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Independent Assurance Report to the Directors of Octopus Investments Limited (“Octopus Investments” or the “Company”) in respect of the Company’s Response to the Operating Principles for Impact Management (the “Impact Principles”)

We were engaged by Octopus Investments Limited to report on the Company’s response to the Impact Principles which describes the policies, processes and control activities in place as at 31 December 2024 (the “Description”) for the Octopus Healthcare Fund (“OHF”) and the Octopus Affordable Housing Fund (“OAHF”) (together the “in-scope Funds”) (the “subject matter”) as set out within the Octopus Investments’ Operating Principles for Impact Management Disclosure Statement (the “Disclosure Statement”). The applicable criteria is set out in Appendix 1 - ‘Reporting Criteria within Octopus Investments’ Disclosure Statement. Our work has been conducted in accordance with the International Standard on Assurance Engagements (UK) 3000 (July 2020) (ISAE (UK) 3000).

Responsibilities of the Directors

The directors of the Company are responsible for the preparation of the subject matter in accordance with the criteria. The directors of the Company are responsible for ensuring that the Company designs, implements, operates and monitors policies, procedures and control activities, and assessing those against the criteria to address the Impact Principles. The Directors of the Company are also responsible for preparing the accompanying Management Statement ensuring its completeness, accuracy and method of presentation of the Description, as set out in the Disclosure Statement.

Our Responsibilities

Our responsibility is to undertake a limited assurance engagement and examine Octopus Investments’ responses against the Impact Principles in respect of the in-scope Funds, as set out in Appendix A below “Octopus Investments Responses” column, and report thereon in the form of an independent assurance conclusion based on the evidence we obtained.

We conducted our engagement in accordance with the ISAE (UK) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the Financial Reporting Council.

ISAE (UK) 3000 requires that we plan and perform our procedures to obtain sufficient evidence to express our assurance conclusion in connection with the Octopus Investments’ response to the Impact Principles, as set out in Appendix A below “Octopus Investments Responses” column. We report to you, based on the results of our procedures, whether anything has come to our attention to indicate that the Octopus Investments’ response to the Impact Principles, as at 31 December 2024, is not fairly stated, in all material respects.

Our Independence and Quality Control

In carrying out our work, we comply with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics which includes independence and other requirements founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions within the IESBA Code of Ethics. We also apply International Standard on Quality Management (UK) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Scope of the Assurance Engagement

The procedures selected, and our determination of the nature, timing, and extent of these procedures, were dependent on our judgment.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion on the subject matter shown in Appendix A “Octopus Investments Responses”.

Our procedures are described in the Appendix A, “BDO Testing Procedures”. The procedures selected depend on our understanding of Octopus Investments’ responses to the Impact Principles and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise, whether due to fraud or error.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were not sufficient to enable us to conclude on the suitability of design of the policies, processes and control activities in place to address the Impact Principles. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion against the applicable criteria. While the Company’s subject matter may be informed by the need to satisfy wider legal or regulatory requirements, the scope of work and our conclusions do not constitute assurance over compliance with those wider legal or regulatory requirements, and is restricted to the identified subject matter in this report.

Inherent limitations

The Impact Principles are drawn upon a high-level set of guidelines. Accordingly, it is possible that an organisation may establish policies, processes or control activities to demonstrate their adherence to the Impact Principles, that may be different to other organisations. How management decided which policies, processes or control activities may be suitable for their organisation and business model, is a matter for their judgement. Accordingly, our conclusion does not extend to the adequacy or appropriateness of the Company’s policies, processes or control activities and their ability to achieve adherence to the Impact Principles through those. Our assurance procedures did not include an assessment of the suitability of the design of Octopus Investments’ policies, processes and control activities implemented in response to the Impact Principles nor the operating effectiveness of the control activities and accordingly we provide no assurance conclusion over the suitability of the design or operating effectiveness of the control activities.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention to indicate that the Octopus Investments’ response in Appendix A, “Octopus Investments Responses” to the Impact Principles as at 31 December 2024 has not been fairly stated, in all material respects, in accordance with the criteria set out in the Management Statement.

Emphasis of Matter

We draw attention to the Company’s response to *Principle 7: Exits*, for the OAHF, stating there were no asset exits for the period from 1 January 2024 to 31 December 2024. Our conclusion is not modified in respect of this matter.



Other Information

The information included in the Disclosure Statement prior to Management Statement section describing the Company's overview, and in-scope Funds' investment strategies; Appendix 2. OHF Impact Framework and Appendix 3. OAHF Impact Framework are presented by the Directors to provide additional information and is not part of the Company's response to the Impact Principles. Such information has not been subjected to the procedures applied in the examination of the Company's response to the Impact Principles, and accordingly, we express no assurance on it.

Restrictions on Use and Disclosure of Our Report

This report is made solely for the use and benefit to the Company and its board of Directors in connection with Principle 9 of the Impact Principles. Our work has been undertaken in accordance with our engagement letter signed on 23 December 2024, so that we might state to the Directors those matters we are required to state in an independent assurance report and for no other purpose. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than Octopus Investments Limited who obtain access to our report or a copy thereof and choose to rely on our report (or any part thereof) will do so at their own risk. To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than the Directors and the Company for our work, for this report, or for the conclusions we have reached.

DocuSigned by:

A handwritten signature in blue ink that reads 'BDO LLP'.

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BDO LLP

Chartered Accountants

55 Baker Street
W1U 7EU
London

11 March 2025

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Appendix A - Octopus Healthcare Fund and Octopus Affordable Housing Fund Disclosure Statement Testing Table

Operating Principles for Impact Management	Octopus Investments Responses	BDO Testing Procedures
PRINCIPLE 1: Define strategic impact objective(s), consistent with the investment strategy.		
<p>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 United Nations Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee.</p> <p>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.</p>	<p>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.</p> <p>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 optimizing 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.</p> <p>The Frameworks incorporate IRIS+ metrics to quantify and monitor performance. Each of the Fund’s frameworks is referenced in the appendixes.</p> <ul style="list-style-type: none"> OHF’s strategy addresses an increasing societal care requirement and contributes positively to the shortfall in market standard 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 Responsible Investment (RI) Policy. OAHF’s strategy is to fund the delivery of new, quality, genuinely affordable homes and be a responsible long-term landlord of these homes. OAHF aims to deliver positive social impact by focusing on four investment themes: Accelerating the delivery of new, genuinely affordable, quality homes; reducing fuel poverty; delivering Affordable Housing for older people; and Supporting Levelling-Up across the UK. 	<p>Inspected Octopus’ organisation chart and relevant documents to verify the Octopus Group entities information.</p> <p>Inspected inscope Funds’ investment strategy documents to confirm the Funds’ strategy statements.</p> <p>Inspected inscope Funds’ Impact Framework documents to confirm that the Framework is based on the Impact Reporting and Investment Standards (“IRIS+”) and the ‘Five Dimensions of Impact’.</p> <p>Inspected inscope Funds’ Responsible Investment Policies to confirm its alignment to SDGs.</p>



Operating Principles for Impact Management	Octopus Investments Responses	BDO Testing Procedures
PRINCIPLE 2: Manage strategic impact on a portfolio basis.		
<p>The Manager shall have a process to manage impact achievement on a portfolio basis.</p> <p>The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio.</p> <p>As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.</p>	<p>Each Fund has their own impact objectives, every investment /asset contributing to achieving the impact objective.</p> <ul style="list-style-type: none"> The OHF portfolio aims for impact across all investments, providing purpose-built care beds in areas which have previously been identified as having a high shortfall in fit for purpose care bed provision. Each asset undergoes an assessment by internal Quality Assurance Team and Property Management Team. Oversight is largely based on risk, specialty, Care Quality Commission (“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. 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 be valued by an external valuer. Standing investments undergo a Building Survey. Additionally, properties earmarked for ‘extra care’ receive a visit from the Octopus Clinical Assurance Director. 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 	<p>For a sample of Octopus Healthcare Fund (OHF)’s assets, inspected relevant documents to confirm that an assessment was conducted by the internal Quality Assurance Team and Property Management Team, which includes in person visits at least annually.</p> <p>Inspected OHF’s investment documents to confirm that the Fund’s investment strategy was focused on delivering modern care beds in areas with identified care bed shortages.</p> <p>For a sample of Octopus Affordable Housing Fund (OAHF)’s assets, inspected evidence to confirm that the transaction went through an underwriting and due diligence process, which included a detailed assessment of the location, demand, physical attributes, and overall suitability, and involved conducting external valuation reports and/or building survey reports.</p>



	<p>indicators from internal space standards to proximity to local amenities to ensure that the Fund’s homes are quality, good places to live.</p> <p>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.</p> <ul style="list-style-type: none"> • 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 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. 	<p>Inspected email communications to confirm that the OAHF Operations Director and team liaise with Local Authorities.</p> <p>Inspected OAHF’s Quality Book to confirm that it includes an assessment on each opportunity which includes a review on a range of indicators from internal space standards to proximity to local amenities.</p> <p>Inspected the Group Remuneration Policy to confirm that the teams are incentivised to deliver the impact objectives and strategies of inscope Funds.</p>
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Operating Principles for Impact Management	Octopus Investments Responses	BDO Testing Procedures
PRINCIPLE 3: Establish the Manager’s contribution to the achievement of impact.		
<p>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.</p> <p>The narrative should be stated in clear terms and supported, as much as possible, by evidence.</p>	<p>All investments across OHF and OAHF contribute to providing capital, creating positive outcomes. Refer to Principles 4 and 5 for more information on how Octopus Investments works with underlying operators or partners and provides technical assistance to enhance impact performance.</p> <ul style="list-style-type: none"> • 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 provide 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 homes. Accelerating the delivery of genuinely affordable, quality homes run through its 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 delivered provide homes for households on these waiting lists. 	<p>Inspected the OHF Responsible Investment and Impact Report, and Impact Framework to confirm that the Fund tracked the core KPIs identified and defined “Quality Care”.</p> <p>Inspected the Social Housing Governance, Regulation and Oversight Statement to confirm NewArch Homes, as the Registered Provider, is responsible for the delivery of the affordable quality homes.</p> <p>Inspected the OAHF investment strategy documents to confirm that the Fund is looking to provide long-term, patient capital to the housing sector, and to fund the delivery and long-term ownership of new homes.</p>



Operating Principles for Impact Management	Octopus Investments Responses	BDO Testing Procedures
PRINCIPLE 4: Assess the expected impact of each investment, based on a systematic approach.		
<p>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?</p> <p>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</p>	<p>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 appendixes.</p> <ul style="list-style-type: none"> • 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 measures 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 Carterwood. 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: <ol style="list-style-type: none"> 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. 3. Please note: an asset is included in the Impact KPIs at the point in time that it reaches Practical Completion, or at the point of acquisition for 	<p>Inspected the Impact Frameworks of both inscope Funds to confirm that the Fund’s framework utilised the ‘Five Dimensions of Impact’.</p> <p>For a sample of OHF’s acquisitions, inspected evidence to confirm that external market reports were commissioned; and the external market reports included information on the impact of each investment and measured the targeted areas of demographics were presented to the Investment Committee (“IC”) as part of the due diligence process ahead of acquisition.</p> <p>For a sample of quarters, inspected OHF’s quarterly investor reports to confirm the Impact KPIs were reported to investors via the reports.</p> <p>Inspected OHF’s Impact Framework to confirm that the Impact KPIs are benchmarked against market data collated by external parties.</p>



<p>the challenge addressed within the targeted geographical context.</p> <p>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.</p> <p>Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.</p>	<p>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.</p> <ul style="list-style-type: none"> • OAHF Impact Framework (will be reviewed by The Good Economy) defines the social impact associated with the investments by referencing to IRIS+ metrics and embeds impact management within the Fund’s investment management process. The Good Economy will assess OAHF activities against its Impact Framework and provide a report on the delivery of social impact. The four KPIs which align with the investment themes are; <ol style="list-style-type: none"> 1. Accelerating delivery <ul style="list-style-type: none"> ○ Number (and %) of new, genuinely affordable, quality homes funded from Housing Association and Local Authority development pipelines. 2. Reducing fuel poverty <ul style="list-style-type: none"> ○ £ (and %) household energy cost savings delivered, and number (and %) of zero electricity bill homes funded. 3. Delivering age-appropriate housing <ul style="list-style-type: none"> ○ Number (and %) of new affordable, quality older persons homes funded. 4. Supporting levelling-up <ul style="list-style-type: none"> ○ £ of local co-investment from Housing Associations, Local Authorities, LGPSs and other mission-led organisations. • 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 measures 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 	<p>Inspected the OHF in-house Quality Assurance team credentials to confirm that they are medical professionals.</p> <p>For a sample of OHF’s assets, inspected the Quality Assurance reports to confirm that the Quality Assurance team maintained monitoring over the performance of the home and the operator.</p> <p>Inspected the OHF annual business plan; Responsible Investment and Impact report; and Responsible Investment Policy to confirm the Fund had consistently defined “quality care beds” throughout the investment process.</p> <p>Inspected evidence to confirm that the OAHF Impact Framework is scheduled to be reviewed by the Good Economy.</p> <p>Inspected the OAHF Private Placement Memorandum to confirm that the social impact and IRIS+ metrics were embedded into the Fund’s investment process.</p> <p>For a sample of OAHF’s assets, inspected the IC reports to confirm that the impact of each investment was reported to and assessed by the IC.</p> <p>Inspected the OAHF annual business plan and Responsible Investment Policy to</p>
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	<p>interchangeably with “Social Housing”.</p> <ul style="list-style-type: none"> • 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. 	<p>confirm the Fund had consistently defined “Affordable Housing”/ “Social Housing” throughout the investment process.</p> <p>Inspected relevant documents to confirm that the majority of OAHF assets were classified as Affordable and Social Rented tenure types.</p> <p>Inspected OAHF’s correspondence with Local Authorities to confirm that the acquisition included an assessment of the Local Authority’s “Strategic Housing Market Assessment”.</p> <p>For a sample of acquisitions for inscope Funds, inspected the Responsible Investment Reports to confirm that each deal underwent a risk assessment using the Responsible Investment Tool to evaluate the expected risk of each new investment.</p>
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Operating Principles for Impact Management	Octopus Investments Responses	BDO Testing Procedures
PRINCIPLE 5: Assess, address, monitor, and manage potential negative impacts of each investment.		
<p>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.</p> <p>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.</p> <p>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.</p>	<p>Each of the Fund's identify 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.</p> <ul style="list-style-type: none"> • 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 2025, 2030 and 2040. The targets have been set around seven areas which include: Net Zero (operational emissions, solar PV, green tariffs, electrification, embodied carbon); 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 <u>published</u> 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: minimizing the impacts of climate change and promoting the sustainable use of natural resources; protecting the natural environment; providing a safe and healthy atmosphere that 	<p>Inspected inscope Funds' relevant documents to confirm the Funds identified sustainability issues that could affect the performance of its investment, including a consideration of their materiality and how they can be mitigated, using guidance from SASB.</p> <p>Inspected the Private Placement Memorandum and Responsible Investment Policy to confirm that both inscope Funds' investment strategy incorporated the ESG risks as part of the investment process.</p> <p>Inspected the published communications for inscope Funds to confirm that the net zero carbon targets are publicly available.</p> <p>Inspected relevant OHF documents to confirm the Fund's impact strategy is aligned to its environmental targets; and ESG risks were identified and mitigated.</p>



	<p>supports well-being; and maximizing socio-economic benefits while minimizing negative effects on local communities.</p> <ul style="list-style-type: none"> • 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 are drafting 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 BRE within 12 months. • All of OHFs 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: <ul style="list-style-type: none"> ○ Location, Transport & Community ○ External Environment & Ecology ○ Safety & Resilience ○ Home Comfort ○ Energy ○ Durability & Environmental Impact ○ Property Size & Layout ○ Quality Assurance ○ Construction Impact ○ Customer Experience ○ Affordability 	<p>For a sample of OHF's assets, inspected the IC reports to confirm that each investment had an ESG risk assessment conducted as part of the decision process and was approved by the Investment Committee.</p> <p>Inspected OAHF's Quality Book to confirm that the Fund's assets are required to be benchmarked against industry-standard measures of quality.</p> <p>For a sample of OAHF's assets, inspected the Fund's relevant documentation to confirm that the EPC ratings of these assets met the Fund's minimum energy efficiency standards. For a sample of quarters and Managing Partners, inspected relevant documents to confirm that OAHF conducted quarterly performance meetings with Managing Partners which included the reporting of social metrics.</p> <p>Inspected relevant documents to confirm that OAHF collected data on fly-tipping, cycle storage, and low-flow taps, and that the Fund worked with Managing Partners to collect such data where it was identified as missing.</p>
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	<ul style="list-style-type: none"> • 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. • Through the SHIFT report, OAHF collected data on subjects like fly-tipping, cycle storage, and low-flow taps. Where information is missing, OAHF will work with management partners to collect data. 	
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Operating Principles for Impact Management	Octopus Investments Responses	BDO Testing Procedures
PRINCIPLE 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.		
<p>The Manager shall use the results framework (referenced in Impact 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.</p> <p>When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action.</p> <p>The Manager shall also seek to use the results framework to capture investment outcomes.</p>	<p>OHF and OAHF all use the IRIS+ metrics identified in the Framework.</p> <ul style="list-style-type: none"> • 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 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”), a for-profit registered housing provider owned by OAHF, 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 Homes) 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 OAHF’s For-Profit Registered Provider (“FPRP”) (NewArch) Board that performance is in line with expectations. 	<p>For a sample of inscope Funds’ quarterly investor reports and the annual business plan, inspected relevant documents to confirm that the Fund’s Impact indicators were reported.</p> <p>Inspected OHF’s annual Responsible Investment and Impact Report to confirm that the Impact indicators were reported.</p> <p>For a sample of OHF’s assets, inspected relevant documents to confirm that the continued impact contribution of investments throughout the asset’s lifecycle.</p> <p>For a sample of quarters, inspected OHF’s quarterly investor report to confirm that the assets were only included within the Impact KPIs when it reached its practical completion or at the point of acquisition for standing investments improved to the Fund’s definition of quality.</p>



	<ul style="list-style-type: none"> • 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 programmes. This is reviewed by the Octopus Affordable Housing Team in conjunction with Approved Partners so that works 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, which will be produced after a full financial year of operation of the Fund (2025). 	<p>For a sample of bi-month Quality Assurance Committee reports, inspected relevant documents to confirm that the OHF's portfolio's performance were reported by the Quality Assurance Team.</p> <p>Inspected relevant documents to confirm that OAHF required approved Managing Partners to undertake housing management services.</p> <p>For a sample of Managing Partners, inspected the Housing Management Agreements to confirm that OAHF set out performance standards along with KPI reporting information for the Managing Partner.</p> <p>For a sample of OAHF's assets that due to have a Stock Condition Surveys during the reporting period, inspected relevant documents to confirm that a report was produced regarding the properties' condition and budget long-term cyclical maintenance programmes; and the report was reviewed by the OAHF Team. these include the condition and budget of the asset.</p>
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Operating Principles for Impact Management	Octopus Investments Responses	BDO Testing Procedures
PRINCIPLE 7: Conduct exits considering the effect on sustained impact.		
<p>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.</p>	<ul style="list-style-type: none"> • OHF’s strategy is to hold investments long term; however, there may be occasions where an asset is deemed to no longer fit the Funds 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 Property Management 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 operation 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 Funds 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 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. • The principle 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. 	<p>Inspected relevant documents to confirm that OHF’s investment policy requires asset disposals to occur when the asset is deemed to no longer fit the Fund’s strategy.</p> <p>For a sample of OHF’s disposals, inspected relevant documents to confirm that the Clinical Assurance and Property Management teams engaged with tenants as part of the disposal process.</p> <p>Inspected the OHF hold/sell analysis document to confirm an annual analysis was completed for all assets in the portfolio.</p> <p>For a sample of OHF’s disposals, inspected the IC report to confirm that divestments were made to other investors or operators within the sector and would continue operating as care homes.</p>



	<ul style="list-style-type: none">• Within the period from 1 January 2024 to 31 December 2024 there were no OAHF asset exits.	Confirmed via inquiry that no disposals were made for OAHF during the reporting period.
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Operating Principles for Impact Management	Octopus Investments Responses	BDO Testing Procedures
PRINCIPLE 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.		
<p>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.</p>	<ul style="list-style-type: none"> • 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 an early deployment phase but has grown from 12 homes under management at the start of the year to 200+ homes by the end of the year with a further 200+ homes in contract to be delivered. This, however, is still relatively small, and the OAHF intends to continue to review Impact performance and lessons learned as part of the annual review process. 	<p>For a sample of quarters, inspected the OHF quarterly performance reports to confirm the Fund’s manager assessed the Fund’s contribution against its mission.</p> <p>Inspected OHF’s Green Book to confirm the methodology used to assess the Fund’s impact contribution was set up. Confirmed via inquiry that the Green Book will be subject to continuous review.</p> <p>For a sample of OHF’s assets, inspected quality assurance reports to confirm the oversight and monitoring of assets was carried out by the clinical assurance and property teams.</p> <p>Inspected the OHF hold/sell analysis document to confirm an annual analysis was completed for all assets in the portfolio.</p> <p>Inspected the OAHF’s asset register to confirm the number of assets at the start and at the end of the disclosure period.</p>



Operating Principles for Impact Management	Octopus Investments Responses	BDO Testing Procedures
PRINCIPLE 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.		
<p>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.</p>	<p>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.</p> <p><i>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.</i></p>	<p>N/A</p>