



Net Zero Policy

Aurora Energy Research

April 2024

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Introduction

This policy applies Aurora Energy Research Limited and its subsidiaries from time to time (“**Aurora**” or the “**Company**”). If you have any questions about Aurora’s commitment and plans to achieving Net Zero, please contact Rebecca Pallot (rebecca.pallot@auroraer.com).

Purpose and principles

The purpose of this policy is to:

- State Aurora’s commitment to Net Zero
- Set out the basis on which Aurora measures its carbon footprint
- Publish Aurora’s measured carbon footprint
- Define emissions reduction targets for Aurora

Document History

Version Number	Date	Approver	Changes
1	April 2024	Meng He	First Issue

Commitment to Net Zero

Aurora is committed to achieving Net Zero emissions in its operations by 2050.

Carbon footprint measurement

Measurement scope and methodology

Aurora measures its greenhouse gas (GHG) emissions across all operating entities in its corporate group. Measurement is done quarterly and reported annually at the end of each calendar year.

Aurora's carbon footprint measurement methodology covers Scope 1, Scope 2 and Scope 3 emissions. All Scope 1 and Scope 2 emissions measurement is activity-based; Scope 3 emissions are a mix of activity-based and spend-based measurement. All measurement follows recognised accounting standards and emission factors.

The following categories are included in Aurora's Scope 3 measurement in 2023:

- Premise rental costs
- Consultancy spend
- Hosting services
- IT equipment
- Business travel
- Commuting

Previous years' measurement

Aurora has measured its carbon footprint for the last two calendar years (2022 and 2023):

SCOPE	2022 (tCO ₂ e)	2023 (tCO ₂ e)	Variance
Scope 1	2.34	2.57	+ 9.9%
Scope 2	40.00	61.19	+ 53.0%
Scope 3 ¹	636.98	1,750.76 (total) 1,053.96 (comparable)	+ 174.9% (total) + 84.1% (comparable)
Total Emissions	679.33	1,814.52 (total) 1,117.72 (comparable)	+ 167.1% (total) + 64.5% (comparable)
Emissions per FTE	2.63	4.17 (total) 2.63 (comparable)	+ 58.4% (total) - 2.4% (comparable)

¹ Scope 3 measurement for 2022 only included rental costs and business travel. In this table, "total" emissions for 2023 refers to the full range of Scope 3 categories currently measured and "comparable" emissions for 2023 shows the emissions in the smaller set of categories and using the same methodology as included in 2022.

We will use 2023 as our baseline year for ongoing carbon footprint reporting as it covers a more comprehensive set of emissions.

Emissions reduction targets

Approach to setting reduction targets

Aurora Energy Research is a rapidly growing business, with headcount growth of c. 80% year-on-year in the last two years. In order to progress towards our Net Zero commitment while taking account of this growth, we have adopted carbon reduction targets which are based on emissions per FTE.

We will review our targets and strategy in 2026 when we have more historical years of measurement and performance.

In the long-term, we aim to develop reduction targets in line with the standards set by the Science Based Targets initiative (SBTi). However, SBTi only accepts absolute reductions in emissions and this is currently unfeasible due to Aurora's rate of growth.

Past performance against targets

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Short-term targets

Our carbon reduction targets are as follows:

- In Scope 1, by 7% each year per FTE
- In Scope 2, by 7% each year per FTE
- In Scope 3, by 12% each year per FTE

We project that carbon emissions per FTE will decrease over the next two years to 3.37 tCO_{2e} by 2026.

Initiatives to reduce carbon footprint

The following environmental management measures and projects have been completed:

1. In relation to business travel:
 - a. We have implemented a company-wide travel booking platform to more accurately track and report on travel-related emissions.
 - b. The travel policy encourages staff to consider train travel as an alternative to short flights.
 - c. We have introduced guidelines to reduce the number of business trips taken.

2. We have set up a Net Zero Committee which produces employee-led initiatives and support for all offices to contribute towards our Net Zero targets.
3. Our procurement policy requires that environmental impacts be considered at all stages of procurement.
4. We have purchased carbon offsets for the total 2023 carbon footprint (see below section “Approach to carbon offsets”).

In the future we hope to implement further measures such as:

1. Work is under way in the build out of our new head office in Oxford, which will incorporate a building management system to more effectively control energy consumption.
2. By end of 2025, we will switch to renewable energy sources in all office locations where this option is available (ie, leased offices but not serviced/co-working offices).
3. We will continue to purchase carbon offsets each year for the total measured carbon footprint (see below section “Approach to carbon offsets”).

Approach to carbon offsets

In the current economic landscape, some carbon emissions are an unavoidable part of Aurora’s operations. Where we have positive emissions, we seek to offset those emissions through the use of carbon offsets.

Aurora invests in carbon offset projects to offset its full carbon footprint each reporting year, following the principles below:

- we will take a portfolio approach to carbon offsets, to include projects with a diverse range of technologies, geographies and approaches
- we will only invest in projects which are independently accredited by certifiers such as Verra, Reverse, Gold Standard and Puro.earth

We will continue to review and refine this approach as further standards and practices are established, including the offset guidelines which are expected to be published by the Science Based Targets initiative in July 2024.