

A worker in a yellow hard hat and safety vest is kneeling on a large array of solar panels. The worker is holding a tablet and a tool, possibly a screwdriver. The background shows a sunset with a bright sun low on the horizon, casting a warm glow over the scene. The sky is filled with colorful clouds, and there are trees in the distance.

Octopus Group Progress towards Net Zero 2025 update

octopus
A brighter way

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Setting the scene...

Octopus is a group of companies that exists to solve some of the world's biggest challenges.

We believe increasingly people want to work for, buy from, and invest in companies that understand what it means to make the world a better place, and that behave in a way that is reassuringly human.

We hold ourselves to high standards and have set ambitious targets when it comes to the climate crisis. We want to be a catalyst for change and encourage other businesses to follow in our footsteps, because it's going to take a host of companies taking brave action to change the course of our planet.

What is the Science Based Targets initiative?

The Science-Based Targets initiative (SBTi) enables companies and financial institutions to take credible climate action. It develops standards and guidance for setting greenhouse gas (GHG) reduction targets in line with limiting global warming to 1.5°C and reaching net zero by 2050.

SBTi is an incorporated charity, with a subsidiary hosting its validation services. Its partners are the Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).



A reminder of the Scopes

- **Scope 1:** direct emissions controlled by Octopus Group companies.
- **Scope 2:** indirect emissions from purchased electricity, steam and cooling.
- **Scope 3 Category 1–14:** indirect emissions resulting from our activities — business travel, purchased goods and services in the supply chain.
- **Scope 3 Category 15:** emissions from our investments, also known as financed emissions, which are by far the most material.

1. Executive summary

There is no denying that humanity is under a code red warning. Every business is responsible for doing its bit to reduce its impact on people and the planet.

We are thrilled to announce that Octopus Group's near-term science-based targets have been validated by the Science-Based Targets initiative (SBTi)!

After taking part in the pilot for the development of the SBTi guidance for financial institutions ([SBTi Near-Term Criteria for Financial Institutions, Version 2.0](#)), in January 2024, we set our targets using this guidance (once it was released in May 2024), as well as the [SBTi Private Equity Sector Guidance, Version 1.0](#), and the [SBTi Buildings Criteria](#) for our real estate assets. We had the chance to feed into the guidance to ensure it was fit for purpose and made sense for our complex organisational structure.

Since May 2024, we have improved our 2023 baseline data across our supply chain and our £9.5bn assets under management, and we have been working with Minimum, our carbon accounting platform, to streamline the process. The process of setting and validating a target has been complex to navigate, as Octopus Group has investments in all asset classes, but we are excited to finally be able to announce our ambitions.

Why we chose SBTi

The following Octopus companies are included in the target: Octopus Investments (including Octopus Ventures and Octopus Capital), Octopus Money, Seccl, The Aurora Group, Octopus Legacy, and amicable.

We have set Scope 1 and 2* (our operations) targets across all group companies, as well as Scope 3* Category 13 (owned and leased assets) and Category 15 (our investments) targets, across our investments within Octopus Investments.

See our headline targets on the next page.

Why we chose SBTi

1. Initially we signed up to the B Corp Climate Collective in 2021 because we are a B Corp. In 2024 they decided to not reinvent the wheel, and to encourage every signatory to adopt SBTi, which further demonstrates its credibility.
2. SBTi's guidance is science-based, drawing on the Intergovernmental Panel on Climate Change (IPCC).
3. It aligns with the Greenhouse Gas Protocol and Partnership for Carbon Accounting Financials (PCAF).
4. It enables Octopus Group to capture all activities under one framework, focusing on emissions reduction rather than offsetting.

Our Science-based targets

Category	Scope	Target	Baseline	Target year	Methodology
Operations	1 & 2	Reduce emissions by 90%	2023	2030	SBTi Near-Term
Operations	2	Increase renewable electricity sourcing 87% > 100%	2023	2030	Renewable sourcing
Owned & leased assets	3 (Category 13)	Reduce in-use operational GHG emissions 66% per m ²	2024	2030	Sectoral Decarbonisation Approach (SDA)
Commercial real estate loans	3 (Category 15)	Reduce in-use GHG emissions 50% per m ²	2023	2030	SDA
Alternative investment market (AIM) listed funds	3 (Category 15)	Scope 1+2 portfolio 3.09°C > 2.44°C; Scope 1+2+3 > 2.54°C	2023	2030	Temperature alignment
Private equity / Ventures	3 (Category 15)	45% of eligible portfolio with SBTi-validated targets	2023	2030	Portfolio coverage
Net Zero	All	Net Zero across operations and financed emissions	2023	2040 or sooner	We have not yet set a commitment using SBTi guidance but we intend to

Since May 2024, we have improved our 2023 baseline data across our supply chain and our £9.5bn assets under management



Our offices at 33 Holborn

2. Targets and focus areas - our business operations

While our major focus is on reducing our financed emissions (Scope 3, Category 15), it is still important that we reduce our operational emissions, including Scope 1 and 2 emissions, which make up 0.7% of our total footprint.

Our operations (Scope 1 & 2)

Target: Reduce our Scope 1 & 2 emissions by 90% by 2030 from a 2023 baseline.

- Increase renewable electricity sourcing from 87% in 2023 to 100% by 2030, maintaining 100% through 2030.
- Power all offices by renewable electricity by 2026 (except one shared workspace with ongoing landlord engagement).
- Implement energy reduction measures (e.g., LED dimming).
- Relocate in 2026 to a net zero in operation headquarters for Octopus Investments, Octopus Money, Seccl, and amicable.

Travel and supply chain (Scope 3 Categories 1 and 6)

Travel focus

- Flights only permitted for potential client meetings.
- Train travel preferred where possible.

Supply chain focus

- Our businesses have relatively small supply chains, with emissions mainly from software and technology.
- Where our suppliers don't report on their emissions, we use spend-based data for emission estimates, which has accuracy limitations.
- Therefore, we are engaging with our top suppliers to measure and report emissions and to set reduction targets over time.
- 22% of suppliers already report their emissions.

Owned and leased assets (Scope 3 Category 13)

Target: Reduce in-use operational GHG emissions by 66% per m² by 2030 from a 2024 base year.

This applies to the Healthcare Fund (OHF), Affordable Housing Fund (OAHF), and communal spaces within Retirement Villages, using the Sectoral Decarbonisation Approach (SDA).

The Real Estate equity portfolio will reduce operational emissions by reducing energy demand, optimising usage and adopting renewables. Measures include enhancing building design, phasing out fossil fuel equipment, improving insulation and glazing, educating tenants, installing LED lighting and smart meters, adding battery storage, and adopting renewable energy sources such as green electricity tariffs, heat pumps, and solar panels.



Targets and focus areas - our investments

Headline target across all investments (Scope 3 category 15)

Target: Our near-term 2030 targets include 82% of our total assets under management (Scope 3 category 15 emissions) as of 2023 (optional activities to include in the target make up 16% and out of scope activities make up 2%).

Octopus Investments invests in the people, ideas and industries that are changing the world through the following strategies: real estate, sustainable infrastructure, listed equities on the alternative investment market (AIM), and venture capital. Emissions from these investments are 8x greater than the rest of our footprint, making them our main focus.

Real estate — debt investment

Target: Reduce in-use operational GHG emissions by 50% per m² by 2030 from a 2023 base year.

Octopus provides capital to borrowers through commercial real estate debt for acquisitions, refinancing, or equity release. SBTi guidance suggested using the Sectoral Decarbonisation Approach (SDA) to set our targets.

The target will be achieved by lending against assets that are operationally energy efficient, using renewable energy sources such as heat pumps and solar panels.



**We aim to reduce our
Scope 1 & 2 emissions by 90%
by 2030 from a 2023 baseline**

Private equity

Target: 45% of eligible private equity portfolio (by invested value) will have SBTi-validated targets by 2030 from a 2023 base year.

This consists of our venture capital investments, our investment in a company called Fern Trading, and balance sheet investments into individual ventures. SBTi guidance suggests that we use the 'portfolio coverage approach' for private equity, meaning we need to engage with our 'in scope' investments to set their own SBTi targets.

Fern Trading makes up 47% of this total and therefore the focus is for us to work with Fern Trading to encourage them to set their own SBTi targets. Our venture companies are able to measure and report their emissions through Minimum - we will continue to work with these companies to understand their emissions profiles, and reduce their material emissions.

Listed equities

Target: Portfolio temperature will reduce from 3.09°C to 2.44°C (Scope 1+2) and to 2.54°C (Scope 1+2+3) by 2030, from a 2023 baseline.

This consists of our funds that invest into companies on AIM. SBTi guidance suggests we use a methodology called the 'temperature rating alignment'.

This means that we can use emissions data from Bloomberg, as well as the estimated temperature ratings of the companies, and set a near-term target to reduce in line with a 1.5°C pathway.

The key thing to note here is that Bloomberg has limited company data and therefore they often use estimates. This means that we have to default to 3.2°C for X% of the companies, which increases our baseline significantly.

We identify the companies with the highest emissions and engage with them to set targets to reduce them.

Electricity generation project finance

Target: We will provide electricity generation project finance only for renewable electricity through to 2030.

This consists of our renewable energy assets — we fund, construct and operate solar farms in Australia.

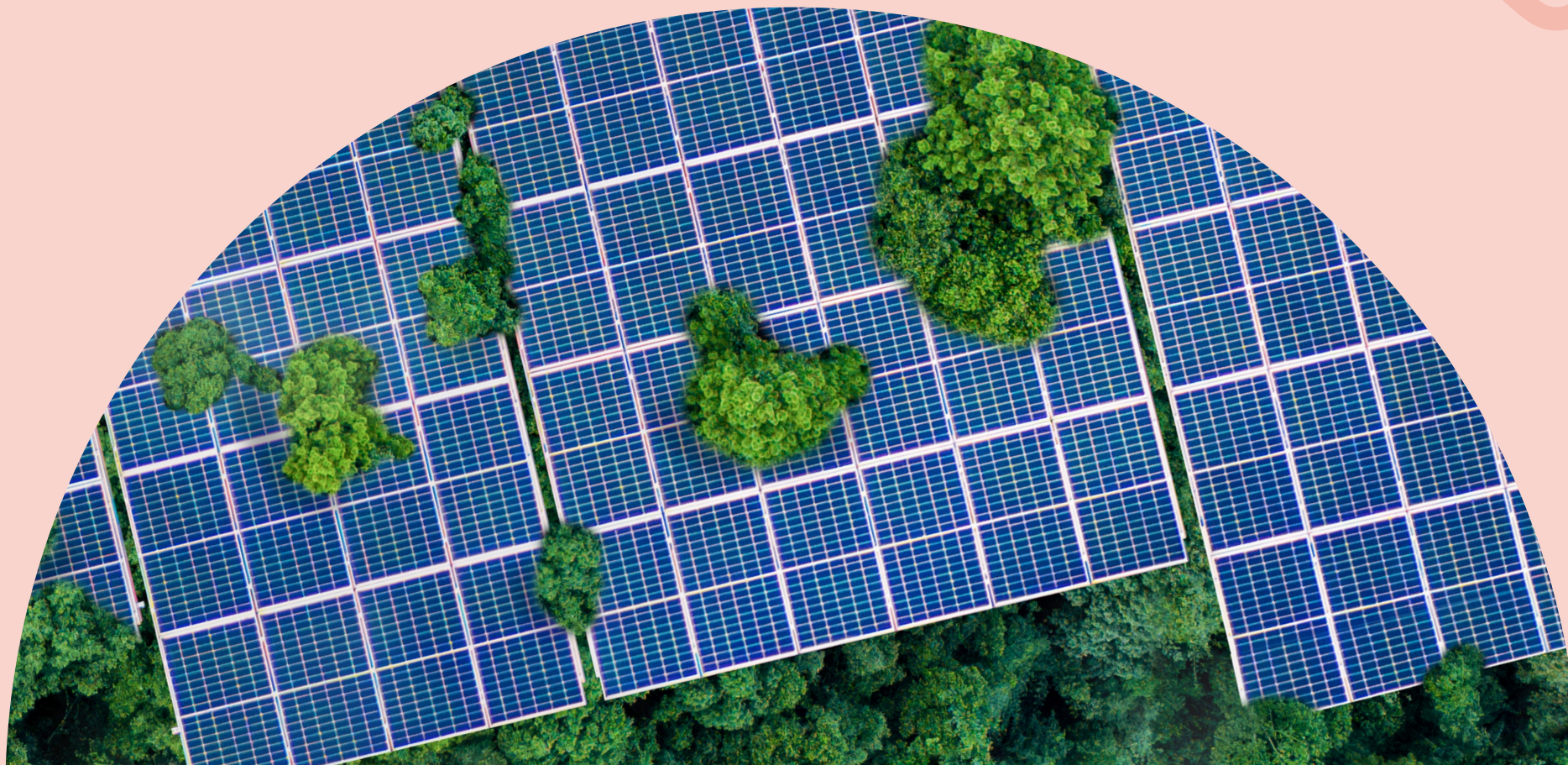
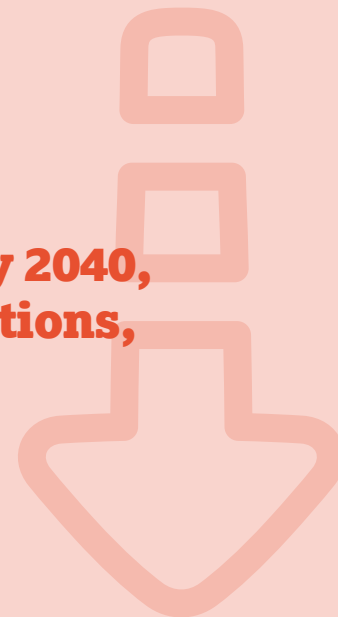


3. Net Zero commitment

We aim to reach Net Zero by 2040, or sooner, across our operations, owned and leased assets (Scope 3 Category 13) and financed emissions (Scope 3 Category 15).

Our pathway is guided by SBTi near-term methodology, and continuous improvement in data quality, engagement, and innovation.

We aim to reach Net Zero by 2040, or sooner, across our operations, owned and leased assets



Emissions inventory (in tonnes of carbon dioxide equivalent (tCO2e))

Octopus Group total

Including Octopus Investments, Octopus Money, The Aurora Group, Seccl, amicable, Octopus Legacy.

	2024	2023	2022
Scope 1 (tCO2e)	1,533.78	1,298.00	173.91
Natural Gas	1,340.47	1,078.00	173.91
Company Vehicles	193.31	220.00	0.00
Scope 2 - Market-based (tCO2e)	24.43	32.09	27.83
Scope 2 - Location-based (tCO2e)	364.07	564.09	177.78
Scope 3 (tCO2e)	267,243.36	528,641.86	1,915.56
3.1 Purchased goods and services	6,958.73	4,559.72	1,605.77
3.2 Capital goods	5.00	0.00	0.00
3.3 Fuel and energy-related activities	438.40	442.14	33.07
3.4 Upstream transportation and distribution	0.00	0.53	0.00
3.5 Waste	385.54	394.12	4.88
3.6 Business travel	947.24	790.04	184.83
3.7 Employee commuting	2,552.77	2,515.88	87.01
3.13 Downstream Leased assets*	14,115.84	13,609.53	
3.15 Financed emissions (Location-based)	241,839.83	506,329.90	
Total - Market-based (tCO2e)	262,443.90	529,971.95	2,117.30
Total - Location-based (tCO2e)	262,783.54	530,503.96	2,267.25

*We report our real estate assets (care homes, retirement villages and affordable housing) as scope 3 category 13 because we own them and lease them out to landlords / operators.

(Emissions from 2022-2023 increased because The Aurora Group's emissions were included in the total numbers. The Aurora Group is a business that runs schools across the UK – They have relatively higher Scope 1 and 2 emissions due to the many buildings they operate, staff commuting, school supplies, and their continued expansion and growth as a business.

Emissions inventory (continued)

Octopus Investments

Offices in 33 Holborn HQ, Australia, Manchester

	2024	2023	2022
Scope 1 (tCO2e)	82.58	133.00	173.91
Natural Gas	82.58	133.00	173.91
Scope 2 - Market-based (tCO2e)	18.00	15.00	16.13
Scope 2 - Location-based (tCO2e)	112.08	122.00	171.34
Scope 3 (tCO2e)	259,318.96	522,879.11	1,645.02
3.1 Purchased goods and services	2,058.90	1,597.00	1,391.40
3.2 Capital goods	5.00	-	-
3.3 Fuel and energy-related activities	39.90	60.00	31.39
3.4 Upstream transportation and distribution	-	-	-
3.5 Waste	6.15	3.00	4.58
3.6 Business travel	657.59	615.00	138.55
3.7 Employee commuting	595.75	664.68	79.10
3.13 Downstream Leased assets*	14,115.84	13,609.53	
3.15 Financed emissions (Location-based)	241,839.83	506,329.90	
Total - Market-based (tCO2e)	253,061.88	523,027.11	1,835.06
Total - Location-based (tCO2e)	253,155.97	523,134.11	1,990.27

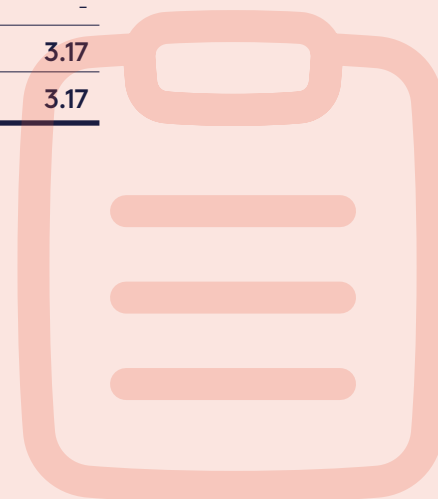
*We report our real estate assets (care homes, retirement villages and affordable housing) as scope 3 category 13 because we own them and lease them out to landlords / operators.

Emissions inventory (continued)

Octopus Money

Offices in 33 Holborn, London

	2024	2023	2022
Scope 1 (tCO₂e)	35.10	39.00	0.00
Natural Gas	35.10	39.00	-
Scope 2 - Market-based (tCO₂e)	0.00	0.00	-
Scope 2 - Location-based (tCO₂e)	10.04	29.00	-
Scope 3 (tCO₂e)	275.53	106.32	3.17
3.1 Purchased goods and services	258.17	0.02	-
3.2 Capital goods	-	-	-
3.3 Fuel and energy-related activities	9.08	16.00	-
3.4 Upstream transportation and distribution	-	0.53	-
3.5 Waste	-	1.00	-
3.6 Business travel	8.28	10.00	3.17
3.7 Employee commuting	-	78.78	-
Total - Market-based (tCO₂e)	310.62	145.32	3.17
Total - Location-based (tCO₂e)	320.67	174.32	3.17



Emissions inventory (continued)

Seccl

Offices in 33 Holborn, Edinburgh and Bath

	2024	2023	2022
Scope 1 (tCO₂e)	2.06	0.00	0.00
Natural Gas	2.06		
Scope 2 - Market-based (tCO₂e)	3.37	13.00	11.70
Scope 2 - Location-based (tCO₂e)	8.72	7.00	6.44
Scope 3 (tCO₂e)	618.23	484.64	267.37
3.1 Purchased goods and services	329.08	309.00	214.37
3.2 Capital goods			
3.3 Fuel and energy-related activities	2.90	2.00	1.68
3.4 Upstream transportation and distribution			
3.5 Waste	0.34	0.35	0.30
3.6 Business travel	129.11	24.00	43.11
3.7 Employee commuting	156.81	149.29	7.91
Total - Market-based (tCO₂e)	623.67	497.64	279.07
Total - Location-based (tCO₂e)	629.02	491.64	273.81

Emissions inventory (continued)

amicable

Offices 33 Holborn HQ, and Sheen, London

	2024	2023
Scope 1 (tCO₂e)	2.06	0.00
Natural Gas	2.06	
Scope 2 - Market-based (tCO ₂ e)	1.26	0.72
Scope 2 - Location-based (tCO₂e)	1.26	0.41
Scope 3 (tCO₂e)	533.80	69.02
3.1 Purchased goods and services	484.46	42.65
3.2 Capital goods		
3.3 Fuel and energy-related activities	0.45	0.13
3.4 Upstream transportation and distribution		
3.5 Waste		0.27
3.6 Business travel	2.15	
3.7 Employee commuting	46.74	25.97
Total - Market-based (tCO₂e)	537.13	69.74
Total - Location-based (tCO₂e)	537.13	69.43



Emissions inventory (continued)

Octopus Legacy

Offices in 33 Holborn HQ and London Bridge, London

	2024	2023
Scope 1 (tCO₂e)	2.06	0.00
Natural Gas	2.06	
Scope 2 - Market-based (tCO ₂ e)	0.00	0.00
Scope 2 - Location-based (tCO₂e)	6.70	6.11
Scope 3 (tCO₂e)	85.76	63.89
3.1 Purchased goods and services	18.06	18.06
3.2 Capital goods		
3.3 Fuel and energy-related activities	2.24	2.00
3.4 Upstream transportation and distribution		
3.5 Waste	0.50	0.50
3.6 Business travel	0.04	0.04
3.7 Employee commuting	64.92	43.28
Total - Market-based (tCO₂e)	87.83	63.89
Total - Location-based (tCO₂e)	94.53	70.00



Emissions inventory (continued)

The Aurora Group

Aurora HQ and schools across UK

	2024	2023
Scope 1 (tCO₂e)	1,409.90	1,126.00
Natural Gas	1,216.60	906.00
Company Vehicles	193.31	220.00
Scope 2 - Market-based (tCO₂e)	1.80	3.37
Scope 2 - Location-based (tCO₂e)	225.25	399.57
Scope 3 (tCO₂e)	6,411.07	5,038.89
3.1 Purchased goods and services	3,810.06	2,593.00
3.2 Capital goods		
3.3 Fuel and energy-related activities	383.84	362.00
3.4 Upstream transportation and distribution		
3.5 Waste	378.55	389.00
3.6 Business travel	150.07	141.00
3.7 Employee commuting	1,688.55	1,553.89
Total - Market-based (tCO₂e)	7,822.78	6,168.25
Total - Location-based (tCO₂e)	8,046.23	6,564.46





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