

Net Zero Policy Aurora Energy Research April 2025



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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 for achieving Net Zero, please contact Lara Velten (<u>lara.velten@auroraer.com</u>).

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
2	April 2025	Meng He	Second 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:

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

We have made the following changes to our measurement methodology for 2024:

- Scope 2: We have introduced market-based reporting in addition to location-based reporting.
- Scope 3: We have transitioned to reporting actual emissions for our hosting services for better accuracy, whereas in previous years a spend-based approach was taken.

This year's measurement

The table below presents the total measured emissions for 2024, alongside a comparison with 2023 emissions.

SCOPE	2023 (tCO ₂ e)	2024 (tCO ₂ e)	Variance
Scope 1	2.57	7.31	+ 184.3%
Scope 2 ¹	61.19	97.39 (market-based), 121.41 (location-based)	+ 98.4% (comparable)

¹ Scope 2 emissions in 2023 were measured using only a location-based approach. In 2024, we have introduced market-based reporting in addition to location-based reporting. In this table, all comparisons between 2023 and 2024 emissions in Scope 2 are made on the basis of location-based measurement methodology.



Scope 3 ²	1,750.76	1,920.85 (total) 2,040.96 (comparable)	+ 16.6% (comparable)
Total Emissions ³	1,814.52	2,025.56 (market-based), 2,049.57 (location-based) 2,169.68 (comparable)	+ 19.6% (comparable)
Emissions per FTE ⁴	4.17	2.83 (market-based), 2.86 (location-based) 3.03 (comparable)	- 27.3% (comparable)

Scope 1: We note that there was a significant increase in absolute terms of our Scope 1 emissions (+184.3%). This was largely due to an invoicing discrepancy at one of our sites, meaning no Scope 1 emissions were recorded at that site for most of 2023 but was then recorded in 2024.

Scope 2: We note that there was a significant increase in absolute terms of our Scope 2 emissions (+98.4%), mostly driven by changes in our leasing profile. In 2024, we moved from co-working spaces to leased premises at five of our sites. This means that, in these five cases, we now have measurable Scope 2 emissions.

Emissions reduction targets

Approach to setting reduction targets

Aurora Energy Research is a rapidly growing business, with headcount growth of more than 60% yearon-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.

² Scope 3 emissions for hosting services in 2023 were calculated using a spend-based approach. In 2024, we transitioned to using actual emissions data for these services. In this table, "total" emissions for 2024 reflect the updated methodology based on actual emissions, while "comparable" emissions continue to use the spend-based calculation to ensure comparability with the 2023 figures for the purposes of measuring target attainment.

³ "Comparable" emissions and variance in this row uses location-based methodology for Scope 2 and spend-based methodology for hosting services.

⁴ "Comparable" emissions and variance in this row uses location-based methodology for Scope 2 and spend-based methodology for hosting services.

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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

Based on our 2023 carbon footprint (when we expanded the categories we measured and upon which we set our reduction targets), we aimed to reduce emissions to $3.37 \text{ tCO}_{2}\text{e}$ per FTE by 2026. Our 2024 carbon footprint of 2.86 tCO₂e per FTE demonstrates that we have already met and exceeded this target ahead of schedule.

Performance against targets

The table below outlines our emissions performance for 2024 against our reduction targets.

SCOPE	2023 (tCO₂e per FTE)	2024 (tCO ₂ e per FTE)	Variance	Reduction target
Scope 1	0.0059	0.0102	+ 72.9%	-7%
Scope 2 ⁵	0.1406	0.1697 (location-based), 0.1361 (market-based)	+ 20.7% (comparable)	- 7%
Scope 3 ⁶	4.0238	2.6846 (total) 2.8525 (comparable)	- 33.3 % (total) - 29.1% (comparable)	- 12%
Emissions per FTE ⁷	4.17	2.83 (market-based), 2.86 (location-based) 3.03 (comparable)	- 27.3% (comparable)	N/A

Despite the increase in Scope 1 and Scope 2 emissions, significant reductions in Scope 3 emissions have driven an overall decrease in emissions per FTE.

On a comparable basis, Aurora has achieved an overall emissions reduction of 27.3% per FTE from 2023 to 2024, lowering total emissions from 4.17 tCO₂e per FTE to 3.03 tCO_2 e per FTE. This reflects strong progress toward our Net Zero goals.

⁵ "Comparable" variance in this row uses location-based methodology.

⁶ "Comparable" emissions and variance in this row uses spend-based methodology for hosting services.

⁷ "Comparable" emissions and variance in this row uses location-based methodology for Scope 2 and spend-based methodology for hosting services.

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Initiatives to reduce carbon footprint

The following environmental management measures and projects have been completed:

- 1. In relation to business travel:
 - a. We are working with a company-wide travel booking platform to 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. Our procurement policy requires that environmental impacts be considered at all stages of procurement.
- 3. We have purchased carbon offsets for the total 2024 carbon footprint (see below section "Approach to carbon offsets").
- 4. In our new Oxford head office, heating, cooling, and lighting systems are optimized through daily timed schedules and motion sensors to enhance energy efficiency.

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

- 1. 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).
- 2. We aim to (re-)establish a Net Zero Committee in 2025 to drive employee-led initiatives and support for all offices to contribute towards our Net Zero targets.
- 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 market-based 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, Riverse, 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 2025.