

## 2021 Greenhouse Gas Emissions Report

Date: April 2022

From our documentation in the CDP (Carbon Disclosure Project) for the calendar year 2021, we want to disclose how Kimball Electronics has performed with regards to our Greenhouse Gas (GHG) emissions. We continue to record 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 CO<sub>2</sub>e).

The facilities reporting Greenhouse Gas (GHG) emissions are:

- our EMS locations in the United States (3), Mexico, China, Thailand, Poland, and Romania, and
- our GES locations in the United States, Japan, China, Vietnam, and India.

We would also point out that our results have been affected by the worldwide Coronavirus in 2020 and 2021.

First, let us address the emission totals (based on calendar year 2021) 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 CO<sub>2</sub>e) did show a decrease when compared to 2020. In 2021, we had a decrease of 1.86% from 2020. This is our fourth consecutive year of decreases since 2017.

Year	Scope 1 MT CO <sub>2</sub> e emissions	
2021	1,101.85	Decrease of 1.86% from 2020
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 2021, we did decrease emissions by 15.05% from our 2020 emissions. We wish to state that all facilities were moving to begin running full schedules in 2021. The Coronavirus affected every facility and their production schedules during the past two years.

Despite a slight reduction in production time we still had to use electricity and or steam to cool and heat our facilities. We continue to address programs that will decrease electrical usage on a plant by plant basis. Each facility continues to drive to use more effective and efficient technologies such as LED lighting, more efficient replacements for older equipment, the use of variable drive equipment, and implementing renewable energy sources.

Year	Scope 2 MT CO <sub>2</sub> e emissions	
2021	41,342.58	Decrease of 15.05% from 2020
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 to produce electricity. In this case, a negative number has a better effect upon

the environment. In 2021 we saw a decrease in the amount of emissions (43.88%), when compared to 2020. At a higher-level view, this means we reduced the materials sent to the landfill itself.

Year	Pounds sent to the landfill	Scope 3 MT CO <sub>2</sub> e emissions Landfill Waste	Scope 3 Emissions Compared to previous year
2021	740,953	-21.35	Decrease 43.88%
2020	830,540	-38.05	Decrease 5.48%
2019	990,201	-40.26	Positive 25.89%
2018	723,938	-31.98	Positive 38.14%
2017	568,467	-23.15	N/A

- A review of our Recycling and Material Reuse numbers, we again show a very positive end result that we did decrease our GHG numbers. The goal of our facilities is to recycle more of the waste we generate, yet in 2021 we saw a decrease. Our emissions show a decrease by 2.01% when compared to 2020.

Year	Pounds of material Recycle or Reused	Scope 3 MT CO <sub>2</sub> e emissions Recycling & Material Reused	Scope 3 Emissions Compared to previous year
2021	10,216,982	-1,348.00	Decrease 2.01%
2020	9,681,190	-1,375.65	Positive 0.77%
2019	10,485,754	-1,365.08	Positive 3.46%
2018	11,945,211	-1,319.31	Positive 14.08%
2017	11,139,894	-1,156.38	N/A

Overall, when we take all our emissions and “normalize” the numbers based on the number of units produced, we do show a positive year for Kimball Electronics. To get to this number, we add all the 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 CO<sub>2</sub>e per unit produced (as shown below).

Overall, we saw our production (number of units produced) increase by 6.67%. This is attributable to the changes Kimball Electronics made as we have worked to recover from the worldwide challenges of the Coronavirus.

With this increase in production numbers, we did see an overall decrease in our total GHG emissions per unit produced.

Year	Total Emissions (in metric tons of carbon dioxide equivalents- MT CO <sub>2</sub> e)	Number of Units Produced	MT CO <sub>2</sub> e per Unit Produced	Compared to previous year
2021	41,075.09	78,056,315	.000526	20.4% decrease
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 2021, Kimball Electronics decreased the metric tons of carbon dioxide equivalents per number of units produced by 20.4% as compared to 2020. It should be noted that each facility was taking precautions to keep our employees safe while following local regulations due to the Coronavirus during 2020 and 2021. Our facilities were kept operational as we worked to meet our customers’ demands.

Within Kimball Electronics, we demonstrate our company purpose of “Creating Quality for Life” in both our local communities and the world. We strive to live to “Our Guiding Principles” where we state:

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

