home is also highly insulated and equipped with LED lighting throughout.

Based on current energy use, the building is projected to meet the Carbon Risk Real Estate Monitor ("CRREM") stranding threshold by 2040, aligning with the Fund's net zero target for that year.

The graph below compares the average home in the portfolio to Granville Gardens. It's important to note that the average home figure is based on the rest of the portfolio. Granville Gardens, which opened at the end of 2023, currently has lower occupancy than this average.



Mike Toft,
Head of Care Homes,
Senior Fund Manager,
Octopus Capital

“We provide the highest quality homes for our operators whilst striving to minimise the environmental impact of these homes and our wider portfolio.”

Emissions table

tCO ₂ e							
	Scope 1 ¹⁴	Scope 2	Scope 3 ¹⁵	Total Tenant Emissions ¹⁶	Total GHG Emissions ¹⁷	Emissions per kgCO ₂ e/m ² ¹⁸	Emission per occupied bed
2022	5,692	3,162	N/A ¹⁹	8,854	8,854	34.9	2,953
			N/A ¹⁹				
2023	7,299	3,898	2,478 Operational 6,041 Embodied	11,127	19,645	36.8	2,534
2024	7,768 ¹⁹	4,225 ²¹	3,363 ²² Operational 10,290 Embodied	15,336	25,626	37.9	2,520



Emissions measurement methodology: 100% coverage of the property strategy. Scopes 1, 2 and operational scope 3 were estimated using metered energy data for gas and electricity (Partnership for Carbon Accounting Financials “PCAF” data quality score 2), except for assets that have been in operation for a short time and for which annual energy consumption data is not available, in which case estimates are taken from the development’s energy strategy (PCAF data quality score 3).

For construction projects, Scope 3 embodied carbon emissions (covering stages A1–A5) are sourced from consultants’ reports (when the schemes are completed and available) or from industry-adopted benchmarks (in uncompleted schemes), apportioning carbon in construction activities associated with the construction works undertaken during the reporting period.

Green Tariffs

Over the past year, there has been an increase in operator renewable energy contracts, now accounting for 32% of our portfolio. We will continue to discuss renewable energy contracts and their benefits with operators.

¹⁴ Including refrigerant emissions.
¹⁵ Scope 3 includes Categories 1,3 and 5.
¹⁶ 100% Scope 1, 2 and 3 including estimates, including refrigerants and excluding embodied.
¹⁷ 100% Scope 1, 2 and 3 including estimates, including refrigerants and embodied.
¹⁸ Not including assets sold or developments completed within the reporting year. The filled bed average does not include Darnton (2022, 2023, 2024) and Preston (2023, 2024); these properties are sub-leased to the local NHS Foundation Trust.
¹⁹ The Fund didn’t calculate Scope 3 emissions in 2022.

²⁰ Scope 1 – 98% of the data is actual, 2% is estimated, and 0% is unavailable. Data is at 30 June 2025 and may change in subsequent reports as further data is collected.
²¹ Scope 2 – 99% of the data is actual, 1% is estimated, and 0% is unavailable. Data is at 30 June 2025 and may change in subsequent reports as further data is collected.
²² Scope 3 – 91% of the data is actual, 9% is estimated, and 0% is unavailable. Data is at 30 June 2025 and may change in subsequent reports as further data is collected.

Green Leases

The Fund has a target of 100% of all portfolio leases to contain green clauses by the end of 2025. At the end of 2024, 57% of assets in the Fund had green lease clauses, and the Fund continues to work to increase this percentage; all new assets entering the Fund include green lease clauses.

Climate Resilience

The Heat Map continues to identify and assess climate-related risks and opportunities in relation to each asset, both in terms of physical climate risk and transition risk. We continue with the asset-level analysis which combines actual metered energy data from each care home with key building attributes and physical factors observed through site surveys and assessments. This scenario analysis helps us to understand how assets are resilient to future risks, and help the portfolio to transition towards net zero and manage climate related risks in accordance with the Taskforce for climate-related Financial Disclosures (“TCFD”). The Heat Map uses the CRREM outputs for each asset based on a 1.5-degree global warming scenario.



The analysis captures the stranding risk for each asset, considering a CO₂e and energy intensity pathway and utilising other data sets. Octopus Group is working towards having its near-term science-based targets approved by Science Based Targets initiative (“SBTi”).

Carbon offsetting

Offsetting is the last step of our decarbonisation strategy to reduce residual emissions and meet net-zero targets under SBTi guidance. Following the Oxford-based principles and mitigation hierarchy, residual emissions will be offset via high-quality carbon sequestration projects based in the UK that meet the Integrity Council for the Voluntary Carbon Market standards. Buyers will be aligned with the Voluntary Carbon Market Initiative.

Biodiversity

The Fund’s biodiversity target is for all newly-developed assets that complete after 2025 to exceed the required 10% biodiversity net gain requirement. All homes in the 2024 development pipeline were submitted for planning approval before the biodiversity net gain legislation came into effect.

Social Value

Envision has been working with the Fund over the last year to evaluate the social value impact of the Fund's care homes, both those in operation and in development. A bespoke framework has been developed, aligned to the Fund's priorities, to assess and report on the social value being delivered by the Fund. The framework is structured around four key stakeholder groups for social value identified as; Residents, Employees, Community and Supply chain.

For each stakeholder, a series of aims have been defined, such as 'Supporting Secure & Stable Employment', and 'Engaging with the local community', with reporting metrics identified for each.

The framework was provided to operators in May 2025, for reporting on the 2024 year, and in the few weeks since, responses have already been received from ten operators, representing around a third of operational assets.

These initial results are already able to demonstrate the great work the Fund's care homes are doing to deliver positive impacts for its stakeholders. Key metrics from these initial results can be found on page 4 of this report, in the Impact results table.

The full results, including those for the assets under development, will be released later in the year, and will be reported on an annual basis.



Case study: Delivering Social Value at Downham Market

Kori has been delivering and measuring the social value created on site. Kori has promoted open, transparent communication by hand-delivering introductory newsletters and holding face-to-face meetings with neighbours before work began on site.

These conversations helped identify key concerns – most notably, the potential for local road congestion.

Kori implemented a timed delivery management system to avoid peak hours and school times, ensuring no vehicle queues formed on local roads.

Kori kept the community updated with monthly newsletters, each including a 'Kori Live' QR code linking to real-time project footage, social value metrics, and free surplus materials (valued at £3,984).

The project has just been shortlisted for Construction News Community Engagement Project of the Year and Project of the Year (under £20m).



Case study: Hallmark

Hallmark are committed to embedding sustainable practices into every part of its operations, decision-making, processes, and culture.

One of their standout initiatives is the Sustainability Pledges, which were developed collaboratively by the Care Accelerator team. Each member of the Hallmark Executive Leadership Team is the sponsor of at least one pledge, and they are supported in the continuous measurement and implementation of initiatives they plan in order to make progress on our commitment. The pledges focus on five key areas:

1. Sustainability Training

- The training needs to equip all new team members with the knowledge and tools to integrate sustainable ESG practices into the homes and workplaces.

2. Electric Vehicles

- The company fleet is to be entirely hybrid or electric. They've made some progress so that now 70% are electric or hybrid.

3. Accountable Energy Use

- Be smarter in how staff measure and reduce energy consumption.

4. Waste Management

- Operate a zero waste to landfill policy, with all homes sorting waste and recyclables.

5. Going Paperless

- Measure and report on paper usage across the organisation, with a continuous focus on identifying ways to reduce it — achieving an 8% reduction in the past year.



Fund Performance

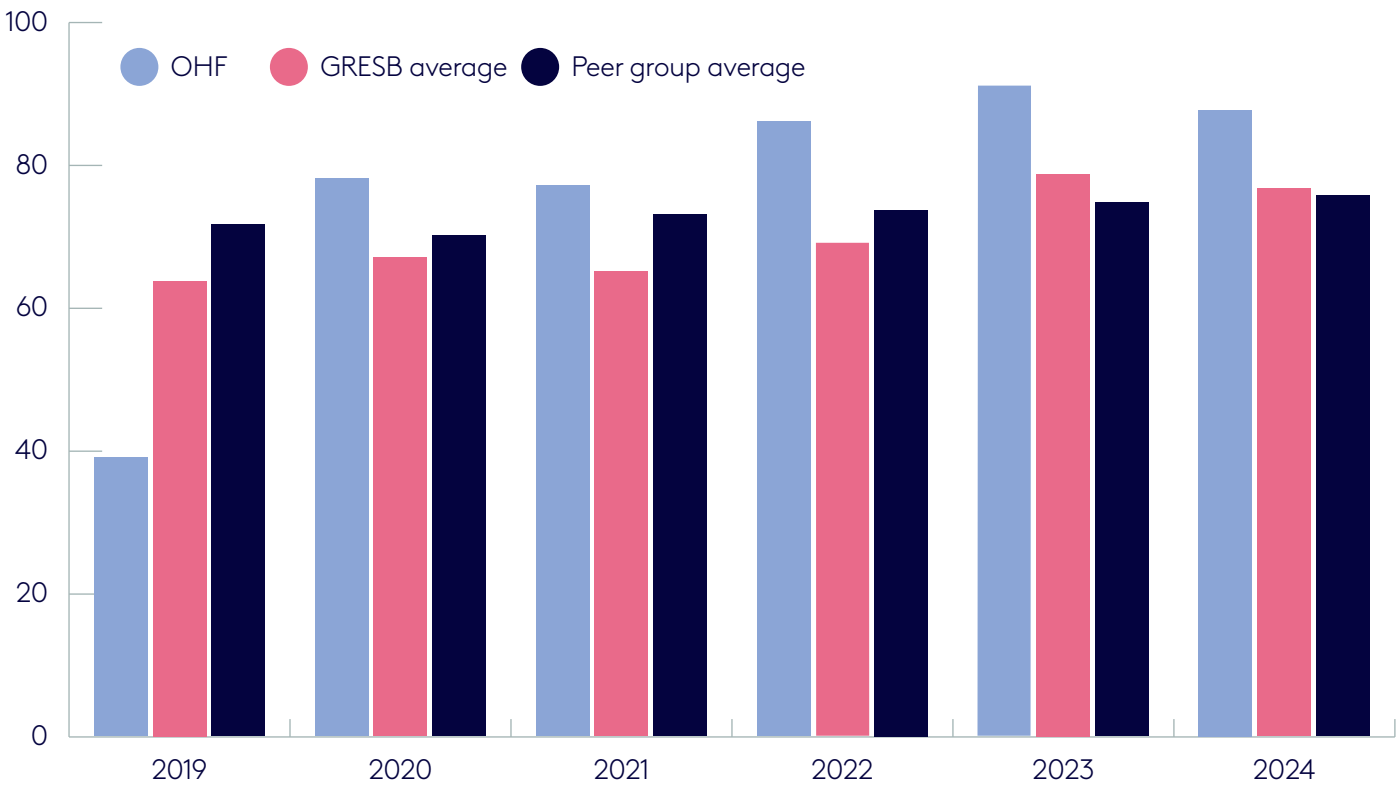
GRESB

In the Standing Investment submission, the Fund scored 88/100 and was awarded 5-stars for the second year in a row. For the third year in a row, the Fund came first in its peer group with a peer group average of 77/100, sixth out of 41 within Healthcare Europe, and outperformed the GRESB average of 76/100.

The 2024 score is three points lower than the 2023 result. This is due to GRESB’s new Standard, which includes a more rigorous assessment of sustainability practices, new asset-level benchmarks, and enhanced alignment with emerging investor priorities.

In the 2024 GRESB Development submission, the Fund increased its score by two points, from 91/100 to 93/100 and was awarded 4-stars for the second time. The Fund came second in its peer group scoring above the peer average of 83/100 and GRESB average of 86/100.

OHF GRESB average score



²³ Calculations based on number of assets.

Asset Accreditations

EPC Rating²³

The Fund is working towards the new end-of-2025 target of 100% of assets to be EPC B rated (or higher) and 40% of assets to be a minimum of EPC A rated. As at 31 December 2024, 100% of assets were rated EPC A and B, and 38% were rated EPC A. The current EPC ratings of the portfolio are shown below. The Fund is 100% compliant with the Minimum Energy Efficiency Standard (“MEES”), which came into force in 2018 and the Fund complies with the most stringent requirements due to be introduced in 2030.

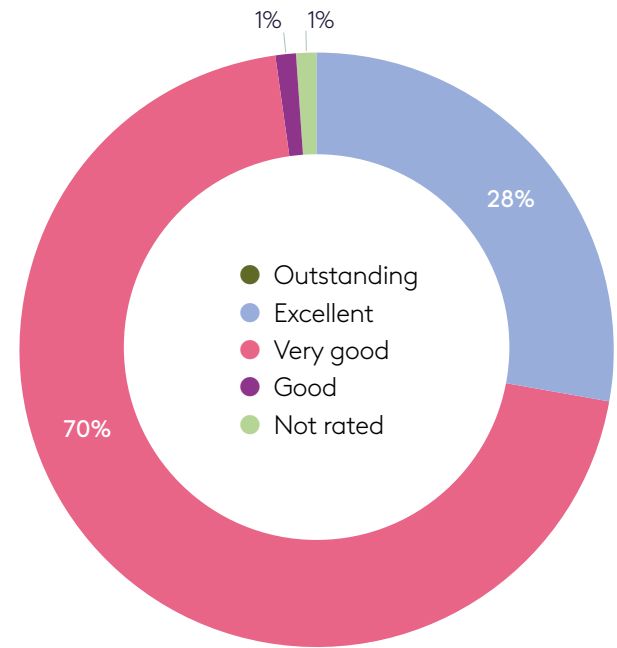
Portfolio EPC Rating¹⁷



BREEAM In-Use (Part 1)²³

The Fund aims for 95% of the portfolio to achieve a BREEAM In-Use rating of Very Good or higher by the end of 2025, with at least 25% reaching Excellent and the first asset achieving an Outstanding rating. As at 31 December 2024, 98% of assets were rated Very Good (or better), and 28% were rated Excellent. The Fund is working towards achieving the first Outstanding asset.

BREEAM New Construction



By the end of 2025, the Fund aims for all new developments to achieve a BREEAM New Construction rating of Very Good, with 25% reaching Excellent. As at 31 December 2024, at least 15% of assets under development were on track to achieve a BREEAM rating of Excellent, 70% were targeting Very Good, and 1% remained Not Rated.

Disclosures

SFDR

OHF has been classified as an Article 9 product under the EU Sustainable Finance Disclosure Regulation (“SFDR”). Whilst the Fund has a social sustainable investment objective and will make sustainable investments (as defined under the SFDR), it does not commit to making investments which qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation. Therefore, the Fund does not have an objective to reach a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy or to have a specific proportion of investments in enabling and transitional activities.

SDR

OHF welcomes the addition of future disclosures that support “anti-greenwashing” efforts, such as the UK’s Sustainable Disclosure Requirements (“SDR”).

TCFD

OHF is a supporter of the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”) and is committed to increasing the resilience of our portfolio. Whilst OHF is not yet in scope to make mandatory TCFD-aligned disclosures, the Fund continues to do so.



OHF ESG targets

Description	End of 2025	End of 2030	End of 2040	Status as at December 2024	RAG rating
Net Zero					
Embodied Carbon	No new developments to exceed the 410 kgCO ₂ /m ² upfront embodied carbon target at practical completion	All newly developed assets will be net zero, with residual emissions offset via high quality carbon sequestration projects	All newly developed assets will be net zero, with residual emissions offset via high quality carbon sequestration projects	Upfront embodied carbon target of 410 kgCO ₂ /m ² set. Of the 7 homes that PCed and assessed in 2024, the average was 420 kgCO ₂ /m ² . The 4 homes that PCed and assessed in 2023 averaged 451 kgCO ₂ /m ²	<div></div>
Operational Emissions	Align SBTi pathway with Octopus Group	A reduction in the portfolio's carbon emissions aligned with the Science Based Targets Initiative	A net zero carbon position by 2040 on all assets	98% Energy coverage across the portfolio ²⁴ All assets tracked against CRREM 1.5° C pathways ²⁵	<div></div>
Solar PV	25% of homes in the portfolio to have solar photovoltaic panels installed	60% of homes in the portfolio to have solar photovoltaic panels installed		4% (4) of homes in the portfolio have solar photovoltaic panels installed By the end of 2025, 8 homes are expected to have PV	<div></div>
Green Tariffs	25% of homes to have green energy tariffs in place	100% of homes to have green energy tariffs in place		32% of homes have green energy tariffs in place	<div></div>
Electrification	First 10 homes to be fully electrified and fossil fuel free	30% of homes in the portfolio to be fully electrified		3 operational homes are fully electrified and free of fossil fuels By the end of 2025, 7 homes in development will be fully electrified and fossil fuel-free	<div></div>

Climate Resilience

Physical Climate Risk	All assets to have a plan for physical climate related risks	Ensure all assets identified as having high physical climate risks have mitigation in place	-	Stranding analysis undertaken in line with CRREM in heat map and 'High risk' properties identified	<div></div>
Transitional Risk	Fund has an established mechanism for mitigating identified transitional climate risks	-	-		

Biodiversity Net Gain

Biodiversity Net Gain	All newly developed assets to exceed 10% biodiversity net gain	-	-	The 2024 development pipeline homes were all submitted for planning before the planning legislation came into place	<div></div>
Biodiversity	Develop strategy for improving biodiversity of existing assets	-	-	-	
Solid Value					
Social Value Framework	Develop a Social Value framework fit for the future and report against this	-	-	Social Value framework created. Reporting against it underway.	<div></div>

²⁴ The 2024 data is reported as of 30 June 2025 and may be revised in future reports as additional information becomes available.

²⁵ Stranding analysis has followed the CRREM method to identify how individual assets and the portfolio will perform against a 1.5°C decarbonisation pathway. This has been done to identify the risks posed by potential write-downs in asset valuation due to direct climate change impacts and devaluations related to the transition to a 'low-carbon economy'.

OHF ESG targets

Description	End of 2025	End of 2030	End of 2040	Status as at December 2024	RAG rating
Fund Performance					
GRESB	Maintain a 5-star rating in the GRESB global community	-	-	GRESB Score (2024): 5-stars, Standing Investments score 88/100, Peer Group Average: 77/100	<div></div>
Green Leases	100% of all portfolio leases to contain green clauses	100% of all portfolio leases to contain green clauses	-	57% of leases in the portfolio include green lease clauses	<div></div>
Data Coverage	Maintain 100% data coverage for energy & GHG, and increase accurate data coverage for water and waste to 75%. Develop and publish water and waste intensity targets	Maintain 100% data coverage for energy & GHG, and increase accurate data coverage for water and waste to 75%. Develop and publish water and waste intensity targets	-	98% data coverage across the portfolio (by Assets) ²⁶ Developed energy intensity metric per bedspace and published a strategy for reducing intensity	<div></div>
Asset Assertions					
EPC Rating	100% of assets to be B Rated (or higher) 40% of assets to be a minimum of A rated	100% of assets to be B Rated (or higher) 80% of assets to be a minimum of A rated	-	92 assets in total <ul style="list-style-type: none">38% A Rated62% B Rated	<div></div>
BREEAM In Use (Part 1)	95% of the portfolio to obtain BREEAM Very Good (or better) 25% to achieve BREEAM Excellent. First Outstanding asset	Maintain same percentages of ratings under BIU V7	-	92 assets in total ²⁷ <ul style="list-style-type: none">0% Outstanding28% Excellent70% Very Good1% Good1% Not rated	<div></div>
BREEAM New Construction	All new developments that PC after 2025 to achieve a minimum BREEAM New Construction rating of Very Good, with 25% achieving Excellent	-	-	13 assets under development: <ul style="list-style-type: none">15% Excellent77% Very Good8% Not Rated	<div></div>
Governance					
Regulatory	Maintain and keep updated legal and regulatory compliance requirements	-	-	100% compliance	<div></div>
Disclosure and Reporting	Maintain the 2023 target of all relevant KPI/Target data to be assured by an independent third party	-	-	Progress reported on at high level quarterly and in depth annually	<div></div>
Training	100% of Octopus employees working on the Fund to continue to be trained on ESG 100% of the portfolio management and investment team working directly on the Fund to continue to have ESG targets and objectives	100% of Octopus employees working on the Fund to continue to be trained on ESG 100% of the portfolio management and investment team working directly on the Fund to continue to have ESG targets and objectives	-	100% of Octopus employees working on the Fund are trained on ESG. 100% of the portfolio management and investment team working directly on the Fund have ESG targets and objective	<div></div>
Policies	Ensure that all developer/ operator partners have the below policies in place; Modern Slavery Policy, Health, Safety & Wellbeing Policy, Environmental Policy	-	-	This is a requirement of the Green Book	<div></div>

²⁶ The 2024 data is reported as of 30 June 2025 and may be revised in future reports as additional information becomes available.

²⁷ Figures include In Progress assets and Not Rated assets. In Progress assets are those in the process of being certified. Not Rated assets are those being considered for disposal. Given the timescales currently experienced for certification from the BRE, a small number of ratings are reported as “submitted”. These have been externally verified by BREEAM Assessors, and are awaiting receipt of the final certificates from the BRE. The figures include assets with a valid certificate in 2024, in line with GRESB reporting.



As part of the ESG strategy, we monitor all our activities in relation to ESG requirements and are pleased to report that there have been no ESG-related controversies, misconduct, penalties, accidents or breaches against the codes of conduct / ethics. In addition, we can confirm the OHF has not been involved in any ESG-related breaches that have resulted in fines or penalties during the previous plan period.

Verification statement

Envision has carried out an independent verification of this Octopus Healthcare Fund: Responsible Investment and Impact Report, to provide the audience with assurance of the validity and accuracy of statements made within this report, in line with INREV Sustainability Reporting Guidelines²⁸, and verification of the GHG emissions reported, in accordance with ISO 14064-3.²⁹

Based on a detailed review of sources of the data and information presented in this report, Envision confirms this provides a true and honest account of activities undertaken during the reporting period (year to 31 December 2024) and the ESG performance data is materially correct and a fair representation, prepared in accordance with ISO 14064-1.³⁰

Simon Rainsford
Director, Envision
Sustainability Ltd
June 2025



²⁸ INREV Sustainability Reporting Guidelines, January 2023.
²⁹ BS EN ISO 14064-3:2019 Greenhouse Gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions.
³⁰ BS EN ISO 14064-1:2018 Greenhouse Gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals.

We are committed to Responsible Investment





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