

2019 Greenhouse Gas Emissions Report

Date: August 2020

From our documentation in the CDP (Carbon Disclosure Project) for the calendar year 2019, we want to disclose how Kimball Electronics has performed with regards to our Greenhouse Gas (GHG) emissions. We have tracked 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 CO₂e).

Let us first address the emission totals (based on calendar year 2019) in absolute numbers by Scope. We want you to be aware that we are reporting for three (3) additional facilities in 2019 as compared to 2018. Our new facilities were part of the acquired Global Equipment Services and Manufacturing, Inc. (GES). We continue to work with these locations in increasing their environmental efforts as we strive to make the world around us better.

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) show a decrease when compared to 2018. In 2019, we had a decrease of 6.54% from 2018.

Year	Scope 1 MT CO ₂ e emissions	
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. And, in 2019, we are reporting an additional three (3) facilities. We found that we did increase emissions by 1.24% from our 2018 emissions. We wish to state that all facilities, that we reported in 2018, were running full schedules. Additionally, our new facilities were building their schedules. The slight increase, despite adding 3 new locations, is due to our facilities addressing programs to decrease electrical usage on a plant by plant basis as we are using more LED lighting, more efficient replacements for older equipment, and going to the use of variable drive equipment).

Year	Scope 2 MT CO ₂ e emissions	
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. In this case, 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, the more negative the number the better the effect upon the environment. In 2019 we bettered our emissions by 25.89% when compared to 2018.
- A review of our Recycling and Material Reuse numbers 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 3.46% when compared to 2018.

Year	Scope 3 MT CO2e emissions Landfill Waste	Compared to previous year	Scope 3 MT CO2e emissions Recycling & Material Reuse	Compared to previous year
2019	-40.26	Positive 25.89%	-1,365.08	Positive 3.46%
2018	-31.98	Positive 38.14%	-1,319.31	Positive 14.08%
2017	-23.15	N/A	-1,156.38	N/A

Over all, the EMS side of our company saw our production grow as we increased the numbers of units produced by 2.67%.

When we take our emissions and “normalize” the numbers, based on the number of units produced, we show a very 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).

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
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 2019, Kimball Electronics decreased the metric tons of carbon dioxide equivalents per number of units produced by 3.64%.

We continue to build upon where we state in our Guiding Principles:

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