2020 Greenhouse Gas Emissions Report

Date: April 2021

From our documentation in the CDP (Carbon Disclosure Project) for the calendar year 2020, we want to disclose how Kimball Electronics has performed with regards to our Greenhouse Gas (GHG) emissions. We continue track our emissions throughout the entire company. There are six (6) gases that are accumulated under the name of Carbon Dioxide equivalents. These emissions are tracked as metric tons of carbon dioxide equivalents (MT C02e).

The facilities reporting Greenhouse Gas (GHG) emissions are located in the following countries: United States (4), Mexico, China (2), Thailand, Poland, Romania, Vietnam, India and Japan.

We would also point out that our results were affected by the worldwide Corona virus. First, let us address the emission totals (based on calendar year 2020) in absolute numbers by Scope.

Our Scope 1 emissions are the result of our natural gas, mobile propane gas and fugitive emission usage. Our emissions (noted as "metric tons of carbon dioxide equivalents" or MT CO2e) did show a decrease when compared to 2019. In 2020, we had a decrease of 9.22% from 2019.

Year	Scope 1 MT CO2e emissions	
2020	1,122.68	Decrease of 9.22% from 2019
2019	1,236.75	Decrease of 6.54% from 2018
2018	1,323.35	Decrease of 47.01% from 2017
2017	1,945.56	N/A

Next, our Scope 2 emissions come from the electrical and steam usage in our plants. In 2019, we added three (3) facilities. We found that we did decrease emissions by 4.22% from our 2019 emissions. We wish to state that all facilities, that we reported in 2019, were running full schedules. In 2020, the Corona virus affected every facility and their production schedules. Despite the reduction in production time we still had to use electricity and steam to heat and cool our facilities. Our facilities continue to address programs that will decrease electrical usage on a plant by plant basis. We continue our drive to use more LED lighting, more efficient replacements for older equipment, and the use of variable drive equipment.

Year	Scope 2 MT CO2e emissions	
2020	48,667.46	Decrease of 4.22% from 2019
2019	50,813.77	Increase of 1.24% from 2018
2018	50,750.51	Increase of 4.51% from 2017
2017	48,557.55	N/A

Finally, our Scope 3 emissions continue to show a very positive trend. With these figures, we want to see negative numbers as this means we are bettering the environment. We look at two areas of measurement: Landfill Waste and Recycling / Material Reuse.

- Our landfill waste, to be a positive factor, must go to landfills that use the waste to create methane gas that is then used to generate equipment that produces electricity. In this case, a negative number has a better effect upon the environment. In 2020 we saw a decrease in the amount of emissions (5.48%), when compared to 2019. At a higher-level view, this means we sent less materials to the landfill itself.

Year	Scope 3 MT CO2e emissions Landfill Waste	Compared to previous year
2020	-38.05	Decrease 5.48%
2019	-40.26	Positive 25.89%
2018	-31.98	Positive 38.14%
2017	-23.15	N/A

- A review of our Recycling and Material Reuse numbers, we again show a very positive result. The goal of our facilities is to recycle more of the waste we generate. Our emissions were better by 0.77% when compared to 2019.

Year	Scope 3 MT CO2e emissions Recycling & Material Reuse	Compared to previous year
2020	-1,375.65	Positive 0.77%
2019	-1,365.08	Positive 3.46%
2018	-1,319.31	Positive 14.08%
2017	-1,156.38	N/A

When we take our emissions and “normalize” the numbers, based on the number of units produced, we do not show a positive year for Kimball Electronics. To get to this number, we add all Scope 1, 2, and 3 emissions for the year and divide by the total units we produced. This gives us the result that we review as MT CO2e per unit produced (as shown below).

Overall, on the EMS side of our company, we saw our production (number of units produced) decrease by 22.74%. This is attributable to the changes Kimball Electronics made as we met the worldwide challenges of the Corona virus. With this decrease in production numbers, we did see an overall increase in our total GHG emissions per unit produced.

Year	Total Emissions (in metric tons of carbon dioxide equivalents- MT CO2e)	Number of Units Produced	MT CO2e per Unit Produced	Compared to previous year
2020	48,376.44	73,174,163	.000661	24.9% Increase
2019	50,152.69	94,714,322	.000529	3.64% decrease
2018	50,277.67	92,247,350	.000549	5.50% decrease
2017	49,322.59	84,876,401	.000581	24.4% decrease
2016	40,850.39	54,349,428	.000768	N/A

For 2020, Kimball Electronics increased the metric tons of carbon dioxide equivalents per number of units produced by 24.9%. It should be noted that our number of units produced were down significantly due to facilities taking precautions to keep our employees safe and following local regulations due to the Corona virus. Despite the reduction in our manufacturing ability, we did keep our facilities operational as we worked to meet our customers' demands thus driving our Scope 2 emissions.

Within Kimball Electronics, we continue our work to build a better community and world. As we state in our Guiding Principles:

"The environment is our home. We will be leaders in not only protecting but enhancing our world."

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Lasting relationships. Global success.