Octopus AIM VCT plc

Updated Responsible Investment Policy

Approval Date: November 2025

Responsible Team: Octopus Quoted Companies Team

Introduction

The Octopus AIM VCT plc ("the VCT") is a publicly listed Venture Capital Trust that invests in qualifying small and growing UK companies listed primarily on the Alternative Investment Market (AIM). The VCT seeks to generate long-term capital growth and income tax-free returns for shareholders, in line with the requirements of the VCT legislation.

The Octopus Quoted Companies Team ("us" or "we"), recognise the challenges of applying robust ESG standards in this segment of the market - particularly due to limited data and our status as minority shareholders. However, we believe that through increased ESG awareness and active dialogue, we can positively influence our investee companies over the long term and enhance the resilience and performance of the VCT's mandate.

This Responsible Investment (RI) Policy ("the Policy") sets out our approach to identify, assess and manage ESG matters across the VCT's investment activities. ESG considerations are embedded at the core of our investment process to support long-term value creation, strengthen risk mitigation, and deliver positive outcomes for all stakeholders.

As a B Corp we consider the interests of our five core stakeholders (our employees, communities, customers, shareholders and the environment) in everything we do, and this feeds directly into how we manage our investments.

The Policy will be reviewed annually, or earlier in the event of relevant changes.

Responsible Investment process

To structure our ESG approach, we adopt a three-step framework to responsible investment:

- Mission: What we aim to achieve via ESG integration.
- Materiality: Which ESG issues are most likely to impact performance or reputation.
- Responsibility: How we act on our mission and materiality.

Mission

Our mission is to invest in high-growth, VCT-qualifying UK companies listed primarily on AIM, while integrating ESG practices that can create value throughout the investment process.

To deliver this mission, we have defined the following ESG strategic goals:

- Understand ESG issues across the portfolio.
- Enhance ESG transparency and disclosure.
- Practice active ownership, including governance structures improvement.
- Enable smaller companies to evolve in line with responsible investment principles.

We will endeavour to meet our ESG strategic goals by incorporating the following principles within our role as investment manager for the Fund:

- ESG integration throughout the investment process.
- Transparency and openness in both our expectations and reporting.
- Pragmatism given the limitations of micro caps, combined with ambition to improve.

Materiality

Materiality is about deciding which ESG issues are most likely to affect a company's performance or reputation. How we assess materiality:

- Sector & Industry Guidance: We use frameworks such as SASB to identify sector relevant ESG risks (e.g. environmental exposure in industrials; labour risk in consumer/services).
- Company Characteristics: We consider company size, maturity, financial strength, capacity to manage ESG issues, and geographic exposure (domestic vs international risks).
- Regulatory, Market & Stakeholder Trends: Monitor evolving regulation (e.g. climate, reporting requirements), market expectations, reputational risk, and changes in supply chain or customer preferences.
- Management Engagement & Qualitative Assessment: Conversations with boards/ management to understand their ESG priorities, policies, culture, and disclosures. Use external research or ESG data providers where possible.
- Impact Materiality: Consider not only how ESG issues impact companies, but also how companies' operations impact environment and society (externalities).
- Periodic Reassessment: Materiality assessments are not static—we will revisit them as companies, sectors, regulation or stakeholder expectations evolve, or where material ESG risks emerge.

Responsibility

This section describes the tools, actions and processes through which we operationalise mission and materiality:

- Review investee companies' levels of ESG disclosure. We will periodically review an investee company's corporate social responsibility statement to understand company policies on topics such business ethics and integrity, employee matters, and the environment. When meeting with management or non-executive directors, we will address, where appropriate, issues which we feel need further discussion.
- Make our own research available to portfolio companies upon request: Make our own research on ESG metrics (diversity, job creation, carbon emissions, etc) available to our portfolio companies and where appropriate help them mitigate ESG issues to increase long term value.
- Leverage relationships to enhance ESG expertise and advice. Our extensive network of brokers, managers and personal contacts are based on established business integrity principles and form an important part of the expertise and advice we can offer to portfolio companies.
- Practice active ownership. Our established corporate governance processes include actively voting, where appropriate, on all corporate governance matters including board composition, corporate transactions, and company remuneration.
- Consider ESG issues throughout the investment cycle. We will consider ESG issues during the investment process to ensure that they are, where appropriate, integrated within investment decisions and during ongoing portfolio monitoring.
- Strive for a high standard of governance. We will continue to robustly implement controls and risk management frameworks that help us to enhance our own governance as an investment team.

Oversight

The Octopus Quoted Companies team is responsible for the management of ESG issues and the implementation of this Policy. We are supported by the wider Octopus team, including compliance, risk legal and specialist ESG resources. Where additional expertise is required to implement, including, in relation to a specific investment by the VCT, we shall engage appropriate external parties.

The Responsible Investment Committee provides oversight over the implementation of the Octopus Investments Responsible Investment policy.

Reporting & transparency

Octopus Group has signed up as a UN PRI signatory, which commits to the following principles for Responsible Investment:

- ESG in investment analysis & decisions;
- Be an active owner & ESG in policies and practices;
- Appropriate disclosure on ESG issues by investments;
- Promote acceptance & implementation in industry;
- Collaborate to enhance implementation effectiveness;
- Report on activities & progress towards implementation

Policies and practices

We are supported by these formal Octopus Group policies, which complement this ESG Policy and reinforce our standards:

- Octopus Equal Opportunities Policy
- Octopus Modern Slavery Policy
- Octopus Whistleblowing Policy
- Octopus Conflicts of Interest Policy

In addition to formal policies, Octopus is a certified B Corp meaning we consider our impact on all stakeholders and that our wider business practices support our commitment to ESG matters:

- Employee performance is appraised biannually, with performance scores split into the WHAT and the HOW, such that behaviour is considered equally important with delivery.
- The Octopus Quoted Companies team is represented in the Octopus Responsible Investment Committee focusing on working collaboratively to promote ESG issues across the business.
- We proactively stay abreast of forthcoming changes to legislation, participating in Government consultations and working groups as appropriate.
- The Octopus compliance team oversee all risk, data protection, anti-bribery and corruption, market abuse and anti-money laundering activities, ensuring all members of the team are trained annually.
- Using a new baseline of 2023 data, and Science-Based Initiative (SBTi) guidance, Octopus has set near-term emissions targets:
  - Our near-term target for Scope 1 and 2 emissions is to reduce them by 90% by 2030.
  - We aim to reach Net Zero by 2040 or sooner, across our operations and financed emissions (Scope 3 Category 13 & 15).
  - We will purchase quality carbon credits that directly sequester emissions through nature-based solutions to offset the final 10% of our Scope 1 and 2 emissions by 2040.