

2017 Greenhouse Gas Emissions Report

Date: August 2018

As part of our participation in the Carbon Disclosure Project for the calendar year of 2017, the following information details what type of year Kimball Electronics had environmentally. We do track our Greenhouse Gas Emissions throughout the company. There are six (6) gases that are tracked under the name of Carbon Dioxide equivalents. The emissions are tracked as metric tons of carbon dioxide equivalents (MT CO₂e). Let us first address the overall emission totals (based on calendar year numbers) in absolute numbers. (See the following chart for our emission totals.)

First, our Scope 1 emissions come from our natural gas, mobile propane gas and fugitive emission usage. Initially we do not look very efficient. Our emissions (in metric tons of carbon dioxide equivalents - MT CO₂e) show an increase when compared to 2016. In 2017 we show an increase of 59.87% over the 2016 totals.

Then, our Scope 2 emissions that come from the electrical and steam usage in our plants also show an increase. In 2017 we increased our emissions (in metric tons of carbon dioxide equivalents - MT CO₂e) by 19.84% as compared to 2016.

Our Scope 3 emissions, on the other hand, show a very positive increase. We look at two areas of measurement: Landfill Waste and Recycling / Material Reuse.

- Our landfill waste, to be positive, must go to landfills that generate something good for the environment (example: creates methane gas that powers equipment to make electricity). In this case the more negative the number the better effect on the environment you are making. In 2017 we bettered our emissions (in metric tons of carbon dioxide equivalents - MT CO₂e) by 65.95% as compared to 2016.
- In the area of Recycling & Material Reuse our emissions were very positive. Our emissions (in metric tons of carbon dioxide equivalents - MT CO₂e) were better in 2017 by 35.15% as compared to 2016.

We want to note that in 2017 Kimball Electronics had 2 facilities come on line with full production for the first time. Plus, we had another facility enter their second year of full production at a greater production pace. Over all, as a company, we saw our production grow, in number of units produced, by 56.17%.

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. We add all the numbers from our Scope 1, 2, and 3 emissions for each year, divide by the total parts we built, and the result is MT CO₂e per number of units build.

Year	Total Emissions (in metric tons of carbon dioxide equivalents - MT CO ₂ e)	Number of Units produced	MT CO ₂ e per Number of Units produced
2017	49,303.68	84,876,401	.000595
2016	40,850.39	54,349,428	.000768

For 2017, Kimball Electronics decreased the metric tons of carbon dioxide equivalents per number of units produced by 77.48%.

From our Guiding Principles:

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