Kimball Electronics - Water Security 2021

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Kimball Electronics, Inc., is journeying to be a multifaceted manufacturing solutions company. Our company consists of services in electronic manufacturing, diversified contract manufacturing, and global equipment services and manufacturing.

Kimball Electronics core business is in the Electronic Manufacturing Services (EMS) industry, providing engineering and manufacturing services, which utilize common production and support capabilities, to a variety of industries globally. Kimball Electronics offers complete product lifecycle support for electronic assemblies in the Medical, Industrial, Automotive, and Public Safety market segments, focusing on products that require high durability and reliability. Our EMS production facilities are in China, Mexico, Poland, Romania, the United States and Thailand.

Kimball Electronics also offers Diversified Contract Manufacturing Services (DCMS) where we are focused on the Medical market. Our expertise includes manufacturing of medical devices and combination products, in vitro diagnostic test kits, and solutions for medical surgical products. We engage early with our medical customers during the design and development phase and continue throughout the entire lifecycle of the product. With DCMS, we offer more than electronics as we offer full medical manufacturing solutions. Currently we have one production facility in the United States.

In October 2018, the acquisition of Global Equipment Services and Manufacturing, Inc., and its subsidiaries (collectively “GES”) was the first significant step in Kimball Electronics new platform strategy with our plans to continue our development beyond EMS to a multifaceted manufacturing solutions company. GES brings to Kimball Electronics new technologies and capabilities in automation, test, and measurement that will open new doors with new and existing customers. GES specializes in production processing and test equipment design, volume manufacturing, and global services for the semiconductor and electronics product manufacturing industry. GES has business operations in China, India, Japan, the United States, and Vietnam.

At Kimball Electronics, we value our customers and their needs. Our ability to execute to the highest quality and reliability expectations in the industry has driven our success over the course of 59 years in the electronics manufacturing services. We have carried this execution of quality and reliability expectations from our EMS, to our DCMS and GES operations. We are committed to a high-performance culture that values personal and organizational commitment to quality, reliability, value, speed, and ethical behavior. Kimball employees know they are part of an overall culture that builds success for customers while enabling employees to share in the Company’s success through personal, professional and financial growth.

Environmentally, Kimball Electronics, Inc., works to make our world a better place. In our Vision and Guiding Principles, under Citizenship, we state that "The environment is our home. We will be leaders in not only protecting but enhancing our world." Each EMS manufacturing facility has been registered in ISO 14001-2015. Our DCMS location, KEIND, (consolidated from our acquisition of two locations in Indianapolis, Indiana, USA) is now registered in ISO 14001-2015 as of September 2020. Our GES location in China is scheduled to achieve ISO 14001-2015 registration in February 2021. The remaining GES business units continue to develop their environmental plans as we move into the 2021 - 2022 time frame.

Of great importance, in 2019, Kimball Electronics, Inc. published our first Environmental, Social and Governance (ESG) Report in which we have established company-wide environmental goals. In 2020, we updated this report to reflect our commitment.

We are committed to building upon our success and achieving the following additional reductions by 2025:
(Relating to CDP Climate Control)
- 10% reduction in Green House gas emissions;
- 15% reduction in electrical usage;
- 10% reduction in air emissions.

(Relating to CDP Water Security)
- 20% reduction in water usage.

All our facilities have environmental programs that will influence our successfully achieving our company-wide goals.

In 2020, we adopted our Company’s Purpose Statement: Creating Quality for Life. It sums up why we exist as a company beyond earning profit and articulates the enduring value we deliver to our broad base of stakeholders. Kimball Electronics creates quality for life for our customers, employees, communities, and share owners through our positive societal and environmental impacts. Our Purpose Statement ties directly to our environmental, social, and governance philosophies and activities highlighted in 2020 ESG report.
While our Purpose Statement is new, this approach to business has been with us since our Company’s start— and has stood the test of time. We strive to demonstrate our purpose of Creating Quality for Life every day.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2020	December 31 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

China
India
Japan
Mexico
Poland
Romania
Thailand
United States of America
Viet Nam

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	In our locations, freshwater is needed for our employees and for some processes in our facilities.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Not very important	The only use of this type of water availability would be for our landscaping around our facilities.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	At all our manufacturing facilities, we measure the water withdrawals made. Where we are co-tenants in some locations where a landlord controls these measurements, we do not have access to this information as the water withdrawal is shared by all in the building.
Water withdrawals – volumes by source	76-99	The source is known at all our manufacturing facilities, where we measure the water withdrawals. Where we are co-tenants in some locations and the landlord controls these measurements, we know who the source is but do not have access to this information as the water withdrawal is shared by all in the building.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	At all our facilities water is coming from suppliers who must meet local and national regulations and procedures.
Water discharges – total volumes	76-99	In all our locations our water discharges go into local or national accepted sanitary sewer systems or accepted waste systems. Our volume is considered the amount of water we use. where we are co-tenants in a building, our discharges are mixed with others and go into accepted sanitary sewer systems.
Water discharges – volumes by destination	76-99	The destinations in all our locations for our water discharges go into local or national accepted sanitary sewer systems or accepted waste systems. We know where these wastes are going for treatment. Our volume is considered the amount of water we use. where we are co-tenants in a building, our discharges are mixed with others and go into accepted sanitary sewer systems.
Water discharges – volumes by treatment method	100%	We know the types of treatment available at each of the destinations of our water discharges. The destinations in all our locations for our water discharges are going into a local or national accepted sanitary sewer systems or accepted waste systems.
Water discharge quality – by standard effluent parameters	26-50	In some of our locations the water discharge is tested by local authorities on their scheduled times. We are notified as to where our discharges are per the standard effluent parameters they test to.
Water discharge quality – temperature	Not monitored	This is not being measured in any of our locations that we know of.
Water consumption – total volume	76-99	At all our manufacturing facilities we measure the water withdrawals made. Where we are co-tenants in some locations where a landlord controls these measurements, we do not have access to this information as the water withdrawal is shared by all in the building.
Water recycled/reused	51-75	In some locations we reuse water in some of our processes by use of a filtering system. Other locations reuse the water coming from the HVAC systems in their irrigation of their landscaping process.
The provision of fully-functioning, safely managed WASH services to all workers	100%	At all our facilities water used in our processes or available for drinking purposes is coming from suppliers who must meet local and national regulations and procedures.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	106.16	Lower	We reduced our amount of water we used from 108.53 in 2019.
Total discharges	106.16	Lower	We reduced our amount of water discharge from 108.53 in 2019.
Total consumption	106.16	Lower	We reduced our amount of water we used from 108.53 in 2019.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	51-75	About the same	WWF Water Risk Filter	In 2019, we withdrew 78.1899 megaliters from water stressed countries out of a company wide total of 108.5392 megaliters or 72.0%. In 2020, we withdrew 69.7598 megaliters from water stressed countries out of a company wide total of 106.1616 megaliters or 65.7%.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	We do not use in our processes.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	We do not use in our processes.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	We do not use in our processes.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	We do not use in our processes.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	We do not use in our processes.
Third party sources	Relevant	106.16	Lower	In 2019, we withdrew 108.5392 megaliters, In 2020, we withdrew 106.1616 megaliters. This is a 2.19% decrease.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	All our water discharges go into a sanitary sewer system or a publicly approved waste system.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	All our water discharges go into a sanitary sewer system or a publicly approved waste system.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	All our water discharges go into a sanitary sewer system or a publicly approved waste system.
Third-party destinations	Relevant	106.16	Lower	In 2019, we discharged 108.5392 megaliters, In 2020, we discharged 106.1616 megaliters. This is a 2.19% decrease.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not treat any of our discharges that leave our facilities as all discharges go into sanitary sewer systems or publicly approved waste systems.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not treat any of our discharges that leave our facilities as all discharges go into sanitary sewer systems or publicly approved waste systems.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not treat any of our discharges that leave our facilities as all discharges go into sanitary sewer systems or publicly approved waste systems.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not treat any of our discharges that leave our facilities as all discharges go into sanitary sewer systems or publicly approved waste systems.
Discharge to a third party without treatment	Relevant	106.16	Lower	1-10	In 2019, we discharged 108.5392 megaliters. In 2020, we discharged 106.1616 megaliters. This is a 2.19% decrease.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not treat any of our discharges that leave our facilities as all discharges go into sanitary sewer systems or publicly approved waste systems.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our customers or other value chain partners

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

We make available to our customers as to what we are doing to conserve water when they ask. They can see for themselves what we are doing by reading our ESG Report.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Enterprise Risk Management

Tools and methods used

Other, please specify (We use a Kimball Electronics ISO 14001 Risk Assessment process.)

Comment

Each facility uses a Kimball Electronics process for ISO 14001 Risk Assessment. We have used this type of process since 2004. All of our EMS and DCMS facilities are registered, and one of our GES facilities is registered to the ISO 14001 Standard. They undergo surveillance audits each year and re-registration audits every third year.

Supply chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

We do not address this issue with our supply chain at this time.

Other stages of the value chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

We do not address this issue at this time.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Not relevant, explanation provided	Our water comes from outside approved vendors who meet the national and local regulations.
Water quality at a basin/catchment level	Not relevant, explanation provided	Our water comes from outside approved vendors who meet the national and local regulations.
Stakeholder conflicts concerning water resources at a basin/catchment level	Not relevant, explanation provided	Our water comes from outside approved vendors who meet the national and local regulations.
Implications of water on your key commodities/raw materials	Relevant, sometimes included	We are attuned to the water needs in the areas we get parts from, so this is a consideration of future business opportunities.
Water-related regulatory frameworks	Relevant, always included	We are attuned to the regulatory agencies that oversee water in our locations around the world. We respond accordingly.
Status of ecosystems and habitats	Relevant, sometimes included	Where defined by local law, we are very aware of this (Tampa, Florida, USA)
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	In all of our facilities we receive water for drinking and other needs from vendors who are approved locally and meet all the appropriate national regulations.
Other contextual issues, please specify	Not considered	Not included.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Our customers are our business, and, at this time, water issues are not in their areas of concern. We do keep them advised as to what we are doing concerning water when they question us. We also report our progress in our annual ESG Report.
Employees	Relevant, always included	We state in our Guiding Principles that our people are the company. We make sure we assess all their needs concerning water issues. We also request their help in the proper use of water in our processes and systems.
Investors	Relevant, always included	Beginning in late 2019 we established an Environmental, Social and Governance Report in which we have a stated a water consumption reduction goal. This was updated in 2020.
Local communities	Relevant, always included	The greatest contribution that we can make to the local communities in which we operate is for Kimball Electronics to be a dynamic, growing company.
NGOs	Relevant, sometimes included	When a non-governmental organization comes to our facilities, we will work with them to answer their questions or assist them in their need, as best we can.
Other water users at a basin/catchment level	Not considered	We do not have these in our facilities.
Regulators	Relevant, always included	We try to maintain relationships with the local and national governments in the communities we are located.
River basin management authorities	Relevant, always included	Where our facilities fall in river management areas we to maintain relationships with the local and regional authorities in the communities we are located.
Statutory special interest groups at a local level	Relevant, sometimes included	We are open to working with local special interest groups in the communities in which our facilities exist.
Suppliers	Relevant, sometimes included	Suppliers, meaning our vendors, we do not consider them in our water discussions at this time. If a process would demand a discussion be made, we will bring in our suppliers.
Water utilities at a local level	Relevant, always included	We maintain personal contact with the utility companies (water suppliers) to our local locations.
Other stakeholder, please specify	Relevant, sometimes included	Stakeholders in our company do follow up on what we are doing to enhance our world.

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

In our ESG Report we state that we will reduce our water usage by 20% by the end of the year of 2025. Every facility is making a point to monitor their usage in this area. We follow up on these numbers every quarter with our Safety, Environmental, and Facilities Council.

In our production facilities, we use a risk assessment process as part of our ISO 14001 Environmental management system that addresses aspects that have an effect upon the environment. Water is reviewed in some locations for various reasons. If the issue becomes a Significant Environmental Aspect, then that location develops an Action Plan to work to resolve the challenge.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Kimball Electronics, Inc., (KEI) is a leading contract manufacturer of durable goods electronics serving a variety of industries on a global scale. A substantive financial impact on a corporate scale would be, as appoint of reference, a 5% net income loss. An example of this would be if the cost of environmental compliance, related to disposal of any unused drug we process through a drug delivery device business, were greater than 5% of net income, KEI would likely result in either a change in our pricing strategy or begin to exit that business. A substantive impact on our operational direction would be something that would impact or impede our ability to execute our strategic plan. A substantive impact on our strategic direction would be one that cause KEI to make an unplanned change in our direction.

On the business unit level basis, a substantive impact could be the greater of 5% of net income or $200,000. This will prevent the smaller business units from having too small a number for substantial criteria. Other substantive impacts could come from a variety of factors to that specific facility. These factors could range, as examples, from a customer not maintaining their projected growth numbers; a major cost disagreement caused by something not already covered in sales agreements; or, a parts supply issue. The individual facility would work closely with KEI leadership as they develop a plan to overcome these impacts.

It is important to note that Kimball Electronics, Inc., continues to make the customer the focus of everything we do. When we are faced with something that causes a substantive impact on our business, this becomes a major concern. We respect our customers as we want them to be successful, yet, KEI wants the same success. As we work to correct the impacts, we work to keep all customers a successful enterprise.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	4	26-50	We have 4 facilities that we consider are exposed to a water risk out of a total of 14 plants. This is 28.5% of all our plants.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

China	Yangtze River (Chang Jiang)

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

11-20

Comment

We have 1 facility that is in a flood plain and their percentage of global revenue is about 11.5%.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America	Other, please specify (The State of Florida, city of Tampa)

Type of risk & Primary risk driver

Physical	Severe weather events

Primary potential impact
Closure of operations

Company-specific description
Our water risk is due to the damage from severe hurricanes. This could lead to the facility being closed due to flooding and damage up to complete closure caused by the weather demolishing the building.

Timeframe
1-3 years

Magnitude of potential impact
High

Likelihood
About as likely as not

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
3000000

Potential financial impact figure - maximum (currency)
200000000

Explanation of financial impact
The minimum would be a short term closure due to the severe weather and not allowing employees to come to work. The maximum impact would be the rebuilding of the building. This does include the loss of the customers business due to the damaged facility.

Primary response to risk
Amend the Business Continuity Plan

Description of response
We have in place a very active Business Continuity Plan (BCP) that is assessed on an annual basis. Kimball Electronics is now doing an assessment of each facility on an annual basis to ascertain that the BCP is being reviewed and updated by the local business unit.

Cost of response
20000

Explanation of cost of response
This cost is for each unit to test, review and update their BCP on an annual basis. This is for the time of the people involved in doing this procedure.

Country/Area & River basin

Mexico	Other, please specify (The city of Reynosa, Mexico)

Type of risk & Primary risk driver

Physical	Severe weather events

Primary potential impact
Closure of operations

Company-specific description
Our water risk is due to the damage from severe hurricanes. This could lead to the facility being closed due to flooding and damage up to complete closure caused by the weather demolishing the building.

Timeframe
1-3 years

Magnitude of potential impact
High

Likelihood
About as likely as not

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
3000000

Potential financial impact figure - maximum (currency)
200000000

Explanation of financial impact
The minimum would be a short term closure due to the severe weather and not allowing employees to come to work. The maximum impact would be the rebuilding of the building. This does include the loss of the customers business due to the damaged facility.

Primary response to risk
Amend the Business Continuity Plan

Description of response
We have in place a very active Business Continuity Plan (BCP) that is assessed on an annual basis. Kimball Electronics is now doing an assessment of each facility on an annual basis to ascertain that the BCP is being reviewed and updated by the local business unit.

Cost of response
20000

Explanation of cost of response
This cost is for each unit to test, review and update their BCP on an annual basis. This is for the time of the people involved in doing this procedure.

Country/Area & River basin

Thailand	Other, please specify (The city of Laem Chabang, Thailand)

Type of risk & Primary risk driver

Physical	Flooding

Primary potential impact
Disruption to workforce management and planning

Company-specific description
During the monsoon season, heavy rains can bring flooding to the region around our facility. This may prevent our employees from being able to get to the location and will affect our production capabilities.

Timeframe
Current up to one year

Magnitude of potential impact
Medium-high

Likelihood
About as likely as not

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
3000000

Potential financial impact figure - maximum (currency)
200000000

Explanation of financial impact
The minimum would be a short term closure due to the severe weather and not allowing employees to come to work. The maximum impact would be the rebuilding of the building. This does include the loss of the customers business due to the damaged facility.

Primary response to risk
Amend the Business Continuity Plan

Description of response
We have in place a very active Business Continuity Plan (BCP) that is assessed on an annual basis. Kimball Electronics is now doing an assessment of each facility on an annual basis to ascertain that the BCP is being reviewed and updated by the local business unit.

Cost of response
20000

Explanation of cost of response
This cost is for each unit to test, review and update their BCP on an annual basis. This is for the time of the people involved in doing this procedure.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Other, please specify (Our supply chain is given to us by our customers when we are contracted to do the business. We have no choice in who we can use.)	At this time, we have not addressed the supply chain water risks as we must use the vendors that our customers contracts detail to us.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Efficiency

Primary water-related opportunity
Improved water efficiency in operations

Company-specific description & strategy to realize opportunity
In our company, one of our ESG goals is to reduce or water usage by 20% by the end of year 2025. Many of our locations are already developing programs to decrease their water usage while finding ways to re-use water that comes from our processes and is available to be used elsewhere. In some locations we are limiting the water to be used for irrigation of landscaping purposes. In others, we are collecting rainwater and using it for lawn / landscaping irrigation. Many locations on the EMS side have water wash equipment and here we use a filtering process on the water so that it may be used over and over.

Estimated timeframe for realization
4 to 6 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
At the current time we do not have a process in place to estimate the monetary savings or reductions will have based on our many locations involved. This is a process for us to research for the future.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
Nanjing, China

Country/Area & River basin

China	Yangtze River (Chang Jiang)

Latitude
31.8958

Longitude
-118.835

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
20.22

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
20.222

Total water discharges at this facility (megaliters/year)
20.22

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
20.222

Total water consumption at this facility (megaliters/year)
20.22

Comparison of total consumption with previous reporting year
Lower

Please explain
In 2019 we had water consumption of 22.678 megaliters while in 2020 our consumption was 20.222. This shows a decrease in the amount of consumption.

Facility reference number
Facility 2

Facility name (optional)
Tampa, Florida

Country/Area & River basin

United States of America	Other, please specify (The city of Tampa, Florida)

Latitude
28.0675

Longitude
82.6464

Located in area with water stress
No

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
4.53

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
4.538

Total water discharges at this facility (megaliters/year)
4.53

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
4.538

Total water consumption at this facility (megaliters/year)
4.53

Comparison of total consumption with previous reporting year
Higher

Please explain
In late 2019 and early 2020, we experienced a malfunctioning water measurement valve. This gave us erroneous information for the 2019- year total.

Facility reference number
Facility 3

Facility name (optional)
Reynosa, Mexico

Country/Area & River basin

Mexico	Other, please specify (The city of Reynosa, Mexico)

Latitude
26.0333

Longitude
98.2194

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
20.43

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources

20.434

Total water discharges at this facility (megaliters/year)
20.43

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
20.434

Total water consumption at this facility (megaliters/year)
20.43

Comparison of total consumption with previous reporting year
Lower

Please explain
At our location in Mexico, we have managed to work with our processes and our people in decreasing our use of water.

Facility reference number
Facility 4

Facility name (optional)
Laem Chabang, Thailand

Country/Area & River basin

Thailand	Other, please specify (The city of Laem Chabang)

Latitude
13.0847

Longitude
-100.92

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
28.9

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
28.903

Total water discharges at this facility (megaliters/year)
28.9

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
28.903

Total water consumption at this facility (megaliters/year)
28.9

Comparison of total consumption with previous reporting year
Lower

Please explain
This is a facility that has worked to decrease their usage. They are using rainwater and HVAC condensation water to irrigate their landscaping which decreases the use of supplied water.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

Water withdrawals – total volumes

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water withdrawals – volume by source

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water withdrawals – quality

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – total volumes

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – volume by destination

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – volume by treatment method

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – quality by standard effluent parameters

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – temperature

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water consumption – total volume

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water recycled/reused

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
No

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?
Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	We released our second annual ESG Report in 2020 that include a goal of water reduction. This report is under his direction.
Chief Risk Officer (CRO)	Under his direction, the Director of Safety, Environmental and Facilities (SEF) oversees all the SEF Managers at our various locations. They are the ones who record all the necessary measurements that we use in our reports.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy	On an annual basis, the ESG Report is reviewed at the Board of Directors meetings. Additionally, they review the measurement and implementation of projects that affect how we are responding to our company wide goals and how we are achieving these.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Risk Officer (CRO)

Responsibility
Other, please specify (Oversees the employees who address the assessment, implementation and management of our water-related issues.)

Frequency of reporting to the board on water-related issues
Annually

Please explain
When the annual ESG Report is developed, it is placed on the Board agenda for review. Additionally, this position, on an annual basis, reports on what we are doing to our measurement within our Sustainability Strategy. It is to be noted, that as other environmental matters arise or issues become relevant, these will be added to the Board of Directors agenda.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	At this time incentives for water related issues are not under consideration.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?
No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Our first annual ESG Report released in 2019 and a follow up report as issued in 2020 with a water reduction goal.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Our first annual ESG Report released in 2019 and a follow up report as issued in 2020 with a water reduction goal. Our SEF Council follows up on how we are meeting our goals on a quarterly basis.
Financial planning	Yes, water-related issues are integrated	5-10	If water issues become a major factor in our operations this becomes a major issue for our company. Each individual location monitors what is happening in their part of the world and makes sure it is not affecting our financial statements negatively.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)
0

Anticipated forward trend for CAPEX (+/- % change)
0

Water-related OPEX (+/- % change)
0

Anticipated forward trend for OPEX (+/- % change)
0

Please explain
At this time, water related capital projects and expenditures, other than paying for the water we use and discharge, do not factor into our business decisions. When they become a factor in how we can run our business, we will react to it in our future planning.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	No plans for the next two years	At this time, we have no plans.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?
No, and we do not anticipate doing so within the next two years

Please explain
The pricing for the water we would use comes from the vendors who supply the water. Each location deals with their local vendor concerning costs.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Our first annual ESG Report released in 2019 and a follow up report in 2020 was made with a water reduction goal. This gives us a company wide goal for water. The sites and locations set targets and goals that are established by using their ISO 14001 Risk Assessment process. All are monitored at the corporate level.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Monitoring of water use

Level
Company-wide

Primary motivation
Corporate social responsibility

Description of target
By 2025, we will reduce our water usage by 20% based on gallons used.

Quantitative metric
Other, please specify (gallons used)

Baseline year
2019

Start year
2020

Target year
2025

% of target achieved
4.7

Please explain
We are now one year into our 5-year goal. At this time, we did reduce our use of water by 4.7%, based on using 29,397,361 gallons in 2019 as compared to 27,995,425 gallons in 2020 (or, in CDP terms, 111.269 megaliters in 2019 versus 105.962 megaliters in 2020).

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Other, please specify (20% reduction in water usage)

Level
Company-wide

Motivation
Reduced environmental impact

Description of goal
Our goal is that by the end of year 2025 we will reduce our water usage by 20% (in gallons used).

Baseline year
2019

Start year
2020

End year
2025

Progress
We have shown a 4.7% decrease in our first year of effort.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

We have recently established a water reduction goal for our company wide locations. We are asking each location to develop plans to reduce their usage of water and work towards this company wide goal. At this time, we have one customer asking us to fill out the CDP Water Security Response but have no projects in development with them.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	1204294555

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

We do not have this data but we intend to collect it within two years

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Yes, for all facilities	

SW1.2a

(SW1.2a) Please provide all available geolocation data for your facilities.

Identifier	Latitude	Longitude	Comment
KEMX in Reynosa, Mexico	26.0333	98.2194	
KETL in Laem Chabang, Thailand	13.0847	-100.92	
KECN in Nanjing, China	31.8958	-118.835	
KEJ in Jasper, Indiana, USA	38.4008	86.9175	
KEPS in Poznan, Poland	52.4522	-16.7025	
KERO in Timisoara, Romania	45.7823	-21.3559	
KEIND West in Indianapolis, Indiana, USA	38.8097	86.0611	
KEIND East in Indianapolis, Indiana, USA	38.8103	86.06	
KETA in Tampa, Florida, USA	28.0675	82.6464	
KEHQ in Jasper, Indiana, USA	38.3714	86.9522	
GES-CN in Suzhou, China	31.304955	120.664835	
GES-SJ in San Jose, California, USA	37.227085	121.79367	Office structure
GES-VN in Saigon, Viet Nam	10.81296	106.640037	
GES-IN in Kerala, India	8.569368	76.890643	Office Structure
GES-Japan in Mihama-ku Chiba, Japan	35.647418	140.035095	Office structure

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

Requesting member
Johnson & Johnson

Category of project
Relationship water assessment

Type of project
Other, please specify (We will work to reduce our water reduction usage per our 2025 goal.)

Motivation
To be proactive in the environment around us.

Estimated timeframe for achieving project
4 to 5 years

Details of project
For all our locations to work to reduce their usage of water in their processes.

Projected outcome
To achieve a 20% reduction in our water usage, as compared to 2019, by the end of year 2025.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?
No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Customers	Public	<Not Applicable>

Please confirm below
I have read and accept the applicable Terms