Statement on principal adverse impacts of investment decisions on sustainability factors

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octopus investments

A brighter way

Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors – April 2026

Financial Market Participant: Octopus Investments Limited ("OIL" or 'we') is authorised and regulated by the Financial Conduct Authority and is a wholly owned subsidiary of Octopus Capital Limited. LEI: 213800D8ZGDJZPOC9180.

Summary: OIL considers principal adverse impacts (PAIs) of its investment decisions on sustainability factors as part of its due diligence processes, ensuring investments do no significant harm to any environmental or social objective. This consolidated PAI statement covers the following in-scope SFDR financial products:

- Octopus Healthcare Fund (OHF)
- Octopus Affordable Housing Fund (OAHF)

Identification of Principal Adverse Impacts

Carbon Emissions: Construction is carbon-intensive and care homes can generate significant operational emissions. OIL explores carbon reduction initiatives across all new and existing assets, embedding these into ongoing site management strategies where possible.

- GHG emissions
- Carbon footprint
- GHG intensity of portfolio

Biodiversity: Fund developments are typically built within existing communities. OIL considers the impact of new and existing care homes on the local environment, mitigating adverse effects and enhancing biodiversity value where possible.

- Activities negatively affecting biodiversity-sensitive areas
- Natural species and protected areas

Health and Safety of Workforce: Construction carries inherent safety risks. OIL requires all developers to have appropriate health and safety policies in place, encourages whistleblowing, maintains open communication channels between employees, contractors and management, and will act to remove counterparties who do not meet our standards.

- Number of days lost to work-related injuries, accidents, ill health and fatalities

Human Rights: At the time of preparing this statement, there are no defined indicators for social, employee, human rights, anti-corruption, and anti-bribery matters for investments in real estate assets. OIL continues to monitor for any changes and will review the inclusion of metrics as and when they are introduced by the SFDR RTS. OIL promotes fair treatment of all employees and workers regardless of race, gender, nationality, disability, or political or religious beliefs. We require suppliers to align with our supplier code of conduct and will exclude those who do not meet our standards. OIL's Responsible Investment Policy insists on behaviours that are consistent with international guidelines on the respect of human rights and the promotion of social value:

- Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- Lack of a supplier code of conduct

Quality of Care: Quality of care is a voluntary metric that we report on and not a required PAI. This is assessed through the Care Quality Commission ratings and the in-house Quality Assurance Team's oversight, providing ongoing clinical quality assurance.

- Clinical quality assurance

SFDR TABLE 1 - Statement on principal adverse impacts of investment decisions on sustainability factors							
Indicators applicable to investments in real estate assets							
Adverse sustainability indicator		**Metric**	**2025**	**2024**	**2023**	**Explanation**	**Actions taken, actions planned and targets set for the next reference period.**
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%	0%	0%	No assets linked to these activites	
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	0%	31.8%	39.9%	All buildings are rated EPC A or B	Target for all new buildings to have EPC A or B ratings

SFDR TABLE 2 - Additional climate and other environment-related indicators							
Indicators applicable to investments in real estate assets							
Adverse sustainability indicator		**Metric**	**2025**	**2024**	**2023**	**Explanation**	**Actions taken, actions planned and targets set for the next reference period.**
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets		N/A	N/A	GHG Scope 1 and 2 emissions are captured within Octopus Investments carbon	Octopus are taking steps to reduce the Scope

		Scope 2 GHG emissions generated by real estate assets		N/A	N/A	foot printing Scope 3 GHG emissions were calculated in line with the GHG protocol	3 carbon emissions through renewable energy solutions.
		Scope 3 GHG emissions generated by real estate assets		12,149.71	10,500.81		
		Total GHG emissions generated by real estate assets		12,149.71	10,500.81		
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter		0.000158	0.000004		
Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract	0%	0%	0%	All buildings have bin stores for recovery and recycling, and a waste recovery/ recycling contract.	Both OHF and OAHF will work with the operators and managing partners to encourage them to add waste sorting facilities.
Resource consumption	21. Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations	N/A	N/A	N/A	Following an initial review of Whole Life Carbon Assessment documentation across construction & renovation projects, it is deemed that extracting an accurate figure would not be feasible or truly accurate at this stage. Furthermore, the majority of OHF assets are already built and operational and the materiality of this metric is not deemed significantly important for this reporting cycle.	N/A

Biodiversity	22. Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets	Green space = 35%, Non-Green space = 65%	N/A	N/A	Upon review of the data sources available, OIL has a granular breakdown of the percentage of each home's total site area covered by greenspace. However, because obtaining total plot areas broken down by asset would require estimation at this stage, OIL has preferred not to report on this metric right now. As OIL could obtain this data at a later stage it may report on this PAI in future reporting cycles.	

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

OIL maintains a Responsible Investment Policy, managed by the Responsible Investment Committee and reviewed annually. Each fund also has its own Responsible Investment Policy, prepared by the relevant investment team and approved by the fund board or shareholder representatives.

These policies embed OIL's approach to responsible investment: identifying sustainability outcomes associated with an investment; assessing sustainability issues that could affect investment performance and reducing any negative impact on wider stakeholders (customers, communities, environment and employees).

Responsibility for ensuring principal adverse impacts are considered and mitigated prior to investment approval sits with the Investment Committee. Assessment is conducted through two surveys: one completed by the investment manager covering key sustainability considerations, and one completed by the care home developer and operator covering how sustainability risks are being mitigated. Both surveys draw on guidance from IRIS+, the SASB framework and the EU taxonomy.

The material principal adverse impacts for OIL's real estate investments are identified in the Identification of Principal Adverse Impacts section above. The other impacts are listed below but marked are N/A due to our asset class.

Data Collection and Quality

KPI data is sourced directly from care home developers and operators, supplemented where needed by OIL's investment managers, the Responsible Investment Committee and external consultants. Data covers a standardised set of KPIs alongside qualitative factors including health and safety, regulatory compliance, community engagement and biodiversity.

Carbon footprint indicators are calculated in accordance with the GHG Protocol using an operational control approach, with emissions calculations verified by third-party consultants.

Where data is unavailable, OIL may use estimates or proxy data based on reasonable assumptions and appropriate comparators. Estimates are used infrequently and are most commonly applied to Scope 3 emissions. Where primary activity data was unavailable, estimates and proxy methodologies were used for completeness of the GHG inventory. Supply chain, business travel and employee commuting emissions were estimated using spend-based emission factors where supplier-specific activity data was unavailable, or where detailed travel activity data was incomplete. Estimates using FTE data and assumptions relating to commuting patterns and working from home arrangements were also employed. A breakdown of estimates used for carbon footprint is provided in OIL's annual TCFD entity-level report.

Ongoing PAI data is collected directly from developers and operators and overseen by the investment manager. Issues are escalated to the Responsible Investment Committee, to whom the OIL board has delegated accountability for responsible investment. OIL works with specialist external advisors who are subject to due diligence and whose methodologies are independently reviewed.

Engagement Policies

OIL is committed to active stewardship across its portfolio, engaging with relevant stakeholders to ensure each Fund continues to meet its sustainability objectives and deliver long-term value.

As a provider of development capital for care homes rather than a holder of publicly listed shares, traditional voting-based engagement policies are not applicable. Instead, OIL's engagement is embedded in the investment relationship itself - the investment team is actively involved in setting strategy, overseeing financial and non-financial performance, managing risk, and appointing and reviewing developers and care home operators for both OHF and OAHF.

OIL works with a range of external service providers including construction managers, operations and maintenance providers and external asset managers. OIL actively engages with these providers on an ongoing basis, conducts annual reviews of care home operators, including assessment of human rights, anti-corruption and anti-bribery policies, and ensures strategies to address any new adverse impacts are implemented promptly. Where developers fail to meet required standards, OIL will first seek to improve service provision and, if unsuccessful, exercise its contractual right to terminate.

Health and safety adverse impacts are monitored continuously by the investment team and third-party consultants. Engagement outcomes inform ongoing investment management decisions and are escalated to the Responsible Investment Committee where material issues are identified.

All investors receive regular fund performance reports which include ESG KPIs and related sustainability information.

Reference to International Standards

OIL's responsible investment approach is informed by the following international standards and frameworks:

- Memberships and commitments:
    - UN Principles for Responsible Investment (UN PRI)
    - Operating Principles for Impact Management (Impact Principles)
    - Global Real Estate Sustainability Benchmark (GRESB)
    - B Corporation
    - Science Based Targets Initiative (SBTi) - Near term targets validated (https://octopusgroup.com/reaching-net-zero/)
    - Task Force on Climate-Related Financial Disclosures (TCFD) - OIL publishes an annual TCFD statement covering climate risks, opportunities and scenario analysis across asset classes, available at: (https://octopusinvestments.com/wp-content/uploads/sites/21/2025/07/OI852-TCFD-Report-as-at-30-April-2025-1.pdf)
- Frameworks used in PAI methodology:
    - EU Taxonomy
    - IRIS+
    - Sustainability Accounting Standards Board (SASB)

Other Principal Adverse Impact indicators (not relevant for real estate)

SFDR TABLE 1 - Statement on principal adverse impacts of investment decisions on sustainability factors					
Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	2025	2024	2023	Explanation

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	N/A	N/A	N/A	Not applicable to our asset class
		Scope 2 GHG emissions	N/A	N/A	N/A	Not applicable to our asset class
		Scope 3 GHG emissions	N/A	N/A	N/A	Not applicable to our asset class
		Total GHG emissions	N/A	N/A	N/A	Not applicable to our asset class
	2. Carbon footprint	Carbon footprint	N/A	N/A	N/A	Not applicable to our asset class
	3. GHG intensity of investee companies	GHG intensity of investee companies	N/A	N/A	N/A	Not applicable to our asset class
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	N/A	N/A	N/A	Not applicable to our asset class
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	N/A	N/A	N/A	Not applicable to our asset class
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	N/A	N/A	N/A	Not applicable to our asset class

Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	N/A	N/A	N/A	Not applicable to our asset class
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	N/A	Not applicable to our asset class
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	N/A	Not applicable to our asset class
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	N/A	N/A	N/A	Not applicable to our asset class
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address	N/A	N/A	N/A	Not applicable to our asset class

	Multinational Enterprises	violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	N/A	N/A	N/A	Not applicable to our asset class
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	N/A	N/A	N/A	Not applicable to our asset class
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	N/A	N/A	N/A	Not applicable to our asset class
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		**Metric**	**2025**	**2024**	**2023**	**Explanation**
Environmental	15. GHG intensity	GHG intensity of investee countries	N/A	N/A	N/A	Not applicable to our asset class
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	N/A	N/A	N/A	Not applicable to our asset class

SFDR TABLE 2 - Additional climate and other environment-related indicators
Indicators applicable to investments in investee companies

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	2025	2024	2023	Explanation
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average	N/A	N/A	N/A	Not applicable to our asset class
	2. Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average	N/A	N/A	N/A	Not applicable to our asset class
	3. Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average	N/A	N/A	N/A	Not applicable to our asset class
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	N/A	N/A	N/A	Not applicable to our asset class
Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	N/A	N/A	N/A	Not applicable to our asset class
Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	N/A	N/A	N/A	Not applicable to our asset class
		2. Weighted average percentage of water recycled and reused by investee companies	N/A	N/A	N/A	Not applicable to our asset class

	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	N/A	N/A	N/A	Not applicable to our asset class
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy	N/A	N/A	N/A	Not applicable to our asset class
	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	N/A	N/A	N/A	Not applicable to our asset class
	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing	N/A	N/A	N/A	Not applicable to our asset class
	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies	N/A	N/A	N/A	Not applicable to our asset class
	12. Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or policies	N/A	N/A	N/A	Not applicable to our asset class
	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	N/A	Not applicable to our asset class
	14. Natural species and protected areas	1. Share of investments in investee companies whose operations affect threatened species	N/A	N/A	N/A	Not applicable to our asset class

		2. Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas	N/A	N/A	N/A	Not applicable to our asset class
	15. Deforestation	Share of investments in companies without a policy to address deforestation	N/A	N/A	N/A	Not applicable to our asset class
Green securities	16. Share of securities not issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds	N/A	N/A	N/A	Not applicable to our asset class
Indicators applicable to investments in sovereigns and supranationals						
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	N/A	N/A	N/A	Not applicable to our asset class

SFDR TABLE 3 - Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Adverse sustainability impact	**Adverse impact on sustainability factors (qualitative or quantitative)**	**Metric**	**2025**	**2024**	**2023**	**Explanation**
Indicators applicable to investments in investee companies						
Social and employee matters	1. Investments in companies without	Share of investments in investee companies without a workplace accident prevention policy	N/A	N/A	N/A	Not applicable to our asset class

	workplace accident prevention policies					
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	N/A	N/A	N/A	Not applicable to our asset class
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	N/A	N/A	N/A	Not applicable to our asset class
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	N/A	N/A	N/A	Not applicable to our asset class
	5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters	N/A	N/A	N/A	Not applicable to our asset class
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	N/A	N/A	N/A	Not applicable to our asset class
	7. Incidents of discrimination	1. Number of incidents of discrimination reported in investee companies expressed as a weighted average	N/A	N/A	N/A	Not applicable to our asset class
		2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average	N/A	N/A	N/A	Not applicable to our asset class
	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median	N/A	N/A	N/A	Not applicable to our asset class

		annual total compensation for all employees (excluding the highest-compensated individual)				
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	N/A	N/A	N/A	Not applicable to our asset class
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts	N/A	N/A	N/A	Not applicable to our asset class
	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings	N/A	N/A	N/A	Not applicable to our asset class
	12. Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation	N/A	N/A	N/A	Not applicable to our asset class
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or the type of operation	N/A	N/A	N/A	Not applicable to our asset class
	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	N/A	N/A	N/A	Not applicable to our asset class
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	N/A	N/A	N/A	Not applicable to our asset class

	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	N/A	N/A	N/A	Not applicable to our asset class
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Number of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies	N/A	N/A	N/A	Not applicable to our asset class
Indicators applicable to investments in sovereigns and supranationals						
Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column	N/A	N/A	N/A	Not applicable to our asset class
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column	N/A	N/A	N/A	Not applicable to our asset class
Human rights	20. Average human rights performance	Measure of the average human rights performance of investee companies using a quantitative indicator explained in the explanation column	N/A	N/A	N/A	Not applicable to our asset class
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column	N/A	N/A	N/A	Not applicable to our asset class
	22. Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes	N/A	N/A	N/A	Not applicable to our asset class
	23. Average political stability score	Measure of the likelihood that the current regime will be overthrown by	N/A	N/A	N/A	Not applicable to our asset class

		the use of force using a quantitative indicator explained in the explanation column				
	24. Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column	N/A	N/A	N/A	Not applicable to our asset class