

Operating Principles for Impact Management

Disclosure Statement

1 January to 31 December 2025

Octopus Investments hereby affirms its status as a signatory to the Operating Principles for Impact Management (the “Impact Principles”) on 1 January 2026. The total Covered Assets in alignment with the Impact Principles is \$2.56bn as of 31 December 2025¹.

Octopus Healthcare Fund (“OHF”) addresses the growing need for quality, modern standard, purpose built care beds within the UK. The ageing population and increased home closures due to obsolescence have increased the shortfall in care beds throughout the UK. As of 31 December 2025, OHF has a Gross Asset Value (“GAV”) of £1.72bn² (approx. \$2.37bn)³.

Octopus Affordable Housing Fund (“OAHF”) aims to deliver high-quality, genuinely affordable homes in partnership with Housing Associations and Local Authorities. OAHF provides long-term, patient capital to the sector, funding the delivery and long-term ownership of new homes. As of 31 December 2025, OAHF has a GAV of £135.9 million⁴ (approx. \$187.5mn)⁵.

This Disclosure Statement affirms that OHF and OAHF operate in alignment with The Operating Principles for Impact Management and operate in line with its Impact Framework, which supports the management and reporting throughout the investment cycle of all assets.

The information in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network (“the GIIN”) or the Secretariat or Advisory Board. All statements and/ or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, “Affiliate” shall mean any individual, entity or other enterprise or organisation controlling, controlled by, or under common control with the Signatory.

Management Statement

As the Directors of Octopus Investments Limited (“Octopus Investments” or the “Company”), we confirm that we are solely responsible for the

preparation of the Octopus Investments’ Operating Principles for Impact Management Disclosure Statement (the “Disclosure Statement”) regarding the Company’s description of the policies, processes and control activities in place as at 31 December 2025 for the OHF and the OAHF (together the “in-scope Funds”).

The applicable assessment criteria for the Company’s description in making the Disclosure Statement are included in Appendix 1 of the Disclosure Statement.

We confirm that the Company’s description in the Disclosure Statement fairly presents the policies, procedures and control activities in the Company’s impact management systems as at 31 December 2025.

The Directors of Octopus Investments are responsible for ensuring that the Company designs, implements, operates and monitors policies, procedures and control activities, and assesses those against the assessment criteria, to address the Operating Principles for Impact Management (the “Impact Principles”). The Directors of the Company are also responsible for preparing this Management Statement, including ensuring the completeness, accuracy and method of presentation of the Company’s description, as set out in the Disclosure Statement.

Hollie Hanrahan

COO Octopus Capital, Chair of the Octopus Investment Responsible Investment Committee

Octopus Investment Limited

Signing Date: 29th January 2026

¹ OHF and OAHF GAV are calculated as Total Assets less distribution liability as disclosed in the unaudited Fund’s Financial Statements as of 31 December 2025.

² OHF’s GAV is calculated as Total Assets less distribution liability as disclosed in the unaudited Fund’s Financial Statements as of 31 December 2025.

³ OHF’s GAV converted by applying a GBP to USD exchange rate of 1.38 as of 31 December 2025.

⁴ OAHF’s GAV is calculated as Total Assets less distribution liability as disclosed in the unaudited Fund’s Financial Statements as of 31 December 2025.

⁵ OAHF GAV converted by applying a GBP to USD exchange rate of 1.38 as of 31 December 2025.

Principle 1: Strategy

“Define strategic impact objective(s), consistent with the investment strategy: The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.”

Octopus Group’s mission is to invest in the people, ideas and industries that can change the world. The Group includes Octopus Investments Limited (including the following trading names Octopus Capital and Octopus Ventures); Aurora; Amicable; Octopus Money; Octopus Legacy; and Seccl.

Both Funds OHF and OAHF have implemented an Impact Framework (the “Framework”) to guide and structure their impact investment strategies and approaches. The Framework is based on the Impact Reporting and Investment Standards (“IRIS+”), which is an accepted system for measuring, managing, and optimising impact. It also embraces the ‘Five Dimensions of Impact’ defined by the Impact Management Project. The five dimensions of Impact (‘What’, ‘Who’, ‘How much’, ‘Contribution’ and ‘Risk’) provide a structure for identifying and quantifying the Impact of each of the Funds.

The Frameworks incorporate IRIS+ metrics to quantify and monitor performance. Each of the Fund’s frameworks is referenced in the appendices.

- OHF’s strategy addresses an increasing societal care requirement and contributes positively to the shortfall in care beds in the United Kingdom. Through the funding of modern, purpose-built care homes in the United Kingdom, OHF contributes to the reduction of the shortfall in modern standard, fit for purpose care beds. Alignment to SDGs is found in the fund’s [Responsible Investment Policy \(RI\)](#). The fund aligns its principles with UN SDG 3.8 (good health and well-being), 8.8 (decent work and economic growth), and 12 (responsible consumption and production).
- OAHF’s strategy is to fund the delivery of new, quality, genuinely affordable homes and being a responsible long-term landlord of these homes.

OAHF aims to deliver a positive social impact by focusing on four investment themes: Accelerating the delivery of new, genuinely affordable, quality homes; reducing fuel poverty for residents; Deliver homes that are affordable to households in the local area; and making investments to maximise social impact.

Principle 2: Management of Impact

“Manage strategic impact on a portfolio basis: The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognising that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.”

Each Fund has their own impact objectives, and every investment /asset is contributing to achieve the impact objective.

- The OHF portfolio aims for impact across all investments, providing purpose-built care beds in areas which have previously been identified as having a shortfall in fit for purpose care bed provision. Each asset undergoes an assessment by the internal Quality Assurance Team and Investment Team. Oversight is largely based on risk, speciality, Care Quality Commission⁶ (“CQC”) outcome and information gathered from KPI collection and operator relationships. In person visits to the home happen at least annually for 100% of the homes in the portfolio. For example, homes deemed at higher risk, or those with a ‘requires improvement’ CQC rating will have more frequent quality assurance visits and increased contact points with the senior operational teams. Property management may involve third-party surveyors. This monitoring ensures tenants maintain high care standards, aligning with the impact objective and proper use of the care beds. All investments adhere to the OHF’s strategy, focusing on delivering modern care beds in areas with identified shortages, guided by market insights from sources like Carterwood Analytics and external reports.

⁶ The CQC is the independent regulator of health and social care in England.

- The OAHF strives for impactful investments by subjecting each transaction to a thorough underwriting and due diligence process. This involves a detailed assessment of the location, demand, physical attributes, and overall suitability. All properties are valued by an external valuer. Standing investments undergo a Building Survey. OAHF has its own Operations Director and team, who engage with Local Authorities on local housing needs to make sure that the affordable homes provided contribute to the Fund’s objective of helping to increase the supply of genuinely affordable homes. The Fund’s Quality Book includes an assessment of each opportunity to review a range of indicators from internal space standards to proximity to local amenities to ensure that the Fund’s homes are quality, good places to live.

Octopus Investments operates a discretionary bonus policy that is linked to objectives at the team and individual levels. Individuals who directly influence both of the Fund’s impact have targets linked to ensuring that investments continue to meet the impact objective and strategy and that the portfolio is operated in such a way as to ensure that impact is continually delivered.

- From an OHF perspective, this includes all levels of the business, from the Investment to the Quality Assurance Teams. The Quality Assurance team is incentivised through this objective process to ensure that they have sufficient oversight over the homes to drive improvement and ensure that the quality of care is maintained. Equally, OHF’s investment team are incentivised to continually deliver modern, purpose-built care homes throughout the UK to drive the impact of OHF.
- From an OAHF perspective, this includes all levels of the business. OAHF’s investment team are incentivised to continually deliver new, quality, genuinely affordable homes throughout the UK to drive the impact of OAHF. Targets are typically focused on expanding the size of the Fund to maximise the number of affordable homes built, investing in the right type of quality opportunities that meet the Fund’s objectives, and building an operational platform with suitable managers that promotes high-quality customer service and experience for the residents of the Fund’s properties.

Principle 3: Contribution to Impact

“Establish the Manager’s contribution to the achievement of impact: The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each

investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.”

All investments across OHF and OAHF contribute by providing capital, creating positive outcomes. OHF and OAHF deliver impact beyond capital by embedding the Impact Management Project’s Five Dimensions of Impact across due diligence, investment decisions, and ongoing asset management. Both Funds use external market data, demographic analysis, and structured IC reporting to assess how each investment contributes to addressing unmet need. Principles 4 and 5 provide more information on how Octopus Investments works with underlying operators or partners and provides technical assistance to enhance impact performance.

- OHF funds high-quality Care Homes and Specialist Healthcare real estate to increase access to quality care for the elderly (and others with long-term conditions). Funding new, high-quality care homes provides the essential infrastructure required to support elderly residents across the UK today and in the future. See the latest [Responsible Investment and Impact Report](#) for more information on core KPIs tracked.
- OAHF provides long-term, patient capital to the housing sector, funding the delivery and long-term ownership of new, genuinely affordable, quality homes. These are run through OAHF’s own Registered Provider, so it can be a responsible landlord. There are over 1 million households on council waiting lists for an affordable home across the UK, and the Fund proactively works with councils to ensure that the majority of the homes within the Fund have rents that would be affordable for these households, and that homes are delivered for households on these waiting lists.

Principle 4: Assess Impact

“Assess the expected impact of each investment, based on a systematic approach: For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving

the investment’s expected impact.” In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager’s strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

As referenced previously, both of the Fund’s Impact Frameworks utilise the ‘Five Dimensions of Impact’ defined by the Impact Management Project. Employing the five dimensions assists in identifying the ‘What’, ‘Who’, ‘How Much’, ‘Contribution’, ‘Risk’ of the Impact of the Funds, see relevant appendices.

- OHF commissions external market reports to identify the shortfall in care beds and other demographics as part of the due diligence process ahead of acquisition. The impact of each investment, including market impact on bed provision, community impact and the contribution of the proposed acquisition to the market is reported to and assessed by the Investment Committee (“IC”). This is reported by the individual presenting the acquisition to the IC through disclosure of the external market report findings, which measure the targeted areas’ demographics. Impact KPIs are reported to OHF’s Investors on a quarterly and annual basis. The KPIs are benchmarked against market data collated by Carterwood⁷. OHF has monitored its contribution of modern, purpose-built care beds to the UK care market since 2021. OHF benefits from the in-house Quality Assurance team consisting of medical professionals who maintain close contact with the homes and tenant groups. The Quality Assurance team provide a subjective view on the performance of the home and the operator, determining the quality of care being delivered.
- To monitor Impact, the OHF uses the following definitions: “Quality care beds” are defined as:
 1. Quality Care: those homes that are not rated “Inadequate” by the CQC.

2. Real Estate: beds which meet the following criteria: (a) a bedroom with an en-suite wet room 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 Impact KPIs at the point in time that it reaches Practical Completion⁸, or at the point of acquisition for standing investments improved to the Fund’s definition of quality. Assets entering the OHF through a merger event are included in the Impact KPIs at the point the merger is completed.

- OAHF’s Impact Framework (reviewed by The Good Economy⁹) defines the social impact associated with the investments by referencing IRIS+ metrics and embeds impact management within the Fund’s investment management process. The four KPIs which align with the investment themes are;
 1. Accelerating delivery of genuinely affordable, quality homes
 - Number of homes (total portfolio), completed operational homes, in development / leasing up, forward commit.
 2. Reducing fuel poverty for residents
 - % of homes with EPC rating B and above, and % of homes that are zero-bill
 3. Deliver homes that are affordable to households in the local area
 - % of homes suitable for the elderly and % of local households who earn enough to find the homes affordable
 4. Making investments to maximise social impact
 - % of homes in areas of ‘constrained affordability and % of operational homes that are occupied

⁷ Carterwood is a leading provider of market analysis for the care home sector. Reports assess competing home quality, location, average fees, market risks, and overall positioning.

⁸ The point at which the construction of the asset is completed.

⁹ The Good Economy is an impact advisory firm that offers research, strategic advice, and services for impact measurement and management.

- The impact of each investment, including market impact on housing provision, community impact and the contribution of the proposed acquisition to the market is reported to and assessed by the IC. This is reported by the individual presenting the acquisition to the IC through disclosure of the external market report findings, which measure the targeted areas' demographics. Impact KPIs are reported to Fund Investors on a quarterly and annual basis.
- To monitor impact, the OAHF uses the following definitions: “Affordable Housing” means housing for rent or sale made available to those whose needs are not served by the open market. Typically, this involves a discounted or subsidised rent or sale price, and/or a mechanism restricting occupation or ownership to certain groups, e.g. ‘key workers’. The term is often used interchangeably with “Social Housing”.
- Affordable Housing is a regulated sector in the UK with prescribed and regulated tenures of affordable housing throughout the UK. The majority of the Fund’s homes are within the Affordable and Social Rented tenure types, which provide housing for households on local authority waiting lists who are perceived to be in the highest levels of housing need. OAHF will engage with Local Authorities throughout the acquisition process to ensure that the proposed homes will contribute to meeting housing need, including an assessment of the Local Authority’s “Strategic Housing Market Assessment” to ensure they will contribute to helping meet local affordable housing need.
- Both Funds have identified significant risks under the Risk dimension within the Five Dimensions of Impact (see Appendix). Additionally, each deal undergoes a risk assessment using the Responsible Investment Tool to evaluate its expected risks. To ensure consistency in risk evaluation across all deals within the Impact Framework, the Investment Team classifies each deal’s risks into one or more of the following types of impact risk: efficiency, evidence, execution, or external risks.

Principle 5: ESG

“Assess, address, monitor, and manage potential negative impacts of each investment: For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems,

processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees’ ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.”

Each of the Fund’s identifies sustainability issues that could affect the performance of an investment. Each Fund recognises the need for a structured approach to the financial materiality of sustainability issues to ensure we make informed investment decisions.

Across all our investment strategies and products, each Fund considers environmental, social and governance risks within the investment process. Using guidance from the Sustainability Accounting Standards Board (SASB) for the specific related sector, each Fund has identified sustainability issues (including climate risks) and considered their materiality and how they can be mitigated.

- In addition to the social impact objectives and strategy, OHF has assessed potentially material environmental factors relevant to the portfolio of care homes, and set out targets for 2026, 2030 and 2040. The targets have been set around areas which include: Net Zero, Climate Resilience (physical climate risk, transitional risk); Biodiversity (biodiversity net gain, biodiversity); Social Value; Fund Performance (GRESB, green leases, data coverage); Asset Accreditation (EPC, BREEAM In Use, BREEAM New Construction); Governance (regulatory, training and engagement). OHF’s strategy is aligned with the targets designed to ensure that ESG risks are identified and mitigated appropriately. For more information, see [OHF’s Responsible Investment and Impact Report](#).
- OHF has identified, and published net zero carbon targets as follows: From 2030, all newly developed assets will be net zero, with residual emissions offset via high-quality carbon sequestration projects. OHF is also committed to ensuring that all assets in the portfolio are at a net-zero position by 2040. OHF has engaged with operators to work with them to address the challenges and achieve better environmental, social and governance outcomes together. OHF produces an ‘Operator ESG Guide’, which highlights four areas: minimising the impacts of climate change and promoting the sustainable use of natural resources; protecting the natural environment; providing a safe and healthy atmosphere that supports well-being; and maximising socio-economic benefits while minimising negative effects on local communities.

- OHF has completed an ESG risk assessment of assets in the portfolio to identify the future physical and transitional risks of climate change. This review has included the asset efficiency, ground risk, water stress, flood and heat risk exposure. The review allows the investment team to identify any assets of concern and draft asset management strategies to mitigate the risk to exposed assets. For assets that become operational within the year, they are
- assessed by Envision and certified with the BREEAM In Use certification within 12 months¹⁰.
- All of OHF's investments are subject to approval by IC. Each investment is required to demonstrate a positive impact and consideration of material ESG risks and factors. OHF's independent ESG adviser Envision prepares the assessment and is guided by a bespoke development and investment framework which scores the investment against an ESG matrix. The IC assess whether the asset will fit the Impact and ESG strategy of the Fund before proceeding with the investment.
- OAHF considers material sustainability factors and risks that could affect the performance of the Fund. All assets will be benchmarked against appropriate industry-standard measures of quality which shall be reviewed from time to time and set out in Octopus' 'Quality Book' against which all new acquisitions will be assessed. Where possible, homes acquired will have a minimum energy efficiency standard of EPC B, with a target of EPC A. Homes with an EPC less than EPC B will have energy improvements made to meet the Fund's minimum efficiency rating within a reasonable timeframe.
- The Quality Book covers the following key areas:
 - o Location, Transport & Community
 - o External Environment & Ecology
 - o Safety & Resilience
 - o Home Comfort
 - o Energy
 - o Durability & Environmental Impact
 - o Property Size & Layout
 - o Quality Assurance
 - o Construction Impact
 - o Customer Experience
 - o Affordability
- OAHF has established and published net-zero carbon targets as part of its Asset Management strategy. By 2025, all new homes will be equipped with low-carbon heating systems whenever feasible.

Additionally, all new homes acquired will achieve net zero status by 2030. The goal is for all homes in the portfolio to reach net zero by 2040.

- OAHF conducts quarterly performance meetings with the Managing Partners where a number of Social metrics are looked at, eg. Number of complaints, % Decent Homes, H&S compliance, arrears, Tenant Perception measures.
- OAHF collects other environmental metrics in the asset liabilities register, such as EPC, heating type and renewables. OAHF made its first investment into a zero bills scheme in 2025, where technology and energy-efficient housing are combined to allow the resident to benefit from no energy bills for at least 5 years.

Principle 6: Monitor Progress

"Monitor the progress of each investment in achieving impact against expectations and respond appropriately: The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes."

Where possible, OHF and OAHF all use the IRIS+ metrics identified in the Framework.

¹⁰ Envision are OHF's Sustainability Consultants.

- The OHF Impact indicators are reported to Investors in the quarterly investor reports, annual business plan, annual Responsible Investment and Impact Report and the Investor Meeting, consisting of a representative from the four largest investors and one nominated fifth investor in line with the Impact Framework.
- The OHF assesses the continued impact and contribution of investments throughout the asset's lifecycle.
- Assets are included in OHF's Impact KPIs and reporting at the point they reach practical completion, where the development is funded or at the point of acquisition for standing investments improved to the Fund's definition of quality.
- Assets entering OHF through a merger event are included in the Impact KPIs when the merger is completed.
- To monitor whether the homes in the OHF portfolio continue to provide quality care, Octopus has an internal Quality Assurance team allowing continued operational oversight of the assets. The Quality Assurance Team reports to the Quality Assurance Committee on a bimonthly basis. This meeting discusses the portfolio's performance from a quality and operational perspective. The meeting highlights aspects that have gone well in the reporting period and discusses any concerns.
- In relation to OAHF, NewArch Homes Limited ("NewArch") is a for-profit Registered Provider ("FRRP") of housing owned by OAHF. NewArch will use a range of Approved Partners to undertake housing management services, including (but not limited to) leasing and tenancy management, maintenance and repairs.
- Approved Partners will be required to submit quarterly and annual KPI reports to OAHF on the performance of assets against a set of KPI criteria. This provides OAHF (and NewArch) with oversight and assurance that the OAHF's assets are being managed and maintained by the OAHF's required standards.
- OAHF Housing Management Agreements with Approved Partners set out performance standards of the management of OAHF's homes along with KPI reporting information to provide NewArch's Board with comfort that performance is in line with expectations.
- A Stock Condition Survey will be undertaken on all OAHF properties at least every 5 years (or as necessary) to report the properties' condition and budget for long-term cyclical maintenance programs. This is reviewed by the OAHF Team in

conjunction with Approved Partners so that work can be planned efficiently and effectively.

- OAHF's annual business plan will include an update on the stock condition of the portfolio and a summary of expected programmed works that have arisen as a result of Stock Condition Surveys.
- The OAHF Impact indicators are reported to Investors in investor reports, including the annual business plan, annual Responsible Investment and Impact Report.

Principle 7: Exits

"Conduct exits considering the effect on sustained impact: When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact."

- OHF's strategy is to hold investments long term; however, there may be occasions where an asset is deemed to no longer fit the Fund's strategy. An example includes the disposal of an asset where the tenant is believed to be operating the home at a level below the expected standard. Disposal of assets is a final consideration following engagement with the tenant by the Quality Assurance and Investment teams, which look to work towards a mutually beneficial outcome before disposal.
- OHF completes an annual hold/sell analysis of all assets in the portfolio. The review identifies the current market conditions, physical climate risks, stranding year, age of assets and the financial and operational performance of the home.
- OHF divestments are typically made to other investors or operators within the sector. In our view, this continues to impact the provision of care beds in the sector. The divestments completed in the reporting year were completed in line with this and will continue to operate as care homes.
- Proceeds from all OHF exits are reinvested into assets that will deliver a greater positive impact.
- OAHF's strategy is to hold investments long term; however, there may be occasions where an asset is deemed to no longer fit the Fund's strategy. An example includes the disposal of an asset where it no longer fits the criteria in the Quality Book, and the cost of bringing it back up to standard is too high.

- OAHF completes an annual hold/sell analysis of all assets in the portfolio. The review identifies the current market conditions, physical climate risks, age of assets and the financial performance of the scheme.
- OAHF divestments of tenanted or occupied stock would only be made to entities regulated to operate Affordable Housing in the UK, such as Registered Providers within the sector. This ensures that customers are protected, and the affordable housing tenures are protected in perpetuity through the provision of Affordable Housing.
- Shared ownership assets are individually sold to the occupier in a process called “staircasing” i.e. they will purchase part of the unit at a time. This is not considered to be an asset exit.
- The principal objective is to reinvest proceeds from OAHF exits into assets that will deliver a greater positive impact. For any assets that have received a grant from Homes England (or something similar), the grant will usually need to be reinvested into more affordable housing. Otherwise, it will be repayable.
- Within the period from 1 January 2025 to 31 December 2025 there were no OAHF asset exits.

Principle 8: Lessons Learned

“Review, document, and improve decisions and processes based on the achievement of impact and lessons learned: The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.”

- Throughout the year, OHF has contributed to the increase in modern purpose-built care beds to help overcome the shortfall in the market.
- OHF’s Manager has assessed its contribution quarterly to ensure that it has remained on track with its mission.
- The methodology used to assess OHF’s impact contribution will be continually reviewed moving forward and adapted to reflect movements in the market.
- While the acquisition of developments will ensure that OHF will continue contributing to the market in the future, the lack of standing assets available for acquisition limits the Fund’s immediate impact in the year.
- OHF will continue seeking opportunities to acquire developments to deliver the highest impact.

- Through the oversight and monitoring of the assets by the clinical assurance and property, OHF has been able to monitor whether the quality of care provided within the assets (as referenced in Principle 4) has been maintained at an acceptable level. This monitoring is designed to maintain the anticipated impact of the assets.
- OHF will continue reviewing assets through the Hold / Sell analysis to monitor whether those assets continue contributing to OHF’s Impact strategy.
- OAHF is still in the deployment phase, but has grown from 200+ homes to over 500+ homes in the reporting period. OAHF has purchased a mix of standing assets to maximise immediate impact and forward-funded/forward-committed assets that are new and delivered over a period of time.
- OAHF intends to continue to review Impact performance and lessons learned as part of the annual review process.

Principle 9: Disclosure

“Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment: The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.”

This Disclosure statement affirms the alignment of Octopus Investment operations and management systems with the Impact Principles and will be updated annually.

The Disclosure Statement will be externally verified every 3 years.

In accordance with the Impact Principles’ requirement that signatories submit to an independent verification, Octopus Investments engaged BDO as the independent external verifier for 2024 disclosure statement and completed this process successfully on March 11, 2025. [Please find the Independent Assurance Report here.](#)

BDO is a leading UK-based accountancy, audit and business advisory firm and part of the global BDO network, offering independent third-party verification and assurance services to enhance the credibility of sustainability and non-financial reporting. They provide sustainability assurance and verification of ESG information in line with widely recognised international standards and frameworks, combining deep expertise in sustainability reporting with established audit quality and rigorous methodologies to assess data integrity and compliance. BDO's verifier capabilities include verification of sustainability reports, ESG disclosures, climate credentials of financial instruments (such as under the Climate Bonds Certification Scheme), and assurance services that strengthen stakeholder confidence in reported sustainability performance. Their teams draw on extensive experience in auditing, ESG reporting standards, and assurance practices to support transparent, reliable and materially accurate sustainability information.

BDO's registered address: 55 Baker
Street London W1U 7EU United Kingdom

Appendix 1. Reporting Criteria

This Disclosure Statement presents fairly Octopus Investments Limited's impact management systems and processes and how these are aligned with the Impact Principles through:

- (a) presenting how Octopus Investments' impact management systems and processes are designed and implemented;
- (b) including relevant details of changes to Octopus Investments' impact management systems and processes during the period covered by the Disclosure Statement;
- (c) does not omit or distort information relevant to the scope of the impact management systems and processes being described, while acknowledging that the Disclosure Statement has been prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of Octopus Investments' impact management systems and processes that each individual user may consider important in its own particular circumstances;
- d) describes how each Principle is incorporated into Octopus Investments' systems; and
- e) affirms that Octopus Investments is a signatory to the Impact Principles.

Appendix 2. OHF Impact Framework

Dimension of Impact	Application to OHF	Measurement (inc. IRIS+ metrics)
1. WHAT is the goal?	Increase access to quality care for the elderly (and others with long term conditions) through the provision of modern, purpose-built care homes.	(PI1017) Number of healthcare units/facilities under the organisation management as of the end of the reporting period. No. of quality care beds in OHF portfolio. Number of new quality care beds funded by OHF as % of all new care beds delivered in the UK in the period.
2. WHO is affected?	Which stakeholders benefit from OHF's activities? What is the demographic of these stakeholders?	Target Stakeholders: Patients/Residents Target Stakeholder Demographic: Elderly/Older Adults
3. HOW MUCH change is happening?	How many care homes are owned by OHF? How many care beds are provided in these care homes?	Total number of healthcare facilities managed Total number of residents supported
	How does the Fund ensure they are "quality care beds"? (This is also relevant to RISK below.)	Quality assurance mechanisms: <ul style="list-style-type: none"> Peer review/supervision Communication and education strategies Audit and feedback <i>Octopus' Quality Assurance: (1) OHF minimum standards for design, construction and environmental performance ('Green Book'); (2) annual inspections and energy usage data collection; (3) use of monitoring surveyors during build.</i> <i>Clinical quality assurance: (1) Care Quality Commission (CQC) reports and ratings; (2) Octopus' full time, in-house Quality Assurance Team assessment and education strategies; and (3) further oversight provided by Octopus' Clinical Assurance Board.</i>
4. What is the CONTRIBUTION?	How does OHF reduce the deficit of care beds in the UK, and help maintain the current stock?	New Care Beds: The number of newly developed quality care beds funded by OHF in each period as a proportion of (a) all newly developed quality care home beds across the UK in the same period, and (b) the UK shortfall of quality care beds at the start of the period. Total Care Beds: The total number of quality care beds in OHF's portfolio as a proportion of the UK's quality care bed stock at a given point in time.
5. What are the Impact RISKS?	External Risk - Medium to High: The healthcare sector is sensitive to regulatory, economic and workforce changes.	Mitigation: Diversity of geographic exposure of homes around the UK, research into the demographic surroundings of the homes and monitoring of agency staff within the homes.

	<p>Execution Risks – High: The development of new purpose-built modern care homes relies on the developers delivering the projects on time and within the set funding parameters.</p>	<p>Mitigation: Well outlined due diligence process on both developers and operators, ensuring contingency funding for the developer.</p>
	<p>Execution Risks – High: The operation of the homes relies on a strong tenant delivering high quality care.</p>	<p>Mitigation: The Quality Assurance team, consisting of medical professionals, maintains close contact with the homes and tenant groups, providing performance reviews.</p>
	<p>Alignment Risk – Medium to High: Ensuring that the quality care beds that OHF funds are benefiting those who need them.</p>	<p>Mitigation: Whilst the investment strategy does primarily focus on the self-pay resident market, Local Authorities or the NHS fund 25-30% of residents.</p>

Appendix 3. OAHF Impact Framework

Dimensions of Impact	Application to OAHF	Measurement (inc. IRIS+ metrics)
1. What is the goal?	Accelerating delivery of genuinely affordable, quality homes.	Number of homes (total portfolio); <ul style="list-style-type: none"> Completed homes, Under development / Leasing up, Total
	Reducing fuel poverty for residents	% of homes with EPC rating B and above; <ul style="list-style-type: none"> Forward Fund, Forward Commit, Acquisition - existing affordable, Total
		% of homes that are zero-bill; <ul style="list-style-type: none"> Forward Fund, Forward Commit, Acquisition - existing affordable, Total
	Delivering affordable housing. Deliver homes that are affordable to households in the local area.	% of homes suitable for elderly people; <ul style="list-style-type: none"> Total homes
		% of local households who earn enough to find the homes affordable; <ul style="list-style-type: none"> Shared ownership homes %, Affordable Rent %, Intermediate Rent %
Making investments to maximise social impact	% of homes in areas of 'constrained affordability'	
		% of operational homes that are occupied
2. Who is affected?	Target Stakeholder	Demographic; <ul style="list-style-type: none"> Total number of local authorities with OAHF homes, Total rental households - households on local authority waiting lists who can't find suitable affordable housing in that area, Total residents
3. How much change is happening?	Accelerating delivery of genuinely affordable, quality homes.	Scale - Number of homes financed within the reporting period; <ul style="list-style-type: none"> Completed homes, Under development / Leasing up, Total
	Reducing fuel poverty for residents	Average resident saving in annually in energy bills; <ul style="list-style-type: none"> Average resident saving £, % of homes that are zero-bill
	Making investments to maximise social impact	Needs assessments; <ul style="list-style-type: none"> % of the Fund's homes meet the Fund's affordability test
4. What is the contribution?	Accelerating delivery of genuinely affordable, quality homes.	New homes delivered; <ul style="list-style-type: none"> Number of new homes forward funded, Number of new homes forward purchased
	Reducing fuel poverty for residents	Increasing home energy efficiency; <ul style="list-style-type: none"> Number of homes with higher than UK average EPC ratings

	Making investments to maximise social impact	Development of homes where it is needed most; <ul style="list-style-type: none"> o % of homes in areas of 'constrained affordability'
5. What are the Impact risks?	<p>Execution risk - The probability that the activities are not delivered as planned or do not have the desired outcome</p> <p>Likelihood - High</p> <p>Severity - Medium-High</p>	<p>Description -</p> <p>For rented homes, there is a risk that some of the houses are not affordable to the intended population – lower income households. Instead, affordability is restricted to middle-income household or people in receipt of housing benefits.</p> <p>For shared ownership homes there is a risk that they do not continue to lead to increased asset ownership following initial ownership due to a lack of housing management partner policies supporting residents to staircase and / or sell their property.</p> <p>Mitigation -</p> <p>The Fund has the following policies in place to help ensure that the rented properties do not become excessively unaffordable to local middle-income households.</p> <ul style="list-style-type: none"> – The rent charged at any property does not exceed 80% of local open market rent based on latest valuation reports. – The rent charged at any property does not exceed 40% of the weighted Local Median Income in that local authority based on ONS data. <p>For shared ownership it has chosen partners that have experience with selling and managing shared ownership properties.</p>
	<p>Strategic Risk - The probability that the Fund fails to meet the level of impact intended by its strategy</p> <p>Likelihood - Medium</p> <p>Severity - Medium</p>	<p>Description -</p> <p>The Fund does not reach the level of impact aimed for in its strategy. Although the current investments have contributed to the Fund's impact objectives, across the objectives there is room to improve the level of impact created. However, the Fund is confident that impact will grow as the Fund grows and its leverage over decisions increases.</p> <p>Mitigation -</p> <p>The Fund has embedded impact into its investment processes and governance, which will help ensure that the impact of the Fund continues to increase and align further with its strategy – e.g. build zero-bill homes.</p>
	<p>Evidence risk - The probability that insufficient data is available to determine impact</p> <p>Likelihood - Medium</p> <p>Severity - Medium</p>	<p>Description -</p> <p>The Fund collects a good level of evidence to understand its impact against its impact objectives; however, it needs to develop further its approach to understanding outcomes for its residents, especially with regards to its target outcomes (e.g. financial wellbeing).</p> <p>Mitigation -</p> <p>For subsequent reporting years there will be a good coverage of TSM data available that is specific to OAHF residents.</p>

	<p>External Risk - The probability of macro-Economic factors making schemes non-viable Likelihood - Medium Severity - Medium</p>	<p>Description - the probability that there is an increase in material and labour costs, interest rates rise and the property values fall. Mitigation - Affordable Rent increases by CPI + 1% every year and which is locked in for the next 10 years so Fund income would be able to keep up with it. Unemployment, tenants can go on Universal Credit which covers the rent up to LHA. Change in government regulations, sector is becoming more reliant on private capital</p>
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0800 316 2295
investorsupport@octopusinvestments.com
octopusinvestments.com



Octopus Investments
33 Holborn
London EC1N 2HT