

Empowering the innovators for a sustainable future

Our roadmap to net zero

HBK 
HOTTINGER BRÜEL & KJÆR



We are committed to net zero

EVERY YEAR, WE ARE WITNESSING THE EFFECT OF GLOBAL WARMING. 2023 WAS THE HOTTEST YEAR RECORDED SINCE WE BEGAN MEASURING GLOBAL TEMPERATURE IN 1880. ADDITIONALLY, THE INCREASE IN TEMPERATURE IS ACCELERATING FASTER THAN ANTICIPATED JUST A FEW YEARS AGO. FIGHTING CLIMATE CHANGE IS ONE OF SOCIETY'S GREATEST CHALLENGES. SOLVING IT REQUIRES ALL OF US TO ACT WITH URGENCY, FOR THE SAKE OF OUR PLANET AND FUTURE GENERATIONS.

At HBK, we are committed to reducing our greenhouse gas (GHG) emissions – and by doing so, we will mobilise the entire value chain by working with our customers and suppliers and inspire our employees to take collective action.

We are committed to achieving net zero in our own operations by 2030 and across our entire value chain by 2040. But what does net zero mean? Put simply, net zero refers to the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere.

We reach or exceed net zero targets by adding less greenhouse gas than we take away. Acting together, with our customers, suppliers and nearly 3500 colleagues at HBK, we will act towards our net zero goals. The areas of internal opportunity to realise the benefits toward our net zero ambitions include our operations, processes, product development and transportation.

At HBK we empower the innovators and their customers with solutions and support that help them develop and manufacture new products and services, while contributing to the reduction of carbon emissions. We also work with our suppliers to help them improve their

input materials, production processes and logistics. The time to change is now. We owe it to ourselves and future generations. Together we can make net zero a reality and build a cleaner, healthier, more productive world.



Ben Bryson – President HBK



We have set a clear ambition

- Our operations: net zero by 2030 (Scope 1 and 2 emissions)
- Our value chain: net zero by 2040 (Scope 3 emissions)

Our science-based targets support this ambition

- 85% absolute reduction in Scope 1 and 2 emissions by 2030
- 42% absolute reduction in Scope 3 emissions by 2030

Both targets have been set across the Spectris group and are aligned to a 1.5 degree warming scenario and have been validated by the Science Based Targets initiative.

Our net zero roadmap

OUR BASELINE

2020 is the baseline year for our ambition. This is a challenging baseline due to lower emission-generating activity taking place in 2020 as a result of the COVID-19 pandemic, and demonstrates our commitment to delivering genuine progress.

MEASURING OUR PROGRESS

We will report on our progress annually and this progress will be independently assured.

Scope 1 and 2

To support our ambitions, we are:

- Aligning with RE100 – committing to 100% renewable electricity across our operations by 2030
- Aligning with EV100 – committing to a fully electric global fleet by 2030
- Undertaking global energy efficiency audits to reduce emissions at our manufacturing sites by 20% by 2030
- Building on our current solar generation capability
- Engaging our workforce – through our engineering skills and mindset we will use an enhanced consciousness of our environmental footprint to empower our employees to be part of the solution
- Sourcing natural refrigerant solutions by 2030

Scope 3

To support our ambitions, we are:

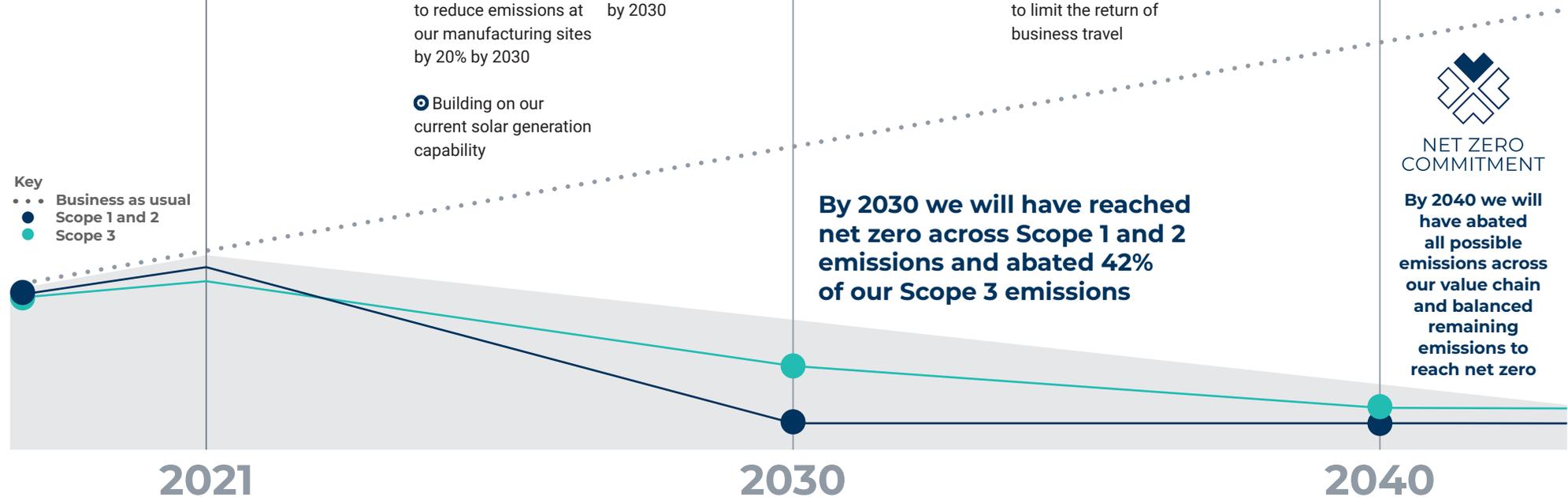
- Undertaking a global supplier engagement process with EcoVadis
- Exploring a material shift away from air-logistics routing by 2030, and working with our air freight carriers to deliver suitable abatement and offsetting where this is not possible
- Committing to zero waste to landfill before 2030
- Developing both the circularity and efficiency of our products, building off a pilot programme undertaken by Servomex in 2021
- Using technology to limit the return of business travel

This work will be supported by the 'greening of the grid', which means that over time, more of our products will be powered by renewable energy during their use

LIVING OUR VALUES

Beyond these targets we will continue to prioritise our strategy of developing products and services that support our customers on their own decarbonisation journey as part of our wider purpose to make the world cleaner, healthier and more productive.

Key
 ● Business as usual
 ● Scope 1 and 2
 ● Scope 3



NET ZERO COMMITMENT

By 2040 we will have abated all possible emissions across our value chain and balanced remaining emissions to reach net zero

Our total emissions by scope

Emissions from our direct operations, known as Scope 1 and Scope 2, accounted for just 9% of our greenhouse gas (GHG) emissions. The vast majority of our GHG emissions (91%) come from activities in our supply chain. As a result, that is where we will focus most of our efforts.

TOTAL GHG EMISSIONS BY SCOPE (Tonnes of CO₂e, in 2020)

SCOPE 1 1% (1,469)

EMITTED DIRECTLY

from sources we own or control, such as on-site combustion (natural gas, fuel for company's vehicle fleet)

SCOPE 2 (market emissions) 8% (12,880)

EMITTED INDIRECTLY

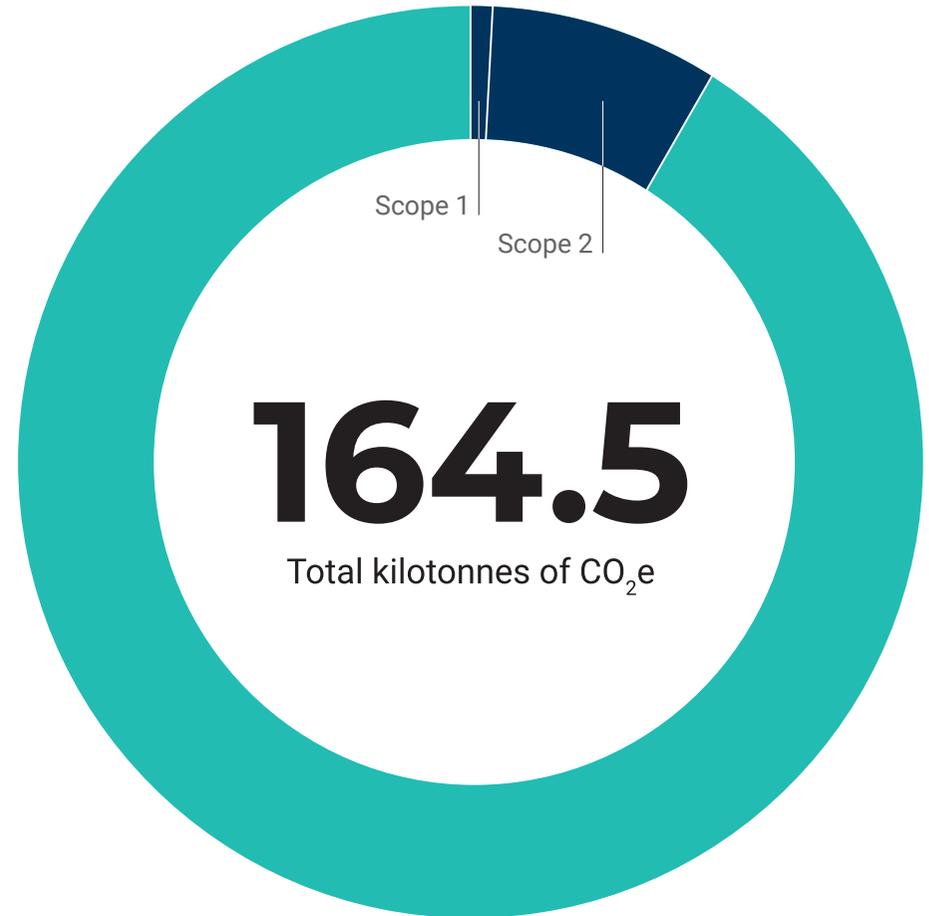
from the generation of purchased energy, such as electricity and heating/cooling network

SCOPE 3 91% (150,154)

ALL OTHER INDIRECT EMISSIONS

in our value chain, both upstream and downstream, such as sourcing and use of sold products

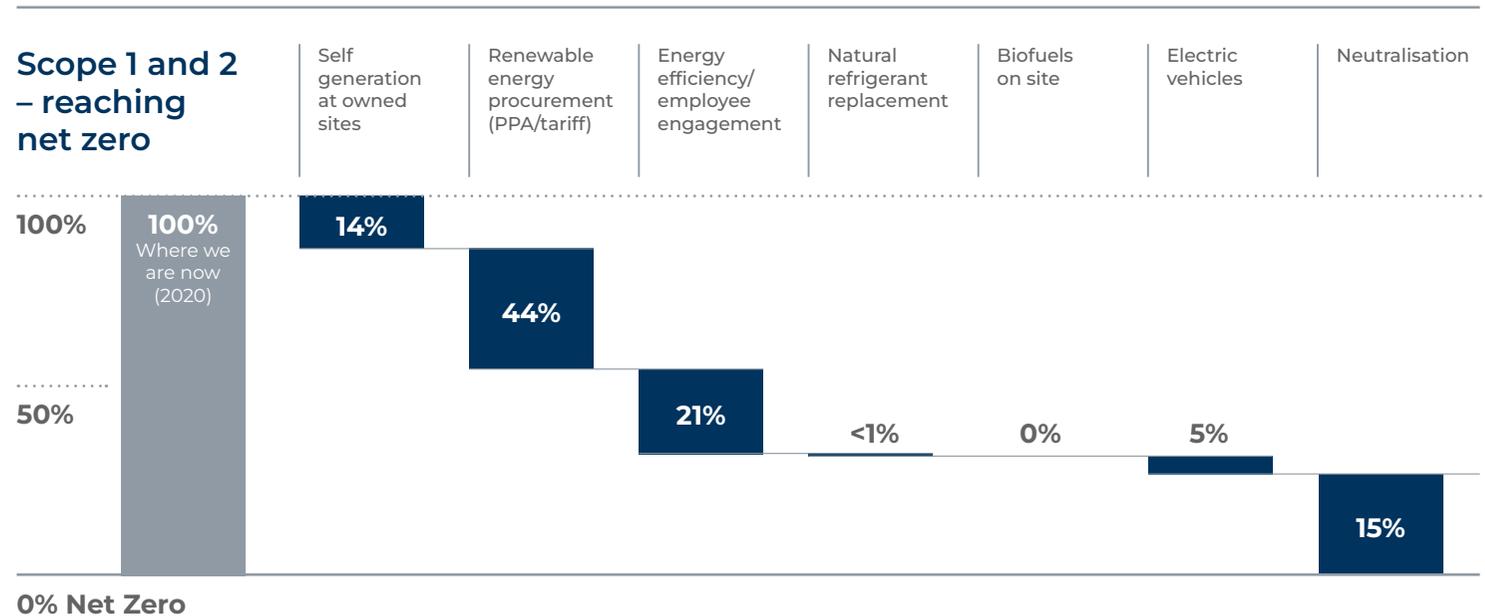
Figures have been rounded.



Scope 1 and 2 emissions

WE HAVE COMMITTED TO REACHING NET ZERO ACROSS OUR SCOPE 1 AND 2 EMISSIONS BY 2030, WITH A SCIENCE-BASED TARGET OF 85% ABATEMENT, SET AGAINST A 1.5°C WARMING SCENARIO. THE CHART TO THE RIGHT EXPLAINS HOW WE WILL DO THIS ACROSS HBK, WITH A CORE FOCUS ON RENEWABLE ENERGY, EMPLOYEE ENGAGEMENT AND ELECTRIC VEHICLES.

Our EV100 commitment will see us move to a fully electric fleet by 2030. As part of our commitment to building employee engagement, we promote the Giki Zero app to employees to emphasise the role we can play individually and as a team in lowering our footprint.

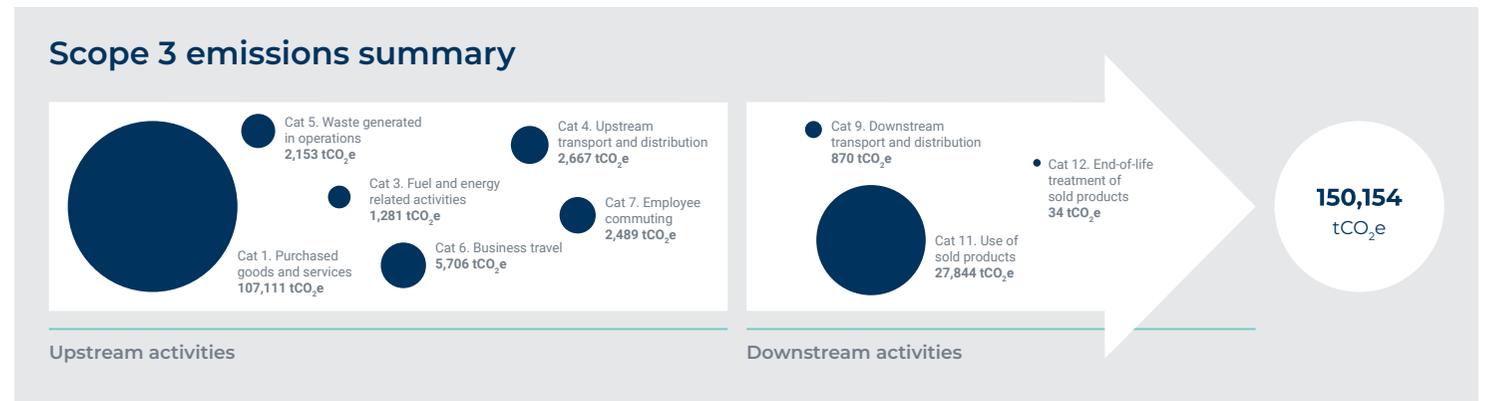
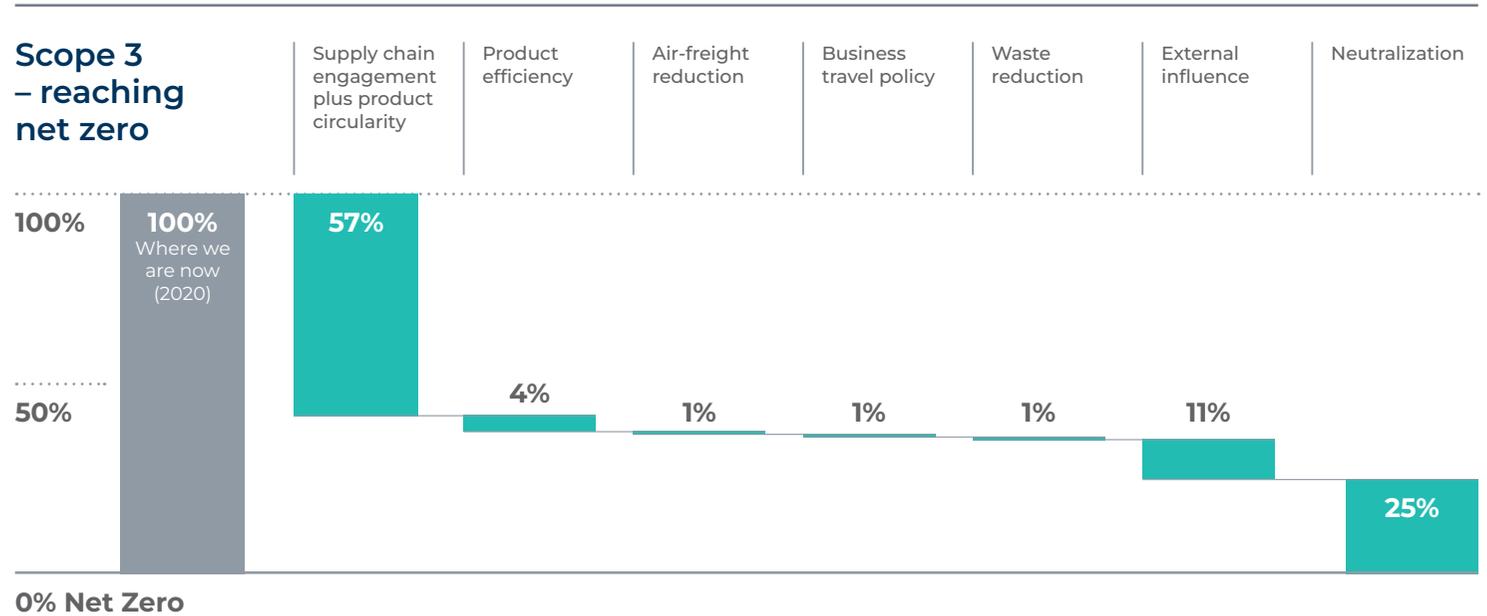


Scope 3 emissions

WE HAVE COMMITTED TO REACHING NET ZERO ACROSS OUR SCOPE 3 EMISSIONS BY 2040, WITH AN INTERIM SCIENCE-BASED TARGET OF 42% ABATEMENT BY 2030 AGAINST A 1.5°C WARMING SCENARIO.

To achieve this, our key focus will be on supplier engagement, by partnering with our suppliers to strengthen the environmental performance of our supply chain.

Our ambition will be supported by the progressive 'greening of the grid' which will mean that, over time, more of our products will be powered by renewable energy during their use.



Glossary

WHAT IS NET ZERO?

Net zero is a state where we add no incremental greenhouse gases to the atmosphere. This means achieving a balance between carbon emissions and carbon sinks through a combination of emissions reduction within our business activities and carbon sequestration.

Attaining net zero requires the abatement of our emissions output to as close to zero as possible, consistent with a 1.5°C warming scenario and then balancing any remaining emissions via removal/sequestration of an equivalent quantity of carbon from the atmosphere.

WHAT ARE CARBON EMISSIONS?

Carbon emissions are the release of carbon into the atmosphere. Otherwise known as greenhouse gas emissions, these are the main contributors to climate change.

WHAT IS A CARBON SINK?

Carbon sinks are reservoirs (natural or artificial) that absorb carbon circulating in the biosphere. By helping to reduce the amount of atmospheric CO₂, carbon sinks influence the climate by slowing global warming. Natural carbon sinks include oceans, soil and flora (forests, peat bogs, grasslands) while artificial carbon sinks refer to technologies that actively extract carbon from the atmosphere.

CARBON DIOXIDE EQUIVALENT (CO₂E)

The universal unit of measurement to indicate the global warming potential (GWP) of each greenhouse gas emission (GHG), expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate the climate impact of releasing (or avoiding releasing) different greenhouse gases on a common basis. Most typically, the CO₂ equivalent is obtained by multiplying the emission of a GHG by its GWP for a 100-year time horizon. For a mix of GHGs, it is obtained by summing the CO₂ equivalent of each gas.

WHAT IS A 1.5°C WARMING SCENARIO?

A scenario of emissions of greenhouse gases and other climate forcers that provides an approximately one-in-two to two-in-three chance, given current knowledge of the climate response, of global warming either remaining below 1.5°C or returning to 1.5°C by around 2100 following an overshoot. This is the long-term temperature goal included in the Paris Agreement, which establishes 1.5°C as the warming limit in the long term. The purpose of the goal is to 'reduce the risks and impacts of climate change' as assessed in the science of the time, not to achieve a mere objective in terms of a temperature number.

WHAT IS CARBON NEUTRALISATION?

Neutralisation offsets are activities that 'remove' carbon emissions from the atmosphere. By investing in, or developing neutralisation projects, we will be taking measures to counterbalance/remove and permanently store the impact of unabated emissions.

WHAT DOES OUR NET ZERO AMBITION COVER?

Our ambition covers our Scope 1, 2 and 3 emissions.

Scope 1 emissions

Our direct greenhouse gas emissions resulting from our fuel combustion, vehicles and fugitive emissions.

Scope 2 emissions

Our indirect greenhouse gas emissions, which result from the procurement of electricity, steam, heating, or cooling from a third-party.

Scope 3 emissions

The indirect greenhouse gas emissions that occur in our value chain, not included in Scope 2 emissions, related to the emissions from our supply chain ('upstream') and our customers ('downstream').

WHICH INITIATIVES ARE WE ALIGNING WITH TO SUPPORT OUR AMBITION?

RE 100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity. Led by the Climate Group and in partnership with Carbon Disclosure Project (CDP), their mission is to accelerate change towards zero carbon grids at scale. RE100 member companies are already driving enough renewable electricity demand to power a medium sized country.

EV 100 is a global initiative led by the Climate Group and in partnership with CDP to bring together forward-looking companies committed to accelerating the transition to electric vehicles (EV), who commit to transition their fleets to EV and install EV charging for staff and customers by 2030.

The Science-Based Target initiative (SBTi) is a partnership between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBTi facilitates a third party validation process, which assesses whether corporate climate targets are in line with the emissions reductions required by climate science.

The image features a background of a landscape with a bright sky and dark mountains. Overlaid on this are large, abstract geometric shapes in shades of teal and dark blue. A large teal shape covers the left side, while a dark blue triangle points upwards from the bottom center, overlapping the teal shape and the landscape. A smaller, lighter teal triangle is positioned at the top center, overlapping the dark blue triangle and the sky.

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