

Octopus Future Generations (FG) VCT Plc

Sustainability Disclosure Requirement (SDR)
Sustainability Report

April 2026

Purpose

In alignment with the Sustainability Disclosure Requirements (SDR) *Naming & Marketing Rules*, it is necessary for funds to decide whether to apply to become a labelled or non-labelled fund in accordance with the Financial Conduct Authority (FCA) rules.

Applying an SDR Label is intended to clearly articulate what the sustainability threshold we are applying to our fund and to ensure that the use of sustainability-related terms is accurate. The FCA has developed four sustainability labels, which are intended to help consumers navigate sustainability features in investment funds.

At this stage, Octopus Investments, the Investment Manager (“the Manager”) has decided not to apply a label to the Octopus Future Generations VCT Plc (“the Fund”). At the time of writing, a limited number of firms have had label applications approved. We have, therefore, made the decision to delay the application of a label to this fund until it is clear what qualifying criteria must be met.

We will adhere to the FCA anti-greenwashing rules, and we will fulfil our pre-contractual and ongoing SDR product-level disclosures. These disclosures will, at a minimum, include information relating to the investment policy and strategy, alongside any relevant metrics and KPIs.

Investment Strategy

The Fund is a sustainability themed investment company, backing companies that fall within the following sustainability themes: building a sustainable planet, empowering people and revitalising healthcare. The Board believes that these three sustainability themes address the key challenges facing current and future generations. Octopus Venture’s is the investment team which invests the Fund and its mission is to invest in the ideas, industries and people that will change the world.

The Fund aims to achieve its investment strategy in a socially and environmentally conscious manner by investing in companies whose business activities help solve a problem or deliver a net-positive desired outcome. Each investment will be selected based on an assessment of whether it will help to build a sustainable planet, empower people or revitalise healthcare, and is expected to be held for five to ten years.

The Fund invests in three key areas that the Board believe demonstrate excellent investment prospects and have potential to transform outdated industries for the better.

Building a sustainable planet

As society moves to a low carbon economy, the way we produce and consume information, materials and energy is changing. Some of the most exciting early-stage businesses are helping to accelerate this transition. Businesses under this theme might be reducing carbon emissions, protecting ecosystems or creating a circular economy that removes waste.

Empowering people

The Fund wants to empower people to create a fairer and more equitable society so invest in businesses that are reimagining the future of society. These companies could democratise education or financial services, disrupt the food industry to stop people going hungry or increase connectivity between people and protect their privacy online. This could drive innovations that will make the world a better and safer place.

Revitalising healthcare

Healthcare is essential. The Fund wants to back businesses moving health and wellbeing forward. That could mean investing in entrepreneurs who are improving lives through digital health solutions. Or it might mean supporting businesses helping people conquer addictions or creating software that will make healthcare services more efficient and accessible.

Focus on Future Generations VCT's investments

Below is a breakdown of the 39 investments held as of 31st December 2025, showing the value of the portfolio in each investment theme:

- Building a sustainable planet – £6.5 million
- Empowering people – £9.6 million
- Revitalising healthcare – £17.4 million

Investment Process

While the wider process can differ depending on the stage and sector of each business, this includes:

- **Initial screening** - each prospective investment will be initially assessed by the Octopus Ventures investment team. If it does not meet the investment theme criteria, it will not be considered any further for investment by the Company.
- **Management assessment** – as part of Octopus's process of assessing the management team, the investment team will work to understand the investee company's senior management team and culture. This will always include numerous meetings with the management team and completion of standard Anti-Money Laundering and Know Your Client procedures for company directors and any significant shareholders.
- **Responsible investment assessment** – the responsible investment approach evaluates three things: does the investment generate a sustainable outcome, is the investment resilient to sustainability risks which could impact the financial performance of the investment, and whether the investment considers its wider stakeholders (employees, customers, community, and the environment). The investment managers consider this information within the investment process and continues to track data and report on progress within annual reporting.
- **Due diligence** - Early-stage opportunities are first subject to in-house due-diligence, and third-party experts are often commissioned following first-stage investment committee approval and agreement of heads of terms with the businesses. Due diligence may include financial, commercial, technology, legal, and others as necessary.
- **Investment Committee** – the Octopus Ventures investment committee reviews the opportunity more than once prior to every investment. The committee will consider various investment case and governance factors, including for example: strength of management team, potential returns, results of any due diligence, and suitability for

investment in line with the Fund's investment policy amongst other factors. It will also carefully consider the investment theme criteria and the wider Environmental, Social and Governance (ESG) profile of that business when deciding whether it is an appropriate investment the Fund.

Responsible Investment Approach

The Fund has a Responsible Investment policy in place (the Policy), which is set by the Board, to ensure that Octopus Ventures considers responsible investment within investment decisions in relation to the Fund. The Policy ensures that Octopus Ventures follows a three-step approach to responsible investment which is aligned with the Octopus Group's responsible investment policy.

This framework considers:

1. Mission: the impact of an investment
2. Materiality: the materiality of sustainability issues
3. Responsibility: an investee company's values, culture, and behaviour.

The Directors believe responsible investment can help create long-term value so companies should implement a framework to support best practices. To further elaborate on the framework:

Mission

The Fund is helping to solve some of the world's biggest problems. The Octopus Ventures' team look for investments that have the capability to enable the transition to a greener planet, address inequality and rebalance access to healthcare.

Materiality

As part of the investment process, the Octopus Ventures team incorporate a material risk review of sustainability issues. This process includes identification and consideration of material issues which could impact the sector within which the Fund operates. These risks and their relevance to sectors is based on guidance from the Sustainability Accounting Standards Board (SASB). Given the nature of the tech-enabled businesses targeted for investment, the most material risks identified include data security, data privacy, and recruiting and managing a diverse and skilled workforce.

Responsibility

Octopus Group has created an engagement tool to help the investment team understand whether a company considers their wider stakeholders (community, customers, people, planet and shareholders) within decision making and provide tools and guidance to help companies adopt responsible practices. The Octopus Ventures' team will also collect data on diversity within the portfolio and actively work with portfolio companies to support talent management, recruitment and diversity.

Octopus Ventures is responsible for implementing the Policy. As the nature of the responsible investment, the Fund's investors and the wider business environment evolves, the Policy will be reviewed and, if necessary, updated.

Supporting companies and assessing sustainability

After the Fund invests

Octopus Ventures' supports a company throughout the life of the investment. The team know that managing a successful VCT is about more than just making good investments. It also understands the value it can bring to its portfolio companies through its experience and network of experienced entrepreneurs and specialist partners. The established team nurtures portfolio companies to help them reach their full potential. Typically, one of the team sits on the board of each portfolio company. This allows the team to play a prominent role in that company's development, steer its growth plans and navigate emerging risks.

Measuring performance Octopus Ventures works with portfolio management teams to set and maintain appropriate standards of conduct towards people and the planet. It also monitors a company's financial performance and measures its progress against social and environmental goals. The team report at a portfolio level, including:

- % and value of investments within each sustainability theme.
- % of investee companies to put in place a Diversity and Inclusion Policy and an Anti Harassment/Discrimination Policy within 90 days of initial investment.
- % of companies with which it has engaged about their greenhouse gas emissions.

D&I policy status (as of 31st December 2025 annual report)

- Policy in place | 100%
- In progress | 0

Engaged in monitoring 2024 greenhouse gas emissions (as of 31st December 2025 annual report)

- Signed up | 5
- Introduced | 33

Management's role in assessing and managing climate-related risks and opportunities

At an investment level, transition and physical risks and opportunities are considered throughout the investment committee process, from initial due diligence right through to ongoing portfolio management.

As previously noted, the Board have reviewed and approved a Responsible Investment Policy which has been implemented by the Octopus Ventures team. The day-to-day management and assessment of climate-related risks and opportunities is therefore undertaken by the investment managers, and forms part of the Investment Committee (IC) process and fund-level reporting.

The above processes ensure the Board's oversight and management of climate-related risks and opportunities include functions established to provide good governance. This enables the Board and portfolio companies to all be aligned on our approach to climate related risks and opportunities.

Impact of climate related risks and opportunities on business, strategy and financial planning

The Octopus Ventures team are backing tech-enabled businesses – many of which – improve energy efficiency (resource efficiency-driven products and services) and are less exposed to physical risks, such as extreme weather (i.e. storms, flooding and fires) over the short-term, when compared with industry incumbents. While the portfolio continues to be assessed against climate-related risks, the team have not identified risks that pose a material risk to investment performance over the short-, medium-, or long-term.