Octopus Healthcare Fund

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Responsible Investment and Impact Report

June 2026

octopus capital

A brighter way

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The value of an investment, and any income from it may fall as well as rise. Investors may not get back the full amount they invest. The Fund will see investment risk concentrated in specific sectors, countries and currencies. This means the strategy will be more sensitive to any localised economic, market, political or regulatory events. Due to the nature of the underlying investments, investors will not be able to withdraw prior to the end of the term, and liquidity cannot be guaranteed. The Fund will invest in projects under development or in development teams and, therefore will be exposed to certain risks, such as regulation of the permitting, taxes, failure rate of projects during the development, cost overruns, development delays, counterparty risks and others which may be outside our control. Returns achieved are reliant upon the performance of the Fund's portfolio of healthcare businesses. Fluctuations in operating results may be due to a number of factors, including changes in the supply and demand for, and residual value of the assets, changes in operating expenses, defaults by counterparties, environmental factors and more. Portfolio assets will still be subject to the additional regulatory requirements of operating in the healthcare sector.

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OC153-2606

Octopus Healthcare Fund ('OHF;, 'the Fund') has aligned its principles with the United Nations Sustainable Development Goals, in particular goals 3.8, 8.8 and 12.6

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Find it fast

Introduction

Welcome to this year's Responsible Investment and Impact Report for the Octopus Healthcare Fund. Our mission is clear: to increase access to high-quality, modern care environments across the UK, supporting an ageing population to live with dignity, comfort and independence. We believe investment can and should play a meaningful role in addressing the shortage of purpose built care facilities, while delivering sustainable long-term value for our investors.

Everything we do is guided by this purpose. From developing best-in-class care homes to working closely with our operating partners, we focus on creating environments that put residents first, support staff, and strengthen local communities. This report sets out how we are delivering against that mission – embedding responsible investment principles, reducing environmental impact, and measuring the positive outcomes we create.

While we are proud of the progress we've made, our ambition remains high. Meeting the scale of the challenge ahead requires continued commitment, collaboration and innovation. Thank you to our partners, operators and investors for helping us drive this mission forward and create places where people can truly live well for longer.

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

"We are proud to deliver high-quality care homes that meet growing societal need, while continually reducing our environmental impact through responsible investment, sustainable design and long-term stewardship."

About us

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 2025. 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 £1.72bn assets comprising of 99 trading care homes and 13[1] homes under construction with a total amount of beds including pipeline of 8,031. The Fund works with 32 operators throughout the UK.

Certified B Corporation

Octopus is a certified B Corp. This ensures we consider our wider stakeholders in every decision we make. This approach is embedded in how we run our business and how we manage money. In 2024 we re-certified in the top 10% of B Corps globally and are currently working towards our 2027 certification under the new standards.

PRI Principles for Responsible Investment

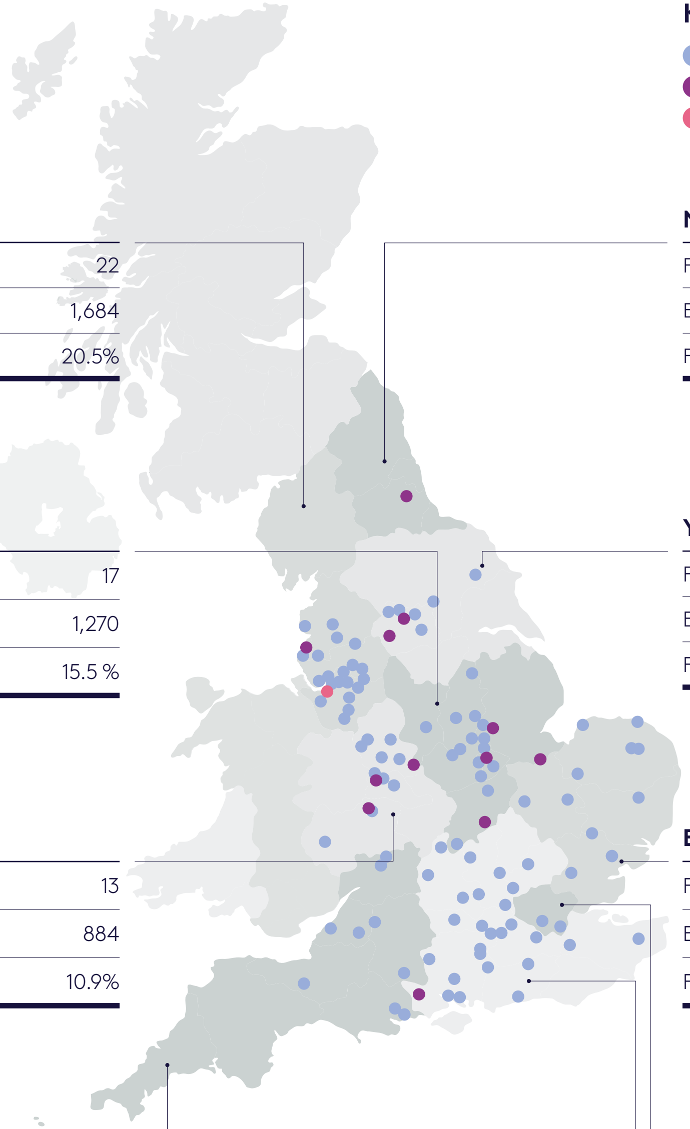
Octopus Investments is a signatory of the UN PRI, committing to the integration of Environmental, Social, and Governance ("ESG") factors into our investment analysis and decision-making process. In our last submission we scored 4 out of 5 stars for the Real Estate module, which OHF contributed to.

What we do

Our mission

OHF provides quality care beds to address the UK's growing care bed deficit. OHF strives to create exceptional facilities you'd choose for your loved ones, investing in best-in-class care homes that can catalyse positive change and impact communities. OHF aims to create high-quality Care Homes and Specialist Healthcare real estate that contributes to increasing access to quality care for the elderly (and others with long-term conditions). Funding new, best-in-class care homes provide the essential infrastructure required to support elderly residents across the UK today and in the future.

Our assets



Key

- Standing investments
- Forward fundings
- Forward commitments

North West

Properties	22
Beds	1,684
Portfolio income	20.5%

North East

Properties	1
Beds	74
Portfolio income	0.9%

East Midlands

Properties	17
Beds	1,270
Portfolio income	15.5 %

Yorkshire and the Humber

Properties	8
Beds	574
Portfolio income	6.9%

West Midlands

Properties	13
Beds	884
Portfolio income	10.9%

East of England

Properties	12
Beds	839
Portfolio income	9.9%

South West

Properties	9
Beds	655
Portfolio income	7.8%

South East

Properties	28
Beds	1,912
Portfolio income	25.7%

Greater London

Properties	2
Beds	139
Portfolio income	1.9%

Our 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[1]	2024	2025[2]
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	1.48%	1.58%
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	5.94%	9.92%
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	0.19%	0.29%
Care quality	Care Quality Commission ("CQC") Ratings; Octopus Clinical Assurance Team "Watch List"		
Real estate quality	See ESG KPIs		

Supporting the UK's care bed deficit:

Octopus Investments published its first annual disclosure statement on 31 January 2022 in line with the Impact Principles requirements. During 2025, the Fund contributed 9.92% (654 beds) of all new quality care beds delivered in the UK.

Octopus Investments published its second externally assured Impact Alignment Statement, covering the 2025 calendar year. The statement has been externally assured by BDO, and is reassured every three years.

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.

[1] Excludes homes with an "Inadequate" CQC Rating and included on the Quality Assurance Team's "Watch List".
[2] UK data supplied by Carterwood. OHF data includes Specialist Healthcare Beds.

How we do it

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:

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.

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.

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. 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.

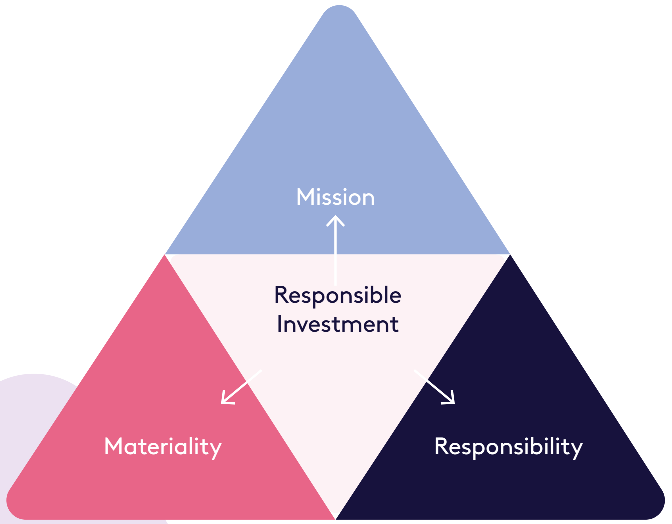
Reporting

We understand our responsibility to provide our investors with sustainability and operations metrics and case studies of our investments. That's why we use the following frameworks to report and keep our investors informed about our processes:

SASB, TCFD (Taskforce on Climate-related Financial Disclosures), GRESB (Global Real Estate Sustainability Benchmark), Global Impact Investing Network's Operating Principles for Impact Management Disclosure Statement, SFDR (Sustainable Finance Disclosure Regulation).

SFDR – Article 9: OHF is classified as an Article 9 product under the SFDR. The Fund has a social sustainable investment objective and makes sustainable investments, however it does not commit to making investments that qualify as environmentally sustainable under Article 3 of the regulation.

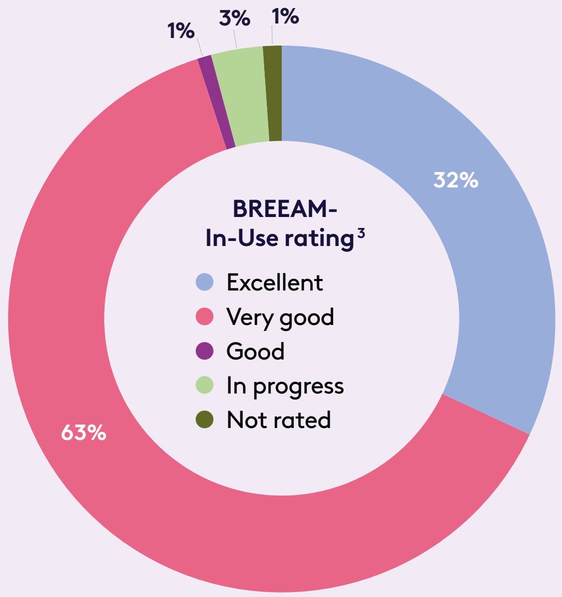
TCFD – Whilst OHF is not yet in scope to make mandatory TCFD-aligned disclosures, the Fund continues to do so, and will align reporting with the new IFRS Sustainability Disclosure Standards and the UK Sustainability Reporting Standards ("UK SRS").



BREEAM-In-Use

The end-of-2025 target for the Fund was for 95% of the portfolio to achieve a BREEAM-In-Use rating of Very Good or higher, with at least 25% reaching Excellent, and the first asset achieving an Outstanding rating. As of 31 December 2025, 95% of the portfolio achieved Very Good or higher, with 32% achieving an Excellent rating, and the Fund is working towards achieving the first Outstanding asset.

Looking forwards to the end-of-2027, the Fund aims to maintain this target, and achieve the first Excellent rating under BIU Version 7, due to be released in autumn 2026.



BREEAM New Construction

The Fund targeted for all developments that that reached practical completion after 2025 to achieve a minimum Very Good, with 25% achieving Excellent. All forward funding agreements have a target to achieve a minimum of Very Good or Excellent (11%), with the exception of one unrated home the Fund agreed to forward fund prior to the target being set in 2024.

EPC Ratings[3]

The Fund exceeded the end-of-2025 target of 100% of assets to be B rated (or higher), and 40% of assets to be a minimum of EPC A rated – as of 31 December 2025, 100% of assets were rated EPC B and above, and 44% of these were A rated. These are shown below.

The Fund is 100% compliant with the Minimum Energy Efficiency Standard (MEES), which came into force in 2018, and is performing above proposed future MEES regulations.

New end-of-2027 targets were set for the Fund in December 2025, and the Fund is working towards achieving 60% of assets to be a minimum of A rated.

Portfolio EPC rating[3]

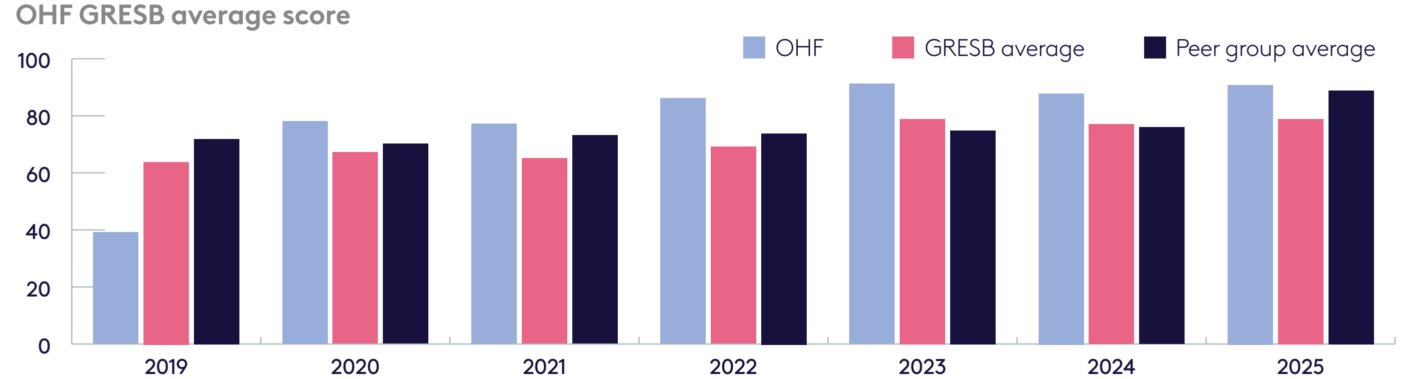
GRESB

In the 2025 Standing Investment submission, the Fund scored 91/100, an increase of three points from the 2024 result, and was awarded 5-stars for the third year in a row. The higher score can be attributed to higher data coverage percentages across energy, greenhouse gas emissions, water, and waste, and a new scoring methodology for energy efficient assets.

The Fund outperformed both the GRESB average score of 79/100, and the peer group average of 89/100, which was a significant increase from the 2024 average of 77/100. The Fund came second in its peer group, and sixth out of 42 within Healthcare Europe.

In the 2025 GRESB Development submission, the Fund scored 97/100, increasing by four points from the previous year, and was awarded 4-stars for the third year in a row. The Fund came second in its peer group, scoring above the peer group and GRESB averages, both at 88/100.

OHF GRESB average score



[3] Calculations based on number of assets.

Quality assurance

The care home sector continues to demonstrate resilience and strength, underpinned by sustained demand, high standards of care, and a growing focus on workforce stability. Across the portfolio, operators are achieving increased local staff retention, reflecting successful investment in employee engagement, training, and workplace culture. This stability supports continuity of care for residents while reducing reliance on agency staffing.

Care quality remains strong, with operators maintaining high standards of resident care and service delivery despite ongoing sector-wide challenges. This commitment to quality continues to deliver positive outcomes for residents and their families.

A particularly positive development across the portfolio has been the increasing emphasis on resident-led decision-making in the day-to-day running of homes. Many homes have established resident committees and ambassador programmes, ensuring that those who choose to live in the homes remain at the centre of key decisions. Residents are encouraged to influence many aspects of daily life, including dining choices, activities, care delivery and, in some cases, participation in the recruitment of new staff members. This approach demonstrates how operators are creating truly supportive environments that enable people to maintain independence, choice and dignity while benefiting from a wider community setting.

Moving into a care home can be one of the most significant decisions an individual and their family will make. Ensuring residents retain choice, independence and a genuine voice in how their home is run provides reassurance that they remain at the heart of every decision affecting their daily lives. Homes that embrace this philosophy are fostering stronger communities, greater resident satisfaction and improved wellbeing outcomes.

The Fund benefits from a collection of experienced and well-established operators focused on long-term, sustainable growth. Many are organically strengthening their teams through effective succession planning and by creating clear career progression opportunities for employees. This approach not only enhances operational resilience but also promotes workforce loyalty, retention and the development of future leaders within the sector.

Overall, the sector is being supported by strong operational performance, a stable and increasingly engaged workforce, and management teams committed to delivering high quality care. The combination of excellent care standards, resident centred leadership, and a growing, sustainable workforce provides a strong foundation for long-term success, ensuring residents continue to receive high quality care within thriving and resilient communities.

"Delivering exceptional care is more than a responsibility; our operators are committed to creating homes where residents can live in the knowledge that their care is never compromised and colleagues can work in an environment that enable them to deliver the highest standards of care."

Carrie Pilgrim,
Quality Assurance Director,
Octopus Capital

Social value

Social value and OHF

Over the last two years, the Fund has worked with Envision to develop a bespoke reporting framework to assess and report on the social value being delivered by the Fund's care homes, both those in operation and in development.

The Fund published the first **Octopus Healthcare Fund Social Value Report** in autumn 2025, reporting on the 2024 year across four key stakeholder groups:

- Residents
- Employees
- Community
- 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.

Based on these results, the Fund will continue to support and engage with operators to deliver the best possible care to the residents living within the Fund's care homes. The Fund will engage with operators and developers to demonstrate how purpose-built care homes, designed with sustainable materials and strong community engagement, create meaningful social value for people and communities across the UK.

Responses were received by operators and developers representing 44% of homes within the portfolio, and 60% of the assets under development. The focus for the 2025 reporting year will be to expand the data coverage, increasing the dialogue and response coverage within the portfolio, but also to work with the operators and developers to improve the depth and accuracy of reporting, including the approach to reporting on development projects.

Net Zero: where we are now

OHF's net zero journey so far

1. **2021** Set the net zero targets; by 2030, all newly developed assets will be net zero, and all existing assets will be net zero by 2040.
2. **2022** 99% of operator energy data collected.
3. **2023** Completion of Heat Map to identify and assess climate-related risks and opportunities.
4. **2023** Started annual operator meetings to discuss Heat Map and energy performance.
5. **2023** Octopus Group committed to setting near-term science-based targets. Realigning the baseline year to 2023.[4]
6. **2023** Commitment for all forward funded assets to be all-electric and fossil free.
7. **2023** Over 25% of tenant electricity is from REGO-backed renewable energy sources.[5]
8. **2023** First forward funded all-electric home completed.
9. **2024** Whole Life Carbon assessment programme to establish embodied carbon targets.
10. **2024** Started decarbonisation reports with Moca Energy.
11. **2025** Commitment for all new developments to reach the upfront embodied carbon target of 410 $kgCO_2/m^2$ GIA, and near-term science-based targets verified.

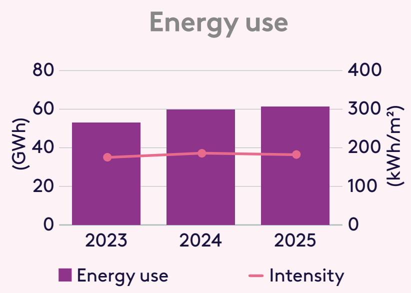
[4] Octopus Group is the parent company of Octopus Investments.
[5] Renewable Energy Guarantees of Origin ("REGO") are certificates issued in the UK to prove that a given share of electricity was generated from renewable source Octopus Group is the parent company of Octopus Investments
[6] Including refrigerant emissions where provided.
[7] Scope 3 includes Categories 1,3 and 5.
[8] 100% Scope 1, 2 and 3 including estimates, including refrigerants and excluding embodied.
[9] 100% Scope 1, 2 and 3 including estimates, including refrigerants and embodied.
[10] Tenant Emissions. Not including assets sold or developments completed within the reporting year. The filled bed average does not include Darnton and Preston; these properties are sub-leased to the local NHS Foundation Trust.
[11] Scope 1 – 96% of the data is actual, 4% is estimated, and 0% is unavailable. Data is at 30 June 2026 and may change in subsequent reports as further data is collected.
[12] Scope 2 – 99% of the data is actual, 1% is estimated, and 0% is unavailable. Data is at 30 June 2026 and may change in subsequent reports as further data is collected.
[13] Scope 3 – 95% of the data is actual, 5% is estimated, and 0% is unavailable. Data is at 30 June 2026 and may change in subsequent reports as further data is collected.

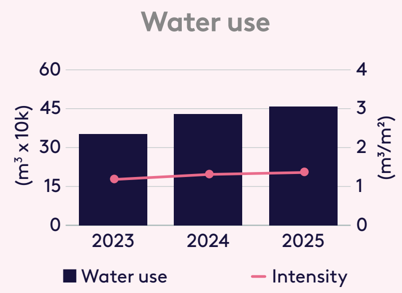
Our emissions

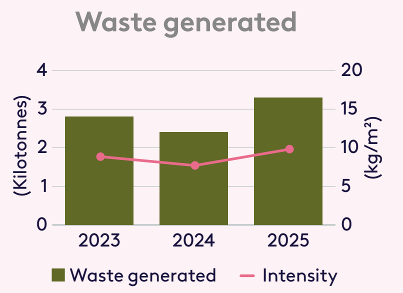
	Scope 1[6]	Scope 2	Scope 3[7]	Total Tenant Emissions[8]	Total GHG Emissions[9]	Emissions per $kgCO_2e/m^2$[10]	Emission per occupied bed
2023	7,299	3,898	2,478 Operational 6,041 Embodied	13,675	19,716	44.90	2,980
2024	8,074	4,201	3,413 Operational 8,930 Embodied	15,688	24,618	49.22	3,113
2025	7,053[11]	4,003[12]	3,085 Operational[13] 14,343 Embodied	14,141	28,484	42.04	2,669

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), for assets completed in the year.
- The data quality and coverage of all waste types has increased for 2025 reporting, resulting in higher, but more accurate reported values.







Green Leases

At the end of 2025, 62% of assets in the portfolio had green lease clauses. All new assets entering the Fund include green lease clauses, and the Fund continues to increase the coverage of green leases in the portfolio to work towards the target of 100% coverage.

Electrification

Following the completion of the Fund's first all-electric care home at the end of 2023, Granville Gardens, by the end of 2025, ten homes in the portfolio (10%) were fully electrified and fossil-fuel free, achieving the Fund's target.

A new mid-term target has been set, for 20% of homes in the portfolio to be fully electrified, against which the Fund is making progress, with an additional 7 more homes due to be completed and fully electrified by the end of 2026.

Climate Resilience

Care homes are inherently sensitive to climate-related hazards, due to their reliance on continuous operations, vulnerable resident occupiers, and location-specific requirements, therefore the Fund has been working with Envision to gain a greater understanding of the physical climate risks, both acute and chronic, that are faced by each asset in the portfolio. This has involved expanding the scope of physical climate risks assessed to include heat stress, water stress, flood risk, storm risk, wildfire risk, and ground risk, updating assessment methodologies where relevant, and assessing each risk under both a high and low climate scenario.

Managing these climate risks ensures regulatory compliance, market integrity, protects asset value, and safeguards resident safety and wellbeing. Following on from this analysis, where risks are present, adaptation and mitigation measures for the assets in the portfolio have been evaluated, alongside their associated costs. The Fund will engage with the operators on the potential implementation of these measures.

The Fund continues to analyse transition risk for the portfolio, through combining actual metered energy data from each care home with key building attributes and physical factors observed through site surveys and assessments. The CRREM misalignment year, based on a 1.5-degree global warming scenario is captured for each asset, considering a CO_2e and energy intensity pathway.

Biodiversity

All forward funding agreements have a target to achieve a minimum of 10% biodiversity net gain, in line with the end-of-2025 target, and the Fund has set a new mid-term target for the end of 2027, for all forward funding agreements to achieve a minimum 10% net gain, with brownfield sites achieving a minimum 30% net gain.

In terms of the biodiversity of existing assets in the portfolio, the Fund is developing a strategy for assessing and improving upon this, which will be established in 2026.

Net Zero: where we want to get to

Octopus Group's Net Zero target

OHF is part of Octopus Group and so fall into their Net Zero targets.

The Group aim to reach Net Zero by 2040 or sooner and have had their near-term (2030) targets approved by the Science-Based Targets initiative. OHF falls into the Group's Scope 3 emissions and has the target to reduce emissions by 66% per m² by 2030 (baseline year of 2024). This target has shaped OHF's own net zero targets.

Full details of Octopus Group's Net Zero target can be found on our **Reaching Net Zero** page.

OHF's targets

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. In 2025, we've continued to drive the embodied carbon target, and have been expanding the coverage of asset-level assessments to identify decarbonisation opportunities.

Developer engagement and the Green Book:

Engagement with the Fund's developers is key to meeting the Fund's Net Zero and wider ESG targets. The Green Book outlines the core requirements for assets entering the Fund and was updated at the end of 2025, to align both with best practice, and the newly released BREEAM Version 7 New Construction standards.

The new core requirements are highlighted in bold below:

- Achieve, or be predicted to achieve, BREEAM In Use Excellent
- **Achieve a minimum BREEAM New Construction Excellent (Forward Fund ('FF') only)**
- Automatic metering **and submetering** systems 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 installed on over 50% of the available roof space**
- Energy purchased via green tariff
- A-C whole life carbon emissions assessed
- All new developments to reach the upfront embodied carbon target of 410 $kgCO_2$ /m² GIA
- Achieve over 10% Biodiversity Net Gain on new construction
- **TM54 Operational Energy Assessment undertaken FF only).**

The new core requirements and more information about the book can be found on our website **here**.

Embodied carbon

In the year, the Fund has required all developers to undertake embodied carbon assessments of the homes under development, and all new development deals now require developers to not exceed the 410 $kgCO_2/m^2$ upfront embodied carbon target at practical completion, as verified by design and as-built assessments.

Given the importance of consideration of embodied carbon at an early stage in a development, and the number of developments already in construction, the end-of-2025 target was updated, for all new development deals from the end of 2025 to not exceed the embodied carbon target.

Operational carbon

Improving data quality and coverage. The Fund continued to improve data coverage in line with its end-of-2025 targets, achieving full coverage for energy and GHG emissions, 81% for water, and 87% for waste across the 2024 dataset – surpassing the 75% target for both water and waste. The Perse Technology platform was utilised for a second year to streamline data collection, capturing meter consumption for 57% of the assets in the portfolio for 2025 where tenant consent was provided.

In line with its end-of-2025 target, the Fund also developed short and long-term water and waste intensity targets for the portfolio. Given the absence of industry benchmarks for care homes, these have been established using the Fund's own performance data. By end of 2026, the Fund aims to ensure that all homes with a water intensity of $2m^3/m^2$/year or above, and those diverting less than 65% of waste from landfill, have an action plan in place.

Portfolio decarbonisation. In 2025, the Fund has continued its decarbonisation project with Moca Energy, collecting and analysing energy and building data for the homes, and producing decarbonisation reports that align with the Fund's net zero target. The reports have now been produced for 85% of the portfolio, and the Fund has continued to engage with operators to discuss implementing optimisation changes that offer the quickest return on investment.

Net Zero: in action

Case study: **Burton upon Trent**

The three-storey, 82-bed care home development at Burton upon Trent has had a Whole Life Carbon Assessment[14] undertaken by Envision to identify the embodied carbon emissions associated with the asset. This covers both the upfront emissions – from material extraction, manufacturing, transport, and construction – and the emissions across the whole life span of the asset.

Site conditions required pile foundations, which carry a significant embodied carbon impact due to their high volumes of concrete. Despite this, Burton upon Trent achieved the Fund's upfront embodied carbon emissions target of 410 $kgCO_2e/m^2$, exceeding the target by 7% with associated emissions of 382 $kgCO_2e/m^2$. This was driven in particular by key design choices from Wynbrook such as brick and blockwork façades in place of more carbon-intensive rainscreen cladding, and a timber truss roof structure eliminating concrete from the roof construction entirely.

This demonstrates how careful material selection and structural design can mitigate embodied carbon impacts even where site conditions necessitate more carbon-intensive foundation solutions.

The home also performed well against whole life carbon through these same design choices, together with the heating and hotwater demand in the home being provided by fully-electric Air Source Heat Pumps, avoiding the emissions associated with gas-fired alternatives, but also being specified with refrigerants with a low global warming potential (GWP), reducing emissions from servicing and leakages.

Many of these design choices are fixed early in the design process, highlighting the importance of early consideration of both embodied and operational carbon impacts.

[14] 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).

OHF ESG targets

Description	End of 2025	End of 2027	End of 2030	End of 2040	Status as at December 2025	RAG rating
Net Zero						
Embodied Carbon	All new development deals from the end of 2025 to not exceed the 410 $kgCO_2/m^2$ upfront embodied carbon target at practical completion	All new development deals from the end of 2025 to not 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	All new development deals now require developers to not exceed the 410 $kgCO_2/m^2$ upfront embodied carbon emissions at practical completion, as verified by design and as-built assessments	
Operational Emissions	Align SBTi pathway with Octopus Group	Entire portfolio to have Moca reports completed and engagement with operators over implementation of interventions	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	All assets tracked against CRREM 1.5° C pathways[15]	
Green Tariffs	25% of homes to have green energy tariffs in place	50% 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	
Electrification	First 10 homes to be fully electrified and fossil fuel free	20% of homes in the portfolio to be fully electrified	30% of homes in the portfolio to be fully electrified	-	Ten homes in the portfolio (10%) fully electrified and fossil-fuel free	
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	
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	All newly developed assets to achieve a minimum 10% biodiversity net gain, with brownfield sites achieving a minimum 30%	-	-	All forward funded agreements have a target to achieve a minimum of 10% biodiversity net gain	
Biodiversity	Develop strategy for improving biodiversity of existing assets	TBC	TBC	-	In progress	
Solid Value						
Social Value Framework	Develop a Social Value framework fit for the future and report against this	Report against the Social Value Framework on an annual basis and expand coverage within the portfolio and the depth and accuracy of reporting	-	-	Social Value framework created, and first annual report published	

[15] CRREM analysis has been undertaken to identify how individual assets and the portfolio will perform against a 1.5°pathway. This has been done to identify the risks posed by potential write-downs in asset valuation related to the transition to a low-carbon economy.

Description	End of 2025	End of 2027	End of 2030	End of 2040	Status as at December 2025	RAG rating
Fund Performance						
GRESB	Maintain a 5-star rating in the GRESB global community	Maintain a 5-star rating in the GRESB global community	-	-	-	
Green Leases	100% of all portfolio leases to contain green clauses	-	100% of all portfolio leases to contain green clauses	-	63% of portfolio leases contain green clauses	
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 and GHG emissions, and increase data coverage to 100% for water and waste	-	As of December 2025, 100% data coverage for the 2024 data was achieved for energy & GHG emissions, 81% for water, and 88% for waste. Water and waste intensity targets have been published, as below	
Water Consumption	-	All homes with a water intensity of $2m^3/m^2$/year or above to have an action plan in place	All homes to have a water use intensity of $<1.5m^3/m^2$/year	-	-	
Waste Diversion	-	All homes that divert less than 65% of their waste from landfill to have an action plan in place	All homes to divert at least 65% of waste from landfill	-	-	
Asset Assertations						
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) 60% 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	-	100% of assets rated B and above, 44% A rated	
BREEAM In Use (Part 1)	95% of the portfolio to obtain BREEAM Very Good (or better) 25% to achieve BREEAM Excellent. First Outstanding asset	95% of the portfolio to obtain BREEAM Very Good (or better) 25% to achieve BREEAM Excellent. First Outstanding asset. Achieve first Excellent rating under BIU V7	Maintain same percentages of ratings under BIU V7	-	Outstanding – 0% Excellent – 26% Very Good – 67% Good – 1% In progress – 4% Not rated – 1% Assessed – 95% Very Good or better – 94% 95% of the portfolio have achieved Very Good or higher, with 32% achieving Excellent. The Fund is working towards the first Outstanding asset[16]	
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	All new developments that PC after 2025 to achieve a minimum BREEAM New Construction rating of Very Good, with 25% achieving Excellent	-	-	All forward funded agreements have a target to achieve a minimum of Very Good or Excellent (11%), with the exception of one unrated home the Fund agreed to forward fund prior to the target being set in 2024.	

[16] 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. Certifications are reported 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 Guidelines[17], and verification of the GHG emissions reported, in accordance with ISO 14064-3[18].

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[19].

Simon Rainsford
Director, Envision Sustainability Ltd
June 2026

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[17] INREV Sustainability Reporting Guidelines, January 2023.
[18] BS EN ISO 14064-3:2019 Greenhouse Gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions.
[19] 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

Certified B Corporation | PRI Principles for Responsible Investment | SASB | TCFD Task Force on Climate-Related Financial Disclosures | GRESB | GIIN Global Impact Investing Network | Sustainable Development Goals | BREEAM delivered by bre

Notes

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