

# Keysight's Customer Sustainability Engagement Program

## Frequently Asked Questions

Keysight encourages all customers to set science-based targets to take collective action to reduce global greenhouse gas emissions and help mitigate the impacts of climate change.

### Setting Science-Based Targets

#### 1. What are science-based targets?

Science-based targets (SBTs) are greenhouse gas (GHG) emission reduction targets aligned with what the latest climate science deems necessary to limit global warming to 1.5°C above pre-industrial levels. Setting SBTs provides a clear roadmap for companies to meet the preferred goal of the Paris Agreement.

#### 2. How does a company set science-based targets?

To set science-based targets, companies must publicly commit to reducing their GHG emissions by a calculated minimum percentage, determined by the chosen method and target year. For an absolute reduction method, the minimum reduction for scopes 1 and 2 emissions is set by the following formula:

- $(\text{Target Year} - 2020) \times 4.2\% = \text{Minimum Linear Annual Reduction}$ 
  - *Example: If a company uses an absolute reduction method with a 2032 target year, their near-term science-based target would require a minimum 50.4% reduction in scopes 1 and 2,  $[(2032 - 2020) \times 4.2\% = 50.4\%]$*

The Science Based Targets initiative (SBTi) provides additional resources and tools for companies to develop approved SBTs. Prior to submitting a target, a company can commit to setting science-based targets through the SBTi.

The first step to setting SBTs is to calculate the company's complete GHG emissions inventory. The Greenhouse Gas Protocol provides calculation tools and guidance to help companies accurately calculate their inventory.

#### 3. What scopes of emissions need to be included in a science-based target?

As an important part of Keysight's downstream value chain, our customers' scope 2 emissions are included in Keysight's scope 3 use of sold products category. To meet our scope 3 target, Keysight encourages customers to set near-term SBTs for at least their own scopes 1 and 2 emissions.

For SBTs to be approved by many global organizations and rating agencies, companies may be required to include scope 3 emissions if their percentage of scope 3 is greater than 40% of their total combined emissions for scopes 1, 2 and 3.

# Keysight's Sustainability Targets & Commitments

## 4. What is Keysight's Net Zero Commitment?

In 2021, Keysight committed to achieving net zero GHG emissions in company operations (scopes 1 and 2) by the end of 2040. This is in alignment with the Paris Agreement's preferred goal to limit global warming to 1.5°C.

In addition to the net zero target, Keysight set the following interim goals:

- By fiscal year 2030
  - 10% energy reduction (FY 2019 baseline)
  - 55% renewable electricity
- By fiscal year 2040
  - 20% energy reduction (FY 2019 baseline)
  - 100% renewable electricity

## 5. Why did Keysight pursue the Paris Agreement's preferred goal limit?

Keysight's net zero emissions target demonstrates our commitment to limiting global warming to 1.5°C per the Paris Agreement framework. This pursuit is based on the following key reasons:

- It is in line with company's values
  - Keysight will help mitigate the worst environmental, societal, and economic impacts of climate change.
  - Keysight is an industry leader, and we continuously deliver value to our stakeholders.
  - A net zero goal provides certainty about the company's strategic direction in environmentally sustainable operations.
- Setting a 1.5°C target is now expected/requested by many stakeholders, including customers, investors, and employees.

## 6. What are the details of Keysight's science-based targets?

Keysight Technologies commits to reduce absolute scope 1 and 2 GHG emissions 42% by FY2030 from a FY2021 base year. Keysight also commits that 73% of its customers by emissions covering use of sold products, will have science-based targets by FY2028.

Keysight's near-term science-based targets were approved in October 2023.

## 7. How does Keysight plan to achieve its net zero goal and science-based targets?

Keysight's strategy to accomplish our net zero target and near-term SBT for scopes 1 and 2 focuses on reducing operational emissions through efforts in:

- **Energy reduction** through efficiency and conservation measures in our operations such as implementation of energy reduction capital projects, leveraging best practices across sites, and improving preventative maintenance schedules.
- **Electrification** of industrial processes and fleet vehicles.

- **Renewable electricity** investments, considering a portfolio of onsite solar installations, regional power purchase agreements in solar and/or wind energy, and direct procurement of renewable electricity from utility providers.

Implementation of these key components of our net zero goal and SBTs will support our transition to a low carbon economy and help to mitigate against regulatory transitions, physical risks and carbon-intensive energy price surges. We aim to provide long-term value by further integrating sustainability into the way we do business.

#### **8. Why did Keysight set a scope 3 customer engagement target?**

Keysight committed to setting approved SBTs through the SBTi. Because Keysight's scope 3 emissions account for more than 90% of the company's total emissions, we included a scope 3 target. The significant majority of Keysight's scope 3 emissions are included in the downstream category 11 "use of sold products".

A customer engagement target was best suited for Keysight to take immediate action on our scope 3 emissions in the near-term, while we identify additional opportunities to reduce Keysight's downstream scope 3 emissions in the long-term.

## **Additional Information**

#### **9. How are the three scopes of emissions categorized and defined?**

The three scopes of emissions were classified by the GHG Protocol Corporate Standard. The scopes of emissions are categorized in the following way:

- Scope 1: direct emissions from company-owned and controlled resources, including fleet vehicles and building operations.
- Scope 2: indirect emissions from the generation of purchased energy, from a utility provider, such as power and heating.
- Scope 3: all indirect emissions (not included in scope 2), that occur in the value chain of the reporting company, including 15 categories of upstream and downstream emissions.

#### **10. Where to find additional resources?**

- Science Based Targets initiative: <https://sciencebasedtargets.org>
- GHG Protocol: <https://ghgprotocol.org/companies-and-organizations>

#### **11. Who to contact to learn more about joining Keysight and building a sustainable future together?**

Contact [env.sustainability@keysight.com](mailto:env.sustainability@keysight.com) for more details. You can also visit [Keysight's Customer Sustainability Engagement Program](#).

For more information on Keysight Technologies' products, applications, or services, please visit: [www.keysight.com](http://www.keysight.com)