

Octopus Titan VCT Plc

ESG Policy

April 2021

This Environmental, Social and Governance ("ESG") Policy is set by the Board of Octopus Titan VCT Plc ("Titan" or "the Fund") to identify and manage ESG matters applicable to Titan and its underlying companies. The Policy will be implemented by Octopus Investments Limited ("Octopus") as the service provider to Titan and will be reviewed annually.

Purpose

The purpose of this Policy is to define our approach to identifying opportunities and mitigating risks that could be financially material to Titan performance by ensuring that ESG considerations are appropriately managed by the companies in which Titan invests.

Approach

We acknowledge that there is no 'one size fits all' approach to ESG; given the breadth of Titan's investment activity, ESG risks are diverse and company specific. As the nature of the ESG issues affecting us, our investors, and the wider business environment evolves, we will revisit and, if appropriate, update this Policy.

ESG Principles

- We will not engage with any person or entity on an internationally recognised 'deny list' and we will not invest in any business whose activities or practices appear on Octopus Ventures' Exclusion List, which includes sectors such as tobacco, arms, fossil fuels, gambling and deforestation.
- We require our investment companies to:
 - provide safe and healthy working conditions for all;
 - treat people fairly, irrespective of race, gender, nationality, disability, political or religious beliefs;
 - accept no bribes; and
 - uphold high standards of business integrity at all times.
- We will actively seek to understand the impact of our investments on local communities and the environment.
- Within the mandate of the Fund, we will employ effective stewardship to influence and support our investee companies to improve their status quo.
- We will seek to adopt any recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) which fall within Titan's investment mandate as soon as reasonably practical, with an overall goal of a path to net zero by 2050.

Investment Process

Octopus and Titan's Directors believe a positive approach to ESG is a leading indicator of long-term value creation within the investee companies Titan targets. Therefore, Octopus will review potential investments considering both their positive steps towards a strong ESG culture and identifying the potential risks associated with an uninformed approach to ESG matters and will assess existing portfolio businesses at the point of re-investment. To help identify each potential and existing portfolio company's approach to ESG, Octopus will undertake to:

- Seek to identify financially material ESG issues to mitigate potential risks and enhance value for Titan and its underlying companies by integrating guidance from the Sustainable Accounting Standards Board (SASB) and TCFD.
- Agree and report on KPIs and targets to provide both the Board and the Octopus ESG Committee with oversight of the measures taken by portfolio companies to strengthen their approach to ESG.
- To mitigate and/or resolve any risks identified and these considerations throughout the investment process.
- Complete appropriate background checks on key personnel within potential investee companies, with attention given to any past behaviours that could suggest a lack of prioritisation on ESG matters.
- Collect data on diversity within the portfolio and actively work with our investee companies on an ongoing basis to support their talent management and recruitment, mental health and diversity. A condition of our investment is that the company must have in place a Diversity and Inclusion Policy, as well as an Anti-Harassment and Discrimination Policy.

Responsibility and Oversight

The Octopus Ventures team is responsible for the management of ESG issues for Titan and the implementation of this ESG Policy, reporting to the Titan Board.