FOR PURPOSE

INVESTMENT PARTNERS

Disclosure Statement 2026

Operating Principles for Impact Management

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Operating Principles for Impact Management

For Purpose Investment Partners Ltd ("FPIP" or the "Signatory") hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the "Impact Principles").

We publish this statement annually to give our stakeholders clear information about how we manage impact. It sets out our approach against each of the nine Impact Principles, the processes that support it, and the evidence behind it.

This Disclosure Statement applies to all our advised and managed funds, with total Covered Assets in alignment with the Impact Principles of US$116.9 million as of 30 June 2026.

In December 2025, following a Special Resolution of Members, we restructured our closed-end Social Impact Fund I into Social Impact Fund II ("SIF II"), an open-ended, evergreen unit trust. SIF II invests in a diversified portfolio of debt investments across our focus social sectors. It holds the seed portfolio of loans from Social Impact Fund I. We calculate the Covered Assets figure on a basis consistent with prior years.

Michael Traill
Executive Director
For Purpose Investment Partners
30 June 2026

Principle 1

Define strategic impact objective(s), consistent with the investment strategy.

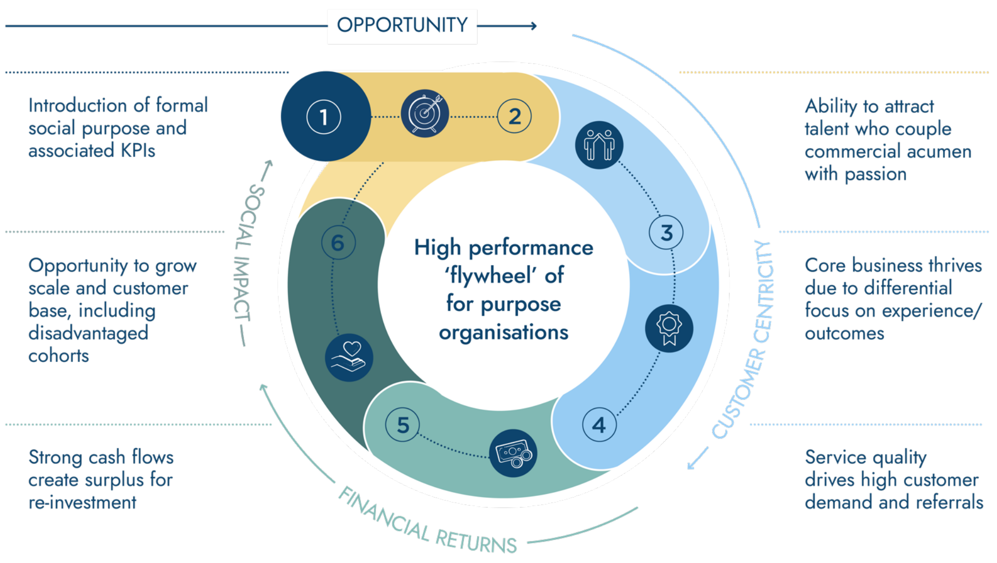
The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. 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.

FPIP was established in 2018 to advance health, education, and social and public welfare in Australia. We do this by catalysing, supporting, and funding organisations, programs and other initiatives that have a core purpose of generating positive outcomes (the "Purpose"). This Purpose is legally embedded into all that we do at FPIP through our governing document.

We are a not-for-profit social impact investment manager. We deliver social impact for both FPIP and its portfolio assets, bridging the gap in "For Purpose" investing by sitting at the intersection of business discipline and social impact. We run businesses effectively while embedding social purpose at the core of our investments. We pursue both social and financial value without compromise.

At the manager level, our contribution is improving the quality and accessibility of key social services in Australia through the development of social impact investing as a mainstream asset class. While we focus intently on our investment and fund-level impact objectives, growing this asset class is a strategic intent to create additionality.

Core to our manager-level impact strategy is our theory of change known as the "For Purpose Flywheel". When organisations embed social purpose, they create a powerful cycle of returns. Focusing on customer outcomes attracts mission-driven talent. These values-aligned employees focus intensely on serving customers better, which drives both social impact and financial performance. This success attracts more purpose-driven talent, and the cycle continues.



FOR PURPOSE INVESTMENT PARTNERS

Principle 1 (cont.)

Define strategic impact objective(s), consistent with the investment strategy.

Testing our theory of change

We test the Flywheel against evidence. Our Social Impact Measurement Framework states the assumptions underpinning our theory of change and identifies them for testing: that stakeholders improve over time, that the improvement is at least partly attributable to our investment, and that our activities reach enough people to produce measurable change.

From 2026, our annual Impact Report assesses every platform against each step of the Flywheel in a portfolio report card. The report card uses a common status scale and external benchmarks. It links our firm-level theory of change to each platform's own theory of change and measurement framework. Where a step is under pressure, we say so and set out our response.

Proving the model at scale

Our goal is to prove this model works at scale. We believe that by demonstrating consistent results, we will encourage institutional investors to move impact investing from the margins to the mainstream. We size our intended impact to the capital we manage. Our subordinated debt and social loan structures unlock further senior debt and institutional co-investment. Each dollar of our capital therefore supports a larger pool of purpose-aligned investment than we hold directly.

We invest in a range of projects and businesses through suitable investment structures, with a preference for not-for-profit structures via subordinated debt instruments. We believe enshrining Purpose in the constitutional documents of not-for-profits maintains social impact in the long term, beyond our investment horizon. We invest in structures where we have control or significant influence. To generate impact additionality with our capital, we need to be able to guide strategic decisions made by the company or partner organisation.

Principle 1 (cont.)

Define strategic impact objective(s), consistent with the investment strategy.

Our fund and investee companies' impact goals are based on our five impact pillars, which are broadly applicable to social sector businesses generating positive impact. Our impact pillars are:

QUALITY

We raise the quality of products and services available in the social sectors.

ACCESS AND INCLUSION

We ensure that people of all backgrounds can access and fully participate in quality products and services.

GREAT PEOPLE

We develop great businesses where people have meaningful and fulfilling careers.

FINANCIAL SUSTAINABILITY

We work to generate a surplus. This allows us to reinvest in the business and fulfil our charitable purpose.

ADVOCACY

We use portfolio-wide evidence to advocate for policy and funding changes that enable quality, accessible services, creating systems change with our portfolio companies.

Principle 1 (cont.)

Define strategic impact objective(s), consistent with the investment strategy.

Our focus sectors and platforms

We focus on impact in key social sectors that are characterised by significant gaps in service provision or social infrastructure. These gaps require investment that exceeds the capacity of government alone, while the quality and viability of these services are essential. Each of our focus sectors aligns with the United Nations Sustainable Development Goals (SDGs), drawing principally on SDGs 1, 2, 3, 4, 8, 10, 11 and 16.

For each active platform, we map our contribution to specific SDG indicators. We support each mapping with evidence of the scale of need in the Australian context and the measures we track against that indicator. We publish this indicator-level mapping in our annual Impact Report. We complete the mapping once we invest; for sectors where we are yet to invest, we map at the goal level only. We are careful not to overclaim alignment or contribution to the SDGs.

Platforms with active investment

Aged Care – For Purpose Aged Care: To deliver exceptional care and meaningful ageing.

- Every Australian deserves dignified care in their later years, regardless of their socio-economic circumstances.
- Our aged care portfolio combines operational efficiency with not-for-profit compassion. Our staff deliver excellent health outcomes while giving residents control over how they live and celebrate their later years. Following the acquisition of Signature Care and the opening of new homes in regional centres, For Purpose Aged Care now operates as a single national brand. Its development pipeline is concentrated in underserved communities.

1 NO POVERTY | 2 ZERO HUNGER | 8 DECENT WORK AND ECONOMIC GROWTH | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Skills Education – For Purpose Education: Building and skilling care workforces for Australia.

- Critical workforce shortages and automation are reshaping Australia's job market. Workers need new skills to stay employed.
- We invest in training providers who deliver flexible, practical programs that match real market needs. These programs help people gain the skills employers want and build sustainable careers. Our three registered training organisations operate under a not-for-profit parent, For Purpose Education, with a particular focus on building the care workforce.

4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

Principle 1 (cont.)

Define strategic impact objective(s), consistent with the investment strategy.

Disability Services – FP Ability: Increased independence through quality nutrition.

- People with disabilities have the right to access services that match their individual goals and needs.
- We invest in providers who deliver flexible support – including daily living assistance through meal deliveries – that enables Australians with disabilities to live on their own terms. Our portfolio companies address critical service gaps, particularly in nutrition and community programs that respect individual choice and control.

Specialist Disability Accommodation – FPIP SDA: Quality homes and independent living for Australians with disability.

- Access to adequate, safe, secure, accessible, and affordable housing is a fundamental human right. Thousands of National Disability Insurance Scheme (NDIS) participants hold Specialist Disability Accommodation (SDA) funding and are yet to find a suitable home.
- We deliver high-quality, purpose-designed SDA homes in desirable locations. We work with mission-aligned partners, including BlueCHP and Sydney Anglican Property. Our tenant-led approach designs homes for identified cohorts, which supports long-term tenancies and high occupancy.

Principle 1 (cont.)

Define strategic impact objective(s), consistent with the investment strategy.

Sectors we plan to invest in

Social and Affordable Housing: Safe, secure homes for all people who need them most.

- The housing system in Australia is not delivering on affordability, supply or access.
- We have experience in structuring innovative financing deals that bring governments, developers, and community organisations together to build more homes faster. We will use our expertise to invest in and increase the supply of social and affordable housing, directly reducing waitlists and providing stable homes for families, essential workers, and vulnerable Australians. Our delivery of SDA homes with community housing and faith-based property partners gives us a proven pathway into this sector.

Early Childhood Education and Care: Quality early learning that sets children up for life.

- Every child deserves access to high-quality early education that nurtures their development, regardless of their family's income or location.
- We will invest in providers that deliver evidence-based programs, remain affordable for families, and create workplaces that attract and retain staff to provide continuity of care. We will seek to expand access in underserved communities, maintain high educator-to-child ratios, and demonstrate measurable improvements. Early childhood education and care is a focus sector of Social Impact Fund II. We are actively assessing opportunities in this sector.

Principle 2

Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. 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. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

We pursue five common impact pillars across our portfolio: Quality, Access and Inclusion, Great People, Financial Sustainability, and Advocacy. Given the diversity of our portfolio, we do not set uniform targets. We combine a core set of portfolio-wide indicators with metrics tailored to each investment. Meaningful measurement differs between aged care and skills education, and our metrics reflect that.

From 2026, we monitor portfolio-level impact performance through a Flywheel report card, published in our annual Impact Report. We assess every platform against each step of the For Purpose Flywheel using a common status scale. We track performance against targets and external benchmarks, including government datasets. This gives the Board, the Investment Committee, and our investors a consistent, whole-of-portfolio view of impact performance while retaining metrics that are meaningful to each business.

For Purpose Aged Care
Residential aged care

FLYWHEEL STATUS: Strong

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
Social purpose	Great people	Quality	Demand	Cash flows	Reinvestment
Strong	Building	Strong	Strong	Strong	Active
Not-for-profit governance, with a clear mission to open more homes so more Australians receive exceptional care and meaningful ageing.	Employee Net Promoter Score (eNPS) of +26 with expanded learning and development opportunities. Continued focus on building leadership capability and supporting systems so home leaders can better support staff.	Quality outcomes at or above industry average through a period of rapid growth and change.	Occupancy above 98%. New homes filling ahead of forecast.	Top-quartile financial performance.	Surplus is funding specialist care, improved dining experience, frontline leadership development, and systems upgrades.

FOCUS FOR FY27: Maintain resident quality of life as the priority, through the purpose model of care, leadership and development, and systems that support better care and give staff more time with residents. For Purpose Aged Care will also progress the development and acquisition pipeline towards more than 4,000 beds.

Example of the Flywheel report card introduced in the Impact Report 2026

Principle 2 (cont.)

Manage strategic impact on a portfolio basis.

We develop impact metrics in partnership with management teams (see Principle 6), ensuring they track genuine outcomes that are meaningful for their business and align with our fund-level goals. Our portfolio-level approach to strategic management of impact is guided by:

- **Strategic oversight** – We embed robust governance processes and appoint skilled board members who guide impact alignment and set objectives.
- **Regular monitoring** – We maintain a strong reporting and monitoring framework to track how investments perform against set impact metrics.
- **Performance evaluation** – We analyse, discuss and test metrics to understand and address areas of underperformance or excellence, and we apply learnings across the portfolio.
- **Risk management** – We manage risk proactively, including assessing environmental, social and governance (ESG) risk to identify and address emerging risk factors.

Where we have two portfolio companies in the same sector, we align their key impact metrics. This lets us compare and report performance across the platform, rather than company by company. Portfolio companies collect the data. We monitor and report it. This includes portfolio-wide ESG indicators such as gender diversity at leadership and staff levels, and pay equity between male and female staff.

Portfolio companies are responsible for managing their own impact performance. Our investment team provides active oversight, accountable to the Board and investors for any negative deviations. Each company has its own impact KPIs. We currently link these to:

- Specific impact key performance indicators (KPIs) where measurable
- Implementation of impact measurement systems where KPIs are still in development.

Principle 2 (cont.)

Manage strategic impact on a portfolio basis.

Governance and capability

Our investment team holds responsibility for impact management, with oversight from the Investment Committee and the FPIP Board. In March 2026 the Board commissioned an enterprise-wide governance review, led by an FPIP Director. The review examines role clarity, delegations, board effectiveness, compliance, risk management and culture, performance and accountability across FPIP and its operating boards. It benchmarks our practices against the ACNC Governance Standards and the AICD Not-for-Profit Governance Principles. Phase One completed in April 2026 and reported to the Board in May, drawing on a review of more than 1,400 governance documents across six entities, interviews with directors, management and advisors, and a group-wide gaps analysis. At 30 June 2026 Phase Two was substantially complete, with recommendations — including a forward work plan — going to the Board for endorsement. Implementation across the group follows, targeted through to late 2026, after which governance moves to an ongoing cycle of review and improvement.

FPIP sets an impact objective at the start of each financial year. For FY27, that objective is that all investments have a clear impact thesis and outperform their sector in the areas of impact they are committed to across our five impact pillars: quality, access and inclusion, great people, financial sustainability, and advocacy. We then determine the contribution required from each member of the investment team to achieve it, and reflect that in individual development goals. We review progress against those goals annually, alongside ratings against our skills matrix. The matrix covers impact capabilities: impact judgement, mission alignment, and accountability for protecting value and impact across the portfolio — as well as commercial and financial capability. These reviews inform decisions on remuneration, incentives and promotion. As a not-for-profit manager, we remunerate FPIP directors and employees by salary. Remuneration arrangements are approved by the Board. Individual reward at FPIP, including incentive and retention programs, are separate from the profits realised on portfolio assets.

Principle 3

Establish the Manager's contribution to the achievement of impact.

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. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

We document exactly how we contribute to each investment's social impact through both financial and non-financial channels. Every investment has a clear impact narrative backed by evidence. Impact additionality is a core pillar of our screening approach. Before we invest, we assess our expected contribution and document the counterfactual: what would happen without our investment.

Financial contribution

We provide patient capital that mainstream markets do not supply, through structures designed to unlock further investment:

- Social loan notes with terms of 10 to 20 years, providing subordinated capital through not-for-profit entities where other funding sources do not exist
- Long-term mezzanine financing for Specialist Disability Accommodation homes, which enables purpose-designed housing for NDIS participants
- Capital structures that mobilise institutional co-investment, including senior debt facilities with major banks
- An open-ended fund structure, Social Impact Fund II, which gives wholesale investors ongoing access to social impact private credit as an investable asset class

In 2026, FPIP and For Purpose Aged Care secured a Social Loan aligned with the Asia Pacific Loan Market Association Social Loan Principles, assessed by Sustainalytics.

Non-financial contribution

Three core strengths make us the partner of choice for social sector businesses:

- **Innovative deal structuring** – We structure for-purpose acquisitions using social notes through not-for-profit entities, creating ownership models that embed social mission
- **Genuine impact focus** – As a not-for-profit fund manager ourselves, we bring authentic values alignment that resonates with mission-driven organisations
- **Sector networks** – We connect portfolio companies with leading not-for-profit partners, unlocking value through relationships traditional investors cannot access

We often convert for-profit businesses into not-for-profit structures, embedding charitable purpose directly into their constitutions. This fundamental shift enables management teams to prioritise impact in every strategic decision. Board meetings and reporting frameworks reflect this change, with social outcomes taking centre stage alongside financial performance. We appoint experienced non-executive directors to portfolio company boards. FPIP directors also serve on operational boards across the portfolio.

Principle 3 (cont.)

Establish the Manager's contribution to the achievement of impact.

We actively support portfolio companies to increase their impact through:

- **Impact workshops** – We facilitate sessions with management teams to clarify and articulate their social impact goals
- **Leadership collaboration** – We bring portfolio company leaders together to share approaches and learn from each other's impact strategies
- **Performance incentives** – We link management remuneration to impact KPIs, implementing changes within the first year of ownership
- **Strategic partnerships** – We leverage our networks to secure partnerships across the for-purpose sector, connecting management teams to thought leaders and innovators. Our SDA homes are delivered with specialist partners: BlueCHP, a community housing provider, and Sydney Anglican Property, whose well-located land supports new supply
- **Direct support** – Our investment team provides hands-on strategic and operational support, bringing commercial expertise to strengthen social businesses
- **Expert advisors** – We connect companies with high-quality professionals from our network for both one-off advice and ongoing board appointments
- **Impact budgets** – We are developing frameworks to help companies allocate dedicated budgets for impact activities
- **Policy alignment** – We have completed gap analyses across our portfolio and are implementing best-practice policies for diversity, equity and inclusion, and workplace conditions

Field building

Consistent with our Advocacy pillar, we contribute to the development of the social impact investing market. In FY26 we made submissions to the Economic Reform Roundtable and to the Superannuation Performance Test consultation. Both advocated for settings that enable institutional capital to flow to productive social infrastructure. We also advocated publicly on learner choice in vocational education. We share our evidence base openly through our annual Impact Report.

Monitoring our contribution. At investment, we identify the specific activities we will undertake to add value. These include board appointments, development of impact measurement frameworks, policy and governance uplift, and introductions to our sector networks. We then track whether we delivered those activities and review what they achieved.

Principle 4

Assess the expected impact of each investment, based on a systematic approach.

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? 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 the challenge addressed within the targeted geographical context. 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. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

Our Impact Assessment Framework

Our Social Impact Measurement Framework, originally developed with SVA Consulting, structures our assessment around five questions. Who changes as a result of our activities? How do they change? How do we prove it has changed? Which changes are most valued? Is it all down to us? The last question tests our own contribution, and we treat it with the same seriousness as the others.

We assess potential impact during the early stages of every investment using our Impact Investment Framework, aligned to the Five Dimensions of Impact, the industry framework now stewarded by Impact Frontiers. This systematic approach ensures we measure meaningful, demonstrable outcomes. For each prospective investment we document the intended impact, who experiences it, how much impact we expect, our contribution, and the risks to achieving it. We assess impact risks against the nine types of impact risk within the Five Dimensions framework. We then use that assessment to form a view on the likelihood of achieving the expected impact.

Four critical questions

1. Theory of Change. Does this investment have a robust, testable theory of change? We tailor metrics to each investment's specific context because generic measures miss what matters. Our approach: identify clear cause-and-effect relationships, establish measurable milestones, and track progress rigorously. When performance diverges from targets, we intervene quickly. Where reliable baseline data is not available at entry, we work to establish baselines within the first year of ownership, and we refine targets as data systems mature. Integration extends this timeframe. Where we bring businesses together, rebuild reporting systems, or manage a leadership transition, reliable outcome data takes longer to establish. We report what we can evidence, and we are clear about what remains in development.

Principle 4 (cont.)

Assess the expected impact of each investment, based on a systematic approach.

2. Impact Additionality. What happens because of our investment that would not happen otherwise? We create additionality through:

- Capital provision when other funding sources do not exist
- Patient, long-term investment horizons that enable sustainable growth
- Executive expertise and board talent from our networks
- Strategic partnerships unavailable to traditional investors

Without clear additionality, we do not invest.

3. Scale and Depth. Can this investment deliver enduring impact at scale? We evaluate multiple scaling pathways:

- Platform development that multiplies impact across sites
- Catalytic funding that unlocks additional investment
- Systems advocacy that drives sector-wide change
- Cross-pollination opportunities across our focus sectors

We prioritise investments with multiple impact channels and deep, lasting benefits for communities.

4. Risk Mitigation. What could derail our impact goals? We identify and address:

- Leadership alignment with social mission
- Management incentive structures tied to impact KPIs
- Governance frameworks that protect social purpose
- Early warning systems for performance issues

We make leadership changes when necessary to protect impact outcomes.

Contribution to Systems Change

We analyse each social challenge within its Australian context, examining market failures, service gaps, and unmet demand. This evidence base helps us identify where our capital creates maximum benefit. We publish this analysis. For each platform, our annual Impact Report sets out the scale of the national challenge alongside the indicators we track against it. Examples include the forecast shortfall of residential aged care beds, the care workforce gap, and the number of NDIS participants who hold SDA funding without a suitable home.

Beyond direct impact, we assess systemic opportunities and how investments might shift industry practices, influence policy, or demonstrate new models for the sector.

Principle 4 (cont.)

Assess the expected impact of each investment, based on a systematic approach.

Who experiences our impact

Our focus sectors reach women disproportionately, as both workforce and beneficiaries. Around 83% of the aged care workforce is female, and about two-thirds of permanent residential aged care residents are women. Early childhood education and care has a workforce that is 91% female. Around 70% of disability support workers are women, and 68% of primary carers of people with disability are women. Older women are the fastest-growing group experiencing homelessness in Australia. We take this into account when we assess who experiences the impact of an investment and how underserved they are.

Decision Framework

Our due diligence process weighs both financial and impact considerations. When we progress a prospective investment to the Investment Committee, both dimensions inform the investment decision. We benchmark impact metrics against external and government datasets wherever they are available. These include the Australian Institute of Health and Welfare, the National Centre for Vocational Education Research, and NDIS quarterly reporting. This means we assess expected impact against sector performance, and against our own reference points.

Principle 5

Assess, address, monitor, and manage potential negative impacts of each investment.

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 negative impact risks. 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. As part of portfolio management, the Manager shall monitor investees' negative impact risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

We identify and manage ESG risks through our documented ESG Framework, applied from initial assessment through ongoing portfolio management. The framework is our due diligence instrument. It applies a two-stage process. Stage 1 assesses an investee's foundational ESG policies, strategies, and frameworks. Stage 2 analyses how the investee puts those commitments into practice. We assess five domains: policies and commitments to standards, governance, diversity, equity and inclusion, responsiveness to climate risks and opportunities, and communication and reporting. We rate each criterion as developing, intermediate, or advanced, assign a risk category of high, medium, or low, and record the evidence we relied on. We screen out investments that do not meet our social thresholds. Our framework aligns to relevant industry standards, including the B Impact Assessment and the Principles for Responsible Investment.

Climate risk is one of the five domains we assess in diligence. We examine a prospective investee's climate strategy, its processes for managing climate risk, and the metrics and targets it holds itself to. Australia's mandatory climate-related financial disclosure regime commenced in 2025. No FPIP portfolio company currently meets the thresholds that would make it a mandatory reporter. We monitor those thresholds as our platforms grow, so that we can prepare before any company becomes subject to the regime.

- **Governance** – We strengthen portfolio company boards with experienced non-executive directors immediately post-acquisition. Our not-for-profit structure aligns our interests with social purpose, eliminating profit-maximisation pressures. The enterprise-wide governance review we commissioned in 2026 (see Principle 2) examines risk culture, risk appetite, and conflict of interest management. It also tests compliance with the ACNC Governance Standards, the Corporations Act, and sector-specific legislation, including the NDIS and aged care regimes.
- **Environmental and Social Balance** – We assess environmental risks during due diligence, including land contamination in property investments. When environmental and social objectives conflict, we document our decisions. For instance, Able Foods retained plastic packaging after testing showed eco-friendly alternatives prevented customers with disabilities from opening meals independently – we prioritised accessibility over environmental considerations.
- **Monitoring and Reporting** – Board papers and Investment Committee materials systematically track ESG risks and performance. Our ESG Framework is most rigorous at the point of diligence. Applying the same rigour through the life of an investment is the area we are working on. Two elements are in development: documented guidance setting monitoring frequency according to the pre-investment risk categorisation, and defined escalation steps for when monitoring identifies a new risk.

Principle 6

Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

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. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

Impact Measurement and Management Framework

We co-develop impact measurement frameworks with portfolio companies soon after investment. This collaborative process ensures both parties align on meaningful metrics that track genuine social outcomes. Our Social Impact Measurement Framework, developed with SVA Consulting, sets out the seven-step cycle we follow. It also requires us to be transparent about how data was collected and about any assumptions or limitations that affect how the data should be read.

Our Seven-Step Process

- **Stakeholder Mapping** – Identify key stakeholders, understand their needs, and document the operating context
- **Theory of Change** – Define the social issues we address, our interventions, desired outcomes, and evidence base for effectiveness
- **Measurement Framework** – Prioritise outcomes and select appropriate indicators and measurement tools
- **Data Collection** – Implement systems to capture required metrics while minimising administrative burden. We audit existing data collection and add only essential new measures
- **Data Analysis** – Establish protocols for interpreting results and demonstrating impact
- **Communication and Reporting** – Create stakeholder-specific reporting schedules that prioritise transparency and education
- **Measurement Culture** – Embed impact measurement into organisational DNA, connecting every staff member to social purpose

Principle 6 (cont.)

Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

Implementation and Monitoring

Portfolio companies progress through these steps at different rates, depending on their maturity and complexity. Companies collect the data; we analyse it and present findings to investors through quarterly reports. Where portfolio companies operate real-time dashboards, they report monthly. These reports track both financial and social performance against the original theory of change.

Impact metrics feature prominently in board meetings and management discussions, ensuring social outcomes receive equal priority with financial performance. We compare results against targets, prior periods, and external benchmarks. We now set explicit impact targets with portfolio companies. Examples include clinical quality star ratings, care experience scores, supported resident ratios, and staff engagement scores. We report performance against those targets and against national averages in our annual Impact Report. Where reliable baselines do not exist at entry, we establish targets within the first year and refine them as data quality improves.

When monitoring indicates an investment is not on track, we respond, and we report it publicly. Our Impact Report identifies where performance is under pressure, separates external headwinds from service quality, and sets out the actions underway.

We also strengthen our monitoring through:

- **Cross-portfolio Learning** – Leadership Forums facilitate knowledge sharing between investments at different stages. Companies further along the measurement journey share insights with newer investments, accelerating implementation across the portfolio.
- **Performance Management** – Established impact KPIs are linked to management remuneration. We design incentives carefully to avoid perverse outcomes, for example cherry-picking cohorts to boost metrics at the expense of more vulnerable cohorts.
- **Governance and Accountability** – The Investment Committee and Board review impact performance regularly through structured deep dives on individual investments. We address underperformance promptly and maintain focus on both financial returns and social impact.

Principle 7

Conduct exits considering the effect on sustained impact.

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.

Maintaining Impact Beyond Exit

Since our first investment in April 2021, we have not yet exited any portfolio companies. We have established a comprehensive Impact Beyond Exit policy that protects social outcomes if we eventually sell investments.

In December 2025 we restructured our closed-end Social Impact Fund I into Social Impact Fund II, an open-ended, evergreen unit trust. This strengthens impact beyond exit. Under the evergreen structure, investors achieve liquidity through quarterly unit redemptions, subject to notice periods and redemption caps that protect remaining investors. A fund wind-up that forces the sale of portfolio assets is no longer the route to investor liquidity. FPIP can therefore remain the long-term steward of its investments, and a fixed fund term no longer drives exit timing.

Embedding Impact Through Structure

We will safeguard impact through three mechanisms:

- **Business Model Alignment** – We invest exclusively in sectors where operational excellence drives social impact. High-quality service delivery directly correlates with positive social outcomes – poor operators cannot deliver meaningful impact. When we acquire less than 100% ownership, we verify that co-investors share our impact priorities before proceeding.
- **Structural Protection** – We structure most investments through not-for-profit companies limited by guarantee, embedding social purpose directly into founding constitutions. This legal structure ensures continuity of impact regardless of future ownership changes. For investments requiring traditional structures, we secure impact through shareholder agreements and board representation.
- **Exit Management** – We will follow a strict exit hierarchy that prioritises impact preservation. Our policy requires us to seek impact-aligned buyers first, accepting lower returns only when price differentials become material. This disciplined approach prevents our social gains from being unwound by purely profit-driven acquirers.

Principle 7 (cont.)

Conduct exits considering the effect on sustained impact.

Our Exit Hierarchy

Our Impact Beyond Exit policy ranks exit options by their likelihood of preserving social impact for not-for-profit structures:

- Refinance and retain control – Replace equity with debt while maintaining governance
- Transfer to aligned impact investors – Ensure new owners share our social mission
- Sell to mission-compatible buyers – Verify commitment to maintaining social outcomes

For for-profit structures, where a whole-of-portfolio option with FPIP remaining as manager is not available, we would seek to sell individual investments or a portfolio to impact-aligned investors, provided doing so does not have a material impact on returns. The evergreen structure of Social Impact Fund II keeps the whole-of-portfolio option available on an ongoing basis, with FPIP remaining as manager.

Balancing impact and fiduciary duty

Our policy is to pursue non-impact buyers only after exhausting all impact-preserving options. This hierarchy protects the communities we serve while ensuring responsible stewardship of investor capital. Any exit decision would balance impact preservation with fiduciary duty, guided by clear policies. Ahead of our first exit, we will apply a standardised template to assess and document responsible exit considerations. The template covers the buyer's alignment with the impact mission and the likelihood of impact continuing without FPIP's involvement.

Precedent: Goodstart Early Learning

FPIP has not yet exited an investment. The model we apply has a precedent. Our social loan note structure was built on the original Goodstart Early Learning transaction, involving FPIP founder, Executive Chair and Director Michael Traill.

In 2009, a syndicate of not-for-profit organisations acquired the collapsing, for-profit ABC Learning centre network and established Goodstart as a company limited by guarantee, with social purpose embedded in its constitution. Investors received returns in line with their financial expectations, and repaying them did not require a sale of the business. Now, Goodstart is the largest impact-focused provider in the Australian early learning market.

The Goodstart model is what FPIP is built to replicate. Investors are repaid from cash flow or a refinance, not by selling the business. Ownership remains aligned with purpose, creating enduring impact.

Principle 8

Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

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.

Learning from Impact Performance

We systematically review and document impact performance across our portfolio, using these insights to strengthen both investment decisions and portfolio management. Our structured approach ensures continuous improvement while maintaining rigorous oversight.

Regular Communication

Our weekly team meetings dedicate approximately 20—25% of time to deep-diving individual portfolio companies and prospective investments. These sessions examine:

- Emerging risks and opportunities
- Process improvements and innovations
- Positive outcomes worth replicating
- Negative or unintended consequences requiring intervention

This operating rhythm ensures that, as a team, we identify and communicate issues early to support continued success across our portfolio.

Board-Level Scrutiny

Quarterly board meetings also feature comprehensive deep dives on one portfolio company, giving directors the opportunity to interrogate both impact performance and lessons learned. These sessions complement our quarterly dashboard reporting, which balances social impact metrics with financial performance indicators. Directors ensure we are accountable for process improvement.

The 2026 enterprise-wide governance review (see Principle 2) applies this principle to ourselves. The Board commissioned a structured examination of our own decision-making frameworks, benchmarked against external standards, with recommendations for improvement.

Data Collection

We aim to measure outcomes alongside outputs, though this creates practical challenges. Capturing behavioural change or quality-of-life improvements requires more complex data collection than counting service volumes. We use beneficiary surveys where feasible, though response rates vary and mandatory participation is often inappropriate for vulnerable populations.

Reported data also lags where a business is being integrated. Where we combine two businesses, rebuild back-office processes, or manage a change of leadership, comparable outcome data can take more than one reporting cycle to establish. We disclose the metrics we can evidence and identify where measurement is still being built.

Principle 8 (cont.)

Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

Impact Reporting Journey

- Our Impact Report 2023 established baseline measurements and revealed three areas for improvement: data consistency, collection frequency, and beneficiary feedback mechanisms. We addressed these systematically.
- The Impact Report 2024 demonstrated portfolio growth and stronger data collection, particularly from mature investments. This growth highlighted the need for platform-level analysis rather than company-by-company reporting.
- The Impact Report 2025 implemented this platform approach, incorporating external benchmarks where available. This evolution allows investors to assess our performance against sector standards, not just internal targets.
- The latest Impact Report 2026 introduces a portfolio report card that assesses every platform against the For Purpose Flywheel. It also discloses each year's changes to reported metrics, stating what we added, updated, or removed and why. This transparency allows our reporting to evolve while preserving comparability. We apply it to results that fell short of expectations as well as to those that exceeded them.

We continue refining our approach based on stakeholder feedback, ensuring our reporting serves both accountability and learning objectives. Each iteration strengthens our ability to demonstrate our performance while identifying areas for improvement. All reports are available on our website.

STEP 1

Counting reach (2023)

Our first report established the baseline: the beds, learners, meals and homes our capital reached. Reach proved our capital was deployed and working, and it remains the foundation of every later measure.

STEP 2

Measuring outcomes (2024–2025)

As our portfolio companies settled, we moved from counting the people we reached to measuring what changed for them. We introduced outcome surveys across the portfolio and compared results with prior years, with targets, and with external benchmarks drawn from government datasets.

STEP 3

Connecting impact to performance (2026)

This year we connected those outcomes to the performance of the businesses that deliver them. Our new portfolio report card assesses every platform against each step of the For Purpose Flywheel, using the four-point scale (see p2), with benchmarks confirmed against their primary sources. Where a step is under pressure, we say so and set out our response.

FPIP shows its measurement journey in the Impact Report 2026

Principle 9

Publicly disclose alignment with the Principles and provide regular independent verification of the alignment.

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.

This Disclosure Statement outlines the alignment of our impact management systems with the Impact Principles and is published annually on our website.

In 2024, we engaged BlueMark, a wholly owned subsidiary of Tideline Advisors LLC, as our external, independent advisor. BlueMark is the leading provider of independent impact verification and intelligence for the impact and sustainable investing market. BlueMark's verification methodologies draw on a range of industry standards, frameworks, and regulations, including the Impact Management Project, the Operating Principles for Impact Management, the Principles for Responsible Investment, SDG Impact, and the Sustainable Finance Disclosure Regulation. BlueMark has office locations in London, UK; New York, NY; and Portland, OR, and is headquartered at 154 W 14th St, 2nd Floor, New York, NY 10011.

Our website presents the latest independent verification report from 2024 regarding our alignment of practices with the Operating Principles for Impact Management. Our verification statement can be found on our website (under Impact). The 2024 verification was our second assessment. Our alignment ratings improved across multiple principles between the two assessments. We treat verification as a tool for improvement, and we publish the findings in full, covering both strengths and areas for enhancement.

We plan to conduct an independent verification of our impact management systems at least every two years or following a material change to our processes. Our impact management processes did not change materially during the reporting period.