

Article 3 SFDR – Sustainability Risk Disclosure

As part of the EU's Sustainable Finance Disclosure Regulation (SFDR), we (Octopus, "we", "our") are required to provide information about our policies on the integration of sustainability risks into our investment decision-making.

In this disclosure, please note that we are using the SFDR's definition of "sustainability risk"; *any environmental, social or governance event or condition which if it occurs could have a material negative impact on the value of an investment*.

Please also note that this disclosure (the Sustainability Risk Disclosure) differs from the other SFDR disclosure we publish (the Principle Adverse Impact disclosure), which details the negative impacts our investments are at risk of having on the environment and society.

Our Responsible Investment Policy

Our principles-based responsible investment policy lays out our approach to responsible investment and details how we consider sustainability risks in our decision making. The policy is overseen by our Responsible Investment Committee which is chaired by our Chief Investment Officer, and is reviewed on an annual basis. It is the responsibility of our investment managers to apply this policy to their investment mandates.

Octopus appoints an external sustainability agency, Groundswell, to provide advice and guidance around the implementation of responsible investment across the investments business.

The full policy can be found [here](#).

Integrating sustainability risks: materiality

We understand the financial impact that sustainability could have on our investments, and as such we incorporate two key frameworks to ensure our investment managers are considering these risks within their decisions.

Our Responsible Investment tool utilises the Sustainability Accounting Standards Board (SASB) materiality map to identify financially material environmental, social, and governance (ESG) issues that could impact the investments we make and manage.

We also incorporate guidance from the Taskforce on Climate Related Financial Disclosures (TCFD) which helps us understand and develop resilience to climate-related risks:

- Investment teams identify climate-related risks and opportunities relating to their investments.
- The materiality of these issues is assessed in 1.5 and 4-degree pathways and over the short and long term.
- We provide oversight of climate related risks and opportunities in quarterly Responsible Investment Committee meetings.
- Our Responsible Investment Committee reports annually to the Octopus Investments Executive Committee on performance against this policy.

We don't treat sustainability as an add-on to our investment process but rather it is embedded firmly throughout it. Everyone is responsible and accountable for making sure the risks and opportunities of sustainability are fully considered.